

Islamic-Based Hierarchical Consumption: Guide for Muslim Consumer

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ABSTRACT

Aspects of consumption are becoming increasingly important as the current approach fails to solve many collective socio-economic phenomena that lead to poverty, hunger and unemployment. There is no doubt that the current approach is either in the form of concepts, principles, theories or models that have been used to analyse and understand the discipline of consumption in theory and practice. However, the current approach which is based on 'tasawwur' and Western epistemology are not suitable to be applied to the culture of the East, especially the Muslim community because of the differences in background beliefs, culture and environment. This reality highlighted the importance of Islamic approach. However, the existing of Islamic approach is smaller compared to its conventional counterparts. It justifies building a new approach that reflects on 'tasawwur', epistemology and the ontology of Islam.

Keywords: Hierarchical Consumption, Muslim Consumer, Socioeconomic, Islamic Approach

INTRODUCTION

Humans are gifted by Allah Almighty the ability to make choices and determination to achieve their life goals. It is in keeping with human trust as the caliphate on earth, prospering and developing it. The will and ability to make choices that humans have are different from those of other beings. It is by this nature that every human being is entrusted with that trust and the responsibility from Allah Almighty. As His word implies:

“Indeed, we offered the Trust to the heavens and the earth and the mountains, and they declined to bear it and feared it; but man [undertook to] bear it. Indeed, he was unjust and ignorant” (al-Ahzab, 33:72).

The question of trust in developing and prospering the earth is a multi-faceted discussion and understanding that produces a variety of theories and models in economics including the aspects of consumption. This is especially crucial when it comes to human resource management and Divine gift of natural resources. Islamic *Shari'ah* imposes strong principles for ensuring fairness, equality and stability in the usage of

activities in line with the ideal nature of Shari'a. One of the principles is to choose and determine the hierarchy (*awlawiyyat*) used. This is fundamental, to realizing the purpose of human life.

HIERARCICAL CONSUMPTION

The term hierarchy (*awlawiyyat*) is a new term that scholars have introduced in their writings. However, the practice has existed since ancient times. It was practiced by Rasullulah SAW, his companions and scholars' especially in determining an action in general. Yusuf al-Qaradhawi (2009) defines order (*awlawiyyat*) as putting everything in the form of law, values and implementation, based on *Shari'ah* and common sense. The hierarchy can be summed up to three:

- **Daruriyyat** (the basic necessities), which is the absolute essential for human lives (survival).
- **Haajiyyat** (requirement to live), which is a very difficult to do when it is gone (avoid hardship).
- **Tahsiniyyat / Kamaliyyat** (to complement) is a complementary that decorates or adds to life.

ISSUES OF CONSUMERISM

Various aspects of knowledge, the use of knowledge, values, attitude or practices have always been the focus of discussion and research by all parties regardless of the level of development and progress of a country. In undeveloped countries, consumption concerns and challenges are more focused on the inadequacy of basic needs such as food, housing, education and health. Whereas in the developed countries, the problems and challenges are more focused on the extreme use of environmental, its effects and the quality of life (Laily, 2009).

Consumerism issues are becoming increasingly important at all levels of society. This is because of the changes in the current world economy that have directly affected consumers regardless of their income (Ahmad, 2011). The existence of many theories and models of consumerism behaviour do not seem to be able to educate individual consumers of ethics especially in addressing problems of consumption such as wastage in resources, labour, capital, unemployment, inflation, bankruptcy and others.

In Malaysia, for example, as in the end of June 2016, Malaysian household debt stood at RM889.5 billion which is 88.9 percent of GDP (Online messenger, 2017). The credit card debt increased by RM34,834.6 billion in 2016 compared to RM33,516.6 billion in 2015 (Credit card operations in Malaysia, 2016). While from January 2010 to April 2016, 107,000 individuals were declared bankrupt, of whom 23,484 were youths aged between 25 and 34 years old. The three main causes of bankruptcy are personal loans of 28.3%, rental purchase of vehicles 25.6% and housing 13.6% (Department of Insolvency Malaysia, 2016)

The above data shows that consumption activities that often contribute to the economic growth have begun to cause problems in society. It is even more worrying that the economic sectors, especially the banking institutions, are taking advantage of the issue. In addition, the community are lacking discretion in the expenditure of consumption. Hence, in turn, invites various economic problems such as waste, bankruptcy, unemployment, poverty, inflation and others.

Excessive and unbalanced use of resource without proper adherence will have an impact on society's economic turmoil, both internationally and locally. This will lead to socio-economic inequalities of the people, especially to the lower income group. The existing problems cannot be solved well despite various theories, models and approaches to use. This situation provides a rather interesting subject to study.

This may be due to an aspect of education that fails to provide an understanding or that the ability to alert someone to realize the importance of ethical consumption. It is also possible that existing knowledge of applications that refer to conventional theories or models are not able to provide accurate remedies instantly. Undoubtedly, the various existing theories and models in the context of conventional consumption have contributed significantly to the consumer community especially in making selection, purchasing or

selecting of desired goods and services. This can be seen through the theory of Post-Keynesian Theory, Behaviour Economics and Hierarchy of Needs Theory. These theories are used to study consumer behaviour. In order to see the effectiveness of consumers, one can refer to the theory of Perceived Consumer Effectiveness and Willingness to Pay and Belief Theory (Value Belief Norm Theory). These theories discussed the values and behaviour of the consumers (Faiers *et al.*, 2007).

The theories mentioned above successfully reflect social reality at the individual, group or organization level and generally form patterns of consumption within the consumer community. However, all of these approaches serve as analytical tools but at the same time are not inclined to social reality according to the true Islam teachings. Muhammad Syukri (2008) has given three reasons:

- i. Conventional analysis tools can only be used through observation and data analysis due to the various variables. The supposedly scientific nature of things is real although some might include things that are not real too.
- ii. This analytical tool only responds to social reality using *daruri* (science) and *dalil aqli* (logic). The knowledge of the *nadhari* (intellect) and the *naqli* (revelation) have an authorised value of validity and reliability, and are able to reveal the past, present and future reality.
- iii. The application of the *daruri*; knowledge of the aqli proposition to this analysis tool is only to reach the level of *ainul-yaqeen* or to the highest degree only in the scientific knowledge. However, it is still unable to reach the level of the *haqqul-yaqeen* which is a prerequisite for the believer and the person's fear of Allah S.W.T (Ahmad, 2011).

This limitation has led to the increase in spending due to credit card abuse, waste, bankruptcy and also the opposition in faith. This aspect is considered foreign in the context of conventional research that focuses only on total household income, total disposable income, and number of dependents. This limitation leads to the justification of the need to introduce the Islamic-based Dedicated Concept of Use concept as a new discipline along with its definitions, concepts, theories, models and approaches that underpin Islam, *tasawwur*, epistemology and Islamic ontology. The model can be shown as follows:

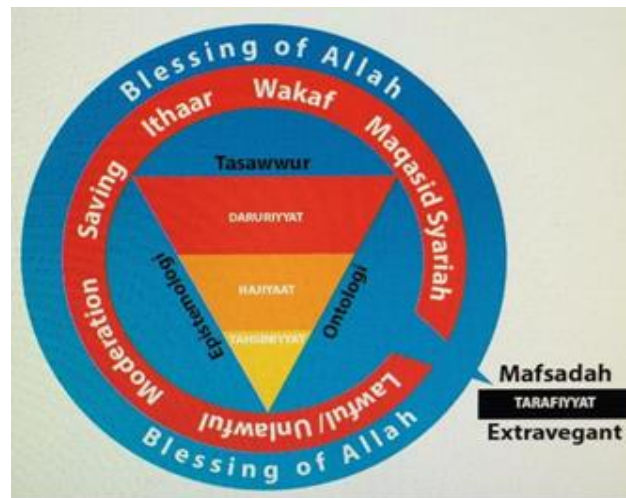


Figure 1: Model Concepts of Islam-Based Hierarchy Consumption

MODEL CONCEPTS OF ISLAM-BASED HIERARCHY CONSUMPTION

The model was developed through a literature research and interviews with five experts in the areas of law, Islamic economics, Islamic Consumers, Syariah Penalists and Islamic NGOs in the field of consumerism. In-depth discussions and debates on the various themes and elements and formulations of the concept have given rise to a more holistic model of Islamic-based hierarchical usage, especially in theory and practice. The discussion is as follows:

From a theoretical point of view

The concept model has successfully presented a more holistic and practical theory with the emergence of other kind of goods which are *daruriyyat*, *hajiyyat*, *tahsiniyyat* / *kamaliyyat* to other kind of goods, namely *tarafiyyat*. Some consumers did not use the above kind of goods and the original hierarchy of the concept. Its existence serves as a warning against being trapped in the use of harmful or dangerous items. This type of item is also discussed by Islamic economists and the reviews by experts themselves should be used as a barrier to avoid from using it as it brings damage and loss to the allotted resources. As a result, consumers are exposed to the worldview or usage frameworks that Islam wants to not only to organize according to priority requirements but also to achieve the *sharia maqasid* and the will of Allah.

Secondly, the concept model is able to erase the assumptions inherent in conventional economic theories in terms of the basis, scope and methods used that are not in line with Islamic economics. For example, it refers to the conventional definition of economics that defines economics as: “The knowledge that debates how to manage limited resources for a variety of alternative uses” (David Hyman, 1993). Conventional economists assume that economic resources are limited while human needs are unlimited as well as solving economic problems by referring to the capitalist, socialist or mixed economic system. This denies the sovereignty of Allah that has provided ample economic resources to mankind. According to the word of Allah Almighty:

“HE to whom belongs the dominion of the heavens and the earth and who has not taken a son and has not had a partner in dominion and has created each thing and determined it with [precise] determination.” (al-Furqan, 25:2)

The issue of value-free in conventional economic theory claims that it is independent of value (Abdul Mun'in, 1993). This statement is true only to the extent that conventional models have no ethical variables. This is because all behaviours of consumer are in line with the existing societal values. In fact, ethical values are the motivation for economic activities. Therefore, Western values are not the same as Islamic values when it comes to consumer sovereignty; denying any religious right to impose restrictions on certain items. For example, conventional liberal philosophy allows any form of money investment to involve with usury (*riba*).

The basic assumption of conventional economics also states that individuals who seek to maximize their utility (satisfaction) will be considered rational when using the limited resources available to them. Individual satisfaction is associated with physical and mental satisfaction of the goods and services used. Maximizing utility means minimizing the direct costs incurred by individual users and allowing social costs to be borne by society. The desire for satisfaction is to be maximized by “economic men”. Economic people are materialistic individuals. Their behaviour is selfish, without any concern or responsibility towards others. Economic activity is based on money with no moral and spiritual value. Thus, it is possible for humans to be unbalanced in their nature.

All of the above assumptions are contradictory and are not valid in Islam.

Practicality

First, the impact of the concept model on the economy is based on the success of this study, resulted into being a short-term solution before it becomes a key element in the nation's economic development. At least the position of property and wealth in a country can be distributed fairly to the rightful owners. Among these are the rights of those who are below the poverty line, of the poor and of the disadvantaged. The surplus needs of the *hajyyat*, *tahsiniyyat* and *kamaliyyat* should be distributed to those who need the basic necessities (*daruriyyat*).

Understanding the priorities (hierarchy) of consumption will create a market mechanism that has quality, balance and meets the human needs. Using this understanding will create a number of situations including:

i. Consumers' Request Pattern

Understanding the hierarchy of goods and services needs affects consumer's behaviour and thus affects the demand for consumption. The use of *Shari'ah*-based emphasis on halal and the quality of goods and services will impose restrictions on every use, especially illegal and abusive products. Abandonment of prohibited acts such as drinking alcohol, gambling, adultery and the like affects the demand for the production of illegal products. For example, liquor, all components involved in the production of liquor such as appliances, factories and vineyards and others alike are affected.

Likewise, the awareness of the ubiquity of the consumption of local goods and services has affected its demand. As a result, the local industry will grow to meet all kinds of needs for the community, while providing employment opportunities and also limiting the flow of foreign currency. Clearly the understanding of the legality of usage made in accordance with Islamic law and the importance of *maslahah* will influence the pattern of consumers' demand.

ii. Designing Quality Products

It is noted that in the economic debate, consumption activities are closely related to production of products. Consumption activity is the main catalyst for sustainability of production efforts. Therefore, the use of hierarchy in the selection of goods and services stimulates quality and balanced production activities. Quality production actually fulfils the importance of the human spirit and body from various angles in line with human nature.

iii. Increase Savings and Investment

The use or expenditure of control through the principles of *Shari'a* in appreciation of the principle of moderation creates a prudent attitude, thus increasing the amount of savings as the major source of investment. As such, investment will increase further by increasing the aggregate demand. This will impact sustainable economic growth. The impetus to reduce spending and increase savings only when society understood and is educated by the requirements of the *Shari'a* that is to practice spending in priority or hierarchy.

CONCLUSION

The economic downturn is essential to be the best solution from an Islamic perspective. This is because our country's current economic system is highly dependent on the debt industry. This is due to the colonialists' actions that allowed the practice of usury (*riba*) in Muslim countries as well as the

establishment in the banking sector. The sector is also expanding with a range of innovative and attractive debt products for consumers to take up.

Although the country's economy continues to grow at an alarming rate, the reality is debt levels are also raising. There is no end to it, thus the use the concept model is an ideal solution. The model referred to the Quran and the Sunnah of the Prophet, scholars, and experts in various fields, especially in Islamic economics. The current economic downturn can no longer be overlooked because ordinary or low-income people feel its effects. At the same time, the Muslim community must be taught about prudence expenses, and do not only based the purchase to what is desired. It is clear that the construction of the above concept model can be a concrete solution to the recent socio-economic problems occurred.

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