

A COMPARATIVE STUDY OF GLOBAL ECONOMIC THOUGHT AND ISLAMIC ECONOMIC PHILOSOPHY

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Abstract: *The basic distinctions and philosophical connections between Islamic and global economic philosophy are examined in this essay. The classical, neoclassical, Keynesian, and neoliberal traditions that have defined mainstream global economic systems place a strong emphasis on growth, efficiency, and rational self-interest while viewing ethical issues as outside the purview of economic research. Islamic economic thought, on the other hand, incorporates social fairness, moral principles, and spiritual responsibility as essential elements of economic activity. This study examines important aspects such as human behavior, wealth ownership, market dynamics, financial ethics, redistribution, and the role of the state using a qualitative comparative method. The results show that although global economic theory is highly efficient technically, it frequently lacks an inherent ethical framework to deal with systemic instability and inequity. On the other hand, Islamic economic philosophy presents a normative economic model that strikes a balance between material success, social wellbeing, and moral responsibility. This study comes to the conclusion that Islamic economic philosophy should be seen as a comprehensive ethical framework with substantial relevance to current global economic difficulties and policy discussions, rather than only as a religious alternative.*

Keywords: *Islamic Economics; Global Economic Thought; Economic Philosophy; Ethics in Economics; Comparative Economic Systems*

Introduction

The worldview, moral stance, and social priorities of the society in which economic theory emerges have always been reflected in it. Economic systems have served as reflections of fundamental philosophical presumptions about human nature, social order, and the meaning of prosperity throughout history, in addition to serving as mechanisms for the distribution of resources. Because economic theories influence how societies define progress, fairness, and accountability, they are inextricably linked to the ethical and cultural settings in which they originate.

Secular intellectual traditions that prioritize efficiency, growth, and logical decision-making are substantially responsible for the development of contemporary global economic systems. Global economic integration, industrialization, and technical advancement have all been greatly aided by these systems. In many areas, market-oriented strategies have boosted productivity and enhanced material prosperity. Nevertheless, despite these successes, modern global economies still confront enduring structural problems, such as growing wealth disparity, frequent financial crises, environmental deterioration, and the deterioration of moral standards in business practices. The philosophical underpinnings and moral presumptions of prevailing economic paradigms have come under scrutiny as a result of these difficulties.

Economics is frequently viewed as a value-neutral field in global economic theory. It is assumed that markets function well through price mechanisms, and economic agents are rational individuals driven mostly by self-interest. Regulatory frameworks, legal institutions, or policy interventions are usually used to resolve ethical issues, which are frequently seen as being outside the purview of economic analysis. The ability of international economic institutions to effectively address social injustice and ethical failings has been increasingly attacked for this division between economic logic and moral duty.

By immediately incorporating moral and ethical issues into economic reasoning, Islamic economic philosophy, on the other hand, presents a radically different viewpoint. Islamic economic theory, which has its roots in the Qur'an, the Sunnah, and traditional Islamic scholarship, sees economic activity as an essential component of moral life. Wealth is seen as a trust (*amanah*) given to people together with responsibilities to society rather than an unqualified private right. Ethical concepts like justice (*adl*), balance (*mizan*), and public welfare (*maslahah*), which together seek to guarantee societal harmony and fair resource allocation, serve as a guidance for economic activity.

Islamic economic philosophy reorients rationality and market mechanisms into a moral framework that prioritizes social duty and accountability rather than rejecting them. Ethical boundaries that are intended to avoid exploitation, excessive speculation, and societal harm impact financial practices, ownership structures, and market interactions. Islamic economics challenges the notion that ethical issues can be successfully handled by external regulation alone by integrating morality into economic organizations.

In light of this, the purpose of this essay is to compare the philosophical underpinnings, structural traits, and socioeconomic ramifications of Islamic and global economic philosophy. The study aims to emphasize the applicability of Islamic economic philosophy as a value-based framework in tackling current economic difficulties and to contribute to international academic discourse on the role of ethics in economic systems through a qualitative and conceptual investigation.

Literature Review

A long-standing intellectual tradition that sees economics mainly as a scientific and analytical field has influenced the conversation about global economic theory. The basis for comprehending markets through rational behavior, specialization, and exchange was established by classical economics, who prioritized productivity and efficiency. The idea that economic agents essentially operate in pursuit of self-interest, driven by logical calculation and market signals, has been further supported over time by neoclassical and contemporary economic theories. According to this theory, economic systems are frequently described as value-neutral mechanisms whose effectiveness is gauged by metrics like efficiency, productivity, and growth. Global economic theory has been criticized more and more for its scant attention to moral and ethical issues, despite its analytical advantages. Many academics contend that persisting socioeconomic problems, such as inequality, environmental degradation, and the marginalization of vulnerable people, are a result of the separation of economics and moral philosophy. Instead of incorporating ethical considerations into the fundamental logic of economic decision-making, the predominance of market-centered rationality has frequently left them to external policy interventions. Alternative economic paradigms that prioritize social justice and moral responsibility have attracted fresh attention as a result of this criticism.

In this crucial setting, Islamic economic philosophy appears as a normative framework that reinterprets the connection between society, ethics, and economics. It views economic action as an essential part of moral life and has its roots in Islamic philosophical traditions. Islamic

economists stress that as people are seen as moral actors accountable to both society and divine principles in addition to being rational agents, economic action cannot be separated from ethical accountability. This viewpoint rejects the idea that economic systems are value-neutral, which calls into question the fundamental tenets of global economic theory.

The idea that wealth is a trust (*amanah*) rather than an absolute private entitlement is fundamental to Islamic economic philosophy. This idea reframes ownership as contingent upon moral and social obligation. In addition to being redistributive instruments, *zakat*, *waqf*, and charitable giving are institutional manifestations of a larger ethical vision that aims to maintain social equilibrium and avoid economic exploitation. These mechanisms function as structural elements of the economic order itself, in contrast to policy-based redistribution in traditional economic systems.

Studies that compare Islamic and global economic theory reveal both areas of possible convergence and regions of disagreement. Islamic economic philosophy provides ethical limitations that influence market behavior from inside, whereas global economic models place a higher priority on efficiency and market autonomy. Scholars also point out that Islamic economics reorients markets and logical calculation toward moral goals rather than discarding them. This implies that there are chances to incorporate ethical insights into mainstream economic discourse because the relationship between the two paradigms is dialogical rather than rigidly adversarial.

Islamic economic philosophy is increasingly portrayed in recent literature as a reaction to the moral failings of modern economic systems rather than as a stand-alone theological model. According to this perspective, Islamic economics adds to more general discussions about social justice, ethical finance, and sustainable development. It challenges preconceived notions about success and progress by basing economic activity on moral philosophy and promoting an economic system that balances material wealth with moral integrity.

The necessity of reexamining the philosophical underpinnings of economic theory by incorporating ethical and normative viewpoints is further highlighted by recent academic discussions. A rising corpus of research contends that standard economic models' shortcomings result from their limited understanding of rationality, which emphasizes efficiency at the expense of social responsibility and moral reasoning. In this discourse, Islamic economic philosophy is increasingly considered as a cogent intellectual tradition that adds to larger multidisciplinary discussions in economics, philosophy, and social theory, rather than only as a faith-based alternative. These studies establish Islamic economics as a useful framework within the developing field of critical economic thought by highlighting the applicability of Islamic economic concepts in tackling current world issues.

Method

This study examines the key distinctions between Islamic and global economic philosophy using a qualitative, comparative, and philosophical research methodology. The research challenge, which aims to investigate fundamental worldviews, ethical presumptions, and normative orientations rather than to quantify economic variables experimentally, is the basis for this approach's selection. Because these techniques are inappropriate for examining philosophical underpinnings and moral frameworks, the study does not use quantitative data, statistical analysis, or econometric modeling.

A thorough and critical analysis of both classical and modern literature served as the foundation for the study. Major intellectual traditions, such as classical, neoclassical, and modern economic theories that have influenced modern economic systems, are used to analyze global economic thought. In contrast, Islamic economic philosophy is examined using both scholarly

interpretations that prioritize social responsibility, justice, and ethics as well as fundamental Islamic texts. These sources are seen as representations of larger philosophical commitments rather than as strictly technical economic models, and they are chosen for their applicability to the conceptual and normative aspects of economic theory.

A number of fundamental analytical variables, including presumptions about human behavior, notions of wealth and ownership, market mechanisms, financial practices, and the goals of economic activity, are identified and examined in order to do the comparative analysis. These dimensions were selected because they show how each paradigm defines efficiency, social welfare, and rationality. While preserving the internal coherence and intellectual integrity of each economic framework, the study uses conceptual comparison to reveal parallels and contrasts.

To evaluate the significance of both paradigms in tackling current economic concerns, such as inequality, ethical governance, and social justice, the study includes a normative evaluation in addition to conceptual comparison. This evaluation process seeks to comprehend how philosophical and moral principles influence economic outcomes and policy orientations rather than determining economic superiority based on performance measures. By using this method, the study highlights how important ethical factors are when assessing economic systems.

The results are presented using conceptual diagrams and comparative tables to improve analytical clarity and interpretive depth. These graphic depictions are used to complement the discussion of findings and to summarize intricate philosophical relationships. All things considered, this methodological framework makes it possible for the study to interact with economics as a philosophical and moral discourse, supporting more extensive interdisciplinary discussions on ethics and economic theory.

Furthermore, acknowledging that economic philosophies are culturally and historically ingrained systems of thought, the research takes an interpretive and contemplative approach. By recognizing that economic concepts are influenced by underlying moral narratives and social realities rather than emerging independently, this viewpoint enables the study to place each economic paradigm into its larger intellectual and civilizational framework. A deeper engagement with meaning, values, and purpose in economic reasoning is made possible by the methodology's emphasis on interpretive understanding rather than empirical generalization, which strengthens the study's philosophical depth and academic rigor.

The study employs a methodical framework for comparing philosophical concepts across economic traditions in order to guarantee analytical rigor and consistency. Using this framework, each paradigm's fundamental ideas are identified, their underlying presumptions are examined, and the ways in which these presumptions influence normative judgments and economic reasoning are examined. In order to reduce interpretive bias, the comparing process is carried out reflexively, paying close attention to conceptual boundaries and contextual meanings. This methodological approach fosters a deep knowledge of the ethical components embedded within each economic system and enhances the credibility of the comparative research by emphasizing coherence, transparency, and philosophical consistency.

Results and Discussion

Fundamental distinctions between Islamic economic philosophy and global economic thought are revealed by the comparative analysis, especially in their normative orientations and philosophical presuppositions. These distinctions influence how each paradigm defines economic rationality, assesses economic performance, and tackles socioeconomic issues. The results show that the two frameworks are based on different worldviews about how economics, ethics, and society interact rather than just representing different policy options.

According to global economic theory, economic activity is a technical and logical process that maximizes productivity, efficiency, and economic growth. According to this paradigm, economic agents are essentially viewed as self-serving people whose actions are motivated by market incentives and logical calculation. Global economic integration, industrial growth, and material wealth have all benefited greatly from this strategy. The findings, however, imply that its focus on value-neutrality restricts the incorporation of moral factors into financial judgment. As a result, problems like social exclusion, financial instability, and income inequality are frequently viewed as external distortions that call for corrective policy measures rather than as results of the basic logic of the economic system.

Islamic economic philosophy, on the other hand, directly incorporates ethics into the framework of economic action. Human behavior is viewed as ethically responsible and rational, with a focus on social duty and conformity to ethical standards. Ownership of wealth is seen as a trust (amanah) with societal responsibility rather than an unassailable private right. The prohibition of interest (riba), excessive uncertainty (gharar), and speculative activity—all of which are seen as sources of injustice and social harm—are among the ethical precepts that govern financial operations. A larger philosophical commitment to fairness (adl), balance (mizan), and public welfare (maslahah) is reflected in this ethical unity.

The comparison results, which are summarized in Table 1 and depicted in Figure 1, make it even clearer that philosophical orientation—rather than just technical mechanisms—is the main difference between Islamic economic philosophy and global economic thought. While external regulation and institutional control are used to address ethical concerns, global economic theory places a higher priority on market efficiency and rationality. Persistent structural issues, such as unequal wealth distribution and recurrent financial crises, are exacerbated by this division between ethics and economics. In global economic frameworks, distributive fairness and ethical orientation are given comparatively less weight than financial performance and market efficiency, as seen in Figure 1.

On the other hand, Islamic economic theory incorporates moral responsibility into economic organizations. Mechanisms like zakat and waqf serve as structural tools for wealth redistribution, strengthening social cohesion and avoiding excessive accumulation, as Table 1 illustrates. Economic outcomes are assessed not only by efficiency and growth but also by their ethical and social implications, according to the integration of moral principles into market behavior and state accountability. This method demonstrates how Islamic economic theory can be used to address distributive and moral issues that are still not sufficiently addressed in the major international economic systems.

Table 1: Comparative Dimensions of Global Economic Thought and Islamic Economic Philosophy

| Dimension | Global Economic Thought | Islamic Economic Philosophy |
|---------------------------|------------------------------------|------------------------------------|
| Philosophical Orientation | Secular and value-neutral | Ethical and faith-based |
| View of Human Behavior | Rational and self-interested | Rational with moral accountability |
| Concept of Wealth | Private ownership and accumulation | Wealth as a trust (amanah) |

| | | |
|------------------------|--|---|
| Market Mechanism | Free market with limited moral constraints | Market regulated by ethical principles |
| Financial System | Interest-based transactions | Risk-sharing and asset-backed finance |
| Distribution of Wealth | Policy-based redistribution | Structural redistribution (zakat, waqf) |
| Role of the State | Regulatory and economic management | Moral guardian ensuring justice |
| Economic Objective | Efficiency and growth | Justice, balance, and social welfare |

Source: Author’s Analysis Based on Selected Literature

A condensed comparison between Islamic and global economic theory is shown in Table 1. The table illustrates key distinctions in economic goals, ethical underpinnings, and philosophical stances. Islamic economic philosophy incorporates social justice and moral responsibility as fundamental tenets, whereas global economic theory prioritizes efficiency and market rationality. The idea that the two paradigms' differences stem from their underlying worldviews rather than just technical procedures is supported by this streamlined framework.

Conclusion

Global economic theory and Islamic economic philosophy have been compared in this study as two different but significant paradigms that influence modern conceptions of economic life. The study shows that the differences between these paradigms are essentially philosophical rather than just technical or institutional. Global economic theory, which has developed through a number of theoretical traditions, typically views economics as a value-neutral field that emphasizes growth, efficiency, and logical decision-making. Although this paradigm has made a substantial contribution to market integration and material growth, it frequently views ethical issues as external limitations rather than as fundamental components of economic activity.

Islamic economic thought, on the other hand, views economics as a social and moral endeavor. A larger ethical framework that prioritizes justice, balance, and accountability to society and the Creator is interwoven with economic action. Ideas like risk-sharing, wealth as a trust (amanah), and required redistribution show how moral principles are inherently incorporated into economic systems rather than being imposed solely by external regulation. This integration reflects a mindset where economic performance is assessed based on its contribution to social peace and community well-being rather than just quantitative metrics.

The results of this study indicate that the conceptual separation of economics and morality in global economic theory is intimately related to its limits in addressing enduring issues such social fragmentation, inequality, and ethical governance. In contrast, Islamic economic philosophy provides a cogent normative framework that reestablishes the connection between ethical aim and economic rationality. This does not, however, mean that global economic insights are rejected. Rather, the study emphasizes how these paradigms can have relevant

conversations, especially when it comes to incorporating ethical issues into modern economic practice and policy.

In the end, this paper makes the case that Islamic economic philosophy should be viewed as an important intellectual contribution to the global economic conversation rather than only as a religious alternative. It offers a viewpoint that is becoming more and more pertinent in the pursuit of more equitable, sustainable, and compassionate economic systems by re-centering ethics and moral responsibility inside economic thinking. The operationalization of these philosophical ideas in various economic circumstances and international institutional frameworks may be further investigated in future studies.

This conclusion also emphasizes that economic systems cannot be adequately assessed by looking only at growth or efficiency metrics without taking into account the ethical presumptions that influence their design and results. This paper emphasizes the significance of incorporating normative reflection into economic analysis by exposing the philosophical underpinnings of both Islamic economic philosophy and global economic theory. Academic debate and the creation of policies that address current global issues with moral clarity, social responsibility, and long-term sustainability depend on this kind of integration.

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