



THE ETHICAL CONCEPT OF PRODUCTION AND DISTRIBUTION IN ISLAMIC ECONOMICS FROM THE PERSPECTIVE OF M. N. SIDDIQI**Febintha Sistyamurti¹, Rokhmat Subagiyo², M. Aqim Adlan³**

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Abstract:

Islamic economics attempts to regulate human economic activities based on Sharia principles sourced from the Qur'an and Al-hadith. In Islam, human activities are not only assessed as worldly but also spiritually assessed or must think about life in the hereafter, including economic activities. MN Siddiqi focuses his thoughts on economic activities, namely, production, distribution, and takaful. This study aims to determine the concept of production and distribution ethics in Islamic economics from the perspective of M.N. Siddiqi by using a qualitative approach and library research in the form of books, journal literature, and other research results relevant to this research. Based on the results of the study, production, and distribution are activities whose main purpose is to meet the needs of all mankind. In Islamic economics, there is the concept of Islamic economic ethics so that production and distribution activities do not deviate from the main objectives. According to Muhammad Nejatullah Siddiqi, if the ethics of production and distribution are carried out honestly and fairly, it will have a good impact on the Islamic economy in its efforts to meet the needs of all people.

Keywords: production ethics, distribution, islamic economics, M. N. Siddiqi

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INTRODUCTION

Islamic economics is not only a study based on questions of value but also a scientific field. Often, Islamic economics is called Sharia economics, which contributes to national economic development (Fitria, 2016). The harmony of knowledge and values can make both concepts integral to building the integrity of social life. As a science, Islamic economics can be analyzed using knowledge methods so that Islamic economics can be studied, developed, and practiced (Isaac, 2015). Fulfilling the needs of human life, especially for Muslims, will always be the Sharia as a reference and guideline. Islamic law generally covers all aspects of human life and cannot be separated from the provisions and laws implemented in all forms of human charity, which are guided by the Qur'an and Sunnah of the Prophet Muhammad (Darwis & Zulaeha, 2022).

Production is an economic activity that cannot be separated from the divine starting point whose ultimate goal is for God or Allah SWT. A Muslim who works in the production sector is someone who aims to fulfill the commands of Allah SWT. In the Islamic economic system, the concepts and ideas of production are linked to the main goal to be achieved in Islamic economic activities, namely for the benefit of individuals and society in a balanced manner, according to Sharia (Isaac, 2015). The Islamic production concept is based on the Qur'an and Sunnah as a foundation for returning production activities to their original goal, namely improving human welfare, which not only fulfills life's needs but also as an effort to harmonize social justice and maintain the dignity of all mankind (Sukarno, 2019).

Meanwhile, distribution is the activity of conveying various economic resources to consumers or the public from producers who carry out production so that all needs are met evenly. In Islam, distribution aims to distribute economic resources evenly and maximize income or profits (Amelia & Fasa, 2022). Muhammad Nejatullah Siddiqi is one of the Islamic economic thinkers in the contemporary period, he made contributions to the economy, one of his thoughts is contained in his book entitled "The Economic Enterprise in Islam" (Saputra, 2021).

In the book, it is explained that one of his views regarding market mechanisms from the Islamic perspective is given great credence. Apart from that, there are other thoughts related to Islamic economics that are discussed, such as production ethics, distribution ethics, zakat, and so on (Darwis & Zulaeha, 2022).

According to M.N. Siddiqi, objective and subjective criteria must control the production system. These objective criteria will be reflected in the form of welfare, which is usually measured in financial terms, as well as subjective criteria in the form of welfare, which can be measured in terms of economic ethics, which is based on the commandments of the Al-Qur'an and Sunnah (Muchtar & Tidjani, 2022). Meanwhile, distribution in Islam is based on freedom and ownership. The Qur'an states that we should distribute one's sustenance or wealth to each other for the welfare of society (Amelia & Fasa, 2022).

METHOD

This research uses qualitative research methods with the type of library research by examining, digesting, reading, and analyzing books, journal literature, and other research results. Qualitative research is a type of research that obtains discoveries that cannot be obtained by statistical means of quantification or what is called measurement. Because this study is a further study to reach things that may not have been discussed in previous studies, especially regarding M.N. Siddiqi's thoughts on the ethics of production and distribution, based on this research approach, data that has been obtained from literature studies will then be edited, organized and analyzed using the deductive method. Then, the analysis process will take place in an organized manner, starting from data interpretation and text editing and arranged systematically and logically so that the resulting research becomes a complete and understandable conceptual construction.

RESULTS AND DISCUSSION

Islamic Economic Thought of Muhammad Nejatullah Siddiqi

In several of his works, M.N. Siddiqi tries to develop his economic thinking by trying to find intersections between Sharia rules and economics, where economics is part of the scientific discipline that he has mastered. Broadly speaking, his thinking is based on the basic principles of monotheism, Khilafah of worship, and takaful. From this foundation, he explained his thoughts by stating that Islam is a comprehensive way of life or teachings that comprehensively touch all aspects of human life. In its broad and complete nature, the application of Islamic teachings is not only for certain groups but is intended for all humans in order to achieve the goal of a perfect life. So, Islamic economics provides guidance that can be applied by anyone because it is universal (Qoyum, 2021).

Siddiqi formulated that a perfect Islamic economy has a unique goal, namely (Qoyum, 2021):

1. Fulfilling one's life simply

It is Sunnah that fulfilling life's needs is a religious responsibility because meeting life's needs is equally important in living life. Furthermore, Allah has guaranteed that he will give the perfect reward to anyone who tries to seek sustenance in the way of Allah in QS An-Najm in verses 39-41.

2. Meeting family needs

The Islamic religion really respects and appreciates its followers in seeking wealth to meet their own needs and those of their families. Apart from that, if needs are met properly, a prosperous family will be created.

3. Meet long-term needs.

The Islamic religion justifies storing necessities for long periods of time because Islam prohibits waste in life that only follows momentary worldly desires.

4. Providing for the needs of the families left behind

In QS An-Nisa' in verses 11, 12, and 176, Islamic inheritance law or the science of faraidh is explained. Because providing assets to meet the living needs of people under their care after someone dies is one of the characteristics of humanity.

5. Providing donations and social assistance in the way of Allah SWT.

The meaning is to fight for the wealth owned by a Muslim, and that is an obligation. An example is giving zakat.

The objectives mentioned above show that the Islamic economic concept includes personal needs and also concern for the social conditions of society. To achieve this goal, Siddiqi offers the following framework (Qoyum, 2021):

1. Allah SWT is the absolute owner of wealth (treasures). However, humans are allowed to obtain private ownership as long as they are within the limits of the rules and fulfill their obligations to each other.
2. Humans are given the opportunity to carry out various creations provided that they comply with limits and do not interfere with other interests, and all forms of creation must be within the scope of healthy competition.
3. Joint ventures must be a form of cooperation by implementing a profit-sharing system and bearing losses jointly.
4. Consultation and deliberation are the basis for making decisions.
5. In order to achieve goals in Islam, the state has the role of regulating individuals to align their lives in accordance with the Sharia or Islamic teachings.

In Islam, finance is not only created for the purpose of abundance, but the most important thing is to achieve the goal of the afterlife and blessings. This idea depends on monotheism, and the human role as a caliph is key for every Muslim (Rivaldi, 2021). In social life, every success in owning property through various economic activities, if it has reached a certain limit, then there are other people's rights, known as zakat (Nasir & Rahman, 2020).

According to Siddiqi, the concept of zakat is a unique concept in the Islamic religion, which has a wealth distribution mechanism. Because every acquisition of wealth always involves weak groups who help someone accumulate wealth. So, the distribution of wealth through the zakat mechanism is a form of gratitude to people who are less fortunate (Rivaldi, 2021). The logical consequence of implementing zakat is that the gap between rich and poor is not too deep. The destruction of social order is when life is disrupted due to the circulation of wealth only among certain groups so that poverty and crime become rampant.

Apart from that, Siddiqi's most prominent and contributing thoughts are regarding *takaful* or Islamic insurance. This *takaful* is a product that was born as a result of the rejection of conventional insurance, which, in its operations, carries out the practices of *riba*, *masyir*, and *gharar*. *Takaful* in Islam is based on the nature of helping each other and guaranteeing each other in facing risks because this *takaful* is a financial instrument that is really needed to solve problems in society by including the values of justice, cooperation, and mutual help (Rivaldi, 2021).

The Concept of Production Ethics According to Muhammad Nejatullah Siddiqi's Perspective

Siddiqi's thinking on production tends to be a neoclassical paradigm. The change is that in the Islamic economic system, there is a relationship with Islamic men. These fundamental changes will later transform production goals and behavioral norms for consumers. In his opinion, profit maximization is not the only main goal of production. He also stated that the diversity of goals includes maximizing profits by paying attention to the interests of society (*maslahah aammah*), producing the basic needs of society, creating employment, and implementing low prices for essential goods (*sembako*) (Patimah, 2019).

Siddiqi said that the production system in Islam must be controlled by objective and subjective criteria. Objective criteria will be reflected in the form of welfare, which can be measured in terms of money, and subjective criteria in the form of welfare, which can be measured in terms of ethics and economics, which are based on the commandments of the holy books of the Al-Qur'an and Sunnah. So, in Islam, success in an economic system is not only based on everything that is material but how to ensure that every economic activity, including production, can apply values, norms, ethics, or in other words, good morals in production so that public benefit goals can be achieved with perfect production activities.

The aim of production, according to Islam, is to fulfill the basic needs of all individuals and ensure that each person has a humane, honorable standard of living in accordance with human dignity as a caliph. Meanwhile, according to Muhammad Nejatullah Siddiqi, the aim of production is (Qoyum, 2021):

- a. Fulfillment of individual needs in a reasonable manner.

Meeting individual needs reasonably can be the cause of several things. One of them is that producers only produce goods and services that are needed even though these needs are not necessarily what consumers want and are within reasonable limits.

- b. Meeting family needs

In family life, there are needs that must be met for good survival and to support the daily activities of each family.

- c. Provisions for future generations

This means that producers must always think about how to meet consumer needs in the future, such as innovating without having to put aside existing products. Because if the production of goods and services is carried out excessively, it will result in waste or waste and can even drain economic resources.

- d. Assistance to the community in order to worship Allah

This goal is the original goal of Islamic teachings, which is intended to receive blessings that are not necessarily physically felt by the producer.

In other words, producers, like consumers, are expected to have an attitude of prioritizing the interests of other people. Producers are not only pursuing maximum profit, but they produce a certain amount that still produces a profit, the lower limit of which is enough to survive or a satisfactory profit. So, if profit maximization is no longer the main goal, the concept of rationality has a different meaning. Collaboration with other producers with the aim of achieving social goals will become the norm, necessitating greater access to information in the Islamic economic system (Patimah, 2019).

Production factors based on the description of Muhammad Nejatullah Siddiqi (1995) include the following (Silvia et al., 2022):

a. Natural

Nature is the main and first production factor. Natural factors include all its contents, including the following:

1). Land

In Islamic economics, land is recognized as an economic factor to be utilized optimally to achieve the economic welfare of society while still paying attention to Islamic principles.

2). Earth (land)

In the Qur'an, Allah has warned that humans are given a place to live or enjoy on His earth. This land surface is a very important production factor because we can carry out any activity according to our wishes and abilities as humans and God's creatures on it.

3). Mineral

On the earth we walk on, there are many mineral sources that can be utilized by humans in the production process and gaining wealth.

4). Mountain

The Qur'an always discusses mountains and their enormous benefits for humans. Apart from that, mountains are also another source that can be used as a source of original energy, which makes it easier to generate wealth.

5). Forest

This source of wealth is crucial or important because forests help provide building materials, fuel, and raw materials that play a role in shipping, paper, household equipment, and so on, which are very large in quantity.

6). Animals/Animals

Animals play a very important role in production activities because they provide benefits such as milk, meat, and fat for making food. Apart from that, fur, bones, and skin can also be used for other economic purposes, and some livestock are also used as a means of transportation.

b. Labor

Work is all the endeavors and efforts made by members of the body or mind in order to obtain adequate rewards, for example the type of work carried out mentally or physically, labor is an important factor of production, because all natural wealth is useless if it is not processed by humans. Based on the Islamic system, workers' rights are highly considered, and this must be paid attention to the workforce, namely:

- 1) Workers must receive adequate wages so they can experience a good standard of living.
- 2) They must pay sufficient compensation for accidents while working. Reasonable provisions must be made for the payment of elderly pensioners and workers, and the government can be asked to contribute to the capital assistance.

c. Capital

As stated by Muhammad Nejatullah Siddiqi (1995), Capital is a factor of production that produces wealth. Without capital, large-scale production in the modern industrial world is impossible because the results are very small with human labor alone. Therefore, it is not wrong to say that industrial progress this century is due to the use of capital.

Muhammad Nejatullah Siddiqi's (1995) view regarding production ethics in the Islamic economic system is in accordance with economic principles, which expect a fair economic system in line with the Sunnah and the Qur'an, where Islam also expects the production of services and goods that are halal, do not damage human nature, not to persecute either, which aims to fight for the needs of human life and seek happiness in the afterlife that is approved by Allah SWT (Silvia et al., 2022).

According to Siddiqi, the Islamic economic system is obliged to carry out production using goods that are halal, do not contain haram elements, minimize luxury goods to be produced with the aim of ensuring that all elements can buy them, traders in doing business always act honestly and do not cheat (Darwis & Zulaeha, 2022). This idea is supported by verses from the Qur'an, whose translation is in accordance with his opinion, namely that it does not allow someone to obtain wealth by cheating and gives a warning to people who commit violations using words and other things that can damage the economic system. This verse is in the Qur'an, Surah An-Nisa, verses 29-30.

Distribution Concept According to Muhammad Nejatullah Siddiqi's Perspective

The main principle in the concept of distribution based on Islamic views is the increase and distribution of wealth with the aim of ensuring that these assets circulate and increase so that existing assets can be abundant evenly and not only circulated among certain groups (Madnasir, 2014). In the Islamic economic system, distribution must be based on two aspects, namely freedom and justice in ownership. The freedom referred to is the freedom to act according to religious values, and justice is intended as a balance between individuals and their material and spiritual elements (Amelia & Fasa, 2022). Afzalur Rahman emphasized that distribution is one way in which wealth is channeled to several factors of production that contribute to individuals, society, and even the country (Gratitude, 2018).

Siddiqi, in his book entitled An "Islamic Approach to Economy", views that the market plays the role of a centralized center in playing out the flow of resource distribution in a free economic system (Basri, 2023). This view is different from the view of classical economic thinkers such as Adam Smith. Apart from that, Siddiqi views fairness and distribution of income as one of the characteristics of the market mechanism in Islam with the aim of ensuring that the flow of distribution of goods and income is more even in order to prevent real social gaps.

Then, in economic activities, especially distribution, he saw that distribution must run in harmony because Islamic economic principles, which implement religious teachings, ethics, and morality, are central points in economic studies. In one of his works, he emphasized that: Distribution in particular requires high fairness in meeting the needs of many people. In substance, the Islamic economic view emphasizes reducing inequality in the distribution of income and wealth. A more comprehensive implementation in the micro and macroeconomic order includes three components (goals and values, existing realities, and market solutions under the influence of behavioral norms and policies directed at the transition to the desired pattern (Basri, 2023).

The Concept of Production and Distribution Ethics in Islamic Economics

1. Production Ethics in Islamic Economics

In Islamic economics, production is every form of activity carried out by humans in order to realize benefits or increase benefits (utility) by studying and exploring the resources that have been provided by Allah SWT so that it becomes a benefit to meet the needs of all mankind. This has also been explained in QS Al-Baqarah in verse 22 (Isaac, 2015). Production activities can also be interpreted as human activities in producing goods and services, which are then utilized by the community (as consumers) (Sari, 2014).

The principle of Islamic economics is to place more emphasis on production to meet the needs of many people, not just to meet the needs of a certain group of people or groups. Therefore, there is a production ethic in Islamic economics, including the following (Sahib et al., 2022):

- a. Producing in a halal circle. This is one of the production principles that must be implemented by every Muslim, whether independently or in a group. They must adhere to everything that has been permitted by Allah and not cross the line. Allah has also ordered in the Qur'an that some good and halal food be consumed in QS Al-Baqarah in verse 168.
- b. Fairness in production. Because the Islamic economic system has provided justice and equal principles of production according to each individual's abilities without the oppression of other people or disturbance to society, Allah has said in QS Ar-Rahman in verse 9, which means Allah commands humans to uphold the scales fairly and not cheat.
- c. Production that can benefit society. Basically, production activities in Islam are aimed at meeting the needs of society as a producer's social responsibility, or it could be called increasing the welfare of producers with their obligation to distribute to consumers (society) (Amelia & Fasa, 2022). God's word regarding useful production is found in QS Al-Mulk in verse 15.

2. Distribution Ethics in Islamic Economics

One conventional economist, Philip Kotler, defines distribution as a collection of companies or individuals who take over rights or assist in transferring rights to goods or services from producers to consumers (Tasriani & Febria, 2022). However, in Islamic economics, the distribution must be implemented correctly and in accordance with Sharia principles. When distributing products or services it must be evenly distributed, this is so that all consumers can enjoy the product (Gratitude, 2018). Even in QS An-Nisa, in verse 29, Allah has explained that it is forbidden to do so in matters of commerce (including distribution).

One of the things that differentiates Islamic economics from conventional economics is that Islamic economics never separates economics from ethics, just as science is not separated from morals, politics from ethics, war from ethics, and blood relatives from Islamic life (Gratitude, 2018). The ethics of distribution in Islamic economics are as follows (Sahib et al., 2022):

- a. The Ethics of Equilibrium. Balanced distribution without tyrannical acts will significantly influence the welfare of the entire community. This is in line with the basic goal of Islam, which is to bring prosperity to its people in the world and happiness in the afterlife. In accordance with the word of Allah in QS Al-Qhasas in verse 77.
- b. Trust Ethics. Trustworthiness is one of the qualities possessed by Prophets and Apostles. In verse 58 of QS An-Nisa, it is explained that Allah not only commands his people to be trustworthy and fair but also emphasizes that Allah constantly supervises and monitors his servants in upholding trust and justice.
- c. *Maslahah* Ethics. Economic activity can be said to fulfill *mashlahah* if it fulfills two elements, namely obedience (halal) and being useful and bringing goodness (*thayyib*) to all aspects in an integral manner. The connection with distribution is when the goal is to achieve *mashlahah*, every commodity and resource must be distributed to the community. Distribution that is carried out fairly and evenly for each individual will provide an opportunity to realize *mashlahah* for life (Sahib et al., 2022).

CONCLUSION

Based on the results of the literature conducted good management by optimizing all management functions for the Pancasila Student Profile Strengthening Project will develop the character of students. Planning for the Project for Strengthening the Profile of Pancasila students must be carried out carefully so that its implementation can run effectively. The planning carried out includes formulating learning objectives for the project, assessing school readiness in implementing the project, forming a facilitator team, determining the dimensions of the Pancasila profile, determining the project theme, determining the implementation schedule using a block system, and allocating the right time. These things are intended to facilitate the achievement of the goal of the Strengthening the Pancasila Profile Project, namely, developing the character of students. Teachers, as project facilitators, play a very important role in efforts to increase student activity during project activities. Project implementation includes the initial stages, implementation, and celebration of the project. Evaluation for the Strengthening Pancasila Profile Project focuses on the process and not the final result. There are no specific standards for evaluation forms because each school has different readiness, as seen from the readiness of facilities, educators, and students. In this way, schools can create evaluation instruments (assessments) that are appropriate to school conditions. The implications of implementing the Pancasila Student Profile Strengthening Project for strengthening student character can be seen in changes in students' way of thinking and behaving. The Pancasila Student Profile Project has great potential to influence students' personal character. Through an integrated learning approach with Pancasila values, this project can help students develop strong attitudes, values, and morals. By implementing the Pancasila student profile, students will be taught to observe, understand, and think about solutions to problems in the environment around them. This can help them become individuals who think critically, have analytical skills, and have a good personality. Strengthening the Pancasila student profile will also help students become agents of moral goodness and noble character. They will be educated to respect the values of tolerance and peace in interacting with society. This is important in building harmonious relationships and strengthening unity. Thus, the Pancasila Student Profile Project has a positive impact on the personal character of students in educational units. This will help them become individuals of strong character, integrate into the city, and be able to contribute positively to society. It is important for related parties, such as educators, parents, and the community, to support and continue the implementation of this project in order to form a superior and competitive young generation.

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