

## The Nature of Man in Islam: a Critique to the Challenge of *Homo Economicus* Concept

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### Abstract

Homo Economicus has become a prevailing framework for understanding human behaviour in modern economics. The advancement of mathematics has led to the assumption that humans possess perfect calculating abilities and comprehensive knowledge of market and economic mechanisms, resulting in the mechanization of human nature. Therefore, understanding humanity from the Islamic worldview, while removing secularized assumptions in economics, can provide a more complete conception of man. This study aims to formulate an alternative conception of man in economics based on the Islamic worldview. Major works by Western economic philosophers and Muslim scholars, particularly Syed Muhammad Naquib Al-Attas, were historically contextualized and analyzed using philosophical reasoning, historical investigation, and comparative analysis. The study finds that the Homo Economicus concept, initially developed as a tool for understanding human behaviour in economics, has evolved into an ontological conception of humanity oriented toward wealth accumulation. In contrast, the Islamic worldview considers man fundamentally good and unselfish, with the purpose of worshipping Allah SWT by spreading goodness to all creation. This understanding is manifested through a just economic system that considers individual and societal well-being to achieve true happiness in this world and the hereafter.

**Keywords :** *Islamic Economics, Nature of Man, Islamic Philosophy*

### INTRODUCTION

Economics is the science of choice that deals with human behavior especially as “a relationship between ends and scarce means”.<sup>1</sup> Hence the discussion on man as the main actor of that choice and economics is inseparable. In modern context, Homo Economicus is a concept of human being that has become the most widely spread framework in the discipline. This concept has evolved in the history of economics for

<sup>1</sup> Lionel Robbins, *The Nature and Significance of Economics Science* (London: Macmillan, 1932).

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centuries, ranging from ‘classical’ economist Adam Smith<sup>2</sup> (d.1790) through utilitarianism John Stuart Mill<sup>3</sup> (d.1873), and also ‘neoclassical’ William Stanley Jevons<sup>4</sup> (d.1882) and Frank Knight<sup>5</sup> (d.1972). According to Geoffrey Hodgson, Homo Economicus is characterized as “someone rational, self-interested and concerned about his own satisfaction, any notion of morality is absent with the sole objective is pleasure”.<sup>6</sup> It is seen as rational in the sense that well-being as defined by utility function is optimized given perceived opportunities. His portrait is painted in words and equations and has permeated to many aspects, such as: public policy, industrial organization, business process and economic policy with the assumption that man will act solely to gain personal satisfaction.<sup>7</sup> Homo Economicus might be the smallest unit of analysis in economics but just like atoms in physics, it has profound consequences to the whole system. The idea of Homo Economicus itself is vulnerable, as many criticisms are laid to them from Western scholars as well as Muslim economists. From the Western economists point of view, they are lacking in terms of ethical concern and factors like dealing with risk, uncertainty and societal concern.<sup>8</sup>

The idea of Homo Economicus itself is vulnerable, as many criticisms are laid to them from Western scholars as well as Muslim economists. From the Western economists point of view, they are lacking in terms of ethical concern and factors like dealing with risk, uncertainty and societal concern.<sup>9</sup> While from Muslim economists the concept does not capture the nature of man in Islam that is suitable in the practice of Islamic Economics.

The gap of research of this study is by giving a concept of man derived from the intellectual tradition in Islam by imbuing the metaphysical aspects, taking it from authoritative contemporary scholars, mainly from Syed Muhammad Naquib Al-Attas who propose the idea on the Islamization of knowledge. Taking into account the framework on the Worldview of Islam (*Ru'yat al-Islām lil-Wujūd*) that encompasses the vision of reality and truth as a metaphysical worldview that not only determines the theological aspect as understood in its original meaning but also includes other important Muslim conceptions of the universe, human psychology, epistemology, ethics, and even

<sup>2</sup> Adam Smith, (1723-1790) *Is a Scotland Economist. His Publication on The Wealth of Nation Marks the Birth of Economics as a Discipline. Therefore, He Is Also Known as the Father of Economics. See Mortimer J. Adler, Great Books of the Western World 39* (London: Encyclopaedia Britannica, 1952).

<sup>3</sup> John Stuart Mill, (1806-1873) *Is a British Empiricist and Utilitarian Social Former. Some of His Major Works Are on Liberty and Utilitarianism. See Mortimer J. Adler, Great Books of the Western World 43* (London: Encyclopaedia Britannica, 1952).

<sup>4</sup> William Stanley Jevons, (1835-1882) *Is an English Economist and Logician Who Wrote The Theory of Political Economy That Started the Adoption of Mathematics to Economics. See Callum Williams, The Classical School* (New York: Public Affairs, 2020).

<sup>5</sup> Frank Knight, (1885-1972) *Is an American Economist Who Is Also the Founder of Chicago School, a Prominent School of Thought in Economics.*

<sup>6</sup> Geoffrey M. Hodgson, *From Pleasure Machines to Moral Community* (United States of America: The University Chicago Press, 2013).

<sup>7</sup> Gary S. Becker, *The Economic Approach to Human Behavior* (Chicago: The University of Chicago Press, 1930).

<sup>8</sup> Amartya Sen. Rational Fools, *Philosophy & Public Affairs* Vol. 6, No. 4 (Summer, 1977), 317. Hereafter Cited as *Rational Fools*.

<sup>9</sup> Amartya Sen. Rational Fools.

logic.<sup>10</sup> These are all based on the interpretation of the Qur'an, the Sunnah of the Prophet (pbuh), and the teachings of the higher Sufis.<sup>11</sup>

We maintain that in every discipline there will always be philosophical underpinnings that were influenced by certain metaphysical frameworks including economic man. Therefore, critically analyzing their philosophical underpinnings on Homo Economicus is crucial whilst also providing the correct concept of man according to the worldview of Islam that would be the contribution of this research.

Finally, this study will also present how an Islamic approach rooted from its classical tradition is able to formulate a new point of view to solve contemporary social economical problems.

## METHOD

### Textual Analysis

Adopting textual study by analytically reading selected works which basic concepts of Homo Economicus like self interest and utility are rooted from and propagated by modern economics. I textually read several main books pertaining to the concept of self interest by Adam Smith with title *The Theory of Moral Sentiment*<sup>12</sup> and *The Wealth of Nations*<sup>13</sup>. While for the concept of utility and its development in neoclassical school, works like *On the Definition of Political Economy; and on the Method of Investigation Proper to It*<sup>14</sup>, *On Liberty*<sup>15</sup> and *Utilitarianism*<sup>16</sup> by John Stuart Mill is required, followed by William Stanley Jevons's work on *The Principle of Political Economy*.

While, pertaining to the nature of Man in Islam, textual analysis will be conducted to Syed Muhammad Naquid Al-Attas's works, such as: *Prolegomena to the Metaphysics of Islam*<sup>17</sup>, *Islam and Secularism*<sup>18</sup>, *On Justice and The Nature of Man*<sup>19</sup>, and *Islam: The Covenants Fulfilled*.<sup>20</sup>

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<sup>10</sup> Wan Mohd Nor Wan Daud, *The Educational Philosophy of Syed Muhammad Naquib Al-Attas* (Kuala Lumpur: ISTAC, 1998), 34. Hereafter Cited as *Educational Philosophy*.

<sup>11</sup> Wan Mohd Nor Wan Daud.

<sup>12</sup> Adam Smith, *The Theory of Moral Sentiments* (London: Penguin Book, 2010).

<sup>13</sup> Adam Smith, *The Wealth of Nation*, "in *Great Books of the Western World* 39 (London: Encyclopaedia Britannica, 1952).

<sup>14</sup> John Stuart Mill, *On the Definition of Political Economy*, "in *Essays on Economics and Society* (Canada: University of Toronto press, 1967).

<sup>15</sup> John Stuart Mill, "'On Liberty,' in *Great Books of the Western World* 43," in *Hereafter Cited as On Liberty* (London: Encyclopaedia Britannica, 1952).

<sup>16</sup> John Stuart Mill, "'Utilitarianism,' in *Great Books of the Western World* 43," in *Hereafter Cited as Utilitarianism* (London: Encyclopaedia Britannica, 1952).

<sup>17</sup> Syed Muhammad Naquib Al-Attas, *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*, Hereafter Cited as *Prolegomena*. (Kuala Lumpur: UTM Press, 2014).

<sup>18</sup> Syed Muhammad Naquib Al-Attas, *Islam and Secularism*, Hereafter Cited as *IS* (Kuala Lumpur: Ta'dib International, 2019).

<sup>19</sup> Syed Muhammad Naquib Al-Attas, *On Justice and The Nature of Man*, Hereafter Cited as *On Justice* (Kuala Lumpur: IBFIM, 2015).

<sup>20</sup> Syed Muhammad Naquib Al-Attas, *Islam: The Covenants Fulfilled*, Hereafter Cited as *Covenants*. (Kuala Lumpur: Ta'dib International, 2023).

### **Conceptual Analysis**

Conceptual analysis will be conducted especially about how the term *insan* is established in Islamic scientific tradition, its usage in other disciplines and the establishment of other key concepts in Islam like *ilm*, *sa'adah*, *wahy*, *din*, and how those terms are interrelated to one another in becoming the foundation of our metaphysical framework.

### **Historical Analysis**

Giving relevance to current context on the development of the basic concept is crucial especially from the point of view of the economics that was born and is still utilizing it until now. Therefore, tracing the historical situation on the development of the school of economics from Classical to the most recent Neoclassical school that affected the emergence of the *Homo Economicus* concept is a must by also analyzing the change of the nature of economics and its adoption in each period of time. As explained in the background of study, the root of this concept has been found since the establishment of Economics, noting the period of Classical school in 1776. Afterwards, the adoption of mathematics to the discipline marks the changes of the subject name from political economy to economy and makes utility in the sense of achieving man's pleasure and reducing pain as the sole measurement of the discipline which finally resulted in the propagation of *Homo Economicus*.<sup>21</sup>

### **Comparative Analysis**

Finally, from the data gathered from the above methods, I proceeded to classify, systematize, and analyze how man is being perceived over the history of economics. A comparative research and the background reading of various schools of thought is a must especially in the development of economics as a discipline and its impact on society. While at the end of the chapter, other than expounding the nature of Man according to Prof. al-Attas, I will also compare how the philosophy of man in Islam compared with the West in study of economics that heavily adopts utilitarianism concept in this case. This method will enlighten us the differences and the bases of the differences between the West's understanding of economic man and from the perspective of Islam.

## **RESULTS AND DISCUSSION**

### **The History of Homo Economicus**

The latin term *Homo Oeconomicus* was firstly mentioned by Claudio Jenet, a French Catholic economist in an essay named *Le Correspondant* (1878). He refused the reduction of man to "algebraic equation" or to a statistical "homme moyen" since political

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<sup>21</sup> Nadya Syahda Faradillah et al., "The Diffusion of AI-Driven Digital Da'wah Innovation In Communication Media: A Perspective of Q.S. Al-Mulk 23 And Audio-Visual Cognitive Analysis On Instagram @Ace\_Timetraveller," Articles, *Afkaruna: International Journal of Islamic Studies (AIJIS)* 4, no. 1 (June 2026): 96–111, <https://doi.org/10.38073/aijis.v4i1.4691>.

economy and part of social science had to study mankind as whole whose goal is to attain happiness. In his writing, he emphasized that “In reality, this sort of homo oeconomicus is like Rousseau’s natural man: it never existed!” (Janet 1878, p. 1067). Interestingly, the early naming of *Homo Oeconomicus* was being used to criticize the character of man pertaining to economics. Meaning it was not intentionally made to formulate a certain character of man in economics.

The main character in economic man is known to be self-interest that was once established by the father of modern economics Adam Smith. He is known “for having noted the human propensity to truck, barter and exchange’ and the role of self-interest in making markets work. “But although he believed self-interest was, ‘of all virtues that which is most helpful to the individual’, Smith also believed it was far from the most admirable of our traits, knocked off that top spot by our ‘humanity, justice, generosity and public spirit, the qualities most useful to others’. In fact, he did not consider self-interest to be the sole motivation of human being. ‘How selfish soever man may be supposed,’ he wrote, ‘there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.’ Furthermore, Smith believed that an individual’s self-interest and concern for others combined with their diverse talents, motivations and preferences to produce a complex moral character whose behaviour could not easily be predicted.”<sup>22</sup>

The term continuously utilized by John Kells Ingram (d. 1907) in his work *A History of Political Economy* (1888, p. 218), Ingram criticized Mill by saying that the latter’s discourse “dealt not with real but imaginary men – ‘economic men’ ... conceived as simply ‘money-making animals’...” The Latin term *Homo Oeconomicus* was used by Charles Stanton Devas (d. 1906) in his work *The Groundwork of Economics* (1888). Like Ingram, referring to the same Mill’s writing, Devas said that “Mill has only examined the *Homo Oeconomicus*, or dollar-hunting animal.”

John Stuart Mill (1806-1873) main contribution to economics was his *Principle of Political Economy*, published in several editions between 1848 and 1873. there he state that political economy was “the science which treats of the production and distribution of wealth, so far as they depend upon the laws of human nature”<sup>23</sup>. On top of focusing on commodities, Mill positioned man, with his ‘mental nature’, as the agent of political economy<sup>24</sup> is to base a science of political economy on psychological laws was a radically new idea.

The central claim advanced by Mill in the previous quote was that political economy studied an abstract conception of man in the pursuit of wealth. Before John Stuart Mill, other economists had argued that wealth was the subject of political economy.

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<sup>22</sup> Alfiane Suci Setyasri, Tsabita Fathin Daniya, and Galuh Andina Putri, “Peer Counseling as a Strategy for Developing Critical Thinking Skills Among Adolescents in Islamic Educational Settings,” *Articles, Pelita: Jurnal Studi Islam Mahasiswa UII Dalwa* 3, no. 2 (May 2026): 183–95, <https://doi.org/10.38073/pelita.v3i2.4875>.

<sup>23</sup> John Stuart Mill, *Principle of Political Economy* (Gutenberg License, 1882).

<sup>24</sup> John Stuart Mill.

The starting point of James Mill's essay "Government" was to assume that "the actions of men are governed by their wills, and their wills by their desires: That their desires are directed to pleasure and relief from pain as ends, and to wealth and power as the principal means" (1820). Then, in his Introductory Lecture on Political Economy delivered at Oxford University in 1826, Nassau Senior argued that the theoretical branch of political economy rested on a few self-evident propositions such as "every person is desirous to obtain, with as little sacrifice as possible, as much as possible of the articles of wealth".<sup>25</sup>

Mathematics is also the most influential tool used by Neo-classical schools that distinguish it from Classical school. The first person who introduced mathematics to social economical research was William Stanley Jevons (d.1882), an English economist that set out trying to apply mathematics to economic questions that mainly found in his famous work, *The Principle of Political Economy*<sup>26</sup>. His basis point in adopting it comes from Bentham's theory of utility where utility was defined as the ability to increase pleasure or to reduce pain and how comparative pleasure can be measured to observe people's behavior in a marketplace.<sup>27</sup>

Starting 1930 the mathematization of economics became a normal practice where economist developed their arguments and presented their result using mathematical form. Mathematics is used in two ways in economics, firstly it is used as a tool for theoretical research. algebra, geometry, and even numerical examples enable economist to deduce conclusions. while the second use of mathematics is as a tool in empirical research — by generalizing observations (induction) and to test economic theories using evidence (usually statistical data) about the real world.

The heavy usage of mathematics in economics represents a new major departure in the subject. It changes how economics is perceived, from solving a real-world problems now to a narrow focus analysis around a set of techniques.<sup>28</sup> To further utilize this, two requirements needed—the basic assumption and standard methods. Assumption used to identify how one represents the behavior of individuals or organizations so that it can be analysed using standard methods.<sup>29</sup> Therefore this is where the assumption of man as rational being to be used in the "standard methods" of economic calculation.

Gery Becker a prominent figure in Neoliberal economics stated that economics need to have ability to integrate a wide range of human behavior by assuming maximizing behavior more explicitly and extensively than other approaches do, be it the utility or wealth function of the household, firm, union, and government that is maximized. The economics approach then assumes the existence of markets that with varying degrees can efficiently manage the difference of actions across participants—so that their behavior becomes mutually consistent. Therefore when the preferences are assumed to be stable, it will provide a stable basis to generate prediction about responded to various changes.<sup>30</sup>

<sup>25</sup> John Stuart Mill, s.v. "Utilitarianism," in Great Books of the Western World 43."

<sup>26</sup> William Stanley Jevons, *The Principal of Political Economics* (London: Macmillan and Co, 1879).

<sup>27</sup> Roger E Backhouse, *The Penguin History of Economics* (London: penguin group, 2002).

<sup>28</sup> Roger E Backhouse.

<sup>29</sup> Roger E Backhouse.

<sup>30</sup> Gary S. Becker, *The Economic Approach to Human Behavior*.

Another economic scholar, Frank Knight argued that economic man has two additional traits - perfect knowledge and perfect foresight - that enables him to compare all market situations all the time. He did admit that such depiction was loaded with 'formidable array' of artificial abstraction of humanity, resulting in a creature who 'treats other human beings as if they were slot machines'. But the necessity to have an idealistic man is needed in economics in order to fit the depiction into a mathematical modelling which first principles requires a fixed assumption about everything.<sup>31</sup>

Such understanding was being reinforced by other neoliberal scholars, Milton Friedman where he believed real life people behaved 'as if' they were self-interested, well-equipped with rationalistic approach and create simplified assumptions in making decision.<sup>32</sup> Crucially, around the same time, that depiction began to be seen by many leading economists of the day as an exemplar, a model for how real man should behave. Rational economic man came to define rationality, recounts the economic historian Mary Morgan, and turned into 'a normative model of behaviour for real economic actors to follow'.<sup>33</sup> The depiction of what used to be an 'imaginary' explanation of human behavior in order to fit the mathematical economic model become the ontology of human nature.

### **Secularization of Man in *Homo Economicus* Concept**

One of the most rising challenges in the present day is the challenge of secularization, which is a philosophical program that essentially takes out religion and metaphysical control over man's reason and his language.<sup>34</sup> It later affects how we see life and reality. Secularization itself has several key components in it such as disenchantment of nature, deconsecration of values, and desacralization of politics. In the context of Islamic understanding, disenchantment of nature meant, freeing nature from its religious overtones and this involves the dispelling of God's involvement in regards to nature and its position as God's creature just like human beings. The deconsecration of values means that all value systems are bound for cultural creations and open to change, therefore religions and worldviews have no ultimate and final significance. While desacralization of politics means the abolition of sacral legitimation of political power and authority which results in no structured order in the society.<sup>35</sup>

The birth of secularization started in the West when intellectuals were trying to keep away religion and replaced it with science that were assumed to be more rational and superior than the dogmatic preach in Christianity. As a result most disciplines nowadays have separated the philosophical, religious, metaphysical aspects and shift their focus towards temporal and industrial-centric activity.

*Homo Economicus* as a concept is heavily influenced by western philosophical thought by product is the result of secularization specifically on the element of

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<sup>31</sup> Frank Knights, *Risk, Uncertainty and Profit* (cambridge: The Riverside Press, 1921).

<sup>32</sup> Milton Friedman, *Essay on Positive Economics* (Chicago: The University of Chicago Press, 1953).

<sup>33</sup> Mary S. Morgan, *The World in the Model: How Economists Work and Think* (Cambridge: Cambridge University Press, 2012).

<sup>34</sup> Syed Muhammad Naquib Al-Attas, *Islam and Secularism*.

<sup>35</sup> Syed Muhammad Naquib Al-Attas.

disenhancement of nature and deconsecration of values. Since the very beginning the concept only brought a very particular aspect of human being pertaining to economics activity which is self-interest whereby human beings are assumed to be rational only when its sole purpose is to generate wealth for its own benefit and leaning towards pleasure-maximization only. At first such assumption was only used to accommodate a stable prediction to regulate economics and business policy but now man as *homo economicus* has become the ontology of man where this kind of assumption is applied to all aspects of human beings. Indeed in doing transactions or pursuing provision, self interest is necessary for parties involved in it, however self-interest should not be the only basis of economic activity because noble values like honesty, empathy, prudence, temperance and justice need to be incorporated to achieve just society. Additionally, men are bound by religious values and the need to act accordingly to the worldview and it is not limited to religious practice but at large in all aspects of his life including economic activity.

### **The Nature of Man in Islam**

The discussion regarding man here will use the critical lens from the worldview of Islam on which worldview means the vision of reality and truth, it is a metaphysical survey of the visible as well as the invisible worlds including the perspective of life as whole.<sup>36</sup> Its basis comes from the revelation and is not formulated from philosophical speculation that only derives its analysis from mere sensible experience, hence the truth brought by the worldview of Islam is not subject to change despite cultural dynamics and other types of challenges. The worldview of Islam encompasses the dunya and akhirah aspect. It has several key elements like the concept of God, revelation, *dīn*, man, *‘ilm*, *‘alam*, and happiness/*sa’adah*. All these key concepts are not a stand alone element but interconnected to one another.<sup>37</sup>

In regards to the theme, the concept of man plays a central role in our discussion, but to understand man properly one should rectify the true definition of man, its relation to God, how would he understand the *dīn*, and the right knowledge/*‘ilm* that one need to acquire hence correct understanding of those connections can be attained. Finally this knowledge can transform into wisdom and creates justice to oneself and *‘alam* where at the end true happiness/*sa’adah* can be tasted.

According to Muslim metaphysician, Syed Muhammad Naquid Al-Attas essentially man is the composite of the two, he is body and soul. The soul by nature is the highest and most important part of human beings since this is where vital abilities of ours life. The soul consisted of *nafs al-hayawan* and *nafs al-natiqah* whereby the *natiqah* aspect of man has several powers/abilities (*quwa*) being put by Allah SWT like power of

<sup>36</sup> Syed Muhammad Naquid Al-Attas, *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*.

<sup>37</sup> Eka Dita Wahyunitasari and Imam Sopingi, "The Influence of Islamic Fundamentals Analysis on the Interest and Profitability of Sharia Stock Investors in KSPM-S East Java," *Afkaruna: International Journal of Islamic Studies (AIJIS)* 3, no. 1 (September 2025): 27–38, <https://doi.org/10.38073/aijis.v3i1.3087>.

nutrition (*al-ghadhiyyah*), growth (*al-namiyyah*), and generation or reproduction, intellectuality to comprehend things, imagination.<sup>38</sup>

The term man or *insān* refers not only to his physical bodies but refers to his soul as well. Ultimately, it is the soul aspect of man that defines who he really is. As elaborated by Imam al-Ghazali, the flesh and bones that make up the physical body are constantly in a state of flux, always in a state of renewal at all times.<sup>39</sup> Yet, man's consciousness of himself remains unchanged despite the continuous changes that happened in his physical body.<sup>40</sup> Therefore there is something immaterial, abstract, and spiritual substance in man; this is none other than the soul that lies within man.<sup>41</sup> All these according to al-Ghazālī, means that the physical body is merely the vehicle for the soul to interact with the physical world and it is the soul that forms the essence of man.<sup>42</sup>

Additionally, the term *insān* comes from the word *nisyān* that conveys the meaning forgetfulness. It refers to the covenant/*mithāq* made by man on the day of *Alastu*, in the Holy Qur'an it is stated that when God called the souls: 'Am I not your Lord?', and they answered 'Yes indeed!' (al-A'raf (7): 172).<sup>43</sup> From that *ayah* it can be inferred that the human soul already has the '*ilm*' about his God, the power of speech shown by how he responds to his God's call, and ability to distinguish oneself with the other soul back then at his primordial state.<sup>44</sup>

The Qur'an also emphasizes that man is a special creation that has a special task given by Allah SWT.<sup>45</sup> Taking into consideration, the covenant made by him creates a binding relationship with God and creates precise nature in regard to his purpose, attitude and action needs to be determined by the religion of Islam in the form of true submission.<sup>46</sup> Thus far, man's purpose in this world is to know and serve God ( '*ibādah* ) and to obey the rules made by Allah SWT ( *ta'ah* ) and all these if done correctly conforms with the nature of his creation.<sup>47</sup>

However, with the *nisyan* aspect that man has embedded in the term *insān*, man forgot that primordial covenant which is supposed to obligate us in submitting to our God in this world. If we unjustly let this *nasiyah* aspect controls most of our life, it will then create disobedience that inclines towards injustice (*zulm*) and ignorance (*jahl*).<sup>48</sup> Therefore, the perfection of human soul lies in the maintenance of the just balance among

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<sup>38</sup> Syed Muhammad Naquib Al-Attas, *The Nature of Man and The Pyschology of The Human Soul* (Kuala Lumpur: Ta'dib International, 2023).

<sup>39</sup> Al-Ghazali, "The Ascent to the Divine Through the Path of Self-Knowledge, Trans. Yusuf Easa Shammās," in *Hereafter Referred as Ma'arij* (Kuala Lumpur: Islamic Book Trust, 2022).

<sup>40</sup> Al-Ghazali.

<sup>41</sup> Al-Ghazali.

<sup>42</sup> Al-Ghazali.

<sup>43</sup> Syed Muhammad Naquib Al-Attas, *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*.

<sup>44</sup> Syed Muhammad Naquib Al-Attas.

<sup>45</sup> Syed Muhammad Naquib Al-Attas, *On Justice and The Nature of Man*.

<sup>46</sup> Syed Muhammad Naquib Al-Attas, *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*.

<sup>47</sup> Syed Muhammad Naquib Al-Attas.

<sup>48</sup> Syed Muhammad Naquib Al-Attas.

all these faculties and activities—vegetative, animal, vital, and rational-cognitive or the articulate soul.<sup>49</sup>

Therefore, the ultimate purpose of man's creation in this world is continuous perfection of the soul that adorned with knowledge and good virtues that will lead us to the noble level that can even preceed the degree of angels. because man has raised himself beyond his human nature. While if he lowers himself by not being able to control his nafs and create destruction to oneself and to another, he has reach the stage of the beast for he has failed to maintain the noble state of his nature.

Pertaining to the discussion of *homo economicus* and our explanation above regarding the nature of man, it shows several flaws that need to be addressed to finally have proper understanding of economic man according to Islam. It is pertinent to start with the metaphysical understanding since knowing the nature of man and its purpose is the departure point before discussing further how economics and man should conform with the system. Fundamental conception gives a strong guidance on how in every aspect and activity of human being it should goes back to its ultimate nature and main purpose of his creation.

*Homo economicus* concept stems its understanding from empirical comprehension that only touches small aspects of the *hayawani* part of man and neglects the spiritual aspect of human beings. Furthermore, it even downgraded human beings to only a self-interested individual that only cares for a worldly economic matter. Even worse, the purpose to sees man as the aforementioned statement is for it to be fit into mathematical assumption and statistical model that enables Western economists to regulate profit, creates predictable output, and expected outcome from those presupposes analysis. At the end, such a narrow assumption seems to be helpful in creating efficiency in economics and business environments but essentially damages the noble nature of human beings.

Pertaining to rationality discussion, man of Islam does possess the power to rationalize signified in its term *nafs al-nātiqah* whose rational power possess intellect as part of its nutq power. Whereby what is rational in Islam does not merely pertain to the mind's systematic and logical interpretation of the facts of experience and its ability to abstract the facts and data and their relationships.<sup>50</sup>

At the beginning the Western tradition that was influenced by Christianity have two terms in correspondence to sapiential and scientific knowledge that is of *intellectus* and *ratio* respectively. The *intellectus* that has capability to carry on spiritual understanding and *ratio* that interprets logical and observable facts. Over time the *ratio* that is understood to receive empirical knowledge, has a skewness towards naturalistic logic makes the world of nature seen to be purely material finally yielding to the divorce of the spiritual realm which fosters the emphasis of *ratio* as the dominant aspect of the human soul.<sup>51</sup> It also denied the transcendence aspect in man, whereby he became

<sup>49</sup> Syed Muhammad Naquib Al-Attas, *On Justice and The Nature of Man*.

<sup>50</sup> Syed Muhammad Naquib Al-Attas, *Islam and Secularism*.

<sup>51</sup> Syed Muhammad Naquib Al-Attas.

terrestrialized and made man mere emphasizing his humanity, individuality, and freedom. At the end, man in the West wrenches his freedom from God.<sup>52</sup>

In regards to the discussion of *homo economicus*, this is one of the results of secularization that merely sees man from its *ratio* aspect and even has been depreciated further. Whereby the assumption is not only the superiority of his *overall ratio* but the *ratio* in a sense of selfish behavior that is now being perceived as rational. The West claim that theirs is also morally justified, however the morality lies in self-centered context. Man is certainly being limited to his physical and sensible aspects where it specifically assumes man to be narrowly self-centered, solely motivated by materialistic aspects, and his main focus is to generate wealth. Subsequently when the physical body divorced from his metaphysical reality the discourse on man in economics ultimately separated from religious and true spiritual concerns. It blurred man's true purpose that is the attainment of God's favor and to be his vicegerant that do justice towards himself and others.<sup>53</sup> Furthermore, such a concept de-spiritualize human beings whose ultimate existence lies in his soul and the *quwa* lies in it.<sup>54</sup>

In neoclassical economics, especially coming from Milton Friedman, believes that man's social responsibility is in the favour of his shareholders.<sup>55</sup> Although this issue concerns a particular dimension of economic activity, it may nevertheless be inconsistent with the ethical principles governing the conduct of human beings within the worldview of Islām. From an Islāmic perspective, economic activity is not considered morally neutral but is expected to conform to divine guidance and the principles of the *Shari'ah*. Therefore, individuals should critically evaluate whether the decisions and directives of shareholders are consistent with Islāmic ethical values and whether their implementation may conflict with the moral responsibilities prescribed by Islām.

From the worldview of Islām, human being is fundamentally understood as a dignified and morally oriented being, endowed with a rational soul (*nafs al-nāṭiqah*) and inclined towards truth, virtue, and as the basis of human's responsibility and morality. This conception is associated with the primordial covenant (*Mīthāq*) through which human beings affirmed their relationship with God. In contrast, the concept of *homo economicus*, when interpreted as an exclusively self-centered and utility-maximising agent, may be understood as reducing human nature to its lower, appetitive dimension (*ḥayawāniyyah*) while overlooking its rational and spiritual dimension (*nāṭiqah*). Such a reduction is particularly significant from the perspective of Islām because the development and cultivation of the rational and moral faculties constitute important aspects of human nature.

Some scholars admitted that simplifying some assumptions of human beings as postulates is necessary to facilitate mathematical and statistical computations, particularly

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<sup>52</sup> Syed Muhammad Naquib Al-Attas.

<sup>53</sup> Syed Muhammad Naquib Al-Attas, *On Justice and The Nature of Man*.

<sup>54</sup> Wahyunitasari and Sopingi, "The Influence of Islamic Fundamentals Analysis on the Interest and Profitability of Sharia Stock Investors in KSPM-S East Java."

<sup>55</sup> Milton Friedman, *A Friedman Doctrine: The Social Responsibilities of Business Is to Increase Its Profits*, 1970.

in predicting future economic policies and outcomes. Nevertheless, such assumptions should remain consistent with the essential nature of the human being. From the perspective of Islām, Muslim scholars should therefore critically evaluate any conception of humanity that reflects a dualistic mode of thought, whereby the philosophical understanding of the human being is separated from the assumptions employed in the formulation and application of mathematical models.

Therefore it is correct to summarize what man supposed to act as espoused by Al-Attas below so that human being with *quwa* lies in his soul coil govern himself as true moral agent:

*To sum up our brief exposition, we now say that man in his totality is the locus (mahall or makān) in which dīn occurs, and as such he is like a city (madinah), a state, a cosmopolis. In his real nature he is, as it were, the dweller in his self's city, citizen in his own miniature kingdom. The concept of man as a microcosmic representation ('ālam saghīr) of the macrocosmos (al-'ālam al-kabīr) is most important in relation to knowledge—which his paramount attribute responsible for the effective establishment of the just order in his self, his being and existence.<sup>56</sup>*

### **The Concept of Happiness in Islam**

The ultimate purpose of human beings is to attain happiness or *sa'adah*. The pursuit of man in this world must be in accordance to his original condition and primordial covenant that ultimately leads to the universal and comprehensive understanding of God, hence any efforts that correspond with this understanding is the experience of true happiness.<sup>57</sup> because the pleasure of everything lies in that which is required by one's nature, therefore true pleasure of human beings is determined of things he is most needed in conformity to his nature.

The meaning and experience of happiness in Islām is the returning of one's well being with a tranquil heart willingly submitting to the Creator.<sup>58</sup> Living life in conformity with the truth and reality informed by the Holy Qur'an and the Tradition of the Prophet, the path that leads to life's stage at *falāh* in this world and Hereafter.<sup>59</sup> The concept of happiness elaborated by Al-Attas serves as a foundation of ethical and moral life, there he states:

*(We do not mean by) "peace" and "happiness" as they relate to the physical and bodily aspect of man, not to the animal aspect of the human soul; neither are they a state of mind conceived by reason in thought and contemplation. That peace and happiness (which we are) referring to is in reference to certainty of the Ultimate Absolute Truth, that which is sought after—namely, certainty of the soul of the Truth Most Exalted—and the fulfillment of acts, deeds, and obligations in alignment with that*

<sup>56</sup> Syed Muhammad Naquib Al-Attas, *Islam and Secularism*.

<sup>57</sup> Hasanul Zawawi, *Al-Ghazali's and Academic Excellence* (Kuala Lumpur: Futuwwah, 2019).

<sup>58</sup> Syed Muhammad Naquib Al-Attas, *Islām the Concept of Religion Ethics and Morality* (Kuala Lumpur: Ta'dib International, 2018).

<sup>59</sup> Syed Muhammad Naquib Al-Attas.

*certainty, willingly, and fully submitting in conformity of its own nature; and that certainty is an abiding state of the soul that is related to something permanent in man.*<sup>60</sup>

Happiness is a permanent condition in the rational soul whereby the soul is the permanent aspect of man. This condition signs with the heart that has reached certainty and also by fulfilling its innate function.<sup>61</sup> The meaning and experience of happiness in Islām does not change for it has to be pursued by the religion of Islam that remained the same and never lays out changes.<sup>62</sup>

According to al-Attas, happiness may be understood through several levels. The first concerns the physical dimension of worldly life, in which individuals attain their legitimate needs and desires, although such satisfaction remains temporal. The second level concerns spiritual happiness, which is more enduring and is attained through right knowledge, virtuous conduct, and the cultivation of moral and spiritual excellence. The highest level of happiness is the Vision of God in the hereafter, for which the spiritual development achieved in this worldly life serves as its preparation.<sup>63</sup>

By contrast, the conception of *homo economicus* presents significant limitations in attaining true happiness (*sa'adah*), as it confines human fulfilment primarily to the material dimension and even encourages excessive self-interest and acquisitiveness. Such a conception is inconsistent with the proper nature of the human being, who is endowed with the capacity to acquire right knowledge and cultivate virtuous conduct. However, it is with the *nisyan* (forgetfulness) aspect that man has embedded in the term *insān*, we forgot that primordial covenant which supposed to obligate us in submitting to our God in this world.<sup>64</sup>

Finally, man's pursuit of true happiness in this world must accord with his original condition and primordial covenant. Ultimately, this pursuit leads to a comprehensive understanding of God; therefore, any effort corresponding with this understanding becomes an experience of true happiness. Because the pleasure of any entity lies in fulfilling its inherent design, true human pleasure is determined by obtaining what human nature requires most.

### **The Implication of Islamic Concept of Man in Economics**

Such considerations can done by firstly rectify the right conception of man and other related key terms as the prerequisite for the right economic practice. Specifically on correct understanding of his purpose in this world, the meaning of religion, how religion binds man's primordial covenant, what right knowledge is, the character of right knowledge, and how those understandings can lead man to know God which is the

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<sup>60</sup> Syed Muhammad Naquib Al-Attas, *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*.

<sup>61</sup> Muhammad Zainiy Uthman, *Al-Attas' Psychology* (Kuala Lumpur: HAKIM, 2022).

<sup>62</sup> Syed Muhammad Naquib Al-Attas, *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*.

<sup>63</sup> Syed Muhammad Naquib Al-Attas.

<sup>64</sup> Syed Muhammad Naquib Al-Attas.

ultimate level for the attainment of happiness. Whereby if those things have been clarified, economics as a discipline must conform to that right guidance.

The implication in rectifying key terms and right guidance will:

1. Religion makes morality as something tangible not mere theory or idealism. Morality without religion is equal to ethics without the knowledge that makes it possible to attain happiness. Without religion, ethics and morality are absent of harmony, unity, and perfection. As a result, one theory will replace another, hence they will never attain a final point that serves as a universal basis.<sup>65</sup>
2. Religion and its fundamental understanding will be the basis of economic decisions that transcend beyond *fiqh*-related discussion but importantly in regards to how economics can contribute to the refinement of character and draws man closer to his God.
3. Understand the true nature of human beings that are essentially a virtuous being embedded in its *nutq* power. Whereby the soul is the most precious aspect that needs to be maintained by performing his duties, preserving moral conduct to attain happiness in true spiritual sense.
4. The realization of true quality like *taqwa*, *ihsan* and the belief that Allah SWT will take accountability of oneself in the hereafter. Therefore, the economic focus will not only be in wealth generation but importantly preserving justice to oneself, society, and environment.

Ultimately, integrating these diverse aspects into economics introduces unavoidable complexity because human nature itself is complex. Most importantly, an academic discipline should not value efficiency above all else; instead, it must align with human nature to foster true happiness.

## CONCLUSION

Based on the discussion it can be concluded that an alternative of the concept of man due to modern challenges coming from *homo economicus* concept in economics is a pertinent action that needs to be delivered by Muslim scholars. It can be inferred that the duality of man which consists of the bodily aspect and soul, regard the soul as the highest aspect which binds a covenant with Allah in the day of *alastu*. Therefore, the main purpose in this world is to continuously perfecting this rational aspect through religious guidance and adherence to moral-ethical conduct which unfortunately lacks in *homo economicus* concept as it only satisfy few aspects of its *hayawaniyah* aspect that do not align with its natural origin of human being. aspect agreed that his '*aqliyah* aspect.

Therefore, this paper argues for the importance of restoring the Islamic metaphysical foundations of economic thought through a proper understanding of key concepts such as man, knowledge, *dīn*, and *sa'ādah*. The Islamic worldview provides an integrated framework in which economic activity is understood as part of human life

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<sup>65</sup> Khalif Muammar, *Etika Alam Sekitar Dan Islam* (Kuala Lumpur: UTM Press, 2024).

rather than as an autonomous sphere governed solely by material calculation. Such a framework challenges the reduction of economics to the study of wealth and utility and reorients economic inquiry toward the proper nature, purpose, and flourishing of the human being. The critique of homo economicus thus demonstrates that addressing the foundations of economics requires not only revising its assumptions and methods, but also reconsidering the conception of man upon which those assumptions ultimately rest.

#### **DECLARATION OF GENERATIVE AI AND AI-ASSISTED TECHNOLOGIES IN THE WRITING PROCESS**

During the preparation of this work, the authors used the AI tool/service, e.g., Claude, Grammarly, or DeepL in order to state the purpose, e.g., translate the manuscript from Malaysia into English, improve language and readability, and refine the structure of several paragraphs. The AI tool was not used to generate research data, to formulate the core arguments, or to produce the findings of this study. After using this tool/service, the authors carefully reviewed, verified, and edited the content as needed, including all references and citations, and takes full responsibility for the content of this publication.

#### **AUTHOR CONTRIBUTION STATEMENT**

This manuscript was prepared collaboratively by two authors. The first author was primarily responsible for conducting the research process, including data collection, analysis, verification, and the preparation of the manuscript. The second author contributed by providing academic guidance, reviewing the research and manuscript, and offering constructive feedback to improve the quality and readiness of the article for publication.

#### **DATA AVAILABILITY STATEMENT**

The data supporting the findings of this study are available from publicly accessible sources. The primary data were obtained from open-access scholarly literature retrieved through Google Scholar and other relevant academic sources.

#### **DECLARATION OF INTERESTS**

The authors declare that they have no known financial or personal conflicts of interest that could have influenced the research, analysis, or conclusions presented in this manuscript.

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