



THE MORAL ECONOMY AND ISLAMIC ECONOMICS: HOW DOES ‘UNIVERSAL MAN’ ENTER FUTURE DISCOURSE?

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ABSTRACT

Since Thompson (1971) introduced the phrase ‘moral economy’, its historical evolution has seen entries in a wide array of fields; including history, anthropology, political science and economics. Starting primarily with welfare state policy discussions, the neologism has received sustained attention from economists, despite the lack of consensus on how best to define and use it. The moral deficiency and greed factors behind the recent global financial crises have also stimulated moral economy discourse. Interestingly, *Islāmic* economists claim that *Islāmic* economics is in fact the *Islāmic* version of moral economy, represented by the phrase ‘*Islāmic* moral economy’ (IME). Therefore, this qualitative paper makes comparisons between the conventional moral economy and IME that highlight their relative visibility status. Later, we discuss another neologism; that is ‘universal man’, as proposed by Mahyudi and Abdul Aziz (2017). This inclusion is relevant in light of effective public policy formulation. Thus, this paper also seeks to determine the role of the universal man concept in the shared discourse of *Islāmic* and conventional moral economy. The probable influence of this neologism in enriching future discourse on moral economy is explored. The implication of this paper lies in the aspect of public policy design where it may help in proposing strategies to improve the functioning of a moral economy.

JEL Classification: A12, A13, B59, H80

Key words: Moral economy, *Islāmic* moral economy, *Islāmic* economics, Universal man, Public policy

Submitted: 27/07/2020; Accepted: 18/11/2020; Published: 28/12/2021

1. INTRODUCTION

The global village today presents a stage where local problems, challenges and opportunities would get immediate and widespread coverage and traction. The youth unemployment in Europe, the aging population of Japan and South Korea, the immigration issues of the US and the development of *Islāmic* finance in Malaysia and Indonesia are not only known to laymen in different parts of the world but also attract interest among human rights activists, social scientists, politicians and policy makers in faraway lands. This scenario reflects closer interactions between individuals, NGOs, firms, research institutions and governments in the search for ingenious solutions to domestic and international problems. One concept that encourages this kind of debate and discussion is ‘moral economy’ for it brings to the fore the deep concern for human flourishing while dealing with use of available resources.

According to Gotz (2015), the origin of the phrase ‘moral economy’ is attributed to Thompson (1971). Since then, its historical evolution has seen its usage entering a wide array of fields of social sciences; from history, to anthropology, to political science and economics (Gotz, 2015; Booth, 1994). It is viewed as a cross-disciplinary approach with contributors to the discourse being identified as the moral economic school by Booth, who himself is a political scientist. To him, it refers to the “the moral economists’ effort to develop a normative theory of the economy together with a related critique of the market” (Booth, 1994, 653). Starting primarily with welfare state policy instruments, the concept has received more attention from economists, despite the lack of consensus concerning how best to define and use that neologism. At least in economics, the moral deficiency and greed factors that led to the recent global financial crises could be viewed as possible impetus for the rising interest in the idea of moral economy.

Expectedly, there is a common appeal in this moral economy discourse. The contributions among Western scholars are alluded to in the preceding paragraph. *Islāmic* economists have been making continuous claims that *Islāmic* economics as a whole is essentially one grand project of the *Islāmic* moral economy (IME). Therefore, this qualitative paper first aims at offering basic comparisons between the Western-style moral economy and IME based on the history and scope of this neologism.

Second, this paper also aims at determining the role of 'universal man' concept in the shared discourse of conventional moral economy and IME. Hence, we wish to bring to attention another neologism; universal man, as proposed by Mahyudi and Abdul Aziz (2017). This inclusion is relevant in light of effective public policy formulation to promote development of a functioning moral economy. Both aims serve as the motivation behind this paper; that is, to put forward untapped points of shared interest that may enrich the discourse on moral economy and more importantly, direct future research to fresh perspectives.

In view of these two aims, this paper provides some basic exposure on this moral economy concept's history and scope aspects of discussion as covered in Western literature in section 2. Section 3 presents a similar case for writings on IME. We compare conventional economy and IME in section 4. We make our arguments for the role of universal man in the moral economy discourse in section 5 where we explore the probable influence of the universal man concept in furthering the moral economy agenda. Section 6 ends this paper.

2. BRIEF HISTORY AND SCOPE OF CONVENTIONAL MORAL ECONOMY

As stated earlier, the new usage and meaning of the term 'moral economy' in current academic discourse is attributed to the historian Thompson who published his article titled 'The moral economy of the English crowd in the eighteenth century' in 1971. Even though it is a neologism, there exists considerable literature on this topic. This is because the neologism has been used in multiple disciplines such as anthropology, political science and sociology. Its common usage among social scientists has shown a very unique evolution of the combined power of these generic words of 'moral' and 'economy'. Analyzing the evolution of this term via the method of conceptual history, Gotz (2015) justifies that the term has moved away from the restricted manner applied by Thompson. Note that Thompson initially introduced this phrase to be strictly applicable to 18th century England and in the context of hunger riots of the peasants against the paternalist authority of wealthy landlords. Later, this paper would highlight how that particular starting point in usage of the term is actually good in the sense that it became the seed for scientific writings to further the cause of socio-economic justice against the prevalence of market mentality and individualistic societies.

Given its universal meaning, moral economy has been treated as synonymous to either a divine order given to the world or ideas to improve the general human condition. In short, it is clearly an agenda to promote human flourishing. Contemporary moral economy discourse has also been framing itself as an antithesis to the dominant rational choice's hidden force behind the present shape of political, economic and social landscape of human interactions. Hence, in the wake of recurring socio-economic crises instigated by decisions of the rational economic actors, the increasing appeal of the moral economy project among both secular-minded economists and religiously-inclined ones is indeed an encouraging trend.

The relevance of moral economy in the frame of economic thought is indirectly suggested by Bell (1990, as cited in Gotz, 2015). He conditionally signifies the term moral economy with the historical evolution of economic thought over the past centuries. This could be understood as a three-stage movement from moral economy to political economy to economics. The moral economy of the first stage has a close affiliation with religious doctrines and values while operating in a paternalistic structure of society. To support this point, Gotz cites James Burgh's (1767) work; in which the greatness of this moral economy concept is related to the divine order of the universe; and Stockdale's (1777) assertion that refers to the 'moral economy of God' as either divine judgement over human immorality or presence of benevolent actions. Regarding the second stage, Thompson (1991, cited in Gotz, 2015) reports on Bronterre O'Brien's (1804-1864) 'directly anti-capitalist usage' of the phrase. That phrase tries to explain the polemic against classical political economy; which was the dominant economic thought that started at the end of the 18th century as the ideology of free market gained popular acceptance post Adam Smith's *The Wealth of Nations*. Presumably, the third stage then coincides with the rise of neoclassical economists' reign in the late 19th century after the Marginal Revolution in economics science theorizing. However, Bell's signification was highly disputed by many economists, for example Berry (2010) and Roberts (2014), who prefer to view Adam Smith himself as a promoter of moral economy. This stance takes into account the undeniable fact that Smith wrote 'The Theory of Moral Sentiments' and taught moral philosophy at the University of Glasgow. Notwithstanding Bell's signification quality, the moral economy concept is deeply entrenched in economic thinking since the past four centuries of Western thought.

On the scope of moral economy, Gotz (2015) criticizes Thompson's limited position as Thompson insists on that concept's

strict association to the 18th century English crowd's subsistence rights and the attached pursuit of justice during food riots in that epoch. This restrictive stance is of course an example of the conflation of economic theory and practice problem that should be avoided in scientific contributions as it would cloud intellectual clarity over any topic under study. To Thompson however, any discussions on moral economy that go beyond that limited scope risks the concept to loss of focus. In contrast, upon taking cognizance of the scholarly critics on the market system post 1970s that try to retrieve the moral element in economic conduct, Gotz (2015, 155) has no qualms at all in extending the moral economy concept to capture "an ideal of economic relations in their totality, or could as well refer to a particular dimension or economic sector". The former is pushing for a systemic change while the latter is content with every idea that seeks to correct failures that exists as blind spots in the current economic operations. Nonetheless, both share the character of being critics on the market economy. Evidently, this accommodative approach of Gotz allows us to summarize moral economy differently from Thompson; hence, appreciate it as an expression of collectively held values and feelings in economic choices. Its scope is therefore most suitable when moral concerns and economic resources coincide; and this includes the applied economics studies on welfare state, humanitarianism, civil society and non-profit or third sector. This unbreakable linkage with the economics sphere, involving production, consumption and distribution of goods and services, is crucial in protecting this term from being associated to a very loose understanding on the word 'economy' that is to mean 'an organized system that displays certain regularities' as espoused by Lorraine Daston (1995, cited in Gotz, 2015) in her attempt to connect moral economy with humanitarian efforts. Therefore, this study opines that the scope of discourse as indicated by Gotz is sufficient in framing the discourse to be a middle ground between Thompson's highly restrictive and historically contextualized usage; and Daston's extreme revisionist view on the word 'economy'. Such is the broadness of scope for the conventional moral economy discourse.

The above points on history and scope of the phrase moral economy allows us to understand two relevant matters. First, it could explain why in the 2016 published book 'The moral economy: Why good incentives are no substitute for good citizens', Samuel Bowles does not see any need to offer a definition for the term 'moral economy' as that move would strategically prevent him from being pulled into the never-ending academic controversies surrounding its

various definitions and at the same time, would empower him to enjoy the advantage of discussing ethics, philosophy, politics, sociology, psychology and of course, economics to drive home the substance of the discourse and to captivately share his vision of a moral economy. In other words, Bowles seems to take the cue from history and scope in writing his book on moral economy. And more importantly, this study affirms that this neologism does indeed offer a platform to intricately tie humanity's everlasting concerns over morality with the workings of a thriving economy.

3. BRIEF HISTORY AND SCOPE OF ISLAMIC MORAL ECONOMY

The preceding section concisely deliberates on the history and scope of moral economy in the Western academic literature. This section offers perspectives on the *Islāmic* version of moral economy in a way of framing its discussion similar to that in the previous section. This means that the sole concern here is the conceptualization of '*Islāmic* moral economy' by researchers in the social sciences. To the best of our knowledge, no study has been carried out to trace the history of the phrase '*Islāmic* moral economy' or IME. Hence in this paper we take a comparable journey to that offered by the previous section.

To re-emphasize, our main interest is the referencing of the phrase '*Islāmic* moral economy' in verbatim. By implication, our word search must strictly be in that full phrase comprising those three words in the title of academic related publications. By strictly focusing on the publication title, we follow how Thompson's 1971 work is identified as the start of moral economy discourse. Once conditioned in this manner, the outcome of this internet search exercise captures the clear and unambiguous intent of the authors to profile their research using the neologism '*Islāmic* moral economy'; hence, reflecting its use as a separate discourse category. We undertook that online search activity covering Google Scholar, Academia and ResearchGate platforms in end-April 2020. Notice that these are popular academic-related platforms requiring contributors to create their own accounts for them to monitor the traction on their scholarly publications. Therefore, this particular research method aligns with our attempt to provide some comments on relative visibility of IME and 'moral economy' in the coming section.

Our findings from the different online platforms indicate two candidates for the earliest dated academic work that perfectly match the search phrase '*Islāmic* moral economy'. In Google Scholar and

Academia, a book published in 2010 authored by Shafeil A. Karim is the earliest listed publication. Its full title is 'The *Islāmic* moral economy: A study of *Islāmic* money and financial instruments'. Second on the list, in terms of publication year, is Mehmet Asutay's 2012 journal article titled 'Conceptualising and locating the social failure of *Islāmic* finance: Aspirations of *Islāmic* moral economy vs. the realities of *Islāmic* finance'. However, ResearchGate listed Asutay's article as the oldest academic output. This is not surprising since later on, when we searched for 'Shafeil A. Karim' in the ResearchGate researcher profile we could not find any researcher matching that name. This points to the huge possibility that the named author has never created any account in the ResearchGate portal. Therefore, this study is inclined to identify Shafeil A. Karim's 2010 book as the first academic-related publication that has '*Islāmic* moral economy' in the title. So, one can safely conclude that the IME phrase only started to be recognized by *Islāmic* scholars after the turn of the 21st century.

Looking at the definition of IME, according to Karim (2010, 1), "The *Islāmic* moral economy is an economic, social and political model predicated upon the theological doctrines and values promoted by the *Qur'ān* and *Sunnah*". To elaborate on this very broad definition, he dedicates his entire book to describe on *ribā'*, *ribā'*-free money, *ribā'*-free banking and *ribā'*-free insurance. He does so by discussing *fiqh* (*Islāmic* jurisprudence) principles and concepts; and their proposed application in contemporary times. In similar vein, Asutay (2012, 93) notes the rise of IME-themed discussion when he explains, "*Islāmic* moral economy emerged in the modern sense in the late 1960s and early 1970s as an attempt to develop an authentic understanding of the *Islāmic* system of economics and develop policies accordingly". In that paper, he too treats the financial side of the economy as the core points of discussion. Rather than taking the *fiqh*-orientation of Karim (2010), Asutay instead emphasizes the practical side of the *Islāmic* economy by boldly and critically questioning the existing *Islāmic* banking and finance sector's ability to meet the high goals of IME as set forth by the first generation of *Islāmic* economists. To summarize, both Karim and Asutay tie their *Islāmic* finance commentaries to the main agenda of *Islāmic* economics, the *Islāmic* economic system.

On the scope of IME, Asutay (2013, 55) further explains the following: "The discourse on *Islāmic* moral economy is shaped around social justice and conducting economic and financial activities in considering their larger social impact and contribution to social good".

Apparently, the emphasis on the social side of economic behavior describes the overall aims behind IME. And as described above, the *Islāmic* banking and finance topic takes center stage.

While both Karim (2010) and Asutay (2012) prefer to examine one type of *sharī'ah*-compliant activity; namely *Islāmic* banking and finance, El-Sheikh (2008) suggests that a moral-legal framework be highlighted as an important component in IME-themed discourse. The different take on the scope issue between these two directions of discussion becomes obvious after considering that Karim and Asutay focus on modern day practices; whereas, El-Sheikh deliberates on the economic morality of the classical period of Islam. Nonetheless, both directions share the same substance, that is, the idea that *Islāmic sharī'ah* or legal framework prevails in all activities of man that are labelled as *Islāmic*. This is understandable because it is a fundamental part of *Islāmic* belief that the divinely-ascribed laws are propagated with the goal of promoting moral conduct among members of a Muslim community. After all, "Ethics and morality are the core of *Islāmic* law including commercial transaction" (Zakariyah, 2015, 356). Taking into account this similarity in substance, this paper asserts that every kind of *sharī'ah*-compliant economic and financial activity would be the baseline for the entire scope of IME.

However, going deeper into the above observation could shed more light on the orientation of IME discourse. Karim (2010) and Asutay (2013, 2012) indicate an inclination to closely knit IME and finance. This is somewhat exemplary of those Muslim scholars who are very much inspired by the reformist agenda to revamp the whole economic system of Muslim lands that became independent from colonial powers in the mid-20th century. They are contributors to Mawdu'ī Economics, a term coined by El-Sheikh that refers to the version of *Islāmic* economics writings that have the tendency "to hypostatize *Sharī'ah* and separate it from its historical context, be it socio-economic, political or technological" (El-Sheikh, 2008, 119).

On the other hand, El-Sheikh's Fiqhī Economics model presents a sketch of day-to-day economic activities actually practiced by Muslims of the past based on historical evidence. In this modelling exercise, the practical feature of the *sharī'ah* is shown by the evolving *fiqh* positions on new cases. Bear in mind that this Fiqhī Economics approach in displaying IME reflects a more piece-meal approach given that *fiqh* rulings are arrived at by *Islāmic* jurisprudence experts who are merely responding to fresh cases that arise out of immediate needs as raised by productive market participants. In other words, despite being less adopted by *Islāmic* economists, Fiqhī Economics is

less concerned with systemic change than MawdudiConomics. Therefore, one could indirectly argue that the FiqhiConomics approach of El-Sheikh displays a greater affinity to the empirical orientation of conventional moral economy than MawdudiConomics. Notice that the MawdudiConomics type of orientation has received strong criticism, as seen from writings lamenting the inability of *Islāmic* economists to answer the question of how to practically develop an *Islāmic* economic system, given the prevalent scenarios and contexts (Mahyudi and Abdul Aziz, 2018; Mahomed, 2013; Farooq, 2011; Shams, 2004; and Kuran, 1995a, 1995b and 1983). Perhaps when proponents of *Islāmic* economics shift from the system-wide approach of MawdudiConomics to piece-meal approach of FiqhiConomics, the criticisms could be reduced.

4. COMPARISON BETWEEN CONVENTIONAL MORAL ECONOMY AND IME

Without a doubt, this study has shown that the concept of moral economy is well-accepted in both conventional economics and *Islāmic* economics. This shared discourse continues to take its own paths on both tracks of economics. Apart from highlighting this prospect on the discourse development, this paper makes an attempt to compare and contrast the manner moral economy is relevant to both disciplines. The discussions are confined to points extracted from the history and scope of moral economy as covered in the previous two sections.

First, let us look at the origin of discourse. In a typical scientific fashion, Thompson (1971) brought up this moral economy concept to depict the actual happenings in pre-modern England. It is important to realize that the introduction of that neologism is directly linked to an actual event of food riots that took place in Western history. Given his coinage of that term is both novel in academic endeavor and empirical in nature, Thompson was not surmizing a noble idea when he introduced that concept. Over the years of widespread use of the neologism, his identification of the phrase under study has that positive implication of making discourses that combine moral concerns with economic phenomena to become more visible in social sciences without being necessarily normative-oriented.

In an earlier section, this paper concluded that the specific discourse on IME only appeared around three decades after that of Thompson's introduction. Its visibility follows the rise of interest in moral economy in conventional literature. But, this coupling of the 'moral economy' term with the adjective word '*Islāmic*' seeks to

capture an economy-wide phenomenon rather than a much narrow economic struggle of the peasants that resulted in food riots, as studied by Thompson. Considering the above-identified Karim's and Asutay's works, that initial discourse of IME was somehow inspired by the desire to establish the whole system of *Islāmic* economy with *Islāmic* banking and finance as its main thrust. Unfortunately, this nature of IME discourse is not directly about scientific depiction of realities in the Muslim world. To borrow Khan's (2013) soft critique on the state of *Islāmic* economics literature, we assert that this kind of IME discourse visibly adopts the orientation of 'theory of *Islāmic* economics'; rather than '*Islāmic* theory of economics'.

To put it differently, the identified orientation merely reflects the undying zeal held by concerned Muslim intellectuals who are romanticizing the heyday of *Islāmic* civilization. The problem with this system-wide focus of discussion is that it is ever ready to entertain ideologically-nuanced ideas. Consequently, *Islāmic* economists' reference to moral economy tends to mirror the rhetoric of *Islāmic* reformers heard especially in the political domain that thrives on identity politics. In contrast, the Western literature usage of the moral economy neologism is more scientifically-based since, in general, it is framed under empirical investigations and analysis.

Second, by looking at the moral economy conceptual coverage, the Western scholars are presently expanding the discussions into the applied fields of welfare, civil society, third sector and humanitarianism. The literature also includes very recent works examining the moral economy framework as a whole by concentrating on policy-guiding issues instead of being afflicted by politically-charged sentiments normally associated with identity politics discourse. For example, Hajnal (2018) suggests the UN Sustainable Development Goals be utilized as clear measures in order to operationalize this more humane and environmental-friendly economic system notion. Another policy-centric study is Taylor-Gooby et al. (2019). They analyze citizens' perception on priorities in social investment policies in three welfare states; namely Germany, Norway and the UK. This particular research is outstanding as it contrasted the attitude in the different regime of conservative in Germany, social democratic in Norway and liberal in the UK; with the widespread move toward neo-liberalism across Europe as its backdrop. Obviously, works with policy-centric content not only add color to the present moral economy discourse, but more importantly empower policy-makers to design more effective policies that would accomplish the aims of moral economy proponents.

As a comparison, the discussion on IME is mainly concentrated on *Islāmic* finance topics. Notwithstanding the social failure of the commercial practice of *Islāmic* finance, Asutay (2012) asserts that *Islāmic* banking and finance companies constitute the institutional aspect of IME. Accordingly, Asutay (2013) avers that those companies should serve the goals and objectives of IME. To do so, Platonova (2013) strongly advocates the role of corporate social responsibility in those companies by paying due attention to the social and developmental programs that could mitigate or moderate the reported social failure of the *Islāmic* finance industry as a whole. Nonetheless, our study also comes across Mahyudi (2015a) and El-Sheikh (2008) who depart from this typical line of discussion. The former proposes a *sharī'ah*-based values infusion public policy. Mahyudi argues that this policy could help to naturally develop the aspired IME. El-Sheikh also adopts an economy-wide concern in his analysis of classical Islam's commercial practices. He describes a *sharī'ah* market model by delineating on the classical markets' economic structure, moral and social embeddedness, legal framework and operational and policy institutions. Interestingly, Jan and Asutay (2019) published a book with the title 'A model for *Islāmic* development: An approach in *Islāmic* moral economy'. The authors of the book are also consistent with the economic system thesis wherein IME is argued to be an alternative socio-economic model to capitalism and socialism. Notably, both conventional disciplines and *Islāmic* economics share the agenda that challenges the status quo. However, conventional moral economy literature seems to have a more varied sphere of applied discussions compared to *Islāmic* economics.

5. THE ROLE OF UNIVERSAL MAN IN MORAL ECONOMY

The above comparison exercise promotes greater appreciation of the academic and scientific ideas on moral economy. Meanwhile, this section is dedicated to answering this question: How does 'universal man' enter future discourse? To that end, we try to establish a link-up between one neologism (i.e., moral economy) with another (i.e., universal man). This connection is made possible by extending the implications from the new concept of universal man onto the continuous attempt to achieve the noble targets of moral economy. Therefore, this paper puts forward a plausible case for the constructive role of universal man in the moral economy discourse. It is constructive in the sense that this new economic agent simplification

of the policy audience would allow it to be an instrumental tool for policy makers. A creative, purposive and practical application of the universal man concept at both micro and macro policy levels is expounded on next. This paper asserts that future discourse could make real progress upon proper acknowledgement of this novel link-up.

The universal man was introduced by Mahyudi and Abdul Aziz (2017). They proffer it as a replacement for the economic man model predominantly presumed by *Islāmic* economists, *homo Islāmicus*; and by conventional economists, *homo economicus*. The behavioral norms of universal man could be summarized as follows: the end in each of his economic pursuit is incremental welfare, his process to achieve this end is described as dominant activated human element and the concept that he treats as cardinal virtue is justice and fairness. Suffice to state that these set of behavioral norms have been argued to be more representative of the real economic agent in any economy; including *Islāmic* or conventional moral economy. In other words, the question of how to operationalize this neologism does not arise in its conceptualization process given that the primary concern there is how best to depict the economic agents as they are. Put differently, this neologism is just a product of a scientific attempt to have a more realistic template for the operative economic agents. When reality regarding the economic agents, who happen to be the policy audience in the context of this paper's discussion, is better represented, the overall processes from policy formulation, implementation and assessments would be further improved. A much fuller elaboration on the rationale and justification for this neologism is beyond the scope of this paper; nonetheless, it could be understood better by exploring Mahyudi (2016, 2015b) and Mahyudi and Abdul Aziz (2017).

To reiterate, we posit that universal man is relevant when one ponders upon the critical issue of how to practically develop a moral economy. By now, the fact that the moral economy notion is antithesis to the value-free position of the neoclassical economists should be easily agreed to. In essence, moral economy is a value-based discourse with the broad aim of human flourishing. So, in moral economy debates, a clear moral or value judgement stance is indeed imperative.

Since any attempt to contribute to the moral economy idea is a value-laden endeavor, it is not possible to bypass the theory of value. First and foremost, the organic source of such theory must be identified. According to Dyke (1981), a theory of value originates from the theory of human nature. This important connection leads us

to confidently state that any value-based effort, especially moral economy, should be a natural extension to any credible version for human nature theory. Consequently, this line of argument also suggests that the closer the link between any moral economy discussion with the most solid theory of human nature, the more valid and sound is that discussion.

Thence, the importance of Mahyudi and Abdul Aziz's (2017) universal man to this paper is established. The authors assert that the universal man seeks to improve his own welfare or well-being in every rational decision in his life. Unlike *homo economicus*, universal man's welfare is one that is comprehensive since it covers his spiritual, emotional, intellectual and physical (SEIP) needs and wants. This SEIP welfare concept stems from the complete nature of man's four elements; namely, *Rūḥ* (spirit), *Qalb* (heart), *'Aql* (intellect) and *Nafs* (appetent self). This is what the authors mean when they make reference to Al-Ghazali's R-QAN model of man. This present paper concurs with Mahyudi and Abdul Aziz's assertion that Al-Ghazālī's four-part identification of human nature is necessary and sufficient in any attempt to bring in morality into economic analysis and policy formulation, from both the conventional or *Islāmic* perspective.

Here, to illustrate the practical usefulness of this R-QAN model, we extend the example given by Bowles (2016) and Rodrik (2015). Both of these prominent contemporary economists cite this micro case of Haifa day care centers to show that the usual economic disincentive mechanism of issuing fines does not work as concluded in the study of Gneezy and Rustichini (2000, cited in Bowles, 2016). This fine was imposed on parents who picked up their children late. Surprisingly, parents responded by doubling the time they arrived late after the policy on the fine was introduced. This undesirable change in the parents' behavior shortened the implementation of that policy to just twelve weeks only. Yet their shocking behavior continued even after the policy ended. Hence, the referred study prompts Bowles to claim that there is a negative synergy between economic incentives and moral behavior.

This paper strongly believes that the R-QAN model of universal man could offer a better outcome. Arguably, the reason for such negative synergy lies in the wrong policy design. Based on the R-QAN model, a day care center service serves mainly the emotional welfare of the parents; without assuming the total absence of physical, spiritual and intellectual kinds of welfare pursuit. Out of their sense of love and compassion, parents send their children to a day care center so that the latter are well-taken care of while they are at their

workplace. This economic decision improves the parents' emotional welfare more than any other type of welfare. Because of the emotional welfare predominance over physical, spiritual and intellectual welfare pursuits, one may generally classify a day care center service as an offering catering to the emotional well-being of the economic agent. Assuming that the probability of this classification to be correct is high, then logically, a more fitting policy design must introduce emotional reward and/or punishment, instead of relying on typical pecuniary ones.

For instance, in that Haifa case, the day care service operator could evoke emotional appeal in its attempt to ensure that parents fetch their children on time. One possibly simple way is to immediately inform the parents that their kids becomes less and less happy as more and more of their classmates leave the day care center; if this feeling is genuinely observable from the child's behavior. This mechanism could be more potent when done via a face-to-face communication as soon as the parent fetches his or her child. A harsher punishment could be that when parents are late for say twice a week, their child would be banned from joining the coming week's wading pool session or any other very interesting session in the weekly schedule. A much harsher emotional punishment could be that if parents pick up their kids late for more than, say 8 times a month, their kids will be banned from joining the day care's trip or any other activity or event planned as the ultimate highlight of the kids' one-year schedule at the day care center. Done courteously, name shaming the parents could be another way to make them conform to the existing rule.

Alternatively, positive reinforcement or reward policy could also be introduced. As a qualifying statement, this policy design does not need to totally rule out the introduction of fines and penalty as policy instruments as they are still useful. As an example, they could be imposed at a very high amount to perhaps those small number of recalcitrant parents who are notoriously known to always fetch their children late regardless of the emotions-based punishment. It is crucial to remember that the basic idea here is that the R-QAN model of universal man naturally motivates us to rightly classify goods and services based on the predominant human welfare that the economic agent is enjoying from his consumption of those products. Once the authorities have rightly classified the dominant welfare category that is identifiable to the consumed products, policy makers could design incentives beyond those typically offered by both conventional and *Islāmic* economists in order to strategically induce the desired behavior pattern.

Note that the above template of micro policy design could potentially be effective in the context of macro or public policy formulation and analysis too. A way for the R-QAN model to improve the potency of public policies is by identifying the character of majority number of any policy target group members. It is a known fact that some societies and subgroups within those societies display subtle differences in terms of trait and character. Utilizing the R-QAN model of universal man, the policy makers could classify the policy audience either as being predominantly concerned with spiritual, emotional, intellectual or physical welfare. For those groups that value religious concerns highly, then spiritual incentives should be a vital component of the policy design. Similarly, when the norms subscribed by the target group display clear affection for material welfare, pecuniary and material incentives would come in handy.

The same structure of application is implied for the other two types of well-being for universal man. But it is wrong to assume that in a particular policy, only one type of welfare is to be identified and thus, given the sole focus. In fact, we could combine multiple incentives or institute a punishment matrix depending on the policy maker's research-based view about the character of the policy audience. Equipped with this macro policy design formula, it is easier to grasp why in the case of a public policy meant for all citizens of a country, a combination of reward and punishment package that serves all four types of welfare would probably be the most effective policy design. This is understood to be so as it increases the likelihood for the policy audience to behave accordingly given that each different component within that reward and punishment policy package would work its magic to motivate or demotivate every individual in its own unique manner. In summary, the matching of welfare type-to-incentive package requirement in policy design, as embedded in and suggested by the neologism 'universal man', is argued to improve policy effectiveness at both micro and macro levels.

6. CONCLUSION

This paper justifies two primary propositions. First, there are some similarities and differences between the conventional and *Islāmic* economics discourse on the concept of moral economy. Their main common denominator is the perceived attempt to match purposive rationality with value-based aims and considerations. Regarding their differences, secular conventional discussions carry a more empirical disposition than IME; which shows a more pietistic inclination. Apart

from that, the conventional discussions exhibit greater breadth and depth than IME that tends to focus on *Islāmic* banking and finance topics. It is worth reminding the reader that these points were arrived at after our undertaking of a cursory comparative exercise that adopted history and scope as our points of analysis. A more in-depth comparison on the philosophy, idea and concepts of conventional moral economy and IME would require another research on existing literature since it is beyond the aims of this paper. Having said that, we foresee that any research that rigidly follows that kind of structure and content might lead us to revisit the decades old discussion on comparative economic systems. That impressive cul-de-sac, however, is not in line with this paper's motivation to offer novel directions in future discourse as stated in section 1.

Second, the universal man concept proffers some observable benefits in developing the right policy design. This extended assistance to the policy makers depends upon the proper classification of tradable goods and services in commercial settings; and proper characterization of the universal man's welfare pursuit goal prior to promulgation of public policies. This newly introduced entrant to the moral economy discourse (i.e., 'universal man' neologism) could then offer priceless guidance in some aspects of policy strategies considering that the policy makers are now motivated to enhance the welfare type-to-incentive matching quality of all future policies. Notwithstanding the existing lower visibility of IME than its conventional counterpart, strategies of such quality do have the potential to increase the instrumental value of this moral economy discourse for both conventional and *Islāmic* economics. Thus, one expected implication is that IME discourse would chart the same rise in visibility as recently experienced by *Islāmic* social finance among *Islāmic* finance literature.

As a final point on IME, this paper's comparative exercise underlines one serious note for improvement. The stark contrast in orientation of discussion should indicate that some changes are necessary if *Islāmic* economists are really concerned about materializing IME's socio-economic objectives. This paper suggests that, in order to be more aligned with their sincere pursuit to be part of the scientific community, they should free themselves from the hyperbolic rhetoric of identity politics played by *Islāmic* revivalists of yesteryear a la MawdudiConomics. For a change, it is due time for them to pay more attention to the concrete realities and practical challenges of reform beyond the *Islāmic* banking and finance sector. Only then could the *Islāmic* economists significantly partake in the

global movement that is very keen to see sensible ideas offered by the moral economy discourse to be implemented successfully for the sake of humanity.

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