

## SEARCHING FOR ISLAMIC PERSPECTIVES ON LIVELIHOOD THEORY: INSIGHTS FROM AL-GHAZALI AND AL-SHAYBANI

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### Abstract

The main purpose of this study is to explore livelihood theory in the works of al-Ghazali and al-Shaybani, presenting it as an alternative to mainstream livelihood conceptions by highlighting its normative impacts on current socio-economic situations. Through textual evidence, this study demonstrates that both scholars viewed livelihood not merely as a means to income and consumption, a perspective that fails to grasp the importance of livelihood as an end in itself and as a means to well-being. Al-Ghazali and al-Shaybani emphasized that livelihood involves affiliating individuals with social responsibilities, which encompass multidimensional variables (religious, legal, moral, political, social, economic, etc.) that influence each other. In light of this, the study proposes to evaluate the potential impact of their ideas on the latest theoretical developments in livelihood and economic science.

**Keywords:** Al-Ghazali; Al-Shaybani; livelihood; theory; retrospective.

### Khulasah

Tujuan utama kajian ini adalah untuk meneroka teori punca pendapatan dalam karya-karya al-Ghazali dan al-Shaybani, dengan menyajikannya sebagai alternatif kepada konsep punca pendapatan arus perdana dengan

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menekankan kesan normatifnya terhadap situasi sosio-ekonomi semasa. Melalui kajian teks, kajian ini menunjukkan bahawa kedua-dua sarjana tersebut melihat mata pencarian bukan sekadar sebagai cara untuk mendapatkan pendapatan dan perbelanjaan, iaitu pandangan yang gagal memahami kepentingan punca pendapatan sebagai tujuan itu sendiri dan sebagai cara untuk kesejahteraan. Al-Ghazali dan al-Shaybani menekankan bahawa punca pendapatan melibatkan gabungan individu dengan tanggungjawab sosial, yang merangkumi pelbagai pemboleh ubah bersifat multi dimensi (agama, undang-undang, moral, politik, sosial, ekonomi, dan lain-lain) yang saling mempengaruhi. Kajian ini mencadangkan penilaian potensi impak idea-idea mereka terhadap perkembangan teori terkini dalam disiplin ilmu tentang punca pendapatan dan ekonomi.

**Kata kunci:** Al-Ghazali; Al-Shaybani; punca pendapatan; teori; retrospektif.

## **Introduction**

Livelihood, or the act of working to sustain oneself, holds significant importance across various cultures, each with its distinct set of values and perspectives on this fundamental aspect of life. Nowadays, studies on livelihood are increasingly being researched and flourishing across many fields. Many researchers attempt to capture not just what people do to make a living, but also the resources that provide them with the capability to build a satisfactory life, the risk factors they must consider in managing their resources, and the institutional and policy context that either helps or hinders them in their pursuit of a viable or improving living<sup>1</sup>.

Livelihood, in general terms, means 'securing the necessities of life'. In the context of development, it refers to describing the capabilities, ownership of resources

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<sup>1</sup> Frank Ellis, *Rural Livelihoods and Diversity in Developing Countries* (UK: Oxford University Press, 2003), 273.

(social and material), and activities needed by a person or community to sustain their lives<sup>2</sup>. The word 'livelihood' etymologically includes assets or capital (natural, human, financial, social, and physical) and activities in which access to these assets is mediated by institutions and social relations. These elements collectively determine what can be obtained by individuals, families, and the community. The word 'access' is then defined as "social rules and norms that regulate or influence the different abilities of people to own, control, claim, or use resources".<sup>3</sup>

Islam, as a code of ethics for all human life, encompasses all areas of human existence when discussing livelihood. Livelihood is not merely seen as a matter of income and work. Islam represents livelihood in a broader socio-economic context, rooted in social justice based on Islamic culture and identity, and dependent on various factors such as landscape and ecology. It is also related to community and property rights, which signify dignity, control, governance, empowerment, and sustainability.

In this sense, Islam not only establishes fundamental principles for livelihood but also provides a comprehensive framework for each aspect of human activity, operationally and practically. With this principle of thinking, livelihood theory emerges as a collection of rules and values about work for living that can lead humans to the ability to fulfill their basic needs and interact with each other.

However, contemporary views on the concept of work, as discussed in several studies such as those by Applebaum<sup>4</sup>

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<sup>2</sup> Saragih, Sebastian, Jonathan, Lassa & Afan, Ramli, *Kerangka Penghidupan Berkelanjutan* (Jakarta: Hivos Southeast Asia Office, 2007).

<sup>3</sup> Rafael, M., Chiaravalloti, et al., "Sustainability of Social–Ecological Systems: The Difference Between Social Rules and Management Rules," *Conservation Letters* 14(5) (2021), doi: 10.1111/CONL.12826, 1.

<sup>4</sup> H. A. Applebaum, *The Concept of Work: Ancient, Medieval and Modern* (New York: SUNY Press, 1992).

and Gamst<sup>5</sup> have produced several interesting findings. Many previous studies use chronological and historical periods to organize and discuss the concept of work during ancient, medieval, and modern times. However, they often overlook the concept of working for a living during the golden ages of Islam, particularly the related thoughts of prominent classical Muslim scholars<sup>6</sup>. Therefore, to consider work and livelihoods as interrelated features of individual lives and the multiple patterns of social relationships that sustain them, this study starts the discussion by grounding the Islamic viewpoint in assessing aspects of livelihood behaviour.

This study selects classical Muslim scholars based on their significant contributions to Islamic economic philosophy and their exploration of livelihood concepts within Islamic frameworks. The selection criteria prioritize scholars whose works reflect and engage with Islamic values, concepts, and teachings related to livelihood and economic activities. Specifically, the research focuses on scholars who have provided substantial insights into the multifaceted aspects of livelihood from theological, legal, moral, political, social, and economic perspectives. The primary aim of this study is to gain a comprehensive understanding of prominent scholars such as Imam al-Ghazali and Imam al-Shaybani, and their ideas concerning the concept of *al-kasb* (work). By examining the historical and theoretical foundations of *al-kasb* and its contemporary relevance to understanding livelihood, the research aims to offer a nuanced exploration of Islamic perspectives on work and its implications for modern economic thought.

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<sup>5</sup> F. C. Gamst, *Meanings of Work: Considerations for the Twenty-first Century* (New York: SUNY Press, 1995).

<sup>6</sup> Possumah, et al., "Bringing Work Back in Islamic Ethics," *Journal of Business Ethics* 112(2) (2013), 257–270.

This study employed qualitative analysis through content analysis as its methodology. It proposes an alternative conception of livelihood, elucidating the formative and reliable impacts on the well-being of Muslims as discussed by Imam al-Ghazali in his book *Ihya' 'Ulum al-Din*, chapter "Adab al-Kasb wa al-Ma'ashi", and Imam al-Shaybani in his book *al-Kasb*. Content analysis was systematically utilized to examine texts and documents, aiming to identify patterns, themes, and meanings related to their discussions and interpretations of the concept of livelihood. Through this methodological approach, the study sought to gain a deeper understanding of how these scholars conceptualized and explored the notion of livelihood within Islamic frameworks.

### **Review of the Theory of Livelihood in a Western Context**

The concept of livelihood is deeply rooted in human history and has been around for centuries. In Western civilization, the term 'livelihood' is defined variably depending on its use in context. The definition is closely related to the concept of work, which refers to a physical or mental act carried out to achieve an economic purpose, a place of employment, or a job or task that an individual performs. In this context, the term 'livelihood' refers to 'work' as an occupation and the industry of employment.

In the late 1980s, the World Commission on Environment and Development (WCED) defined sustainable development as "meeting the basic needs like food, clothing, shelter, and jobs of populations across geographies of the present without compromising the ability of future generations to meet their own needs to fulfill their legitimate aspirations for a better life." The Commission then evolved a definition of livelihood as "adequate stocks and flows of food and cash to meet basic needs." This concept of livelihood conceived security and sustainability as integral elements. Security means securing

resource ownership and access (through rights) and access to economic activities that yield adequate income, which helps manage risks, shocks, and contingencies. The sustainability of livelihood ensures the enhancement and maintenance of resource productivity over the long run.<sup>7</sup>

Building upon the work of the WCED, livelihood is defined as possessing adequate stocks and flows of food and cash to meet basic needs. However, this definition fails to differentiate between the dimensions of process, activities, assets, and resources, as well as outcomes. It is imperative for the definition to encompass the activities and resources integral to the livelihood process. Furthermore, in 1991, Chamber and Conway expanded and refined the term 'livelihood', incorporating capabilities, assets encompassing both material and social resources, and activities necessary for sustaining a means of living. Hence, all activities involved in procuring food, securing water, obtaining shelter, clothing, and other necessities crucial for human survival at the individual and household levels are encompassed within the concept of livelihood.

Chamber and Conway<sup>8</sup> in line with Ellis<sup>9</sup> defined livelihood as the activities, assets, and access that jointly determine the living gained by an individual or household. When it comes to an individual, a livelihood is the ability of that individual to obtain the basic necessities in life, which are food, water, shelter and clothing.

Ellis' concept of livelihood takes into account the role of institutions (such as land tenure, common property, markets, etc.), social relations (caste, ethnicity, gender,

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<sup>7</sup> Tara Nair, *Understanding Livelihoods: A Review of Major Debates, State of India's Livelihoods Report 2012* (New Delhi: Sage Publications, 2012), 2.

<sup>8</sup> R. Chambers & G. R. Conway, *Sustainable Rural Livelihoods: Practical Concepts for the 21<sup>st</sup> Century* (Brighton: Institute of Development Studies, 1991), 5

<sup>9</sup> Frank Ellis, "Household Strategies and Rural Livelihood Diversification", *The Journal of Development Studies* 35(1) (1998), 4.

etc.), and organizations (government and non-government agencies, consumer groups, etc.) in mediating households' access to assets and activities. Ellis recognized the tendency for diversification of activities and assets among rural households, primarily to cope with shocks and risks and improve quality of life.<sup>10</sup> According to Nair, livelihood diversification is a powerful analytical tool for appraising the survival strategies employed by poor households in both rural and urban areas.<sup>11</sup>

Nowadays, livelihood studies have shifted away from historical and theoretical depth frameworks or structural perspectives that present poor people as passive victims of structural forces. Instead, they have moved towards a theoretically holistic and critical perspective on how the poor organize their livelihoods. The current approach to studying livelihoods focuses on reducing inequalities as the main global social problem, rather than on 'poverty as such'. Livelihood studies aim to understand that poor people aspire to a better life and seek ways to enhance their livelihoods. The essence of livelihood studies has transitioned from merely addressing poverty to understanding how the poor can be 'included'.

Therefore, all activities involved in finding food, searching for water, shelter, clothing and all necessities required for human survival at individual and household level are referred to as a livelihood. However, from these definitions we can highlight some points that in the Western view, the concept of livelihood always returns to human survival and their capacities to meet their scarce living necessities.<sup>12</sup> There are three main variables: survivability,

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<sup>10</sup> *Ibid.*

<sup>11</sup> Tara Nair, *Understanding Livelihoods*, 2.

<sup>12</sup> Scholar who attempts to re-join economics and ethics is Amartya Sen's 'capability approach'. See Amartya K. Sen, "Capability and Wellbeing," in *The Quality of Life*, eds. Martha C. Nussbaum & Amartya K. Sen (Oxford: Clarendon Press, 1993), 30–53.

capabilities, and resources. These variables are deeply rooted in an economically free competition basis, not in the relationship between individuals or between individuals and their society, nor in ethics. Instead, these variables focus solely on how humans struggle for their living. Hence, the next section of this study investigates the livelihood concept from prominent classical Muslim scholars to contribute to the ongoing discourse on the concept of earning and livelihood (working for a living).

### **Al-Ghazali's Theory on Livelihood**

In this section, through thematic-based content analysis, this study investigates the theory of livelihood (*al-Kasb wa al-Ma'ashi*) in the thought of al-Ghazali.<sup>13</sup> This study found that there are essentially three major ideas in the works of al-Ghazali that are interconnected and complement each other in shaping his theory. These include the concept of human beings, ethical living within society, and the notion of well-being. These three concepts are dispersed throughout al-Ghazali's writings, not only in his masterpiece *Ihya' 'Ulum al-Din*, particularly in the chapter The Ethics of Earning and Working for a Living (*Adab al-Kasb wa al-Ma'ashi*), but also in works such as *Mizan al-'Amal*, *al-Risalah al-Laduniyyah*, *al-Mustasfa fi al-'Ilm al-'Usul*, and others.

Firstly, in the concept of the human being, al-Ghazali views humans as created from two distinct substances. The material body (*al-jasad*) is subject to generation and corruption, composite, earthy, and cannot be complete without something else. This other element is the immaterial soul (*al-nafs*), which is substantial, enlightened, comprehending, and completes the body.<sup>14</sup> Naturally, humans consist of an immaterial soul (*al-nafs*), a substance

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<sup>13</sup> Braun, et al., "Using Thematic Analysis in Psychology", *Qualitative Research in Psychology* 3(2) (2006), 77-101.

<sup>14</sup> Abu Hamid al-Ghazali, "al-Risalah al-Laduniyyah", Part II, trans. Margaret Smith, *Journal of the Royal Asiatic Society* (1938), 193.



that distinguishes them from all other beings. However, there is an interaction between the soul and the body. The soul is a spiritual principle that possesses life itself and vitalizes, controls and regulates the body, while the body serves as the instrument and vehicle of the soul.<sup>15</sup>

The discussion of human nature in relation to al-Ghazali's livelihood theory is fundamental due to the inherent link between human nature and the purpose of life. According to al-Ghazali's mystical views, the true purpose of human life lies in the afterlife. The soul, regarded as a divine element within humans and aspiring towards godliness, plays a central role in this understanding. This element guides humans towards divinity and urges them to seek the bounty of God. Therefore, in the context of working for a living based on the purpose of life, al-Ghazali classifies humans into three categories: (i) those who pursue their livelihood in this world at the expense of their afterlife, referred to as the accursed group, (ii) people who focus on worship while ruling out their livelihood, and (iii) people who are occupied with their livelihood for the welfare of their hereafter. In his works, *Jawahir al-Qur'an*, al-Ghazali suggests that the world is a bridge to the afterlife. As long as humans, as servants, view the world as a bridge, their livelihood activities are accepted. The world serves as a stopover for those who are journeying towards Allah SWT.<sup>16</sup>

Secondly, al-Ghazali's theory of livelihood is part of the concept of what we currently call 'society', which refers to a group of people living together in a place with certain rules and regulations. The concept of livelihood is intertwined with 'the ethics of living (together) among society', which denotes the moral values practiced by a

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<sup>15</sup> Abu Hamid al-Ghazali, *The Alchemy of Happiness* (London: The Octagon Press, 1980), 18-19.

<sup>16</sup> Abu Hamid al-Ghazali, *Jawahir al-Qur'an* (Beirut: Dar al-Ihya', 1986), 55.

group of people living, interacting, or socializing in a society.

The ethical living among society according to al-Ghazali can be understood through the term *al-suhbah* (friendship).<sup>17</sup> *Al-suhbah* refers to the interaction of human beings in societies, encompassing sitting together (*mujalasaḥ*) and being neighbors (*mujawarah*). Based on *al-suhbah*, al-Ghazali accordingly presents the concept of an ideal society, emphasizing the individual as the most crucial element within society.<sup>18</sup> Every individual must act correctly and avoid deviation. The uniqueness of religious, legal, moral, political, social, and economic concerns lies in their combined influence on individuals within society. This study initiates the discussion on al-Ghazali's livelihood theory by emphasizing the centrality of the concept of human beings, acknowledging their integral involvement across all dimensions of societal life.

The development of an ideal society must be based on ethics and justice, requiring good governance by the state. The main task of the government, then, is to create justice in all aspects. In the context of society's livelihood, there are two kinds of justice: individual justice and social justice. Individual justice is a moral justice that requires every individual to "give and take" to work for a living within the society. On the other hand, social justice refers to "distributive justice" or "economic justice," which addresses how the rewards and burdens, benefits and costs, advantages and disadvantages of social life are regulated and distributed among society members according to principles of justice. Complaints about social injustice arise

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<sup>17</sup> Abu Hamid al-Ghazali, *Ihya' 'Ulum al-Din* (Beirut: Dar al-Ma'rifah, n.d.), vol. II, 369

<sup>18</sup> Al-Ghazali, *Ihya'*, vol. III, 235

when some members of society benefit less from living together or bear its burdens more than others.<sup>19</sup>

Supporting what al-Ghazali addressed as an ideal society, Fazlur Rahman,<sup>20</sup> as cited in Hamdi, et.al<sup>21</sup>, assert that to achieve an ideal society, the society must emphasize economic justice. Discussing al-Ghazali's ideas of livelihood lies in the contextualization and extension of his concept of an ideal society. Rahman's assertion regarding the emphasis on economic justice, particularly in relation to the distribution of wealth, well-being, and livelihood, to achieve an ideal society aligns with themes present in al-Ghazali's works. Hence, livelihood is a mediator between the ideal society envisioned by al-Ghazali and the pursuit of economic justice advocated by Rahman. It becomes evident that the act of working for a living serves as a bridge connecting these two philosophical frameworks.

Al-Ghazali defines justice as "putting matters (*umur*) to their proper places as specified by Shari'ah and custom".<sup>22</sup> Concerning livelihood, this study relates to human behaviour as Al-Ghazali defines justice as "being free of excess and deficiency (*ifrat* and *tafrit*), and keeping a balance between a pair of scales." One needs to pay due care and attention to the interests of the other party in transactions of buying and selling, being more prudent to accept less (than what one thinks is one's due) when selling and to give more (than what one thinks is due to the other party) when buying, as there is the risk of violating the

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<sup>19</sup> Sabri Orman, "Al-Ghazali on Justice and Social Justice", *Tujise* 5(2), (2018), 6.

<sup>20</sup> Fazlur Rahman, "Riba and Interest," *Islamic Studies* 3(1) (1964), 1-43.

<sup>21</sup> Abur Hamdi Usman, et al., "The Concept of an Ideal Society: A Review of Fazlur Rahman's Perspective", *International Journal of Islamic Thought* 21 (2022), 7.

<sup>22</sup> Al-Ghazali, *Ihya'*, vol. II, 369.

rights of the other party while trying to get one's due in full.<sup>23</sup>

Thus, according to al-Ghazali, individuals who are free from all forms of fraudulent transactions will contribute to economic growth. In this context, al-Ghazali supported the ban on usury, as prescribed by the Qur'an, which has led to the economic collapse of the family institution, society, and nation. *Riba* (interest and usury) is a form of oppression by the rich towards the poor. In that context, Rahman added that if capital injection contributes to creating wealth for the poor, then usury can be allowed, but economic exploitation should be prohibited.<sup>24</sup>

Al-Ghazali, as cited in Orman, considers justice necessary for human relations, but he also suggests that it alone is not enough.<sup>25</sup> Moral norms of society should be dictated and regulated by the dominant Islamic religion and serve as the basis of *mu'amalah* (social transactions between humans), marital relations, criteria for social behaviour, and the spiritual image of humans. Religion serves as the foundation of morality and a source from which virtues and high models of behaviour are drawn; if humans follow them, the ideal society will be established. Hence, al-Ghazali suggests that justice needs to be complemented by a higher norm and form of relationship called "*ihsan*" (righteousness).<sup>26</sup> *Al-'adl* (justice) and *al-ihsan* (righteousness) are two important elements in al-Ghazali's livelihood theory, attributed to the impact of free competition resulting from individuals living side by side in society and fulfilling their needs and wants.

In the context of free competition in the Western economy, Adam Smith, the father of Western economics, famously remarked: "It is not from the benevolence of the

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<sup>23</sup> Sabri Orman, "Al-Ghazali on Justice and Social Justice", 15.

<sup>24</sup> Fazlur Rahman, "Riba and Interest", 38.

<sup>25</sup> Sabri Orman, "Al-Ghazali on Justice and Social Justice", 3.

<sup>26</sup> *Ibid.*

butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest."<sup>27</sup> Many Western economists, such as Gotz Briefs, have articulated this idea with the concept of 'limited morality,' suggesting that those with the lowest moral standards often survive in the long term. In conflict situations, adherence to higher moral standards can lead to competitive disadvantages. Hence, in the capitalist economic order, the livelihood concept is grounded in self-interest, the market, and free competition, which can lead individuals to act counter to lawfulness in the long run.

*Al-ihsan* prevents immoral and self-interest-based free competition between humans. *Ihsan* is about solidarity, love, and altruism, demanding from individuals that they subordinate their interests to those of others. The concepts of justice and *ihsan* from Al-Ghazali are based on the Qur'an, al-Nahl: 90:

"Indeed, Allah commands justice, righteousness, as well as courtesy to close relatives. He forbids indecency, wickedness, and aggression. He instructs you so perhaps you will be mindful."

According to al-Ghazali, justice is the means to attain salvation in the livelihood world, akin to business capital. Meanwhile, *al-ihsan* leads to profit and happiness. A Muslim should not only focus on self-oriented livelihood practices but should also consider public interest, share benefits, and be mindful of others.

Thirdly, livelihood is part of the obligations of society (*fard al-kifayah*) that have been determined by Shariah, and if not fulfilled, worldly life will collapse, and humans will perish. Al-Ghazali formulated three reasons why humans should carry out livelihood activities: (i) to meet their own

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<sup>27</sup> Adam Smith, *The Wealth of Nations* (Harmondsworth: Penguin, 1974), 119.

needs, (ii) to ensure family well-being, and (iii) to help others in need. These criteria prove that human well-being will be fulfilled if their level of needs is met. Practicing the theoretical level of human well-being has many dimensions, but in this case, the focus is on the fulfillment of well-being based on the level of need and wealth.

The livelihood aspect of social wellbeing functions in al-Ghazali's framework as a harmony and integration of social and individual needs. Social and individual needs are composed of a tripartite hierarchy of needs (*daruriyat*), pleasure or comfort (*hajjiyat*), and luxury (*tahsiniyat*). All these three levels of needs are interrelated to each other. In fulfilling human basic needs in line with the aforementioned tripartite, al-Ghazali then anchors his theory based on three main principles - Islam, Iman, and Ihsan in order to comply with the rule of Shariah.

Al-Ghazali considers livelihood as part of worship, especially in meeting the basic needs of society. If the basic needs are met, it signifies that the community's needs have been fulfilled.<sup>28</sup> However, if the community's needs remain unmet, the State must take responsibility for addressing them. Al-Ghazali classifies livelihood activities into three categories, mirroring contemporary discussions: primary (agriculture), secondary (manufacturing), and tertiary (services). Additionally, he divides livelihood activities that sustain human survival into three types: basic industries (such as food and clothing industries), supporting activities (like steel production, mining, and forestry), and complementary activities (such as milling and processing agricultural products). Furthermore, al-Ghazali delves into the stages of livelihood, labor specialization, their interrelationships, coordination, cooperation, and competition.

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<sup>28</sup> Al-Ghazali, *Ihya'*, vol. III, 235.

### **Al-Shaybani's Theory on Livelihood**

Al-Shaybani's livelihood theory is primarily presented in his greatest work, *al-Kasb*, which was written in response to the *al-zuhd* attitude that spread among Muslims in the second century of Hijriyah. Other notable works include *al-Ihtisab fi al-Rizq al-Mustahab*, which discusses various forms of business such as trade, agriculture, leasing, and industry, and *al-Asl*, which covers cooperation and profit-sharing business. Al-Shaybani is one of the first Islamic scholars to conduct a micro-economic study on the theory of *al-kasb* (working for a living), exploring various ways to earn income and its sources. He is among the earliest scholars to expand guidelines for production and consumption behaviour.

In contemporary economic thought, livelihood is divided into three categories: agriculture, industry, and services. However, Al-Shaybani divides livelihood into four types: leasing, trade, agriculture, and industry. Among these, al-Shaybani prioritizes agriculture over other activities. He views agriculture as essential because it produces various basic human needs, which are very supportive in fulfilling various obligations. The food we consume, for instance, is a product of agriculture. This aligns with the economic theories of both classic and modern Western scholars such as Pigou, A.<sup>29</sup>, Rostow, W.W.,<sup>30</sup> Johnston, B.F. and J.W. Mellor<sup>31</sup>, who assert that agriculture is an accessible means to meet the necessities of life.

From a legal perspective, al-Shaybani divides livelihood activities into *fard al-kifayah* (communal

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<sup>29</sup> A. Pigou, *The Economics of Welfare* (London: Macmillan and Co., 1932).

<sup>30</sup> Rostow, W.W., "The Stages of Economic Growth," *Economic History Review* 12 (1959), 1-16.

<sup>31</sup> Johnston, B. F. & J. W. Mellor, "The Role of Agriculture in Economic Development," *American Economic Review* 51 (1961), 566-593.

obligation) and *fard al-'ayn* (individual obligation). *Fard al-kifayah* is an act intended to "attain a benefit or prevent harm, without being directed at specific individuals or meant to test them."<sup>32</sup> Social activities such as fostering orphans and foundlings, clothing the naked and feeding the hungry, relieving the distressed and miserable, providing skills required for basic necessities (such as business, farming, construction, weaving, etc.), performing and facilitating marriage, basic medical services and medications, nursing (taking care of the sick, including visiting them), childcare, and maintaining social security are considered *fard al-kifayah*. Meanwhile, *fard al-'ayn* entails livelihood efforts that are absolutely necessary for individuals to meet their needs and the needs of those they support. In this sense, humans in their livelihood efforts will inevitably interact with one another, as they always depend on each other. Hence, *fard al-kifayah* and *fard al-'ayn* always work together.

In the context of working for a living, al-Shaybani defines *al-kasb* as the seeking or acquisition of wealth through various lawful means. The distinction between lawful and unlawful ways is an important matter in al-Shaybani's livelihood activities. While mainstream economic theory commonly views the seeking or acquisition of wealth as part of production activities, focusing on its utility, al-Shaybani places significant emphasis on the legality of these activities. Utility, in economic terms, refers to the total satisfaction or benefit derived from consuming a good or service. It is an elusive concept, as a person who consumes a good gains utility from its use, but this utility cannot be measured in the same way as a good's weight or content. Instead, the

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<sup>32</sup> Ibn Daqiq al-'Id, *Sharh al-Ilmam bi Ahadith al-Ahkam* (Damascus: Dar al-Nawadir, 2009), 2:45–46.



measurement of utility refers to the preferences or reactions of the individual consuming the goods.<sup>33</sup>

This definition indicates that al-Shaybani's conception of 'production' differs from that in mainstream economics. Al-Shaybani views 'production' as part of the obligation of *imarat al-kawn* (governance of the universe), which aims to create universal prosperity for all creatures. Consequently, not all activities that produce goods or services are referred to as 'production' in his framework, as they are closely related to the *halal* (lawful) or *haram* (unlawful) nature of the goods or services and the means of obtaining them. Halal production, according to al-Shaybani, leads to utility, which is measured by *al-Maslahah* (public interest). *Al-maslahah*, in another sense, is an instrument used to achieve public benefit and prevent social harm.<sup>34</sup>

*Al-maslahah* ensures the five essential elements of life: faith, life, intellect, lineage, and property. *Al-maslahah* does not have the same meaning as the concept of utility in Western economic theory. In this definition, al-Shaybani, much like al-Shatibi in his book *al-Muwafaqat*, aims to highlight *al-maslahah* as a broad principle for measuring all aspects of human life, including economic and livelihood activities.<sup>35</sup>

### **What We Can Learn from the Livelihood Theories of al-Ghazali and al-Shaybani?**

The scope of al-Ghazali's works, which encompass various topics such as work, human nature, society, and

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<sup>33</sup> F.Y., Edgeworth, *Mathematical Psychics: An Essay on the Application of Mathematics to the Moral Sciences* (New York: Augustus M. Kelley, 1967), 101.

<sup>34</sup> Asyraf Wajdi Dusuki & Said Bouheraoua, "The Framework of *Maqasid Al-Shariah* and Its Implication for Islamic Finance", *ICR Journal* 2(2) (2011), 316-336.

<sup>35</sup> Al-Shatibi, *al-Muwafaqat fi Usul al-Shari'ah*, vol. 2, (4). Beirut: Dar al-Kutub al-'Ilmiyah, 2003), 3<sup>rd</sup> ed.

socioeconomic activities, is more extensive and well-documented compared to al-Shaybani's, contributing to a more in-depth exploration of his ideas. However, efforts have been made to ensure a balanced discussion of both scholars, highlighting the key contributions of al-Shaybani and contextualizing them within the broader discourse on livelihood theory. Therefore, based on the analysis of livelihood theory as presented by the two scholars, this study found many convergences in their thinking that complement each other, albeit expressed differently. The convergences between the two scholars are combined as contributions from al-Ghazali and al-Shaybani to Islamic livelihood theory, as follows:

#### **a. The Notion of Livelihood**

Al-Ghazali and al-Shaybani agree that livelihood is not simply about working to earn income as an instrument to continue life naturally, but is part of the tasks that must be carried out by a *khalifah* (vicegerent) of Allah on earth. Both scholars seem comfortable agreeing that livelihood has the same grammatical meaning as "economics" in the ancient mainstream economics discipline, which is defined as a science about human behaviour to meet their needs and wants.

Grammatically, the term 'economics' is derived from the ancient Greek *οικονομικός* (*oikonomikos*) or *oikonomia*, which means "management of a household or family." Both ancient Greek and contemporary economics study human behaviour as a relationship between ends and means, which have alternative uses. However, while both approaches maintain that the rationality of any economic action depends on the frugal use of means, contemporary economics is largely neutral regarding ends. In contrast, in ancient economic theory, an action is considered economically rational only when pursued toward a praiseworthy end. This highlights a strong difference between ancient *oikonomia* and contemporary economics

in the Western context, particularly regarding their relationship to ethics.<sup>36</sup> Contemporary economics and its theories are independent of any particular ethical position.<sup>37</sup>

The ancient Greek writers on *oikonomia* believed that humans inhabit a world of natural abundance, ample enough to fulfill their subsistence needs. From their standpoint, the main task of economic rationality is to advance the good life as they understand it.<sup>38</sup> In this context, the notion of 'livelihood' in al-Ghazali and al-Shaybani is more relevant to the notion of "*oikonomia*" rather than contemporary economics.

In the context of basic definition, the differences between al-Ghazali and al-Shaybani do not reside in the discussion of the meaning of livelihood per se, but rather in furnishing more generalized principles by correlating it with the human concept and the purpose of its inception. Conversely, al-Shaybani delves into it more specifically and interprets it as the seeking or acquisition of wealth through various lawful ways from a Sharia perspective.

### **b. Linking Livelihood to Positive Externalities and Circular Economy**

In mainstream economic theory, the link between individual livelihood and social benefit is often discussed under the topic of "market and externalities". The market is generally defined as a place where individual and social

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<sup>36</sup> Contemporary economics is fundamentally distinct from ethics. See Lionel Robbins, *Essay on the Nature and Significance of Economic Science*, 3rd ed. (London: The Macmillan Press, Ltd. 1935), 135.

<sup>37</sup> Milton Friedman, "The Methodology of Positive Economics," in *Essays in Positive Economics* (Chicago: Chicago University Press, 1953), 4.

<sup>38</sup> Dotan Leshem, "Retrospectives: What Did the Ancient Greeks Mean by *Oikonomia*?" *Journal of Economic Perspectives* 30(1) (2016), 225-231.

interests converge.<sup>39</sup> Market failure occurs when transactions cause harm or create benefits for third parties not involved in the transactions; these are known as externalities. There are two types of externalities: negative and positive. Any market transaction that harms a third party or society is called a negative externality. In this context, al-Ghazali and al-Shaybani assert that livelihood extends beyond individual and family responsibilities. Livelihood activities are an inseparable part of social benefits (positive externalities). Al-Ghazali, in particular, emphasizes social responsibility as the fundamental reason for the existence of livelihood and why humans need to work.<sup>40</sup>

In the same vein, the impact of livelihood in Islam, as referred to by al-Shaybani, is seen as positive externalities. Al-Shaybani does not acknowledge negative externalities. He deeply relates the responsibility to maintain social interest with the impact of livelihood activities to fulfill everyone's needs. Al-Shaybani explains in detail that while every human being is free to carry out livelihood activities, this freedom is tied to the achievement of social benefits or welfare. The more significant the social benefits (positive externalities) generated, the more recommended those individual activities (production) become.

In this context, livelihood is also referred to as economic behaviour, wherein microeconomics emphasizes ethical conduct, while macroeconomics concentrates on the distinct functions of institutions pertaining to investment and redistribution. This entails steering clear of institutions that pose harm to society, the economy, and the moral well-

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<sup>39</sup> M. N. M. Arshad, "Market Failure: Notes on Teaching Microeconomics with Islamic Perspective," *International Journal of Economics, Management and Accounting* 23(2) (2015), 263.

<sup>40</sup> S. M. Ghazanfar & Abdul Azim Islahi, "Economic Thought of an Arab Scholastic: Abu Hamid al-Ghazali", *History of Political Economy* 22(2) (1990), 38.

being of individuals, including practices such as interest-based transactions, gambling, exploitative contracts, fraud, the sale of liquor and intoxicants, and the dissemination of obscene content. This concept of livelihood is based on what the Prophet Muhammad (PBUH) has said, "A person cannot be a pious believer until he keeps his neighbor safe from his mischievous acts".<sup>41</sup> The Prophet also said, "If a person does not abandon telling lies and bad acts, then Allah does not value and care about his leaving food and drinks (in fasting)".<sup>42</sup>

Furthermore, the notion of economic behaviour, as discussed from both micro and macro perspectives, can be viewed through the lens of circular economy principles. Ethical conduct at the micro level reflects the need for responsible resource management and waste reduction, while the focus on institutional functions at the macro level highlights the importance of systemic changes to promote circularity, such as investment in sustainable infrastructure and redistribution mechanisms that support resource efficiency and equitable access to resources.

Therefore, integrating the concepts of Islamic livelihood, economic behaviour, and institutional functions within the framework of circular economy emphasizes the interconnectedness between individual actions, societal well-being, and environmental sustainability, ultimately contributing to a more resilient and inclusive economy.

### **c. *Maslahah*-Based Livelihood Behaviour**

Although al-Ghazali views *al-maslahah* as merely a method of law enforcement, his comprehensive explanation has become the basis for *maqasid al-shari'ah*. In general, *maqasid al-shari'ah* represents the goals to be achieved through the establishment of Shari'ah for the welfare of

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<sup>41</sup> Narrated by al-Bukhari, *Sahih al-Bukhari*, hadith no. 6016, Book *al-Adab*, Chapter *Huquq al-Jar*, vol. 8 (Beirut: Dar al-Fikr, 1981), 10.

<sup>42</sup> Narrated by al-Bukhari, *Sahih al-Bukhari*, hadith no. 1903, Book of Fasting, vol. 3, 64.

humans in worldly life and the hereafter. These goals are related to the maintenance of faith, soul, intellect, lineage, and property. One concern of livelihood is individual and family life. Consequently, fulfilling physical and spiritual needs is part of *maqasid al-shari'ah*, which, according to al-Ghazali, is divided into three main categories: *daruriyyat* (basic or compulsory), *hajiyyat* (secondary), and *tahsiniyyat* (tertiary or complementary).

In this context, al-Shaibani also agrees and emphasizes that livelihood behaviour is determined by the *maqasid al-shari'ah*. Maintaining human welfare in this world and the hereafter is the main objective of livelihood. That's why 'production' holds a remarkable position in al-Shaybani's livelihood theory, as it is through the process of production that individual and family needs can be met, leading to the fulfillment of worship to Allah SWT. Therefore, livelihood is considered mandatory. This aligns with the Qur'an, which repeatedly encourages 'working for a living' and links doing good work with having faith in God.

#### **d. Livelihood Behaviour as a Determinant of Aggregate Economic Model**

Aggregate, in economics, refers to the total of all individual elements within a specified category. It commonly appears in various economic terms like aggregate demand, aggregate supply, and aggregate expenditure. Aggregate demand signifies the total demand for all final goods and services in an economy at a given time, primarily influenced by consumption behaviour. On the other hand, aggregate supply represents the total supply of goods and services produced within an economy at a specific time, largely determined by factors such as labour, capital goods, natural resources, and entrepreneurship.

If livelihood is defined as encompassing work behaviour and production behaviour, as in the thinking of al-Ghazali and al-Shaybani, then there is a connection between livelihood and economic aggregates. Factors such

as labor and entrepreneurship, which influence livelihood, can also impact production behaviour, thereby affecting overall economic activity reflected in economic aggregates like aggregate supply. Therefore, if supply or production is constrained by *al-maslahah*, prices will not automatically continue to rise, thereby preventing inflation. This is because demand is also constrained by the necessity of goods and *al-maslahah* choices, which prioritize production and consumption only when essential. However, it's important to note that while these factors contribute to both economic aggregates and individual livelihoods, economic aggregates primarily focus on overall economic activity at a macro level, rather than individual livelihoods.

### **Conclusion**

This study serves as an endeavour to elucidate the fundamental concept of livelihood in Islam. By revisiting the multifaceted discourse on livelihood theory among medieval Islamic scholars, encompassing religious, legal, moral, political, social, and economic dimensions, this research aims to shed light on its implications for modern Islamic economic thought and institutions, which remain underexplored. Furthermore, it underscores the enduring relevance of classical Islamic scholars such as al-Ghazali and al-Shaybani, whose insights serve as normative paradigms shaping contemporary livelihood discourse.

Both al-Ghazali and al-Shaybani concur that livelihood transcends mere income generation for survival; rather, it embodies a sacred duty incumbent upon a *khalifah* (vicegerent) of Allah on earth. Their alignment suggests that livelihood bears the same conceptual weight as "economics" in ancient mainstream economics, signifying a discipline focused on understanding human behaviour in fulfilling their needs and desires. Consequently, this study suggests a departure from the Eurocentric view of civilization and the predominance of positivism in

economic thought, advocating for a synthesis of Islamic perspectives with modern economic paradigms to inform present-day applications of livelihood theory.

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