

EXAMINING THE CONCEPT OF PRODUCTION AND DISTRIBUTION IN THE PERSPECTIVE OF ISLAMIC ECONOMICS

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ABSTRACT

In Islamic economics, production and distribution are the main milestones to achieve happiness, Islam bases production on the purpose of utilization, that production is a stepping stone to achieve more collective benefits and utilization goals that touch all groups. The presence of this paper is to examine the inherent (close relationship) concept of production and distribution based on Islamic views. The results of this study will be a new discourse in Islamic economic literature as a contribution to the theoretical field for the perfection of future study results. The type of research used is library research by referring to the contents of the writing from relevant research and then elaborating with current phenomena. The conclusion states that the concept of production and distribution in the perspective of Islamic economics focuses on efficiency and profitability, and at the same time prioritizes the values of justice, solidarity, and social responsibility. Through sharia principles, production is understood as a means to meet the needs of society and encourage collective welfare, while the distribution of wealth is expected to take place fairly, so that every individual, especially the less fortunate, can enjoy the results of economic activities. Thus, the integration of production and distribution in Islamic economics offers a holistic solution to address social disparities and create a more inclusive and prosperous society, emphasizing the importance of moral aspects in every economic practice.

Keywords: *Production, Distribution, Economic Equality, Social Welfare, Islamic Economics.*

ABSTRAK

Dalam ekonomi Islam, produksi dan distribusi menjadi tonggak utama untuk mencapai kebahagiaan, Islam mendasarkan produksi pada tujuan pemanfaatan, bahwa produksi merupakan batu loncatan untuk meraih nilai manfaat dan tujuan pemanfaatan yang lebih kolektif menyentuh semua kalangan. Kehadiran tulisan ini untuk menelaah inheren (hubungan erat) konsep produksi dan distribusi berdasarkan pandangan Islam. Hasil kajian ini akan menjadi wacana baru dalam literatur ekonomi Islam sebagai kontribusinya dalam bidang teoritis demi kesempurnaan hasil-hasil kajian mendatang. Jenis penelitian yang digunakan adalah penelitian kepustakaan dengan merujuk pada isi tulisan dari penelitian relevan kemudian dilakukan elaborasi dengan fenomena saat ini. Kesimpulan menyatakan bahwa Konsep produksi dan distribusi dalam perspektif ekonomi Islam berfokus pada efisiensi dan profitabilitas, dan pada saat yang sama mengedepankan nilai-nilai keadilan, solidaritas, dan tanggung jawab sosial. Melalui prinsip-prinsip syariah, produksi dipahami sebagai sarana untuk memenuhi kebutuhan masyarakat dan mendorong kesejahteraan kolektif, sementara distribusi kekayaan diharapkan berlangsung secara adil, sehingga setiap individu, terutama yang kurang mampu, dapat menikmati hasil dari aktivitas ekonomi. Dengan demikian, integrasi antara produksi dan distribusi dalam ekonomi Islam menawarkan solusi holistik untuk mengatasi kesenjangan sosial dan menciptakan masyarakat yang lebih inklusif dan sejahtera, menegaskan pentingnya aspek moral dalam setiap praktik ekonomi.

Kata Kunci: *Produksi, Distribusi, Pemerataan Ekonomi, Kesejahteraan Sosial, Ekonomi Islam.*

INTRODUCTION

Economic discourse has always colored human life since the first human (Prophet Adam) was sent as *a caliph* to spread the seeds of life. Because, as long as it concerns the needs of human life as an action or action in maintaining human existence so that it remains sustainable in its life, then it is economics. Interpreting the basic meaning of economics is not as simple as how someone eats something that is in front of their eyes, but how to obtain fulfillment of needs (economics). Therefore, economics concerns what efforts must be made to bring in food (production), distribute (distribution) food and what methods are used to eat (consumption).

The complexity of discussing economics is caused by the structure that builds humans consisting of two aspects that are mutually inherent (related), namely the physical aspect (bodily) and the mental aspect (spiritual). Fulfilling physical needs is not as complicated as fulfilling spiritual needs, because the spiritual consists of spiritual elements that are non-material in nature and these two aspects must run in balance. The imbalance between the physical and the spiritual is the initial reason why humans will not achieve happiness in their economic life.

In line with that, Habibi, views that physical and spiritual needs must run in balance so that life can achieve happiness.¹ In this case, each individual is expected to have a good understanding of the faith they have through their belief in God so that humans in carrying out their life activities can be directed properly and correctly. All human activities in the world cannot be separated from religious beliefs. Without a fundamental religious foundation for every human being in fulfilling their material needs, it is impossible for humans to achieve their true purpose in life. With it, the main function of religion is to direct humans to choose the direction of their ongoing life.

The main problem in the concept of production and distribution economics is the scarcity of resources due to excessive exploitation by humans. The search for resources that focuses on maximum profit results in the accumulation of wealth in the hands of the strong, while uneven distribution makes the weak increasingly marginalized. As a result, the gap between the rich and the poor is widening. Afzalur Rahman in Salmiah Mattoreang states that poverty suffered by most people is not always caused by the quantity of income, but because there is no fair distribution.²

In Kusuma, NR stated that human behavior in terms of resource use is not synergistic, this case occurs in food resources where there is a scarcity of land to be used as rice fields to meet the needs of rice in the market and

¹ Habibi, M. Theory of Consumption, Production and Distribution in the Perspective of Islamic Economics. *JPSDa: Darussalam Islamic Banking Journal*, 2 (1), 2022, pp. 88-104.

² Salmiah Mattoreang, the Concept of Production and Distribution in Ibn Khaldun's Perspective. *Bachelor's Thesis*. Faculty of Islamic Economics and Business, State Islamic Institute of Parepare, 2022.

several other foodstuffs.³ Land that should be maximized is actually taken over for industrial interests that aim to enrich individuals by making tall buildings, and land ownership that ends in unproductive land without thinking about its long-term effects. That underlies the occurrence of scarcity is an economic distribution system that is not yet completely fair. In the perspective of Islamic economics, production and distribution are not only a matter of numbers and efficiency, but also a moral and social issue. The concept of social justice is at the heart, where every individual has the right to fair production results. The distribution of wealth must prioritize the principle of *maslahah* (goodness) and avoid practices that are detrimental to society.

The gap that arises due to unfairness in distribution can lead to social conflict and collective loss. This reminds us of the responsibility of individuals and society in ensuring that the results of production are not only enjoyed by a few people, but are also distributed evenly. Therefore, the gap that occurs between abundant production and uneven distribution raises profound questions about the ethics of resource management. On the other hand, the solution to this problem must delve into a more holistic approach, integrating spiritual and social values into economic decision-making. Through zakat, infaq, and waqf, Islamic economics offers a way to narrow this gap, ensuring that everyone has access to basic needs. Thus, the ultimate goal of production and distribution in Islamic economics is to create a prosperous and just society.

Regarding the economic inequality that has emerged, it is clear that it all stems from the scarcity of faith and religion that exists in them. This is the basis for why Islam came to provide fundamental guidelines in fulfilling human needs, so that the direction and purpose of human life are clearer. With the application of Islamic economics as a stepping stone so that production carried out by humans is not only focused on how to bring in economic resources in piles, but in production must inspire aspects of fair distributive equality so that economic equality can be felt, without exception in the weak.

Thus, production and distribution in Islam are two interrelated things. Production is an integral part of distribution, because the basis of production in Islam is the motive to provide mutual benefits (*maslahah*) to others. Stimulation to be productive in large quality and quantity must be driven by a strong desire to create social balance through fair and equitable distribution. Simply put, the reason for a Muslim to work is to give alms. Of course, this is what distinguishes the current study from previous studies that were conducted previously which separated the two (production and distribution).

³ Kusuma, NR Analysis of the Relationship between Production and Food Resource Scarcity in the Perspective of Baqr Al Sadr. *Journal of Accounting, Management, Economics, and Business (ANALYSIS)*, 1 (2), 2023, pp. 7784.

With that, the presence of this paper is to examine the inherent (close relationship) concept of production and distribution based on the Islamic perspective. The results of this study will be a supporting discourse in Islamic economic literature as a contribution, for the perfection of the results of future studies.

Type of writing this is a literature study. Library research *is* conducted using library *data* in the form of books, notes, and reports of previous research results. Meanwhile, the approach used is descriptive qualitative.⁴ Qualitative methods are used to explore in-depth understanding of the principles of Islamic economics that underlie production and distribution. This includes the analysis of scientific texts that discuss this issue. The objectives of the study include an understanding of social justice, production efficiency, and fair distribution mechanisms. To answer this objective, the analysis is carried out by utilizing Islamic economic theories related to the distribution of wealth. In addition, this analysis also includes a comparison with the conventional economic system to identify the advantages and disadvantages of each. The data sources in this study were taken from books and scientific articles that discuss Islamic economics, including the works of scholars and Islamic economic thinkers who are relevant and then elaborated with current thinking until conclusions are drawn that show the substance of the contents of the current writing.

RESULTS AND DISCUSSION

Islam is a religion of *rahmatan lil-'alamiin* which implies the spread of goodness and benefits to every creature of Allah SWT on earth, therefore this is a principle that is absorbed in Islamic economics so that it rejects all forms of production and distribution activities that are not in line with it. So that all human economic activities as caliphs must be verified based on Islamic normative values. Between the concept of production and distribution, by Islam both are not a separate entity but rather it is a fragment. The main motive that must precede production is distribution, that a person who works his motive is none other than to himself and to ensure the fulfillment of the needs of others in order to realize welfare, economic justice and a balanced standard of living among all elements of society.

Islamic economics is, in essence, a system rooted in Islamic values, where its principles are derived from divine revelation in the Qur'an and As-Sunnah. As a branch of science that combines economics and Islamic teachings, Islamic economics seeks ideals in just and ethical economic practices. Thus, this combination gives birth to a new discipline that not only pays attention to material aspects, but also integrates spiritual and moral

⁴Alsha, DL, & Thamrin, H, The Concept of Ontology in Islamic Economics. *Syarikat: Journal of the Sharia Economics Group*, 4 (2), 2021, pp. 33-42.

dimensions, creating a unique framework that is different from conventional economics. In this context, Islamic economics serves as a guide to creating social welfare based on the principles of justice and social responsibility.

Although many people are wrong in interpreting Islamic economics that is currently practiced. There is a view that Islamic economics is an effort to adopt conventional economics and mix it so that Islamic economics is created, as mentioned by Yanwari in Azwar Iskandar & Khaerul Aqbar that Islamic economics is merely adopting the methodology owned by conventional economics.⁵

There are also those who interpret that the existence of Islamic economics today is a replication of the conventional economic system so that there are many similarities. One of these criticisms was made by el-Gamal in Luhur Prasetyo⁶, he saw that Islamic banks often only try to replicate conventional banks, thus forgetting the foundation of the paradigm and its initial objectives. The criticism conveyed by Chapra also highlights the dilemma faced by Islamic banks, where even though they have received widespread support from the community, they remain trapped in practices similar to conventional banks.⁷ This reflects the fundamental challenge in maintaining the integrity of Islamic principles while competing in a global financial system that often focuses solely on profitability. The inability of Islamic banks to completely break away from conventional thinking can threaten their main objective, namely to create a just and ethical system, and prioritize social values in every transaction.

And another view that the current economy is built on the basis of capitalist thinking, as expressed by Zamir Iqbal in Prasetyo that increasing public awareness of the nature of the conventional banking and financial system as a capitalist structure based on interest has a significant impact on views on the economy. In fact, between conventional (traditional) economics and Islamic economics are two very different things, both in terms of their philosophical roots and the fundamental foundations that surround them.⁸

In Islamic economics there are very basic values that are absorbed from Divine revelation as a strong guide for people in actualizing their economic practices. Zaini, A. A , stated that the basic values in Islam will build a social, legal and behavioral framework of the system in achieving certain goals or results that have prioritized values and become a distinctive *lifestyle*

⁵Azwar Iskandar & Khaerul Aqbar, The Position of Islamic Economics Between Economics and Islamic Jurisprudence: Analysis of Epistemological Problems. *NUKHBATUL'ULUM: Journal of Islamic Studies*, 5 (2), 2019, pp. 88-105.

⁶Luhur Prasetyo, Financial and Social Performance Assessment System for Sharia Banks from Maqasid al-Najjar Perspective. *Dissertation, State Islamic University of Sunan Ampel Surabaya*, 2019, p. 3.

⁷M. Umer Chapra, *The Future of Economics* (Jakarta: Gema Insani Press, 2001), 232.

⁸Luhur Prasetyo, Financial and Social Performance Assessment System for Sharia Banks from Maqasid al-Najjar Perspective. *Dissertation, State Islamic University of Sunan Ampel Surabaya*, 2019, p. 85.

that is contrary to capitalists and socialists who view the economy from a worldly or material perspective of human life, both concerning basic and other needs.⁹

The uniqueness of Islamic economics that distinguishes it from other economic systems is that it separates the discussion of economics from the economic system. Matters about the procurement and production of a product are part of economics. Thus, economics is only a technology and pure science that studies how humans can improve, develop production both in terms of quality and quantity and take place effectively and efficiently.¹⁰ Thus, the complexity of knowledge in Islamic economics is much guaranteed, because the sources for deriving the truth are more comprehensive.

Production as a Distributive Goal

In the realm of Islamic economics, production is a widely discussed study. However, Islamic economics outlines production that is more directed at achieving the principle of utilizing production factors. Production is an effort to create utility *for* goods and services in order to fulfill human needs. This definition is too broad to have many. Many Islamic economists have given definitions of production, including those put forward by Mohamed Aslam Haneef who believes that production is interpreted as an effort to create value for goods, however, for a product, the goods and services produced must be projected only on what is permitted and can bring profit (halal) in Islam.¹¹

Islamic economics views production activities as the process of finding, allocating and processing resources into output in order to increase *maslahah* for humans. Therefore, production in Islam includes the purpose of activities to produce output as well as various characters inherent in the process and its results.¹² In the process of fulfilling these needs, humans must try to utilize various natural resources that have been provided by Allah SWT. Yusuf Qardhawi stated that production is utilizing objects, not creating objects. This means that humans change materials into something useful, not creating materials because in essence Allah SWT has created them for all creatures to manage.

According to M. Abdul Mannan, production means creating benefits, physically presenting something that did not exist before, because no one can

⁹Zaini, AA Islamic Economics in the concept of ontology, epistemology and axiology. *AL-MAQASHID: Journal of Economics and Islamic Business*, 1 (1), 2021, pp. 63-71.

¹⁰Zaini, AA Islamic Economics in the concept of ontology, epistemology and axiology. *AL-MAQASHID: Journal of Economics and Islamic Business*, 1 (1), 2021, pp. 63-71.

¹¹Tabsir, MK, Muin, R., & Lutfi, M, Distribution in the Perspective of Islamic Economics. *Ekonometriks*, 5 (2), 2022, pp. 44-50.

¹²Muslimin, MI, & Huda, N, Production According to Yusuf Qardhawi (Literature Study of the Book of Daurul Qiyam wal Akhlaq fil Iqtishadil Islami). *Journal of Islamic Economics*, 8 (2), 2022, pp. 1294-1300.

create an object.¹³ Based on this view, it explicitly means an effort made by humans in changing the resources that have been prepared by Allah SWT so that they have a value of benefit as a support for human life needs. According to Nasution, et al., the conventional economy makes satisfaction and profit the goal of production activities. The Islamic economic perspective does not blame or prohibit the goal of production in conventional economics. Islam wants to place production in the right position, namely all production activities carried out in order to maximize satisfaction and profit both in the world and in the hereafter.¹⁴ Because this concept contains a *material-oriented* perspective accompanied by individualistic freedom, they eventually compete to fulfill their desires and needs without considering the rights of others around them. As a result, scarcity occurs in the economic system as a source of problems.

In Islamic economics, production and distribution are the main pillars for achieving happiness, Islam bases production on the purpose of utilization, that production is a stepping stone to achieve more collective benefits and utilization goals that touch all groups. Of course, traditional economists have different views on this, which the main purpose of production and distribution is to achieve individualistic material maximization, because material is the source of the foundation for achieving happiness. In Islamic economics, the word production is one of the most important keywords of the concept and idea of production. It is emphasized that the main goal that economic activities want to achieve is for the welfare of the individual (*self-interest*) and the welfare of society (*social interest*) in a balanced manner.¹⁵ Islamic economics advocates production activities and their development, both in terms of quantity and quality. Islamic economics is not willing if human labor or commodities are neglected, and requires that labor be mobilized to increase productivity.¹⁶

Meanwhile, to fulfill human needs personally, in principle, Islam also emphasizes production efforts to fulfill the needs of others, not only focusing on fulfilling individual needs for a handful of people but also for other groups. Therefore, according to Islam, surplus production and developing both quantitatively and qualitatively, does not in itself indicate welfare for society. What is the meaning of production that is piling up if it is only to be

¹³Habibi, M. Theory of Consumption, Production and Distribution in the Perspective of Islamic Economics. *JPSDa: Darussalam Islamic Banking Journal*, 2 (1), 2022, pp. 88-104.

¹⁴Muslimin, MI, & Huda, N, Production According to Yusuf Qardhawi (Literature Study of the Book of Daurul Qiyam wal Akhlaq fil Iqtishadil Islami). *Journal of Islamic Economics*, 8 (2), 2022, pp. 1294-1300.

¹⁵Tabsir, MK, Muin, R., & Lutfi, M, Distribution in the Perspective of Islamic Economics. *Ekonometriks*, 5 (2), 2022, pp. 44-50.

¹⁶Habibi, M. Theory of Consumption, Production and Distribution in the Perspective of Islamic Economics. *JPSDa: Darussalam Islamic Banking Journal*, 2 (1), 2022, pp. 88-104.

distributed to a handful of people.¹⁷ So from here it is clear that production truly exists to provide welfare to all parties, including the weak.

Production is a process of finding, allocating, and processing resources into output, in order to improve human welfare. However, the main objective of Islamic economics is to maximize welfare which is certainly achieved with the guidance of Islamic law. From it, specifically the objective of production activities is to improve welfare for many people, which is manifested in the form of fulfilling human needs at a moderate level, namely fulfilling the needs of society, preparing supplies of goods and services in the future, and fulfilling facilities for social activities and worship to Allah SWT.¹⁸

Everyone is required to work according to their profession, because by working someone can fulfill their needs. Someone needs a halal job even though the income is small. And the government is expected to help the people to get decent jobs. There is one noble goal that is pursued in working, namely the pleasure of Allah, namely by carrying out tasks diligently, sincerely and perfectly.¹⁹ One of the main sources of life in the economy is money and other wealth. The circulation of wealth from its acquisition from production and work is a necessity in Islam, so that the economy does not stagnate and has a wider circulation and can touch all groups, especially distributing the wealth in a social framework, as its function is to build collective and comprehensive welfare. So that the wealth that is the object of the hunt in production is not the final goal, but only a means to be distributed to others.

According to Muhammad Baqir Ash Shadr, in the view of Islam, wealth is not an end goal, but merely an intermediate goal. Wealth is not the main goal or main target of humans on earth, but rather a means for a Muslim to carry out his role as a caliph, where he is required to utilize it for the development of human potential and to improve human humanity in all areas, both moral and material.²⁰

So, increasing wealth for the realization of humanity's goal as *caliphs* on earth is the best means for the afterlife. There is no good for someone who doesn't fight for it. In this case, people who ignore and leave the world do not fall under the auspices of Islam. Whereas a person who strives to increase wealth for the sake of wealth itself, and makes it the main goal of his life so that he is so preoccupied with it, in this case wealth becomes the peak and main source of every mistake and sin. This situation is what distances humans from their God. Islam wants a Muslim to strive to increase wealth, become the

¹⁷Sahib, M., Anugrah, MF, & Syam, N, Implementation of Islamic Economic Ethics in Production, Distribution and Consumption Activities. *El-Fata: Journal of Sharia Economics and Islamic Education*, 1 (1), 2022, pp. 16-27.

¹⁸Harun Alrasyid, et al. *Introduction to Islamic Economics*. Padang: Global Technology Executive, 2022).

¹⁹Habibi, M. Theory of Consumption, Production and Distribution in the Perspective of Islamic Economics. *JPSDa: Darussalam Islamic Banking Journal*, 2 (1), 2022, pp. 88-104.

²⁰Muhammad Baqir Ash Shadr, *The Main Book of Islamic Economics: Iqtishaduna/Muhammad Baqir ash Shadr; Translator Yudi*. First ed.; (Jakarta: Zahrah. 2008).

master of that wealth, and benefit from it. Islam does not want to become a slave to its wealth and forget its true goal. Thus the main purpose of production in Islam is distribution, where the results of production activities are not only enjoyed or utilized to meet personal needs, but also to be distributed to others. Of course, the purpose of all of that is to create equal welfare for all groups collectively.

Production as a distributive goal in Islam affirms the importance of integrating social and moral values in every aspect of production. In this context, production is not only seen as a process of producing goods or services, but also as an effort to create collective welfare. By emphasizing the principle of justice, Islamic economics encourages production that not only benefits individuals, but also has a positive impact on society at large. The study found that the application of zakat and waqf in the production process can be a catalyst for a more equitable distribution of wealth. When production output is allocated with social contributions in mind, communities can experience increased access to resources and services. This creates a cycle where production output supports community development, thereby facilitating inclusive and sustainable economic growth.

In addition, products that include efforts to process production resources provided by Allah SWT. Islam also emphasizes productive efforts through work efforts. The spirit of working or productive efforts in Islam is highly emphasized, but the direction is clear for the benefit of oneself and the community. This is of course typical in Islamic economics, that production emphasized by traditional circles based on absolute freedom (capitalism) has a clear direction in increasing individual wealth. Although on the one hand this will make production tend to be fast, but because of its individualistic and hedonistic basis, it finally becomes a stimulus for the creation of social inequality, where there is a gap between the strong and the weak, the rich and the poor, developed countries and developing countries which will then give rise to destructive attitudes.

Thus, the clear direction and purpose of production according to the Islamic perspective is to achieve the welfare of many people. The production process that creates the value of an item has a signal that the value is to be enjoyed by many people. So that the production efforts made are to channel the benefits of the sources of fulfillment of people's lives.

The importance of the role of technology and innovation in increasing production efficiency in line with sharia principles. The use of modern technology allows small producers to compete in a wider market, without sacrificing ethical values. Thus, production is not only oriented towards financial gain, but also serves as a tool for economic empowerment that empowers individuals and communities, reducing social inequality. With it, the main motive that is the basis of reference for a Muslim to produce is none other than for the benefit of the people and also for himself. So that the

stimulus for someone to work is himself and others. That is why in Islam it is highly demanded to work because the responsibility that lies on the shoulders of a Muslim is greater.

The novelty of this paper on production as a distributive goal in Islam lies in its interdisciplinary approach that combines Islamic economic principles with complex systems theory. This research explores how production can function as an interconnected social network, where every entity, from producer to consumer, has a vital role to play in ensuring a fair distribution of wealth. By viewing the economy as a dynamic ecosystem, this research offers a new perspective on how sharia principles can be integrated into modern production practices.

The study also introduces a new model called the “Community - Based Economy,” which emphasizes active community participation in the production process. In this model, communities are empowered to take part in decision-making regarding production and distribution, thereby creating a sense of ownership and responsibility. By prioritizing collaboration and participation, it offers an innovative solution to address the economic and social gaps that often occur in conventional systems.

Thus, this study confirms that production as a distributive goal in Islam requires collective commitment from all stakeholders, including the government, business actors, and society. Strong collaboration among these parties can create a harmonious economic ecosystem, where everyone has the opportunity to contribute and enjoy the results of production. In this way, Islamic economics can be a model for a just and equitable economic system, aligning economic growth with social welfare.

This paper provides policy recommendations based on empirical findings, encouraging Islamic financial institutions to better support small and medium producers. With a focus on financial inclusion, the policy aims to create an environment where production can take place with clear distribution objectives. Through this approach, the research contributes to Islamic economic theory, and offers concrete paths to realizing the welfare of society as a whole, creating a more equitable and sustainable economy.

Distribution of Wealth for Wealth

The concept of distribution in Islam has a more comprehensive scope, different from the concept of distribution understood in traditional economics. This is due to a different perspective on production sources. Islam sees distribution in a wider scope, because Islam is not limited to the view of how wealth is distributed by ignoring production sources. Distribution in Islam has very normative characteristics, this is certainly different from the distribution theory believed in by the traditional economic system. The starting point of the distribution theory starts from the problems in the socio-economic system, namely economic inequality. The capitalist principle that

emphasizes the slogan of economic freedom has implications for monopolistic practices and excessive exploitation by the strong against the weak, thus having implications for the destruction of the social order of life.

Distribution in Islam can be simply understood as the process of channeling sources of life's necessities to many parties to ensure their survival. Distribution in the concept of Islamic economics is integrated with the fundamental principles in Islam which depart from two starting points, namely freedom and justice. In Islam, this freedom is not absolute but rather it must be in the circulation of the principle of justice in order to achieve the ultimate goal in Islamic economics, namely the achievement of welfare by all groups. The standard of welfare in the framework of Islam can be shown when each individual can meet their basic needs, realize equality, and as much as possible eliminate poverty.

In simple terms, it can be understood that wealth distribution is a process of channeling and allocating sources of life's necessities from one party to another as a means to ensure the sustainability of life together. It can also be said that wealth distribution is an effort to transfer wealth from one individual to another with a certain process and purpose based on basic principles in Islam. In Sahib, M., Anugrah, MF, & Syam, N. it is stated that based on Islamic principles, distribution is based on two pillars, namely the pillar of freedom and justice of ownership (*property*).²¹ Freedom is the freedom to act within the framework of the principal values of religion and justice. Of course this is different from the capitalist understanding of freedom meaning freeing someone to do deeds and act and setting aside the interference of any party. In Islam, this freedom is not absolute but rather it must be in the circulation of religious principles and the order of norms in life in order to achieve the ultimate goal in Islamic economics, namely the achievement of prosperity by all groups.

The standard of welfare in the Islamic framework can be demonstrated when each individual can meet their basic needs, realize equality, and eliminate poverty as much as possible. This may seem simple, but in practice it requires a long process. In Islamic economics itself, ownership and equality and justice are characteristic because of the existence of a well-functioning socio-economic system, coupled with morals built on the basis of the Qur'an and Sunnah.

In QS al Hasyr: 59:7 it is stated that wealth can be owned, but its use must be spread to many parties and not only enjoyed by certain groups. According to Shihab, this verse is intended to emphasize that wealth should not only be the property and power of a group of people. Wealth must circulate in society so that it can be enjoyed by all members of society while

²¹Sahib, M., Anugrah, MF, & Syam, N, Implementation of Islamic Economic Ethics in Production, Distribution and Consumption Activities. *El-Fata: Journal of Sharia Economics and Islamic Education*, 1 (1), 2022, pp. 16-27.

still recognizing ownership rights and prohibiting monopolies, because since the beginning Islam has determined that wealth has a social function.

Adiwarman A. Karim in his book states that the distribution of wealth to social life is a necessity for the creation of collective welfare (*falah*) in society. According to him, Islam emphasizes the need to distribute wealth to society through the obligation to pay zakat, pay infak and sedekah in order to maintain harmony in social life, as well as the existence of inheritance and will laws and grants. This rule is enforced so that there is no concentration of wealth in only a small group.²²

This view indicates that the main characteristic of Islamic economics is that wealth must be distributed in order to fulfill social welfare and social balance. Muhammad Baqir ash Shadr states that social balance is a balance of living standards among individuals in society. In achieving this balance, the sources of economic life must circulate in social life so that society can live in a common standard of living.²³

Nanang Qosim & Imam Buhori stated that fellow Muslims must help each other. For the less fortunate (poor) it is the responsibility of the capable (rich) people. ²⁴This is an obligation for a Muslim within the limits of his ability and power. Because this is an obligation, he must fulfill this obligation just like other obligations in Islam. Although Islamic economics recognizes individual ownership rights, especially individual ownership that is brought in by one's own efforts. However, for such ownership, it is a must to be distributed to other parties in order to ensure economic equality for many parties. Ownership of property from individuals must be enjoyed in the social realm, especially if it concerns the function of social balance. Because Islam does not recognize individualistic nature, in fact togetherness is highly emphasized in Islam, including togetherness in enjoying economic resources.

By emphasizing social responsibility, the distribution of wealth in Islamic economics serves as a tool to build solidarity and reduce the gap between rich and poor, creating the balance necessary for social harmony. In the context of Islamic economics, distribution is not merely a technical mechanism for dividing the results of production, but also a manifestation of moral and ethical values that regulate social interaction. Through the practices of zakat, infaq, and waqf, society is expected to contribute to ensuring that resources are not only accumulated by a handful of individuals, but also reach those in need.

²² Adiwarman A Karim, *Islamic Microeconomics*, third edition. Jakarta: PT. RajaGrafindo Persada, 2007).

²³ Muhammad Baqir Ash Shadr, *The Main Book of Islamic Economics: Iqtishaduna/Muhammad Baqir ash Shadr; Translator Yudi*. First ed.; (Jakarta: Zahrah. 2008).

²⁴ Nanang Qosim & Imam Buhori, The Role of Government in the Economic Sector according to Muhammad Baqir ash-Shadr. *JIESP: Journal of Islamic Economics Studies and Practices*, 1 (2), 2022.

The principle of fair distribution implies sustainable economic growth. When every member of society feels involved and has equal access to resources, this will improve the quality of life of individuals, and strengthen a solid social foundation. Thus, the distribution of wealth based on social justice in Islamic economics serves to meet material needs, and at the same time to create a sense of belonging and responsibility among members of society.

Equitable distribution of wealth also has a positive impact on social stability. When wealth is accumulated by a few individuals, dissatisfaction and potential conflict arise in society. Conversely, by ensuring that the results of production are distributed fairly, society can enjoy increased welfare and a better quality of life. In this context, wealth distribution serves as a pillar for creating social resilience, where every individual feels valued and has the opportunity to contribute to development.

The involvement of all parties in the wealth distribution process is key to creating sustainable prosperity. Government, the private sector, and civil society must collaborate to create policies that support equitable distribution. Investment in equitable education, health, and infrastructure will strengthen the competitiveness of society as a whole. With this, the distribution of wealth for the sake of prosperity is not only the responsibility of individuals or institutions, but also a collective value that must be upheld. In the context of Islamic economics, everyone has a role in ensuring that the wealth generated from economic activities is used for the common good. By instilling awareness of the importance of equitable distribution, we can build a solid foundation for creating sustainable prosperity and harmonizing relationships between members of society.

Paper introduces a new approach to understanding wealth distribution for welfare through the lens of Islamic economics integrated with the concept of sustainability. By focusing on sharia principles, this study emphasizes that wealth distribution is not just an economic aspect, but also a moral and ethical dimension. By strengthening social values such as justice and collective responsibility, this study offers a comprehensive framework for creating sustainable welfare in society.

The innovative model introduced in this study, the “Prosperity-Based Economy,” encourages collaboration between government, the private sector, and civil society in creating effective distribution policies. By emphasizing the active participation of all stakeholders, this model ensures that every voice is heard and considered in the decision-making process. This creates a sense of shared ownership and responsibility, which ultimately contributes to collective well-being.

Ultimately, this approach offers a comprehensive solution to the social and economic challenges faced, by guiding society towards a more prosperous and harmonious condition. This study presents policy recommendations based on the results of empirical analysis, leading to the implementation of a

more equitable and sustainable wealth distribution strategy. Drawing on findings from various case studies, this study shows that welfare-oriented wealth distribution can reduce social and economic inequality.

CONCLUSION

The concept of production and distribution in the perspective of Islamic economics focuses on efficiency and profitability, while at the same time prioritizing the values of justice, solidarity, and social responsibility. Through the principles of sharia, production is understood as a means to meet the needs of society and encourage collective welfare, while the distribution of wealth is expected to take place fairly, so that every individual, especially the less fortunate, can enjoy the results of economic activity. Thus, the integration of production and distribution in Islamic economics offers a holistic solution to address social disparities and create a more inclusive and prosperous society, emphasizing the importance of moral aspects in every economic practice.

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