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Comparison of Philosophical Foundations and Consumption Theory in Islamic Economy with Capitalist Economy (Focusing on Keynes' Consumption Theory)

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Unlike the two systems of capitalism and socialism, in both of which consumption is only for the satisfaction of material needs, in Islam, in addition to material needs, some spiritual needs such as charity and some religious obligations also affect consumption. For this reason, in the Islamic society, the reason for consumption should not be sought only in the increase of income and its positive and negative changes, but religious demands also affect consumption. Therefore, the theories of consumption in Islamic and non-Islamic countries will be different, which can be the result of different philosophical foundations related to consumption in these two types of economic systems. In this regard and considering the importance of consumption in a society, this research has investigated the issue of what is the difference between the philosophical foundations and consumption theory in Islamic economy and capitalist economy (focusing on Keynes' consumption theory). The findings of the research showed that the foundations and assumptions of consumer behavior theories in Islamic economy and capitalist economy are different in matters such as anthropological foundations, goals and motivations of consumer, and methods of achieving goals. Also, the theory of consumption showed that although the theory of consumption in Islamic economy and capitalist economy has similarities, including that in both of them, people's consumption is a function of their current income. In both, there is independent consumption of national income; and as the income increases, the marginal propensity to consume decreases, but in the consumption theory of Islamic economy, there is a limit to society's extravagance, which does not exist in the capitalist consumption function, and the Islamic consumption function is able to explain the effect of the quality of national income distribution among

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people on their consumption, which is not the case in the capitalist consumption function.

Keywords: *consumption, philosophical foundations of consumption, Keynes' consumption theory, Islamic economy consumption theory*

1. Introduction

By emphasizing the necessity of preserving wealth, providing for life's needs, economic investment, and providing welfare for oneself and dependents, Islam invites Muslims to consume and forbid any extravagance in consumption (Sayedinia 2008). Consumption has been defined in the word as spending (Kalantari 2008), but in economic term, consumption has various definitions, which can ultimately be considered as the monetary value of goods and services that are purchased and provided by people (Akhavi 2000). But, Islam is a religion of moderation, and on one hand, it orders the reformation of wealth and spending it on personal expenses to the extent of the sufficiency and needs of individuals, and on the other hand, it warns against the abnormal behaviors of extravagance and hoarding (Mohammadi Ray Shahri 2008).

There are several points to be mentioned about consumption and the correct principles of consumption and the necessity of its implementation in every society; first, the increase in consumption leads to the use of more resources and reduces the scope for investment. As a result, increasing consumption and decreasing investment will lead to poverty and stagnation. Secondly, the resources available to humans are limited and they should be used optimally. Hence, the task of correct consumption pattern can be considered to identify real needs, observe moderation and economy in the use of facilities and resources (Khalilian 2002: 73–94).

However, unlike the two systems of capitalism and socialism, in both consumption is only for the satisfaction of material needs, and with the difference that in the socialist system, the consumption policy is concentrated and limited, whereas in capitalism, the principle of economic liberalism is also dominant in consumption. In Islam, in addition to material needs, some spiritual needs such as charity and some religious obligations also affect the fate of consumption. For this reason, in the Islamic society, the reason for consumption should not be sought only in the increase of income and its positive and negative changes, but spiritual demands also affect consumption (Ishaghi 2018).

Therefore, in the economic system of Islam, human, whether he is a consumer or a producer, is free from any kind of restriction and is only bound by the rules and regulations that connect him to God. The economic human of Islam has the freedom to spend the income from the supply of his own production resources, which he earns as an individual, or rent, or profit, or other income and wealth that he has, after paying the legal rights for it, in all the cases that in his opinion, it is necessary or in some way, it will create favorability for him, and in this connection, there is no restriction that hinders his freedom, except the Shariah and moral restrictions and sometimes the restrictions imposed by the Islamic ruler based on the public interest (Tamimi Amadi 2014).

The contents presented above, on the one hand, show the importance of a desirable and optimal system of consumption in any society, both Islamic and capitalist, and on the other hand, it shows that the principles and theories of consumption can be divided between the Islamic economy and the capitalist economy. In this regard and considering the importance of consumption in a society, in this research, it has been investigated what are the philosophical foundations and assumptions of consumption in Islamic economy and capitalist economy and the differences between the theory of consumption in Islamic economy and what the theory of consumption is in capitalist economy. In order to answer these questions, the present research has been prepared.

The structure of the present article is as follows: first, the philosophical foundations of consumption and the assumptions of consumer behavior in Islamic economy and capitalist economy are explained. Then, consumption theories in Islamic economy and capitalist economy are introduced focusing on Keynes' consumption theory and marginally they are compared.

2. Philosophical Foundations of Consumption in Islamic Economy and Capitalist Economy

In the Islamic system, the existential dimensions of human are correctly known and the right goals have been determined for him according to the structure of his existence, and the way to achieve these goals has also been determined for him. Only human should surrender and strive in the way of truth, and in other words, fulfill God's orders and commands in the best way. The truth of human is his soul, and the human body is a tool at the soul's disposal to bring it to human evolution (Haji Sadeghi 2020).

The human soul has two characteristics, rational and instinctive. Whoever overcomes his instincts with rational force is a blissful person. The more human activities, including his consumption activities, are subject to carnal instincts due to the fact that his behavior tends to animalism, the more scandalous he is among human societies that are moving towards perfection.

Therefore, human consumption activities in Islam are defined very differently from capitalism. Also, in Islam, many things have been said about the importance of wisdom. If the wisdom defined in Islam is not connected to the revelation and does not use the book and tradition, it will have the same story as the capitalist system, which considers wisdom as sufficient for all activities, including consumption, and leaves human free to use this tool and, taking into account the limitations, make the best decision to get maximum satisfaction (Haramali 2016).

In capitalism, the economic human only measures this world in his activities, including consumption activities, and does not think about the hereafter. This is why he only cares about himself and his needs and does not consider others. In this system, it is believed that human should be free and everyone should strive to satisfy his reasonable and unreasonable propensity under the shadow of this freedom, and only in this way the society will be blissful. This system ignores many issues including different talents and possibilities of humans (Taro 1996).

A person who assumes capitalism is a person who knows his interests with the tools of wisdom and rational power and also knows the way to reach these interests. However, all the benefits that an economic person cultivates in his mind are material and his intellect also demands these benefits without benefiting from divine revelation (Dadgar & Bagheri Todashki 2000: 115–136).

Islamic economics accepts this assumption, that economic human allocates his limited income with the help of wisdom to purchase goods and services in such a way as to obtain the maximum satisfaction, only in the shadow of maximizing the satisfaction of the God. Therefore, the assumptions in capitalism are completely different from the assumptions in Islamic economy. Because in Islamic economics, model assumptions are adopted from Islamic teachings that are deduced from verses and traditions; because the purpose of analyzing the consumption behavior of the Islamic society is assumed – that is a society where it is assumed that most of its people have been educated based on Islamic teachings and are bound to fulfill their financial obligations and mustahabbs and leave the financial prohibitions and abominations (Dartaj, F. & Dartaj, A. 2022: 233–257).

In the continuation of this part, a summary of the foundations and philosophical assumptions of consumption in Islamic economy and capitalist economy is presented.

Table number 1. *Philosophical foundations of consumption in Islamic economy and capitalist economy*

Philosophical foundations of consumption in capitalist economy	Philosophical foundations of consumption in Islamic economy
Basics of theology	
1. Philosophy of Deism 2. Human behavior is also under the undisputed rule of natural laws 3. Introducing the economic system as one of the main components of the natural system 4. Introducing the economic system as the center of gravity and the most basic rule of law (getting maximum use through maximum reduction in expenses)	1. Monotheism and belief in the oneness of God Almighty 2. Belief in the oneness of God, both in the dimension of creation and in the dimension of lordship 3. Giving human will and choice and freedom and guiding human through religion 4. Putting on the path of evolution and excellence through public and legislative guidance on the path of evolution and excellence
Basics of anthropology	
1. Humanism or human-centeredness 2. The criterion of good and bad, values and anti-values, etc. is generally the axis of existence. 3. Individualism. Human has originality because he is an independent and individual existence, and not because of the relationship he has with other human beings. 4. The principle of utilitarianism. The principle of utilitarianism is based on the four principles of individual happiness and pleasure being the goal, thinking only about oneself, satisfying propensity and not just meeting needs, instrumental rationality.	1. Human is Allah's *caliph* and God's successor on earth. 2. Nature with all its possibilities, in the form of a trust at the disposal of man 3. The originality of *Kamal*. The ultimate goal of creation is for human to reach the position of closeness to God 4. The criterion of desirability or desirability of any activity is to bring human closer to God 5. The source of consumption is the satisfaction of real needs, not false needs 6. Not being alienated from society 7. Having motivations such as altruism, sacrifice, self-sacrifice, etc. for the afterlife reward 8. Production based on the materials and needs of the society and the individual 9. Islamic rationality

As can be seen in table number (1) briefly, in relation to consumption in the dimension of God knowledge, the most important basis in Islamic economy: monotheism and belief in the oneness of God and placing it on the path of evolution and excellence through popular and legislative guidance; while in the capitalist economy: relying on human reason and not needing him from heavenly teachings and denying God's connection with the natural world after creation and introducing the economic system as the center of gravity and the most basic rule of law.

Therefore, it can be seen that the philosophical foundations of consumption in Islamic economics include monotheism and belief in the oneness of God, both in the dimension of creativity and in the dimension of lordship, giving human will and choice and freedom and guiding human through religion, and putting it on the path of evolution and excellence through its public and legislative guidance on the path of evolution and excellence; which is different from the philosophical foundations of consumption in the capitalist economy, including the philosophy of deism, being influenced by human behavior under the undisputed rule of natural laws, introducing the economic system, as one of the main components of the natural system and the introduction of the economic system as the center of gravity and the most basic legality (obtaining the maximum use through the maximum reduction in expenses).

Table (2) also presents the assumptions of consumer behavior in Islamic economy and capitalist economy:

Table number 2. *Comparison of assumptions of consumer behavior in Islamic economy and capitalist economy*

Assumptions of consumer behavior in capitalist economy	Assumptions of consumer behavior in Islamic economy
Anthropological foundations	
1. The philosophical principle of deism 2. The principle of naturalism 3. The principle of human authenticity (humanism) 4. The principle of individuality (individualism) 5. The moral principle of utilitarianism	1. Man's place in the system of existence (the centrality of God) 2. The temporal dimension of human (belief in resurrection) 3. Human social individual identity 4. The two-dimensionality of human (material dimension and spiritual dimension) 5. Human being at the crossroads of happiness and misery
Consumer goals and motivations	
1. The intermediate goal of the consumer is to maximize utility. 2. The marginal goal of the consumer is pleasure. 3. There is unity between the purpose for which the action should be performed and the natural motives of the soul.	1. The consumer's intermediate goal is divine reward. 2. The marginal goal of the consumer is to please God. 3. Worldly goals should also be done with the intention of gaining divine reward in order to have a reward in the hereafter.
Methods of achieving goals	
Instrumental rationality: in the sense that human reason does not play a role regarding the goals that deserve to be followed and the things that should be done, and only egoistic motives play a role in these stages.	Islamic rationality or piety: determining goals and good and bad actions is not possible by relying only on calculating intellect. In addition, it must be useful for the hereafter to be able to judge correctly.

According to the summary of the results presented in table number (2), it is clear that the assumptions of the theories of consumer behavior in Islamic economy and capitalist economy in cases such as anthropological foundations, consumer goals and motivations, and methods of achieving goals are different (Sohaili & Hassanian 2019: 117–144).

Based on this, it was observed that the theories of consumption are different both in the dimension of philosophical foundations and in the dimension of consumer behavior in Islamic economy and capitalist economy, and therefore it is expected that the theories of consumption in these two types of economy are also different, which will be discussed in the next section.

3. Theories of Consumption

3. 1. Keynes' Theory of Consumption

In capitalist or conventional macroeconomics, all basic theories about macro consumption function are derived from an assumption about individual consumption behavior; for example, Keynes starts with the psychological assumption that "individuals increase their consumption on average when their income increases; but not as much as the increase in their income..." (Tafazzoli 2016). The result of this assumption is that the marginal propensity to consume (MPC) is always smaller than the average propensity to consume (APC).

Keynes' consumption theory is often called the absolute income hypothesis. In this way, it is emphasized that people's consumption decisions are based on the absolute amount of current income that is paid to them, and not on the amount of lifetime income, which is the basis of Ando Modigliani's theory, and not on relative income, which is emphasized by Dusenberry, and not on the income of the classes that Kaldor is interested in (Shakeri 2007). The general theory of his consumption is that people tend to increase their consumption as a rule and generally when their income increases, but not as much as their income increases (Keynes 1996).

To specify this function, Keynes considers a very simple form of the linear pattern, namely:

$$C_t = F(Y_t)$$

where C_t represents consumption in period t, Y_t is national income in period t;

$$C_t = C_0 + b\,Y_t$$

where C_0 is independent consumption and b represents the marginal propensity to consume.

The short-term consumption function introduced by Keynes has been observed to reflect the fact that when incomes increase, people tend to consume decreasing percentage of it, or in other words, they are willing to save an increasing percentage of it. He proved that when income decreases compared to its previous level, people support their consumption standards by not reducing their consumption in proportion to the decrease in income, and, on the contrary, when their income increases, their consumption does not increase in proportion to the increase in income (Branson 2008).

Keynes' psychological law, which made the basis of his consumption function, gained great acceptance at the beginning, because studies conducted in the form of comparative household budget studies showed that it is compatible with both cross-sectional data and time series data from the 1930s. Also, some early Keynesians such as Ackley were worried that according to the Keynesian idea, the economy might fall into recession. In this way, with the increase in income and the decrease in the share of consumption from income, the demand will decrease and stagnation will rule the economy. Thus, in this context, there were clear political implications regarding the reckless increase in government spending. Also, the basis of the failed recession thesis of Keynesian economists, who believed that the American economy would suffer a recession after the Second World War, was based on this basis (Shakeri 2007). But in the late 1940s, it became clear that this law does not explain all the characteristics of consumption behaviors and is not compatible with time series statistics related to long-term and even medium-term periods.

3. 2. Consumption Theory in Islamic Economy

According to the teachings of Islam, every Muslim divides his income between consumption, investment and spending (Hosseini 1999; Mirmoezi 2001: 33–56); therefore, the allocation of Muslim income can be expressed by the following union:

$$Y = C + F + R$$

In this, C, consumption expenditure, IF is a part of the income that is offered for investment, and R is another part of the income that is spent in the way of God.

The priority of allocating income to each of the aforementioned three cases will be clarified by explaining the limits of consumption, investment and spending. Verses and narrations are used in such a way that it is obligatory for every Muslim to provide for his living expenses to the extent of necessity and the people under his responsibility to the extent of sufficiency and if he cannot do this, he is poor and can do so from the Sharia funds (*Khums* and *Zakat*) to use. It is also the responsibility of the government to compensate for his lack, to remove poverty from him.

Logically, it can be concluded that investing is obligatory in order to obtain an income that can provide sufficient living expenses, and if a person cannot obtain this amount of income, the government should help him. Based on this, consumption at the level of sufficiency is show with $\overline{C}$, and the allocation of investable funds to provide the necessary income for consumption at the level of sufficiency is shown with $\overline{F}$, it is not a function of income.

On the one hand, the development of life to the point where it does not reach the limit of extravagance is recommended. Therefore, if the income necessary to provide $(\overline{C}+\overline{F})$ is shown by Y_1 and the consumption to the extent of extravagance is shown by C_2, in this case, the Muslim spends $(Y - Y_1)$ in one of the three ways of developing life for the family after deducting consumption expenses C_2 and obligatory investment. He invests and spends in the way of God before the limit of extravagance. How to distribute the surplus income between these three ways depends on the variables that will be discussed in the following (Hosseini 1999).

3. 2. 1. Factors Affecting Individual Income Allocation

Factors affecting individual income allocation can be divided into two categories: quantitative factors and qualitative factors. Quantitative factors include surplus income after deducting consumption and mandatory investment $(Y - Y_1)$ with the assumption $(Y > Y_1)$, investment interest rate $\mathring{\pi}$, the ratio of the number of poor people (N_P) to the total population (N_G). Qualitative factors include need (n) and faith (f). Based on this, each of the consumption, investment and spending functions of a Muslim is as follows:

$$C = \overline{C} + c\,(Y - Y_1, \mathring{\pi}, \frac{N_P}{N_G}, n, f) \qquad C < C_2$$

$$IF = \overline{IF} + if\,(Y - Y_1, \mathring{\pi}, \frac{N_P}{N_G}, n, f)$$

$$R = r\,(Y - Y_1, \mathring{\pi}, \frac{N_P}{N_G}, n, f)$$

In these functions $Y_1 = \overline{C} + \overline{F}$. In the following, how these variables affect each of the functions of consumption, investment and spending will be discussed.

A) *Quantitative Factors Affecting Individual Income Allocation*

1. *Individual Income*

A person's income has a direct relationship with each item of consumption, investment and spending. However, in each case of allocation, this relationship has certain characteristics. In terms of consumption expenses in the initial stages until reaching the sufficiency limit (Y_1), consumption is not a function of income. Because it is assumed that in the Islamic system, the government and the people have a duty to compensate the lack of income of individuals to the extent of sufficiency. Based on this, even if the individual's income is less than the sufficiency limit, with the help of the government, he will consume within the sufficiency limit. After the extravagance limit (Y_2), the marginal propensity to consume is zero; because a Muslim does not waste. Between these two limits (the limit of sufficiency and the limit of extravagance), the marginal propensity to consume is between zero and one. Based on this, the consumption function is a conditional function as follows:

$$\text{if } Y < Y_1 \text{ then: } C = C\,, \frac{\partial C}{\partial Y} = \circ$$
$$\text{if } Y > Y_2 \text{ then: } C = C_2\,, \frac{\partial C}{\partial Y} = \circ$$
$$\text{if } Y_2 > Y > Y_1 \text{ then: } \frac{\partial C}{\partial Y} = \circ$$

In the case of spending in God's way, there is the opposite of this process. Before the limit of sufficiency, a person does not spend anything; after that, the marginal propensity to spend increases and to the extent of extravagance that the marginal propensity to consume becomes zero, the marginal propensity to spend increases more. In the case of investment costs, the mentioned relationship has the same trend. That is, before the obligatory limit of consumption and investment ($\overline{C} + \overline{F}$), investment is not subject to income, and after that, considering the desirability of having wealth and capital to support consumption expenses and spending in the way of God, the marginal propensity to invest will be between zero and one.

2. *Investment Interest Rate* $\mathring{\pi}$

Increasing the investment interest rate $\mathring{\pi}$ has no effect on the income allocation function Y_1 if the individual's income is smaller than – if the individual's income is greater than Y_1, by increasing $\mathring{\pi}$, IF increases, and C or R decreases assuming income stability. If then:

$$\frac{\partial R}{\partial \mathring{\pi}} < \circ \quad \text{یا} \quad \frac{\partial C}{\partial \mathring{\pi}} < \circ \quad \text{و} \quad \frac{\partial IF}{\partial \mathring{\pi}} > \circ$$

3. The Ratio of the Number of Poor People (N_P) to the Total Population (N_G)

The greater the number of poor people in the society, the people who have more income than Y_1, try to spend their surplus income to improve the condition of the poor. Therefore, C and IF decrease, and R increases. Therefore: if $Y > Y_1$ then:

$$\frac{\partial R}{\partial\left(\frac{N_p}{N_G}\right)} > \circ\,, \quad \frac{\partial IF}{\partial\left(\frac{N_p}{N_G}\right)} < \circ\,, \quad \frac{\partial C}{\partial\left(\frac{N_p}{N_G}\right)} < \circ$$

Islamic anthropology explains the philosophy of this matter. God's ownership and trusteeship and man's succession require that man, his actions and property all belong to God and property in the hands of human is a trust that he is responsible for how it is spent. Human is responsible before God and the limits that He has set for the use of certain assets, and taking care of the poor in society and providing for them is a duty that God Almighty has placed on the shoulders of the government and the rich among the people (Rais Dana 2020).

B) Qualitative Factors Affecting Individual Income Allocation

1. Need

Regarding the concept of need and its difference with propensities and wishes, there are interesting and important matters from the point of view of micro-economics that are not addressed. Here, only this point is stated that the need is a relative thing, and it is different according to the characteristics of people and places and times. However, human needs can be satisfied at three levels:

a. Necessity level. At this level, the things that humans need for survival are provided.
b. Sufficient level. At this level, the things that a person needs to live at the average level of society are provided.
c. Development level. At this level, the things that a person needs for a prosperous and at the same time non-wasteful life are provided.

According to what physical, mental and situational characteristics a person has and at what level he wants to satisfy his needs, the needs are strong and weak. The greater the needs of a person, the more he consumes a share of his income and the less share he will allocate to the supply of funds in the cash capital market and the reward market (Mirmoezi 2001; Hosseini 1999). Therefore: if $Y > Y_1$ then:

$$\frac{\partial R}{\partial n} < 0 \quad , \quad \frac{\partial C}{\partial n} > 0 \quad , \quad \frac{\partial F}{\partial n} > 0$$

2. *Faith (F)*

Belief in God and the Last Day and divine rewards and punishments is one of the important factors in the quality of income allocation. The lack of faith leads a person to luxury, disregarding the condition of the poor; the stronger a person's faith, the more he consumes, saves, and spends his wealth in the way of God so as to solve the problems of society. Therefore, assuming that a person lives at a level beyond the level of sufficiency, as a person's faith increases, he offers a larger share of his income in the reward market and allocates a smaller share to C and IF; means:

$$\text{if} \quad \frac{\partial \mathrm{C}}{\partial \mathrm{f}} < 0 \quad \text{و} \quad \frac{\partial \mathrm{R}}{\partial \mathrm{f}} > 0 \quad \text{then:} \quad \mathrm{Y} > \mathrm{Y}_1$$

The effect of increasing faith on a part of the income that is offered in the cash capital participation market, needs more precision. First, it seems that the increase in faith causes a decrease in the supply of funds in this market, with the justification that the increase in faith weakens the behaviors that are motivated by personal gain; but with a little reflection, the incorrectness of this illusion becomes clear. Increasing faith weakens the motivation to spend income on oneself; but it does not weaken the motivation to earn money for oneself and these two motivations are not related. It is possible for someone to work with the motive of earning income for himself and spending it on others, and this kind of activity does not conflict with faith. Therefore, it can be said that the increase in faith can have a positive effect on the supply of funds in the participation market with the motive of earning profit and income. Because the increase in faith increases the propensity to spend in the way of God, and spending in the way of God and helping the needy is not possible, unless an income in excess of the need has been obtained before that. Therefore, the more a person's faith increases, he tries to earn more income so that he can spend more in the way of God, and save the reward for his hereafter (Rajaei & Khatibi 2021: 55–76).

With this justification we can say:

$$\text{if} \quad Y > Y_1 \quad \text{then:} \quad \frac{\partial F}{\partial f} > \circ$$

3. 2. 2. Muslim Income Allocation Function

From the previous material, it can be seen that a Muslim allocates his income to consumption, investment and spending in the way of God in a consistent and rational manner to maximize his worldly and hereafter pleasures. According to the aforementioned, the Muslim income allocation function is as follows:

$$Y \equiv C + F + R$$

$$C = \overline{C} + c\,(Y - Y_1, \mathring{\pi}, \frac{N_P}{N_G}, n, f) \qquad C < C_2$$

$$\frac{\partial C}{\partial (Y - Y_1)} > \circ \quad , \quad \frac{\partial C}{\partial \mathring{\pi}} < \circ \quad , \quad \frac{\partial C}{\partial \left(\frac{N_p}{N_G}\right)} < \circ \quad , \quad \frac{\partial C}{\partial n} > \circ \quad , \quad \frac{\partial C}{\partial f} < \circ$$

$$(Y - Y_1, \mathring{\pi}, \frac{N_P}{N_G}, n, f) \quad IF = \overline{IF} + f$$

$$\frac{\partial F}{\partial Y - Y_1} > \circ \quad , \quad \frac{\partial F}{\partial \mathring{\pi}} > \circ \quad , \quad \frac{\partial F}{\partial \left(\frac{N_p}{N_G}\right)} < \circ \quad , \quad \frac{\partial F}{\partial n} < \circ \quad , \quad \frac{\partial F}{\partial f} > \circ$$

$$R = r\,(Y - Y_1, \mathring{\pi}, \frac{N_P}{N_G}, n, f)$$

$$\frac{\partial F}{\partial Y - Y_1} > \circ \quad , \quad \frac{\partial R}{\partial \mathring{\pi}} < \circ \quad , \quad \frac{\partial R}{\partial \left(\frac{N_p}{N_G}\right)} > \circ \quad , \quad \frac{\partial R}{\partial n} < \circ \quad , \quad \frac{\partial R}{\partial f} > \circ$$

These are the factors that affect the consumption and supply of investable funds and spending of those who earn more than Y_1. People who have an income less than Y_1, as much as $\overline{C}$ consumption, offer the rest for investment. As it can be seen, in the Islamic economy, those who have income more than Y_1, about their consumption at the same time as the supply of funds in the cash capital market and giving decisions and these decisions are related to each other. In order to simplify each of the elements of the allocation function, in the short term, n and $\frac{N_p}{N_G}$ are assumed to be constant and removed from the allocation function. Based on this, according to the above relationships, the consumption function, supply of funds and spending of those who have more than Y_1 income can be rewritten as below:

$$C = \overline{C} + c\,(Y - \overset{+}{Y_1}, \overset{-}{\overset{\circ}{\pi}}, f)$$

$$IF = IF + f\,(Y - \overset{+}{Y_1}, \overset{-}{\overset{\circ}{\pi}}, \overset{+}{f})$$

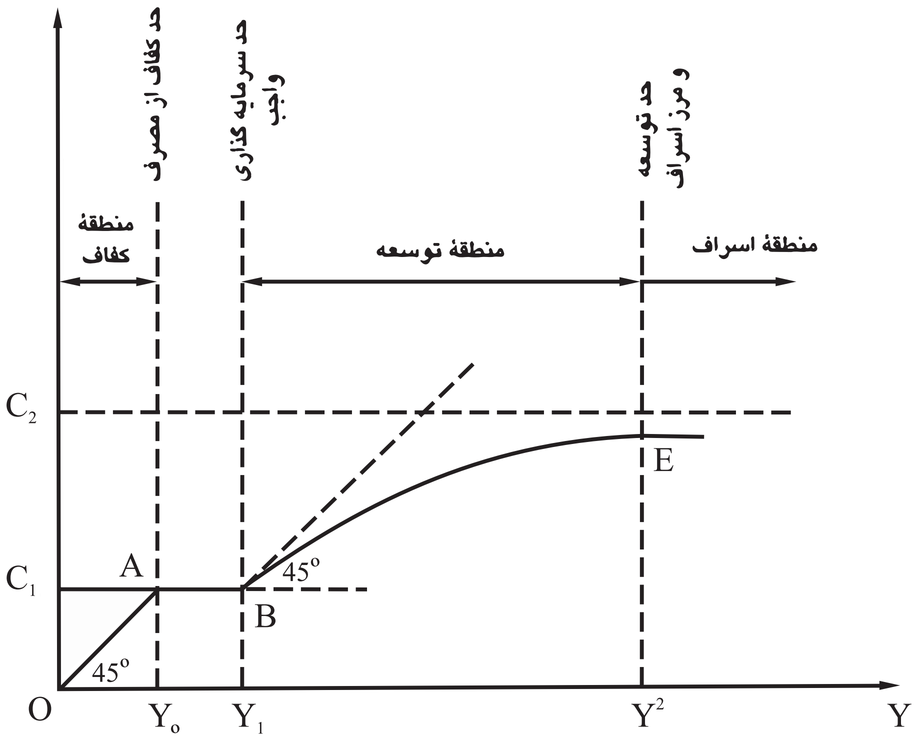
$$R = r\,(Y - \overset{+}{Y_1}, \overset{-}{\overset{\circ}{\pi}}, \overset{+}{f})$$

3. 2. 3. Muslim Consumption Curve

Previously, in the discussion of quantitative factors affecting individual income allocation, it was stated that one of the factors affecting income allocation, including consumption expenditures, is income level. The effect of increasing the income level on Muslim consumption is shown in graph number (1).

In this graph, C_1 and C_2 show consumption at the limit of sufficiency and the limit of extravagance, respectively. In the same way, $Y_\circ$ and Y_1 and Y_2 show the level of income necessary to provide C_1 and $C_1 + \overline{IF}$ and C_2 respectively. Y_2 is an income that puts a Muslim on the border of extravagance considering the marginal propensity to consume.

In the OY_1 region, individual consumption is constant at C_1. Because it is assumed that the government and the rich are obliged to compensate the lack of income of the individual to a level that can provide the obligatory limit of consumption (*Kafaf*) and investment. For this reason, $OY_\circ$ in Fard's region, he not only consumes all his income, but also uses the help of the rich and the government. In the region $Y_\circ Y_1$, a person consumes OC_1 of his income, and spends the rest on obligatory investment ($\overline{IF}$).



Graph 1. *Muslim consumption and income curve*

Marginally, the marginal and average propensity to consume in each of the areas of development and extravagance will be shown as follows:

$MPC < 1$, $MPC < APC$ development region

$APC \rightarrow \circ$, $MPC = \circ$ extravagance region

In the development area, according to the aforementioned, a Muslim does not consume all of his income and sets aside a part of it for investment and spending. In this area, as a person gets closer to the limit of extravagance, his marginal propensity to consume will decrease and at the limit of extravagance, the marginal propensity will reach zero; because a Muslim is educated in such a way that he does not waste.

3. 2. 4. Total Consumption

In order to generalize the analysis to the whole society, the method of macroeconomics is used in such a way that, considering the analysis of the relationship between Muslim income and consumption, it has proposed a hypothesis about the consumption of the sample individual, taking into account the changes that occur with the transition from the individual to the society and from the individual's income to the national income, the results of the mentioned assumption are generalized to the whole society with logical reasoning.

Muslim consumption curve shows that as the income increases from Y_1, the marginal propensity to consume tends to go from one to zero. Considering the following two points, this article can be generalized to the macro level as well.

A. The area of sufficiency, development and extravagance is not the same for all people. It may be that a level of income for some providers is the limit of life development; but this level of income will put some others at the level of sufficiency; as it is possible that a level of consumption is considered extravagance for some and not for others. The said difference is due to the difference of people in their creation, geographical situation and their social situation (Gholamrai 2019: 11–30).

Due to the existence of this difference, when it is transferred from individual consumption to total consumption, it is not possible to determine the aforementioned limits at different levels of national income. Despite this, it is possible to define two limits that can be transferred from the individual to the society: a limit of income below which every person, regardless of status, will be below the limit of sufficiency of consumption (lower limit of sufficiency), and the other is a limit of income above which any person with any dignity and position is in the zone of extravagance (the upper limit of extravagance). These two limits can be generalized to the society as well. In the society, there is a limit of national income, if less than that is distributed among people, all the people will consume below the minimum limit of sustenance. Also, there is a limit of national income that, if more than that is distributed among the people, all the people will be in the area of consumption extravagance. In this discussion, the first limit is called $C_{\circ}$ and the second limit is called C_m.

B. How the national income is distributed among the members of the society and the share of each of the people from the benefits of growth is effective in the form of the total consumption curve. The higher the number of people who benefit from the benefits of growth, the more people are transferred from the development zone to the extravagance zone, and, taking into account that the individual's marginal propensity to consume decreases as the person approaches the extravagance limit from the development zone and marginally tends to zero, it can be concluded that the more the benefits of growth are distributed more equitably, the marginal propensity to consume more will decrease in the whole economy.

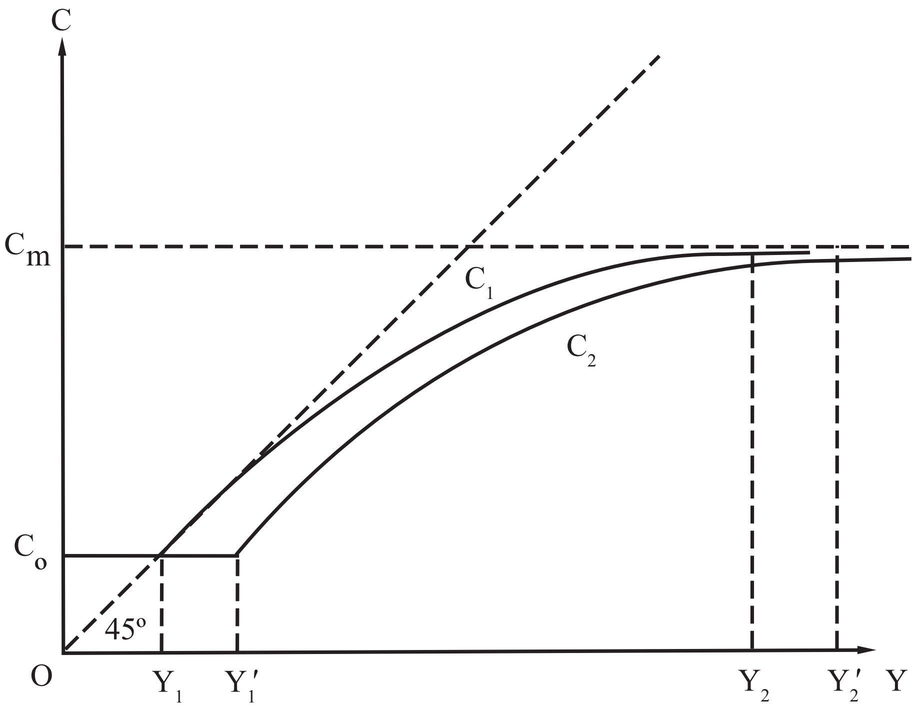
It is worth mentioning that the value of $C_{\circ}$ and C_m in the society does not change with the change of income distribution. Rather, the more unfair the distribution is $C_{\circ}$ and C_m occurs at a higher level of national income.

In fact, $Y_{\circ}$ it is a limit of the national income that if distributed among people, all the people will consume to the extent of sufficiency ($C_{\circ}$). It is obvious that the more unfair the distribution of national income is, the more national income is needed for everyone to consume sufficiently. This analysis is also true about society's extravagance limit (C_m).

Considering the two previous points, this assumption can be made about the consumption of the entire Islamic society: the more the national income exceeds the limit it provides $C_{\circ}$, the marginal propensity to consume in the whole economy is reduced, it tends to zero, and the more equitable the distribution. Yes, this reduction will happen faster.

The justification of this assumption is that as the national income increases, it is expected that some people who were in the sufficient area before will enter the development area and some people who were in the development area will enter the extravagance area. According to the fact that close to the sufficiency limit MPC has a maximum value less than one and in the development area as the income increases, the MPC decreases and in the extravagance area $MPC = \circ$, it can be concluded that with the increase in the national income, the marginal propensity to consume has decreased in total, tends to zero, and the fairer the distribution of income, the more people from the sufficiency zone go to development or extravagance; As a result, the acceleration of the reduction of the marginal propensity to consume increases.

According to the previous assumption, the total consumption curve is shown in graph (2).



Grafh 2. *Total consumption curve*

The horizontal axis in this diagram shows the national income. Total consumption is constant at $C_◦$ up to Y_1. On the left side of Y_1, the MPC is close to one. From Y_1 onwards, as the national income increases, the marginal propensity to consume decreases, and the more equitable the distribution of benefits from growth in the society, the greater this decrease. At the Y_2 level, the society approaches the upper limit of extravagance and the marginal propensity to consume goes to zero. In the aforementioned diagram, curve C_1 shows a state in which the distribution of benefits from growth is fairer than this distribution in the state shown by curve C_2.

It is worth mentioning that the national income smaller than Y_1 and larger than Y_2 for the society are exceptional cases. The community is often located in an area between Y_2 and Y_1. Determining these two limits is only for further explanation of the topic of discussion. Based on what has been said, the total consumption curve consists of two parts and should be expressed with the following two functions:

If $Y \leq Y_1 \Rightarrow C = C_\circ$

If $Y > Y_1 \Rightarrow C = C_\circ + \dfrac{(C_m = C_\circ)\,(Y - Y_1)}{Y + C_m}$

From now on, the consumption curve is expressed by proposition above; because this proposition is related to unreal or exceptional situations of society. The previous function has all the characteristics of the consumption curve in the region $Y > Y_1$; because:

$$\underset{Y \to \infty}{Iimc} = C_m$$

$$Y = Y_1 \Rightarrow C = C_\circ$$

$$\text{MPC} = \frac{\partial C}{\partial Y} + \frac{(C_m = C_\circ)\,(Y_I - C_m)}{(Y + C_m)^2}$$

In order to be able to determine the limits of MPC, it is expressed as follows:

$$\text{MPC} = \frac{C_m - C_\circ}{C_m + Y} \times \frac{C_m + Y_I}{C_m + Y}$$

Considering that C_m and $C_\circ$ and Y and Y_1 are positive values and $C_m > C_\circ$, it is concluded that MPC > ∘. Also because:

$$\text{Cm} = \text{C}_\circ < \text{C}_\text{m} + \text{Y}$$
$$\text{Y}_1 < \text{Y} \Rightarrow \text{C}_\text{m} + \text{Y}_1 < \text{C}_\text{m} + \text{Y}$$

It can be concluded that MPC is < 1.

$$\lim MPC = \circ$$

$$\frac{\partial MPC}{\partial Y} = \frac{-2\,(Y + C_m)\,[(C_m - C_\circ)(Y_1 + C_m)}{(Y + C_m)^4}$$

The marginal point is that if the distribution in the society becomes more unfair, Y_1 will be transferred to Y_1' و Y_2' to Y_2' and C_1 it will be transferred to C_2 in the graph (2). We said before that the more unfair the distribution becomes, the more the national income increases MPC_{C_1}, the more it decreases MPC_{C_2}. Because in the assumption of unfair distribution (C_2), with the growth of national income, fewer people (in the assumption of fair distribution) from the sufficient area will go to development and extravagance, and as a result, the rate of decrease in MPC_{C_1} will be greater than MPC_{C_2}.

This text becomes clear by comparing $\frac{\partial MPC_{C_1}}{\partial Y}$ with $\frac{\partial MPC_{C_2}}{\partial Y}$:

$$\frac{\partial MPC_{C_1}}{\partial Y} = -\frac{2\,[(C_m - C_\circ)(Y_1 + C_m)}{(Y + C_m)^3}$$

$$\frac{\partial MPC_{C_2}}{\partial Y} = -\frac{2\,[(C_m - C_\circ)(Y_1' + C_m)}{(Y + C_m)^3}$$

Considering that the denominator of both fractions is equal and $Y_1' > Y_1$, and on the other hand, both fractions are negative, we can clearly conclude:

$$\frac{\partial MPC_{C_1}}{\partial Y} > \frac{\partial MPC_{C_2}}{\partial Y}$$

This matter can be shown in another way. When the distribution is more unfair, and consumption is transferred from C_1 to C_2, at any assumed level of national income – if the distribution is fair, more people (assuming unfair distribution) will be in the area of development and extravagance.

This article also becomes clearer by comparison MPC_{C_1} with MPC_{C_2}:

$$MPC_{C_1} = \frac{(C_m - C_\circ)(Y_1 + C_m)}{(Y + C_m)^2}$$

$$MPC_{C_2} = \frac{(C_m - C_\circ)(Y_1' + C_m)}{(Y + C_m)^2}$$

Since $Y_1 < Y_1'$ and the rest of the components MPC_{C_1} are equal to MPC_{C_2} and on the other hand both fractions are positive, it is clearly concluded that at any level of national income $MPC_{C_1} > MPC_{C_2}$.

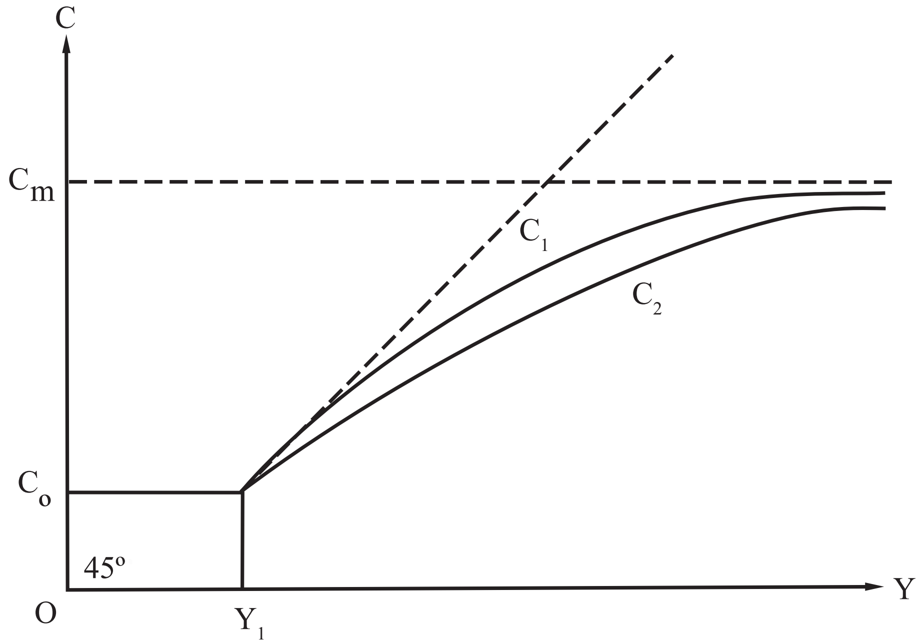
Another point is that individual consumption, in addition to income (Y), also depends on the investment interest rate $\mathring{\pi}$ and the individual's level of faith (f); means:

$$C = \overline{C} + c\,(Y, \mathring{\pi}, f)$$

$$\frac{\partial F}{\partial Y} > \circ \ , \ \frac{\partial F}{\partial \mathring{\pi}} < \circ$$

$$\frac{\partial c}{\partial Y} > \circ \ , \ \frac{\partial c}{\partial \mathring{\pi}} < \circ \ , \ \frac{\partial c}{\partial f} < \circ$$

This article can also be generalized from the micro level to the macro level of society. Assuming the stability of Y and f, as $\left(\overset{\circ}{\pi}\right)$ increases, at any level of income, consumption decreases, and the supply of funds for investment increases, and C shifts downward. This matter is shown in the graph (3).



Graph 3. *Consumption and income*

As $\left(\overset{\circ}{\pi}\right)$ increases, consumption decreases. The effect of increasing faith on the consumption of the whole is the same as its effect on the consumption of the individual. As stated before, the more a person's faith increases, if he is in the area of extravagance or development in terms of income, at any level of his consumption income, he will tend to consumption in the sufficiency level. At the macro level, the effect of increasing faith on total consumption needs more explanation. Assuming the stability of the national income, if the level of faith in the society increases, as it happened, the consumption of those who are in the area of extravagance or development (the rich) will decrease. The rich give part of the income from consumption savings directly to the poor and they also consume; as a result, the consumption of the poor increases. The rich will invest another part of this income with the motive of sacrifice; therefore, the increase in the consumption of the poor is definitely less than the decrease in the consumption of the rich, and as a result, the total consumption will decrease.

Based on this, consumption at the macro level is expressed by the following function:

$$C = C\,(\overset{+}{Y}, \overset{\overline{\circ}}{\pi}, \overset{-}{f})$$

4. Summary and Conclusion

The main purpose of the current research is to compare consumption theory in Islamic economy with capitalist economy, focusing on Keynes' consumption theory. For this purpose, firstly, the philosophical foundations and assumptions of consumer behavior in the theory of consumption in Islamic economics were compared with Keynes' theory of consumption. Then a comparison was made between the theory of consumption in Islamic economics and the theory of consumption of the female slave.

In general, according to the contents stated so far, the main differences in the philosophical foundations of consumption and the foundations of consumer behavior in the capitalist economy and the Islamic economy can be stated in the way that Islam seeks to strengthen the spirit of altruism in society. The guardians have been encouraged to develop towards the family and the poor, and this strengthens and consolidates family and social relationships. Sometimes it is said that asceticism and contentment cause the lack of progress and development of the society at the macro level because the ascetic and contented people do not buy luxury and expensive goods, as a result their production stops and there will be no development. Everywhere in the world, the progress achieved has been in the shadow of human neglect, because at first, very luxurious and high-priced goods were bought and consumed by a group of rich people who were not ascetic and content, and as a result, over time, most of those goods were consumed by them have been taken out of luxury and have even become necessary. Therefore, the progress of the entire human society has been owed to non-ascetics and the contented, and this problem is not introduced by presenting this pattern of consumption, because although people in this pattern are looking for asceticism and contentment, they want development and openness for their family and others, and with the will to open up for others, there will not be a dead end for the consumption of luxury goods at the macro level of the society. In addition, it can be said that considering that the people and the poor are all dependents of the government and its duty is also to open up to the dependents. Therefore, the progress can be made available to everyone through the Islamic State, in such a way that the sufficiency of the society is transferred from one level to a higher level.

Some of the implicit assumptions of some macroeconomic theories in the Islamic consumption model must be bound by another title, such as the assumption of sensitivity of people about the level of consumption of others, which is referred to in Dusenberry's theory as "eyes and eyes and jealousy", in the consumption model Islam is considered under the title of "preserving honor and not being humiliated in society" or under the title of "the spirit of Muslim sympathy about other people", altruism and being sensitive about the inclusion of the poor among the people. The assumption of economic rationality, along with other values, does not create an obstacle for the Islamic consumption pattern and is only adjusted in some cases; the stronger the faith of Muslims, the more sensitive a person is about the average consumption of other people in the society. Therefore, the distribution of society's consumption also becomes more equal. Just as in some patterns attention has been paid to consumption habits, in Islamic society, it is better for people who have the duty of guardianship to pay attention to people's affairs and habits. As things and habits are taken into consideration in the implementation of the rulings, this causes stickiness in consumption when people's income decreases; if the consumption becomes unbalanced in the Islamic society, naturally different activities and habits will emerge. Therefore, the government will have two duties in making policies: the first duty is to respect the interests of the upper classes and the second duty is to create a balance in consumption. Therefore, in a society like Iran, where the dignity of the deprived areas is different from that of the more developed areas, the government, while maintaining the dignity of the more developed areas, must bring the dignity of the deprived areas to them. Therefore, the principle of respecting the dignity of individuals alone causes inequality in the society unless the principle of balance is included in it. The principle of respecting priorities with income limitation and its obligation in terms of Shariah, can solve many issues of economic development regarding the priority of necessities in the country because natural and legal persons consider it their Shariah duty to prioritize essential needs over non-essential ones. Some values, such as simple living and avoiding extravagance and wastage at the micro and macro levels, cause a reduction in consumption, and some other values, such as development for families and the poor as well as respect for dignity and creating balance, because the propensity to consume is greater for the poor than the propensity to consume. Since the rich increase the level of macro-consumption, the rate of decrease and increase of macro-consumption depends on their adherence to a variety of values.

Marginally, the comparison between the theory of consumption in Islamic economy and the theory of consumption of Keynes also showed that in the consumption function of the Islamic society, with the increase in national income, the marginal propensity for total consumption tends to zero. From the macro perspective, national income is offered for consumption or investment in the cash capital market; therefore, it can be concluded that in such a society, with the increase in the level of community faith and the increase in national income, the marginal propensity to supply surplus funds for investment has increased. It tends to one side. Considering that developing countries (including Islamic countries) have a shortage of investable funds, it can be understood that the establishment of the Islamic consumption model in the society will play an important role in the development process.

Therefore, it is clear that although the optimal pattern of consumption in the Islamic economy and the capitalist economy have similarities, including the fact that in both people's consumption is subject to their current income. In both, there is independent consumption of national income. As income increases, MPC decreases. In both of them, there is a feature, but in the consumption function of the Islamic economy, there is the limit of society's extravagance which does not exist in the consumption function of capitalism. In the function of Islamic consumption, independent consumption is consumption that is sufficient, not the limit of necessity for continued survival, which is not the case in the function of capitalist consumption. In the Islamic consumption function, independent consumption is constant until the national income reaches Y_1, and in the assumption of a national income smaller than Y_1, its deficiency is provided by the government, but in the capitalist consumption function, this is not the case, and the Islamic consumption function is able to explain the effect of the quality of distribution. The national income among the people is based on their consumption, which is not the case in the consumption function of capitalism. As a result, according to the stated content, it is perfectly clear that the third hypothesis of the research can also be confirmed.

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