

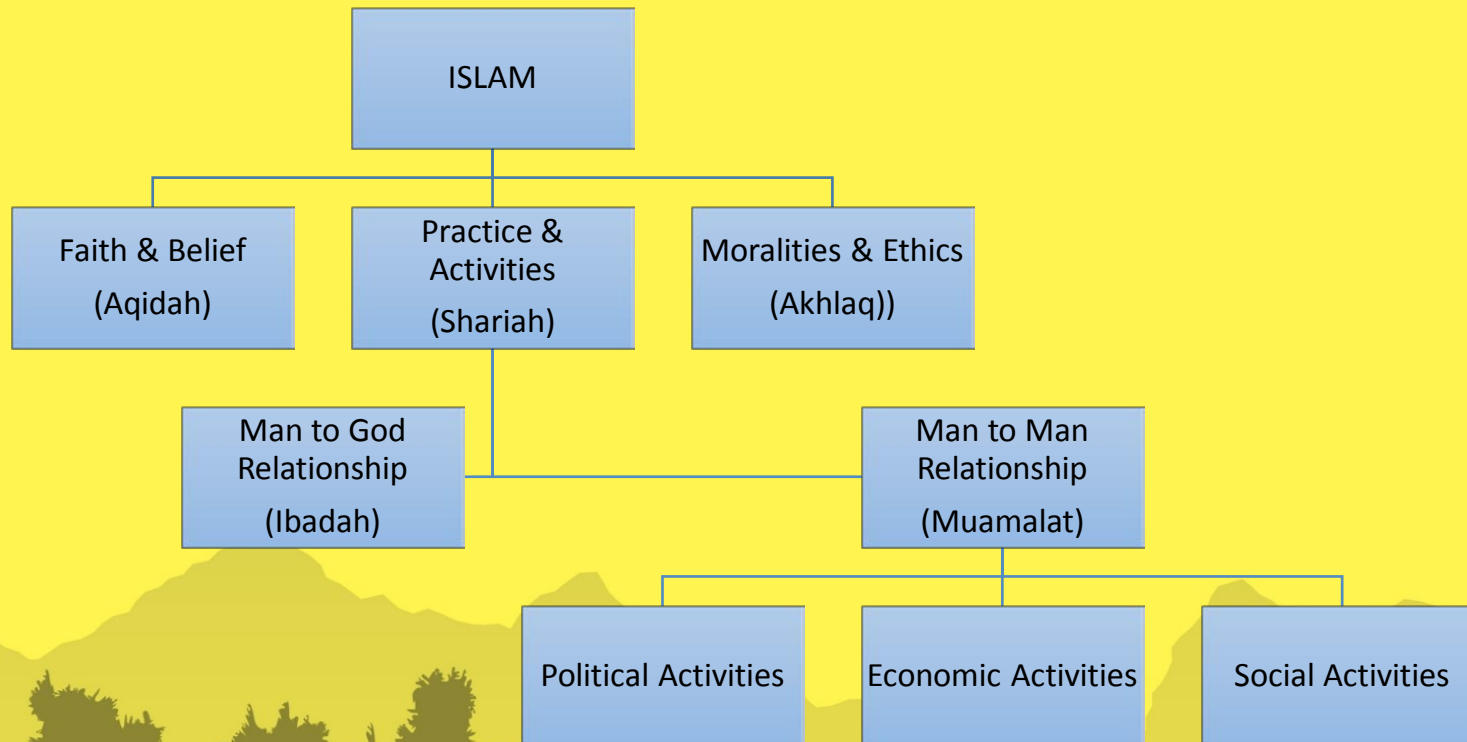
# A Comparison of Islamic Economics and the Sufficiency Economy Philosophy

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# Motivation

- Continuous growth but vulnerable and increased inequality
- Alternative economics: Islamic Economics and the Sufficiency Economy Philosophy
- Sustainable development in Muslim communities

# Islamic Worldview



# Sources of Islamic Economics

- Quran
- Hadith
- Sunnah

# Theory of Islamic Economics

- Economic well-being and morality
- Universal brotherhood
- Justice: social and economic
- Prohibition of taking interest
- Zakat
- Ownership
- Economic freedom within reason

# Islamic VS Conventional Economics

- Limited resources but unlimited needs?
- The role of ethical and moral values
- The Afterlife
- Rational economic man
- Pareto optimum

# The Theoretical Model

- Present life and Afterlife utility
- Income, time, and religious constraint
- Halal, Haram, and Zakat

$$\text{Max}_{c_p, c_a, t_p, t_a} U_p([c_p, t_p, A(c_a, t_a)]) + \frac{E\{U_a[A(c_a, t_a)]\}}{(1+r)^l}$$

$$\text{s.t. } c_p + c_a = Y \quad \text{and} \quad t_p + t_a = T$$

# Sufficiency Economy Philosophy

## Summary of the Sufficient Economy Philosophy



Source: Action for Climate Thailand



# The Comparison

- Economic freedom
- Regulated behavior
- Source
- Values
- Knowledge
- Consumption
- Application

# Guidelines for Muslim Communities

- The promotion of values
- Islamic finance for financial inclusion and SMEs
- Haram consumption, health issues, and government burden
- The environment
- The dissemination of knowledge and the catalyst for change

# Thank You