CONSUMPTION THEORY DURING THE COVID-19 PANDEMIC IN ISLAMIC ECONOMICS

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Abstract

Consumption is an essential economic activity, often considered the most important one. In simple terms, the basic principle of consumption states that humans will consume anything, in any quantity, as long as their budget allows and they can obtain maximum satisfaction. However, the current situation during the Covid-19 pandemic has worsened economic conditions. Government policies such as lockdowns and large-scale social restrictions (PSBB) caused lower-income groups to lose their sources of livelihood, leading to decreased purchasing power. Even during the new normal period, various restrictions continued to limit activities across many sectors, contributing to increasing household consumption behavior that tends to become greedy and self-centered. To prevent this, cooperation and coordination among various stakeholders are needed to control the circulation of goods in the market. Society is also expected to act wisely, purchase based on actual needs, and cultivate empathy toward those in greater need to maintain stability during the pandemic.

The concept of efficiency in conventional economics focuses on maximizing the satisfaction of wants, while Islamic economics aims to maximize the fulfillment of needs. Muslim consumers affected by the Covid-19 pandemic tend to cope better by quickly adjusting to changes in demand. Their consumption habits are guided by Islamic teachings that prohibit extravagance (israf), wastefulness (tabdzir), and emphasize halal consumption, which brings the pleasure of Allah SWT. Many consumers continued performing charitable acts such as infaq and demonstrated mutual assistance (ta'awun) throughout the pandemic. Thus, their consumption activities remained directed toward achieving maslahah, aiming for success both in this world and the hereafter.

Keywords: Consumption Theory, Covid-19 Pandemic, Islamic Economics

INTRODUCTION

Humans are social beings who cannot live independently; they rely on others to meet daily needs. This interaction among individuals is part of muamalah activities. One of the central issues in economics is consumption or the fulfillment of human needs. Economics emerges due to three realities: human needs are relatively unlimited, while resources are limited.

During the Covid-19 pandemic, the government introduced various policies to curb the rapid spread of the virus, such as lockdowns, regional quarantines, large-scale social restrictions (PSBB), reduced social contact, and self-isolation regulations. When the first two cases were confirmed in Indonesia, anxiety and fear spread across both urban and rural communities. These emotional responses triggered changes in people's behavior, including efforts to protect themselves and fulfill their needs.

One significant behavioral change was panic buying—purchasing and stockpiling essential goods far beyond daily consumption needs. If many people simultaneously buy goods excessively, the supply quickly diminishes and may become temporarily scarce, directly harming others who are unable to access these items. This situation can also be exploited by irresponsible parties seeking profit. Panic buying disrupts market stability and disadvantages broader society.

Muslim consumers affected by the pandemic typically respond more moderately. They adapt more easily when demand shifts because their consumption behavior is already shaped by Islamic principles prohibiting wastefulness, extravagance, and requiring halal consumption. Many still fulfill their obligations of charity, as reflected in mutual aid (ta'awun) during the pandemic. Their consumption remains oriented toward achieving maslahah, aiming for ultimate success in this world and the next.

METHODOLOGY

This article uses a qualitative approach by analyzing various journals related to economic issues and consumption behavior.

RESULT AND DISCUSSION

Samuelson & Nordhaus (1997) stated that economics studies how humans organize consumption and production activities. Similarly, Edrian Mansfield (1971) defines economics as the study of human behavior in allocating scarce productive resources to produce goods and services and distributing them for consumption.

Conventional consumption theory explains how consumers utilize resources (money) to satisfy their needs or wants. According to research by McKinsey, the Covid-19 pandemic significantly affected economic conditions. Most consumers reduced spending across product categories, except household essentials such as food, home supplies, personal care products, and home entertainment. People also developed new digital habits, such as online grocery shopping, food delivery, home delivery services, and streaming entertainment.

Samuelson (1999) added that one of the goals of economics is to explain consumer behavior. The fundamental principle is that people buy more when prices are low and less when prices increase. Consumers generally choose goods with the highest utility, especially essential goods, guided by the concept of the indifference curve. Limited budgets cause people to postpone the consumption of goods offering higher utility.

Products with increased demand during the pandemic include health products, food ingredients, household supplies, digital entertainment, online ordering, gardening tools, books, and magazines. In these cases, the law of demand does not apply because the changes were caused not by price but by an external event—the pandemic. This aligns with Abu Yusuf's (731–789 M) view that high or low prices are not always determined by scarcity or abundance but depend on God's decree.

In Islam, consumption cannot be separated from faith (iman), as faith shapes perspective and personality. Faith influences the quantity and quality of consumption, whether material or spiritual (Septiana, 2015). In summary:

a) Islamic consumption considers not only halal-haram aspects but also cleanliness, suitability, and wholesomeness. It prohibits extravagance and arrogance.
b) Consumption regulations in Islam apply not only to food and drink but also to various commodities.
c) Some items are prohibited because they harm moral or spiritual well-being.

The purpose of consumption in Islam is not merely worldly satisfaction but welfare in the hereafter (Mahmud, 1968). Islamic economics emphasizes fulfilling needs—not gratifying desires. Needs are categorized into daruriyyah (essential), hajiyyah (supportive), and tahsiniyyah (complementary). Consuming permissible goods is allowed as long as it does not involve extravagance. Wealth is considered a trust from Allah and must be spent correctly, avoiding waste.

Mannan (1998) emphasized that wealth should be used for beneficial purposes, including social spending such as zakat, infaq, and charity. Islam promotes sharing with others, reinforcing social solidarity. Islamic consumption includes material and social dimensions.

Moreover, Islamic consumption decisions are influenced by halal, haram, and the level of blessing (barakah). If a Muslim faces two choices, they will choose the one with higher halal and barakah value, even if the other seems more appealing physically. Rationality in Islamic consumption integrates belief in divine truth, which goes beyond limited human reasoning. The invisible hand alone is insufficient to achieve Islamic economic goals. The key concept in Islamic consumption is achieving maslahah.

CONCLUSION

The Covid-19 pandemic severely affected the economy. Lockdowns and PSBB caused lower-income groups to lose their livelihoods, reducing their purchasing power. The new normal further restricted activities in many sectors, leading some households to behave selfishly and consume excessively.

In contrast, Islam prohibits luxury and excess, encouraging balanced and fair consumption. Wealth is a trust from Allah and must be used properly—neither extravagantly nor wastefully. Muslim consumers generally adapt better during the pandemic, guided by principles of avoiding wastefulness (israf), avoiding extravagance (tabdzir), and consuming what is halal. Many continued performing infaq and practicing ta'awun, ensuring that their consumption remained aligned with maslahah, aiming for success in this world and the hereafter.

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