

# The concept of blessing (Barakah) in the function of consumption

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**Abstract**— In the holy Coran, many versets mention the notion of Barakah or blessing. This Barakah or blessing is a gift from God that gives to whom he wants from his servants. If the capital is blessed, it increases. If a child is blessed, he grows up a good child. If a human body is touched by this grace from God, it becomes healthy. If time is touched by God's blessing, it is prolonged. If the Barakah touches the heart, it becomes happy. What is of interest to us for the moment is the financial blessing, the increase in revenue due to the presence of Barakah?

**Keywords**— Barakah, blessing, financial-blessing, gift, revenue.

## I. INTRODUCTION

In the economic analysis of consumption as a function of income, other qualitative factors raised by economists influence this equation. For instance, the Keynesian concept of consumption function stems from the fundamental psychological law of consumption which states that there is a common tendency for people to spend more on consumption when income increases, but not to the same extent as the rise in income because a part of income is also saved. Furthermore, there is the social factor. For instance, the relative income hypothesis developed by James Duesenberry states that an individual's attitude to consumption and saving is dictated more by his income in relation to others than by abstract standard of living; the percentage of income consumed by an individual depends on his percentile position within the income group to whom he belongs. In addition, Giffen described "the snob effect" or the desire of some consumers to be "in style" and belong to a higher social group. In the same line of thought, Veblen and American sociologists, talked about "keeping up with the Jones". A Veblen product, which is generally a high quality, coveted product where demand rises as price rises because people feel its higher price and exclusive nature reflects greater status.

In this paper, we evoke another factor, never mentioned before to our knowledge, which the factor of Barakah. [in islam, Barakah or Baraka "blessing" is a blessing power, a kind of continuity of spiritual presence and revelation that begins with God and flows through that and those closest to God]. We will show look at this moral and religious factor, to show the effect it has on relationship between consumption and revenue.

## 1- The consumption function taking into account, the factor of Barakah.

If we insert this factor, denoted by  $\beta$ , in the consumption function, for those who comply with the precepts of islam, the disposable income become  $R_d + \beta R_d$  instead of  $R_d$ . Where  $\beta$  is the fraction of the blessing that is added to the disposable income. This is of course on condition that the use of this income is within the limits of what is licit or halal according to islam. Because, God does not bless prohibited transactions or haram.

If the blessing (Barakah) is injected in the revenue, the national consumption becomes

$$C_N = C_0 + \delta_2(R_d(1 + \beta)) \\ = C_0 + \delta_2(1 + \beta)R_d$$

## 2- Propensity to consume:

Using the equality

$$C_N = C_0 + \delta_2(R_d(1 + \beta)),$$

we can derive the following propensities to consume:

### 2-1: the mean propensity to consume.

Let us denote by MPC, the mean propensity to consume, we have:

$$MPC = \frac{C_N}{R}$$

Then,

$$MPC = \frac{C_0 + \delta_2(R_d(1 + \beta))}{R}$$

Finally we have:

$$MPC = \frac{C_0}{R} + (1 + \beta)\delta_2$$

## 2-2: The marginal propensity to consume.

The marginal propensity to consume denoted by  $mpc$  is equal to  $\frac{\Delta C}{\Delta R}$ , where  $\Delta C$  is the change in consumption and  $\Delta R$  is the change in income, then we have:  $mpc = \frac{\partial C_N}{\partial R}$

Or equivalently:

$$mpc = \frac{\partial}{\partial R} C_0 + \delta_2 (1 + \beta) R_d$$

Finally we have:

$$mpc = \delta_2 (1 + \beta).$$

## II. CONCLUSION

With a consumption function that takes into account an income that includes Baraka, that is to say a consumption function in an Islamic context, we note that the propensity to consume is stronger compared to a purely liberal context.

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