Chapter- III

THE PROPHET AND GOVERNANCE: HIS IDEAS ON THE ECONOMIC ROLE OF THE STATE
CHAPTER III

In this chapter an attempt is made to discuss in brief the economic role of the state as perceived by the Prophet. It is spread over four sections. Section 1 deals with the need to establish a state. Evolution of Islamic state is traced in Section 2 and Section 3 examines the economic role of the state as envisioned by the Prophet and the relevance of Islamic strategy is discussed in Section 4.

I

Need to Establish A State:

Right from Adam, the first Prophet, to the Prophet Muhammad, the last and the final Prophet, the purpose of the sending prophets to different areas, regions, peoples and communities was not to establish state, but to reform people, to invite them to the right path and to purify them of their sins. The institution of state was not a primary concern of the prophets and messengers of Allah. It was viewed as one of the means of attaining the primary goal, i.e., inviting people to the right path.
It is a universal fact that world's attention has now turned towards Islamic prescriptions and solutions which in fact were provided some fourteen hundred years back. This is sufficient to speak of their enduring value as they are relevant even today. "Islam emerged as a third power to resolve cultural crises brought about by the clash of great Iranian and Roman powers". These two powers were frequently fighting wars and the common man was put in great distress as the changing orders introduced new forms of oppression and subjugation.

The world in general and Arabian peninsula in particular were the breeding grounds for debauchery, tribal wars, slavery and oppression. Under these conditions the Prophet brought a transformation that was total and extra-ordinary. "Islam prevailed because it was the best social and political order the times could offer. It prevailed because everywhere it found politically apathetic peoples, robbed, oppressed, bullied, uneducated and unorganized. It found selfish and unsound governments totally out of touch with people. Islam was the broadest, freshest and cleanest political idea that

had yet came into actual activity in the world and it offered better terms than any other to the masses of mankind" 1. It is written about the Prophet that he provided extra-ordinary leadership and awaked people from a deep stupor. The Prophet led the people on three fronts: 1. He provided for the wellbeing of the led. 2. He provided a social organization in which people felt relatively protected. 3. He provided them a set of beliefs.

The need for establishment of a state and its different organs arises from the fact that Islam is against an unorganized and undisciplined way of life. In Islam the state is an absolute necessity which essentially does not belong to the ordinary genre of states. "It is an unique institution and in fact as unique as Islamic art and Islamic mysticism" 2. Islam not only directs people in the matters of worship and material transactions but it demands a political organization on the

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directions of the Prophet, through whom the Will of the God is revealed to one and all.

A Islamic state would be an ideological state and its purpose would be to establish that ideology. The state would be an instrument of reform and must act likewise and such a state would be run only by those who believe in that ideology on which it is based and in the Divine Law which it assigned to administer. Basically Islam rejects the western concept of separation of church and the state, it advocates a comprehensive and coherent political system wherein the state, instead of being a neutral observer in the matters of public and private lives, becomes an active partner and promoter of moral and spiritual values. In this system the activities which are considered immoral, unethical, socially undesirable, unhealthy, indecent in social life and unfair and uncompetitive in business affairs are not left to be controlled and condemned by religious entities and social groups. These are declared illegal by the state and their spread, promotion and practice are stopped by the rigorous application of the state's legal powers and constitutional authority.
The Quran condemns disorder and anarchy and has warned of a grievous penalty to those engaged in creating disturbances. The need to have a state arises to check any sort of disturbance. The Quran directs:

"O you believe! Obey Allah, and obey the Apostle and those charged with authority among you. If you differ in anything among yourselves, refer it to Allah and His Apostle, if you do believe in Allah and the Last Day that is best, and most suitable for final determination" (4:59).

The essence of the Islamic state is the notion that "all sovereignty belongs to Allah". It is mentioned in the Quran:

"Say : Allah is the Creator of all things and He is the One, the Almighty" (13:16).

Similarly at different places it is mentioned in the Quran:
"He rules (all) affairs from the heavens to the earth" (32:5).

"The command rests with none but Allah" (6:57).

"He is Knower of the invisible and the visible, the Great, the High Exalted" (13:9).

"He will not be questioned as to that which He doeth, but they will be questioned" (21:23).

At some other place the Quran says:

"Surely the land is Allah's. He gives it for an inheritance to such of His servants as He pleases" (7:128).

"He it is That has made you successors in the earth" (35:39).
The Prophet of Islam too stressed the need for a proper and orderly organization. He succeeded in building a organized society whose essential feature was compactness with a high order of co-ordination and extraordinary co-operation to ensure mutual security. It can be said that many of the biographers of the Prophet did not "estimate the Prophet primarily as a man of affairs on the grounds that he was essentially a spiritual and moral teacher. This is correct and no biography of the Prophet, however brief, can ignore a reference to his religious teachings, still from the viewpoint of the growth of political institutions, the main work of the Prophet was the establishment of a security system for the whole of Arabia except the regions sub-ordinate to Byzantium (Roman empire) and Persia. It was the rock on which his successors built. Hamidullah is of the view that from the very start the Prophet was thinking about organisation of the community. "The importance of the co-ordination is clear from the following instance that when some Madi-nans embraced Islam, the Prophet asked each of them what


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tribe he belonged to? There were in fact a dozen or so tribes. The Prophet appointed delegate for each tribe called Naqib (head) he also appointed a Naqib Al Nuqaba (heads of all the heads), chief of chiefs”1.

One of the landmark events in the life of the Prophet is his migration from Makkah to Madinah. It was a tactical move of the Prophet. At Makkah the Prophet and his followers had to face a continuous persecution at the hands of non-believers. The Prophet and his followers were tortured, harassed and humiliated at the slightest pretext. They had to face social and economic boycott too. Under very distressing conditions the Prophet decided to leave Makkah for Madinah.

The Prophet arrived at Madinah in 622 C.E. (Christian Era). Here too there was a serious threat of attack from Makkis. The Makkis were very hostile towards the Prophet and at the same time they were enormously rich and had military allies at Madinah. There were only a few hundred Muslims. Until then there had not been a state in Madinah. There were only a few tribes, fighting among themselves. To bring them under the authority of a

single command and to organise them into a single state seemed a difficult task. The Prophet assembled the representatives of all sections of the population of Madinah: Muslims, Jews, Christians and idolaters and demonstrated to them that it would be difficult for tribes to defend themselves against foreign invasion. "Until now you have been defending yourselves on your own while the other tribes remained neutral. This encouraged foreigners and your enemies to attack you. Would it not be better for all the tribes to unite to establish a city state? This would discourage your enemies from attacking you, and you would be strong enough to defend yourselves even against the most powerful tribes". Every one agreed. This was probably because a few years earlier Madinah had been the scene of bloody, exhausting and lethal civil war. The two sides in this war, the Aws and the Khazraj, were tired of it and were looking for an honorable way out. Every one agreed to setting up of a city state, and the Prophet was chosen by all to be its head. The Prophet had no intention of setting himself as a ruler, nor did his

predecessors aspire. His mission was to preach the message of Quran and to bring people to the right path.

It was the vicious and violent opposition to his mission that forced him to resort to arms. He was compelled to organise his followers to protect their faith and lives. The most practical way to do was to establish a state and take upon himself the burden of a ruler. In this connection we quote the Prophet as saying:

"Anas reported that the Prophet of Allah said: Hear and obey though a Negro whose head is like a raisin (and who) is appointed (to rule over you)"\(^1\).

"Abdullah b. Omar reported: I heard the Messenger of Allah say: There is no man who is appointed by Allah to look after his subjects and who afterwards does not come down to them with admonition except that he will not find fragrance of

\(^1\) Ahmad, Nisar., The Fundamental Teachings of Quran and Hadith, Kitab Bhavan, New Delhi, 1980, p.13
Again the Prophet said:

"Abu Sayeed reported that the Prophet said: Verily the dearest of men near Allah on the Resurrection Day and nearest before Him for company will be a just ruler, and verily the most disagreeable of the people near Allah on the Resurrection Day one deserving of the most severe punishment among them (in a narration: the most distant of them in company to Him) will be a tyrannical ruler".

From the above Quranic injunctions and traditions, it is clear that, in Islam the real sovereignty belongs to Allah alone. The political, economic, social and moral systems of Islam are based upon the sovereignty of Allah. The authority of absolute legislation rests in

1. Ahmad, Nisar., The Fundamental Teachings of Quran and Hadith, op.cit., p.10
2. Ahmad, Nisar., The Fundamental Teachings of Quran and Hadith, op.cit., p.18
Him, He is the real law-Giver. As Sovereignty belongs to Allah alone, and any person who holds power and runs the government in accordance with the laws of God would obviously be a vicegerent of the Supreme Ruler and will not be allowed to exercise any power other than what is delegated to him. An Islamic state must, in all respects, be founded upon the laws laid down by Allah through His Prophet. The government which runs such a state will be authorized to demand obedience in its capacity as a political agency set up to enforce the laws of God and the practices of His Prophet.

II

Stages in the Evolution of Islamic State

There are three stages in the evolution of the Islamic state; the first being the muakhat, meaning brotherhood or fraternization. The other two are adoption of constitution of Madinah and expeditions and agreements made by the Prophet. These are briefly examined as under.

Muakhat was the first clear manifestation of organisation of Islamic ummah (community) on the basis of a definite ideology and distinct political philoso-
Till then Arabs recognised blood as the only bond determining their social and community relationship. The arrival of the Prophet on the scene brought such a change in their outlook that the affinity of faith replaced all other ties of blood.

The institution of muakhat got its extra-ordinary manifestation after the migration of the Prophet to Madinah where it was affected between the muhajirin (migrants) and ansar (helpers). Ansar readily accepted the arrangement made by the Prophet and shared their property, movable and immovable, with their brothers-in-Islam. Some of them even offered to divorce one of their two wives to marry her with their migrant brothers. Thus, the entire population of Madinah, with the exception of a small section of Aws and Jews became an integrated community based on bonds of religion.

The second stage in the evolution of Islamic state was promulgation of 'Constitution of Madinah'. It was an extra-ordinary thought of the Prophet to promulgate the first ever written constitution. Neither the Romans, the Greeks, the Hindus, the Chinese nor anyone else anywhere in the world before Islam had ever thought of promulgating a written constitution for a state. There were laws but no constitution ever existed.
The complete text of constitution had come down to us. The articles therein guaranteed social security to all. All individuals and clans (tribes) were responsible for their own acts. No one was allowed to shelter any wrong doer, no matter what his creed was. Jews were judged by Jewish laws and Christians by Christian laws. Islamic law was certainly not imposed on non-Muslim members of the population. A famous verse in the Quran explains and emphasises this:

"(Therefore) let the people of Gospel judge what Allah has revealed therein" (5:50).

It was mentioned in the Constitution of Madinah that Jews and Muslims should help each other and jointly bear the expenses of war. The obligation to defend the city of Madinah was laid down on all sections of population. It was not necessary to be a Muslim to become a citizen of the state. Indeed all religions were admitted as well as the followers of idolatrous beliefs. All were admitted as citizens on the condition that they would remain loyal and faithful to the state. If a
Muslim rebelled he received no help but was punished in accordance with his crime.

The position of the Prophet was that of head of the state. No one, whether Muslim or non-Muslim, could go to war without his prior permission. All matters would be referred to him as and when there was any chance of disturbances causing bloodshed. "The Supreme and unequivocal authority of the Prophet in all matters; civil, political and military apart from religious affairs was, thus, fully established and accepted at every stage in the origin and evolution of Islamic state"1. Thus, next to muakhat the Constitution of Madinah was most important step in the formation of ummah and development of Islamic state.

The third stage in the evolution of Islamic state involved a number of expeditions and agreements with Arab tribes living in the neighborhood of Madinah. According to our historians within six months after arrival of the Prophet in the city of Madinah (September 6, 622 C.E.), he sent an expedition to neighboring place which was followed by numerous others. Some of the expedi-

tions were personally supervised by the Prophet himself. These are known as gizwat. Others were led by his lieutenants which came to be known as sarayah. A few major expeditions were: Badr (624.C.E), Uhud (625.C.E), the battle of Ditches (627.C.E), Khyaber (628.C.E), Hunayn (630.C.E). Of these, perhaps, Badr is the most critical and is considered as one of the most decisive wars in the history. Had the Muslims lost the battle at Badr Islam might have perished.

The Prophet conquered Makkah in 630.C.E. It was from here that the Prophet of Allah was driven out in 622.C.E. Including the first 13 years, the Makkans had for over 20 years been persecuting their Prophet, prevented spread of his religion by all possible means. Upon the conquest, what he did, seeing the Makkans ashamed, was to say! "No responsibility burdens you today. You can go, you are freed". Attab Ibin Asid, the great chief, jumped up spontaneously to present himself before the Prophet and embraced Islam. The Prophet without a moment's hesitation said to Attab, "I appoint


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you as the Governor of Makkah\textsuperscript{1}. Without leaving a single Madinan soldier of the victorious army to occupy the conquered town, the Prophet withdrew and went back to Madinah.

The state which developed during the lifetime of the Prophet and immediate thereafter during the period of righteous caliphs (632-661 C.E) exhibited following prominent features\textsuperscript{2}.

1. The Islamic state derives its authority from the concept of "vicegerency of Allah".
2. The safeguard of religion and the supremacy of the word of Allah are the first and primary objectives of the Islamic state. Every other thing becomes secondary to that.
3. The policies of the state are drawn within the limit of the intent of Shariah.
4. The implementation of Shariah is the target of the Islamic state and it is the purpose of its very

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\item[1.] Hamidullah, Muhammad., "Tolerance in the Prophet's Deeds at Madina", op.cit.,
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existence. This applies to all aspects of the state behaviour: political, economical, social and military; and it also applies to all the relationships between the state and the individuals.

III

Economic Role of the State:

The early Islamic state performed almost all important functions, be these political, social, military and economic. We limit ourselves to a discussion of the economic functions. The economic role of the state is discussed as under:

3.1 Role of State in the Provision of Social Security:

The provision of social security means arranging for basic requirements of human life to each and every individual living in the boundaries of a Islamic state. This covers provision of food, clothing, shelter and medical care.

This does not mean that a Islamic state would provide social security to each and every individual without regard to his economic conditions. The major
principle of Islamic social security is that despite best efforts, if a person is found unable to fulfill his basic requirements, an Islamic state would then arrange to provide basic means of subsistence. The Islamic system envisions a framework of social security wherein the genuinely deprived section of the society gets sufficient help from the state so that not a single citizen remains hungry, naked, unsheltered and uncared for during ailment. The Prophet of Allah has made it clear that the men in the authority are responsible to fulfill requirements of deprived:

"Abu Maraim Azadi said: I went to Muawiyah. He asked: 'Oh! Abu Maraim, how come you are here? I replied: "I have come here to bring to your notice a tradition of the Prophet which I have heard. I have heard the Prophet saying: 'If a person, to whom the Allah has given the authority over some affairs of Muslims, remains indifferent to their worries and frustration (on account of poverty), then Allah, in turn would not attend to his
needs'. The narrator reports that (after listening this tradition) Muawiyah immediately appointed a person (to attend to the needs of people)"¹.

Similarly Amar bin Marrah reported it to Muawiyah:

"I heard the Prophet saying that if a Imam seals his doors to needy, poor and destitute, then in turn the Almighty Allah would block the doors of skies to his needs, poverty and destitution". (On hearing this) Muawiyah appointed a person to attend to the needs of the people"².

From the above traditions of the Prophet it is clear that when a ruler does not attend to the needs of poor and destitute, he would then invite the displeasure of Allah. This warning is sufficient enough to point

¹. Abu Dawud al-Sijistani., Sunan Abu Dawud, Kitabul Kharaj wa Fai,
². Al-Tirmidhi., op.cit., Kitab al Ahkam
out that the fulfillment of basic needs of poor be declared as a responsibility of a Islamic state. A ruler would spoil his world hereafter if he is not compassionate to his people. The Prophet said:

"If a person, whom Allah has made ruler, is not a well wisher of people, he would not then come even near to the fragrance of heaven"\(^1\).

In another tradition the Prophet is reported to have said:

"A ruler will not enter into heaven with the Prophet who despite holding a responsible position was neither the well wisher of people nor worked for their welfare"\(^2\).

One of the obligations of Islamic state is that it is to act as the guardian of its people. The Prophet is

\[1\] Al-Bukhari., op.cit., Kitab al-Ahkam
\[2\] Awana,Abi., Musnad, Vol.I, p.31

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reported to have remarked:

"Allah and His Prophet are the guardians of one who has none (to look after him)"\(^{1}\).

Similarly the Prophet said:

"State is the guardian of one who has none (to look after him)"\(^{2}\).

The position of the Islamic state is made still clearer in a letter written by the Prophet to the people of Himyer tribe:

"Oh the people of Himyer! I instruct you to adopt a virtuous course..... the Prophet of Allah is the guardian of you all, both rich and poor, sadqa is

1. Al-Tirmidhi., op.cit., Kitab al-Faraiz
2. Al-Tirmidhi., op.cit., kitab al-Nikah

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not for the Prophet and his family. In fact it is zakat set aside for poor Muslims (amongst yourselves so as to purify yourselves)"¹.

On the basis of above traditions, several Islamic scholars have maintained that it is obligatory on the part of a ruler that he should help and assist his subjects when they are suffering from hunger, poverty and calamity. The ruler should provide food and financial assistance to the needy people. The role of state as envisioned by the Prophet extends beyond its classical functions namely protection of borders of the state and maintenance of internal security. How far an Islamic state would go in providing social security greatly depends upon its resourcefulness. If the resources are adequate the state may extend the help beyond the provision of food, clothing and shelter. The Islamic state, if resources permit, would priorities its spending in such a way so as to improve the living standard of its people.

3.2 **Facilitating Economic Development:**

Economic development is desired because it leads to material strength and grants stability to a country. The internal and external affairs of people are also greatly affected by the level of economic development. Even though individuals have their own responsibility in accelerating economic development, the state, being rightful and authoritative representative of people, has to shoulder a greater responsibility.

In the context of origin and development of Islamic state we have already noted that it was desired that an Islamic state should add to its military strength. This was considered necessary in the backdrop of hostile attitude of the then Arab tribes towards the Prophet and his followers. The Quran and Sunnah have heavily emphasised military strength and defence preparedness.

The Quran says:

"Against them make ready your strength to the utmost of your power, including steeds of war, to strike terror into (the hearts of) enemies, of Allah and your
enemies, and others besides, whom you may not know, but whom Allah does know. Whatever you shall spend in the Cause of Allah, shall be repaid to you, and you shall not be treated unjustly" (8:60).

The Prophet of Islam always used to encourage his companions to remain prepared militarily; to learn and exercise archery and horse riding and to provide arms, ammunition, horses etc.

As has been pointed out in the preceding paragraphs, a Islamic state has to play the role of a guardian, caretaker and provider of assistance to poor and destitute. In this context it can be said that achieving a high level of development is must for a Islamic state so as to discharge its responsibilities of a caretaker, guardian and provider of assistance. It is on these grounds that Islamic scholars have held that it is the duty of the head of Islamic state that he should take steps to promote economic prosperity of the country. The Prophet has valued economic prosperity the most:
"Abu Huraira quotes that when the people of non-Arabs lands were cursed infront of the Prophet, he stopped them (from cursing) and said: "Don't curse them, servants of Allah settled there (peacefully and comfortably) when they developed and promoted lands"\(^1\).

The Prophet of Allah was very much particular about economic prosperity of his people and their lands. It is reported that once the Prophet looked in all four directions and said:

"Oh Allah! Grant us the heirship of earth. Bless our lands with abundance"\(^2\).

In another place it is reported on the authority of Abu Huraira:

1. Mawardi, Abul Hasan., *Adab Al-Din Wa Al-Duniya*, Darul Maktaba, Egypt, undated, p.82

2. Ibid.,
"Whenever lands started bearing fruits their owner used to bring fruits to the Prophet. After accepting them the Prophet used to say: 'Oh Allah multiply our fruits; prosper our city (Madinah), bless our honey and bless our measures'". 

It can be concluded on the basis of above mentioned traditions that the Prophet of Allah favoured achieving a high level of economic prosperity. It can also learnt from above mentioned traditions that the Prophet was not against learning from economic experiences of other countries. This is clear when the Prophet stopped his people from cursing non-Arabs.

3.3 Reducing Unequal Income and Wealth Distribution:

One of the guiding principles of economic policy of early Islamic state was to reduce inequality in the distribution of income and wealth. This was desired to minimise concentration of economic power in a few hands

1. Al-Bukhari., op.cit., Al Adab Al-Mufarid

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There are available several evidences from Quran, Sunnah and the conduct of righteous Caliphs which support the contention of reduction in inequalities of income and wealth.

During the Makki period (610-622 C.E.) of early Islam, it was made clear to Muslims that there is a share of deprived and destitute in the wealth of rich. It appears in the Quran:

"And in their wealth and possessions (was remembered) the right of the (needy), him who asked, and him who (for some reason) was prevented from asking" (51:19).

The question of distribution of wealth left behind by the people of Banu-Nazir arose at Madinah when the Jewish tribes were deported on account of breach of trust and its hostile attitude towards Islam. It was commanded that the wealth left behind by Banu-Nazir is for poor and indigent. The purpose of this Divine command was to see that wealth does not remain confined to rich only. It is said in the Quran:

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"What Allah has bestowed on His Apostle (and taken away) from the people of township belongs to Allah, to His Apostle, and to kindred and orphans, the needy and wayfarer; in order that it may not (merely) make a circuit between the wealthy among you. So take what the Apostle assign to you and deny yourselves that which he withholds from you. And fear Allah; for Allah is strict in punishment" (59:07).

It is thus, clear from the above verse that preventing concentration of wealth in the hands of rich was one of the objectives of economic policy of the Islamic state. During the lifetime of the Prophet the Islamic state adopted three different methods to minimise unequal income and wealth distribution.

1. On a yearly basis a part of wealth of rich was transferred to poor by the way of zakat and ushr.
2. Fai revenue was distributed amongst poor and needy.
3. Through persuasion and teachings rich people were exhorted to extend financial help to needy and dese...
The economic prosperity of a country is greatly determined by a proper sharing of different types of resources. When resources are well distributed it means that the fruits of economic development are shared meaningfully. In the absence of equitable distribution the benefits of economic development remain confined to a class of privileged few. Purely from economic viewpoint, in order to maintain a desired level of output and employment, resources must be transferred to the poor class, which is primarily a spending class. In recent times the phenomenon of inequalities of income and wealth has attracted the attention of policy makers and planners. It is now realised that there should be a systematic effort on the part of the government to minimise inequalities of income and wealth. Right from beginning Islam has taken a serious note of unequal distribution of income and wealth. It designed and developed programs where the right of poor in the riches of wealthy is established.

Islam recognises the existence of relative inequalities, but it does not allow continuation of absolute inequalities. In Islam relative inequalities are
recognised as an act of Allah: It is said in the Quran:

"He it is Who hath placed you as viceroys of the earth and hath exalted some of you in rank above others, that He may try you (by test of) that which He hath given you, look Lo they Lord is swift in prosecution and Lo He is Forgiving Merciful" (6:165).

The essence of Islamic approach is, thus, clear. On one hand it does not approve continuation of absolute inequalities, the relative inequalities are allowed to operate as a reward for differences in human skill, ingenuity and enterprise. The more the people earn and accumulate, more are the zakat and sadaqat transferred in favour of poor in recognition of their right in the riches of wealthy.

IV

Islamic Strategy: Its Relevance

On the basis of foregoing discussion it can be argued that the evidence in Quran, Sunnah and the writ.
ings of Islamic scholars on the economic functions of an Islamic state is so overwhelming that "it would be absolutely unjustified not to term a Islamic state as a welfare state"¹. This is because the commitment of an Islamic state to the welfare of its people is derived from the mercy (rahmah) that the Prophet was sent with. It is further argued that "the role of the state in an Islamic economy is not, however, in the nature of an intervention which smacks of an underlying commitment to laissez faire capitalism. It is also not in the nature of collectivisation and regimentation which suppresses freedom and saps individual initiative and enterprise. It is also not like a secularist welfare state which because of its aversion to value judgments, accentuates claims on resources and leads to macro-economic imbalances. It is, rather, a positive role, a moral obligation to help realise the well-being of all by ensuring a balance between private and social interest, maintaining the economic train on agreed track and preventing its

diversion by powerful vested interests"1.

Thus, in a setup which values the state regulation as well as personal freedom with moral obligations, the Islamic state would function to realise maqasid al-shariah. It would strive to eradicate poverty and to create conditions for full employment and a high rate of growth; to promote stability in the real value of money; to maintain law and order; to ensure social and economic justice; to arrange social security and foster equitable distribution of income and wealth and to harmonize international relations and ensure national defence.

The Islamic strategy towards economic betterment is greatly different from all other secular strategies including capitalistic and socialistic strategies. This is because "an Islamic state introduces prosperity with austerity and affluence with abstinence. Islam treats economic pursuit as a virtuous act but inculcates in its followers a spirit of self-control and contentment than violate the moral limits. It allows to achieve the highest economic position but does not leave any person or a small group of persons to monopolies those heights.

If some person or persons touch this height, it compels him or these few persons to share their fortunes with many times more persons\(^1\).

It would not be out of place to ask here a question: what differentiates Islamic strategy from other secular strategies? The answer lies in its heavy emphasis on moral attitudes and obligations of individuals, groups of individuals and the state\(^2\). In secular strategies the term 'moral attitude' gets replaced by 'rationality of an individual'. A rational individual is expected to take right decisions at right times. But there is no a priori reason to believe that he is not tempted to those decisions and policy options which benefit his own individual interest at the cost of others. This is because a rational individual feels accountable more to himself than to anyone else. It is this inner courage that encourages him to defy rules and regulations. As compared to this Islam envisions a system where both collective and individual responsibilities are of a very


\(^2\) For detailed study see Sayed Afzal Peerzade's., *Principles of Islamic Public Finance and Policy*, forthcoming

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high order. The Islamic notion of ideal man (momin) is deeply steeped in moral values. He feels himself more accountable to Allah than to any one else. The Quran speaks:

"That no bearer of burden can bear the burden of another; that man can have nothing but what he strives for; that the fruit of his striving will soon come in sight; then will he be rewarded with a reward complete, that to your Lord is the final Goal"

(53:38-42).

The pattern of Islamic life is based on "faith which encompasses economic behaviour also"¹. No economic system, and especially the Islamic economic system, can successfully and effectively function unless personal as well as social ethics are disciplined. Al-Rabi maintains: "the best and the most efficient administration

depends on the best moral orientation, not only of the rulers, (and of administrators) but also of the entire population. In order to ensure that moral values are properly inculcated in individuals, a child, should be taught that show of greediness is bad behaviour and the consumption of food is a matter of secondary importance. He should be trained to content himself with simple food and to do service to others. Generosity and philanthropy should become his habits. Moreover, he should be taught to have contempt for gold and silver and refrain from hearing vain and boastful talk"\(^1\).

The emphasis in Islamic strategy on "well defined moral attitudes" is purely non-economic. The rationale of including non-economic goals are defended on the ground that these would have a very favourable impact on the ways and means for achieving the ends of Islamic economic system. "Morally oriented individual action is expected to ensure the achievement of socially desired result to a large extent"\(^2\).

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It could be argued here that a Islamic state would neither assume each and every functional responsibility nor it would leave affairs of public to be entirely guided by private enterprises and market forces. Both the state and individuals have their own roles to play, duties to discharge and restrictions to observe. It could be claimed that both the proponents and opponents of socialism and capitalism would find a most amicable compromise in the Islamic economic system. Socialists would prefer it because Islam ensures the finest system of equality. It honours labour most and it is against any type of exploitation. Capitalists would favour Islamic approach because it is not against holding of private property, enterprise and accumulation of wealth\(^1\). What differentiates the Islamic approach from a socialist approach is that it values personal freedom.

Islamic approach is also different from the capitalist approach because it stresses heavily on the use of only rightful means of earning and accumulation. It does not regard an individual as the real and absolute owner of the wealth. It establishes a share of poor in

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1. It should be noted that the institution of zakat originates from right to private property.
the wealth of rich and asks for its methodological yearly transfer. Poor are asked to look at the transfer of zakat funds not as an act of benevolence on the part of rich but as their rightful share in the latter's wealth.

It should be, however, noted here that the Islamic state as compared to a capitalist state, has a relatively more responsible role to play because it has to subserve the interest of weaker and poor sections.

It is necessary that a relatively more responsible role of a Islamic state should be differentiated from a restrictive and interventionist involvement as is found today. This involvement is more due to political reasons than economic and moral. Unrealistic political promises and total lack of commitment to their implementation have landed many governments on the verge of financial bankruptcy and economic collapse. An Islamic state would not get itself totally involved in the management of the economy. It would not assume the responsibility of a benevolent partner, enabling the market to function according to its own laws. Nor the market would regard the state as an intruder. The Islamic set-up would strike a balance between the two forces to benefit overall productive process.
In brief the Islamic set-up envisages appropriate roles for individuals, market forces and the state in subserving human welfare. However, it can be said that of the three, the role of state would be relatively more important for the reason that it has come to be considered as the vicegerent of Allah. Its area of activities would cross the boundaries of laissez faire and even the modern concept of the welfare state where welfare is measured in terms of material gains without regard to the life hereafter.

It is apparently clear from the above analysis that the following were prominent features of the early Islamic state:

1. It was an institution established through a democratic process viz, the free will and accord of the people desiring to form the same and accept the Prophet as the paramount authority (pledge of Aqabah and agreement with the Jews).

2. It was a constitutional organization functioning under a written charter (of Madinah).

3. It was an ideological state based on the concepts and

fundamental principles embodied in the Quran.

4. All citizens of the state enjoyed equally of status, religious freedom and protection of material interests.

A comparative study of Muslim countries at present would, however, show that not in a single Muslim country the above mentioned features could be found. Their strategy, which sans Islamic content and duplicates secular strategies, has squarely failed to deliver goods in respective countries. "It would be correct to say that their development policies have been more or less Islam neutral. Generally speaking, there is no evidence to suggest that policy makers in Muslim countries derived any inspiration worth the name from Islam."¹ There is a wide gulf between the Shariah and actual practice in the Muslim countries. "There the dominant ideology is not Islam but rather secularism along with a mixture of feudalism, capitalism and socialism. Muslim countries are trying to solve their problems through policies developed within the secularist perspective and conse-

¹. Ahmad, Khursheed, "Economic Development in Islamic Framework" in Selected Papers, Amar Publications, New Delhi, 1993, pp.171-190
quently their problems have become aggravated and they have moved farther and farther from the realisation of the goals of Islamic Shariah"¹.