

CHAPTER- III

ECONOMIC MORALITY IN ISLAM

3.1 Introduction:

It is often asserted that Economics is a positive science and Islam as a religion is normative par excellence (Jalibi and Kadir 60). However, it is necessary to note that there are certain positive aspects of Islamic teachings and at the same time economics cannot be altogether absolved of normative elements. Hence, Islam can satisfactorily influence economic thinking and economic activities (Jalibi and Kadir 61).

The Quran, of course, is not a book of economics. It prescribes human economic behaviour in terms of permissions and prohibitions, which may call the ethico-economic teachings of Islam. Muslim economists use these teachings to derive a full-fledged economic system of Islam.

This economic system is based on a postulated normative behaviour characterised by honesty, integrity and benevolence, which are derived from the value-structure of Islam. The traditional economic man is replaced by the 'Islamic man'. One does not have to be very imaginative or analytical to see that a society blessed by honest, responsible and benevolent individuals will ensure a better quality of life. Therefore, one must realize that the benefits the Islamic economic system promises cannot be delivered to a society whose individuals do not practice Islamic standards of morality (Jalibi and Kadir 59).

Three Basic Conceptions of Economic Life in Islam:

It is right to say that the science of economics deals with the fulfilment of material needs and ambitions. But economics is in itself not the object; it is rather a means of achieving the object. The Creator of the human beings and *jinn* has created man composed of the body and soul. Not only man but all the creatures, vegetables and animals, are as well composed of the two main components (Saud 11).

Bodily existence of a man has some needs and requirements of its own, without fulfilling which life itself cannot be maintained. So, there is no escape from fulfilling biological requirements. But the fulfilment of these needs can never become itself the ultimate aim and object of man's life, for which he should put in all his mental and physical capabilities. This is the first and foremost conception of a Muslim's economic life under the canopy of Islam.

The *second* conception pertains to the belief in absolute oneness of Allah. As a Muslim, everyone accept one absolute authority. Every aim and its course of action which goes contrary to our faith in the unity of Allah has nothing to do with Islam as it destroys the very basis of it (Saud 12).

The *third* ingredient of the Islamic economy is that in every sphere of life Islamic order should be executed. Economy is an essential part of human life having many facets. Islam itself is a complete order of life, as already mentioned. Laying down the basis of its economic order Islam necessitates the practical existence of other Islamic bases simultaneously and determines their co-existence as an inevitable condition. The Islamic economic system cannot be implemented in isolation. To do so a society must prepare itself to establish all the other systems-legal, social, and political of Islam, at the

same time. Without all this, Islamic economic order may be prove unstable and ineffective in accomplishing its duties. Rather it would be appropriate to say that introducing Islamic order in an Un-Islamic society or placing it out of the sphere of Islamic faith and values would certainly prove an unrewarding effort. In this respect, the Islamic economic order is comparatively distinguished from other orders (Saud 13).

In this chapter an attempt has been made to highlight different concepts and ideals of Islamic economics and throw new light on the economic morality of Islam. The central points of Islamic economic morality lies in believe of one Allah. Allah is the real owner of whole universe. What are the financial resources of an Islamic state and what is the responsibility of individual and society to implement these resources for the betterment of the humanity is another significant point to be discussed in this chapter. What are the things that are allowed and forbidden by Allah for creating economic justice in society is also one important subject matter of it.

3.2 Trusteeship or Social Ownership:

Some theologians and modernists have argued in favour of theory of trusteeship. According to the Quran, Allah is the real owner of all that is between heaven and earth. It is, therefore, argued that man is not the owner of his wealth but holds in its trust. Allah has entrusted wealth to him to spend on the needy and the poor. He only possesses wealth for the welfare of others. Tolstoy, Mahatma Gandhi and several others have also propounded similar theory. It seems to be quite splendid in theory. However, it assumes that man is motivated in his actions by idealism alone. It is far from true. The whole history negates this assumption. Had the man been motivated by idealism alone, the whole history of mankind would have been very much different. The earth would

have long been a paradise. Human beings have a highly complex nature. They are motivated by ideals but not always so; they are motivated by selfish desires more than the ideal motives.

There are very few examples, besides that of the Prophet and few of his Companions, in the entire history of Islam, of Muslim individuals and rulers who can be said to have held political power or wealth as a real trustee of Allah. The very early history of Islam is full of bloody strife both for political power and possession of wealth. It was for nothing that Abu Dhar Al-Chifari, that eminent companion of the Prophet had to fight against all those companions of the Prophet and other Muslims who had begun to misuse political power for amassing wealth and its ostensible display. But Abu Dhar met with a tragic end. He was exiled and died a lonely man. His fervent protests proved to be ineffective and amassing of wealth began on a large scale.

While advocating any idealist theory like that of trusteeship one will have to bear all these complexities in mind. What is happening in the Islamic world today should also serve as an eye opener to the advocates of such theories. Despite so much talk of Islamization in several Islamic countries no serious attempt has been made in any one of them for establishing just socio-economic structures. Disparities of wealth so fervently (Engineer Vol.5 163) denounced by the Quran continue and the upper classes indulge in conspicuous consumption while the poorer sections continue to suffer. The ruling classes who are the main beneficiaries of the status quo have not accorded any priority to the economic questions in their Islamization programme. Only a half-hearted attempt is made to establish interest free banks keeping the present economic structure intact.

What could be the alternative to the trusteeship theory? Does the theory of social ownership fit into the Quranic frame-work? Let it be clearly understood that the Quran, as explained earlier, does not advocate any specific theory. Quran only lays down certain norms and emphasizes some values. It condemns oppression and exploitation and makes justice obligatory on its followers. What is therefore primary in Islam is putting an end to all forms of oppression and exploitation (*riha*) and establishing a just society by evolving suitable socio-economic formations. It is from here that the boundary of scientific approach to the economic problem begins. The nature of theory should be such as to take Islamic value system into account on one hand, and, should result in mitigating socio-economic injustices in the society, on the other (Engineer Vol.5 164).

Islamic approach to economic developmental activity is based on an integrated concept of development. It begins with giving a world view that is conducive to the twin objectives of social justice and sustained increases in economic productivity. It lays great emphasis on human beings, their value premises, their perceptions, and their goal. The two fundamental premises work jointly to achieve the objectives of overall development.

Islam lays stress on the accountability of individual conduct before an omniscient Allah. His activities worth will be measured with reference to their moral and ethical implications and not in terms of material success or otherwise. It reinforces this view with the dynamic perception of all human beings being the kindred of Allah and offspring of the same couple, Adam and Eve, which as a consequence, disregards all artificial distinctions between man and man (Saud 08).

Islam provides guidance to its followers in all phases and activities of life. Its teachings with regard to economics are mentioned in several passages of the Quran. Islam encourages sharing and a just distribution of wealth (Razi 26).

“To those weak of understanding make not over your property, which Allah hate made a means of support for you, but feed and clothe them therewith, and speak to them word of kindness and justice” (Al-Quran 4:5).

The Quran asked its followers not to deliver that wealth to the boys of immature wisdom or to the fools who have no wisdom or to the adults who are under wisdom. Islam advices to guard their wealth against destruction and unprofitable use, till they understand their loss and gain. It also instructed to feed them and clothe them out of that wealth and say to them gently, “This is your wealth, we are your well wisher and we shall give you back your property when you are wise” (Usmani 308).

In another place Quran says:

“When his people said to him, ‘Exult not, God does not like those who exult’” (Al-Quran 28:76).

The above verse say to the believers not to be proud of wealth because it is a temporary and transitory thing and its value with Allah has not equal to the feather of a mosquito. Believers should know well that God does not like those who exult. He is not pleased with such proud servants.

Again the Quran says:

“Seek with the (wealth) which Allah has bestowed on thee, the home of the Hereafter, nor forget thy portion in this world: but do thou good” (Al-Quran 28:77).

The wealth given by Allah is for the preparation of provisions of journey for the Last day. It is not meant for a proud and heedless life of this world. According to the portion eat and dress, but with a greater (portion of) wealth earn the *Hereafter*.

Islam appreciates hard labour:

In an Islamic society adequate fulfilment of basic needs is as necessary for human welfare as spiritual uplift. Therefore, while arranging for the spiritual guidance of men through Prophets, Allah has also provided all necessary resources for his material well-being. The individual is required to fulfil his material needs through his own efforts. Islam condemns begging and laziness and places great stress on hard work (Husain *Islamic* 253).

Hubshi-b-Junadah reported that the Messenger of Allah said:

Begging is not lawful for the solvent, nor for one who is stout and strong except for one who has got pressing poverty or destroying debt and whoso begs of men to increase his wealth will have scratches on his face on the Resurrection Day, and hot stone of Hell which he will devour. So whoso likes, let him beg little; and whoso likes, let him beg much (Karim Vol. II 248).

The economic life in Islam therefore is based upon Divine instructions. Earning one's livelihood through labour is not only duty but a great virtue as well. Dependence of any able person on someone else for a livelihood is a sin and disgraceful humility.

All kinds of work and hard labour is respected in an Islamic society (Husain *Islamic* 253). Prophet Muhammad is reported to have said that it was far better for a person to take his rope, cut wood, pile it up and sell it in order to eat and give charity than to beg for sustenance from others. According to Islam, the status of honest hard working men cannot be lowered because of the kind of work they do for a living (Husain *Islamic* 254).

It makes quite clear that work however strenuous and hard it may be, how meagre benefit may accrue from it, is more beneficial than sitting idle. It is better than looking towards others for alms. Some people are physically healthy but do not hesitate to beg. Such people are found in large number in Muslim countries. Keeping these people in view Islam says, '*those who are healthy and are fit to earn have no right in alms and poor due*' (Al-Qardawi 38-40)

The economic system of Islam is based upon a comprehensive system of morals and principles. A person employed by another or by a company has the moral responsibility to do his work efficiently and honestly. The Prophet said that if any one undertakes to do any work, Allah loves to see him do it well and with efficiency. Upon the completion of work, the worker is entitled to a fair wage. Failure by the employer to pay just wages or cut it down is a punishable act, according to the law of Allah.

Honest trade is permitted and blessed by Allah. This may be carried out through individuals, companies or agencies. But all business deals should be conducted with

honesty. Cheating, hiding defects of goods and exploiting the needs of customers are all sinful acts and punishable by the Islamic law. All methods of earning a living have to be honest; anybody brought up on unlawful provisions, according to the Prophet will be a fuel for the fire of *Hell*.

Jaber reported that the Messenger of Allah said: *May Allah be kind to a man of gentle dealings when he sells, when he purchases and when he makes a claim (Al-Bukhari)* (Karim Vol. II 265).

It is essentially the responsibility of the individual to support his family by earning an honest income. However it may not always be possible. In all societies there are some people who cannot achieve that goal and so become dependent upon the state or on others. It then becomes the responsibility of the Islamic state to play a positive role in guiding and regulating the economy to ensure a respectable standard of living for all the people who are unable to take care of their own needs and require assistance (Husain *Islamic* 254).

3.3 Financial Resources of Islamic State:

In order to fulfil this obligation, the Islamic state needs financial resources. These means of income for the Islamic state are: *Zakat*, Income from Natural Resources, Taxation, Borrowing, (Husain *Islamic* 255) *Sadaqah*, resources from *Waqf*, Sacrifice of animal and *Kaffarah* (expiation and atonement), *Wassiyah* (will), *Diyah* (blood money), *Musharakah* (the law of sharing), *Diyafah* (the law of hospitality) (Said, Nimer and Funk 144).

Income from Natural Resources:

Natural resources have been provided by Allah for the welfare of all people. The monetary benefit derived from these resources should be distributed to all people and not to any particular group or individual (Razi 28). The Quran stresses that all natural means of production and resources which subscribe to man's living have been created by Allah. It is He who made them as they are and set them to follow the laws of nature that make them useful for man. It is He who allowed man to exploit them and placed as his disposal.

On the basis of the aforesaid truth the Quran lays down the principle that an individual has not the right to be free in acquiring and exploiting these resources according to his own sweet will. He is not entitled to draw a line independently to decide between the lawful and the unlawful. It calls it a "lie" if a man describes a certain thing as lawful and another unlawful on his own account. The right to pronounce this rests with Allah and (as Allah's deputy) His Prophet alone (Ahmed 122).

Resources which are provided by nature free of cost, and which can be used directly by man may be utilized freely and everyone is entitled to benefit from them to the extent of his needs. Water flowing in the rivers and springs, timber in the forest, trees, fruits of wild plants, wild grass and fodder, air, animals of the jungle, minerals under the surface of the earth and similar other resources cannot be monopolised by anyone. Of course, people who want to use any one of these things for commercial purposes can be required to pay taxes to the state. Or if there is misuse of the resources, the Government may take step in and set the things right (Maududi 68).

Taxation:

The right of the Islamic state to raise funds through taxes is defended on the basis of Prophet's saying that there are some obligations beyond *Zakat*. Most jurists have upheld right of the state to levy taxes, because if these funds benefit the people themselves, it is their obligation to bear the cost. However, only a just tax system has to be applied in harmony with the spirit of Islam. The *Khalifas* are reported to have stressed that taxes should be collected with justice and kindness. It should not be beyond the ability of the people to bear, and should not deprive the people of the basic necessities of life.

Borrowing:

If total revenue from all the above mentioned sources is not sufficient, the Islamic state would stand in need of borrowing. In this case because of the Islamic injunction against interest, the borrowing would need to be free from interest (Razi 28).

3.4 The Concept of Charity in Islam:

Islamic social welfare is based on the economic upliftment of human being. For this economic upliftment, charity is a necessary resource. Charity has been preached by every religion to bring justice to society. And justice, being the essence of religion, Islam has made charity obligatory. It is a sacred duty of the affluent to give part of their wealth to fulfil the needs of the deprived members of the community.

A society can flourish only when its members do not spend all their wealth on the satisfaction of their own desires. People should reserve a portion of it for their relatives, neighbours, the poor and the needy. As the saying goes: Charity begins at home. A true

believer is thus always prepared, after meeting the needs of his family, to assist other people in need of his help (Khanam 125).

There are two forms of charity in Islam- obligatory and voluntary, which are respectively called *Zakat* and *Sadaqah*. *Zakat*, from the verb *zakah* which signifies “to thrive,” “to be wholesome,” “to be pure,” means purification. Giving up a portion of one’s wealth, which is in excess, is a purifying process which legitimises the use of the remainder by the donor (Khanam 126).

There is a demand of Islam that all its followers should spend their wealth freely on the common good of society. But it cannot be met solely by the payment of the obligatory levy of *Zakat*. There must also be additional almsgiving on a voluntary basis. This is referred to in Islamic literature as *sadaqat-al-tatawwu* (the alms of spontaneity). The only difference between *Sadaqah* and *Zakat* is that the former is voluntary, while the later is obligatory, and collected by the government as a compulsory levy. The rate and exemption limit (*Nisab*) for *Zakat* are fixed, while the amount of other *Sadaqah* is entirely dependent upon the will of the giver. The term *Sadaqah*, as applied to alms, is an indication of the sincerity (*sik*) of the almsgiver’s religious belief.

The term *Sadaqah* is also in certain cases used in a very broad sense to cover all kinds of charity. From the root *Sadaqah*, “to speak the truth, to be true”, it literally means righteousness. Ibn Arabi explains it as a “voluntary act of worship, a choice made by one’s free will. If this is not the case, then it is not voluntary *Sadaqah*. For man makes it obligatory upon himself as Allah makes mercy obligatory upon Himself towards those who repent” (Khanam 128).

The scope of charity as defined in the Quran is so vast. Even a poor person who has nothing tangible to give can offer *Sadaqah* in the shape of a smile, or by offering a glass of water to a thirsty person, or by uttering a kindly word. Good conduct is frequently referred to in the *Hadith* as *Sadaqah*. Even planting something from which a human being, a bird or an animal may later eat also counts as *Sadaqah*. In this extended sense, acts of loving kindness and even greeting one another with a cheerful expression are regarded as *Sadaqah*. In short, every good deed is *Sadaqah*.

Ansar reported that the Prophet said:

“Charity appeases wrath of the Lord and removes an evil death.” Charity appeases wrath of God just as water extinguishes fire or just as sun’s rays remove darkness. Charity gives easy death and ensures faith for a believer at the time of his death (Karim Vol. II 15-16).

Since *Zakat* and *Sadaqah* are not only moral obligations to society, but acts performed by believers to seek Allah’s pleasure. Abdullah Yusuf Ali writes on charity in his commentary on the Quran:

“It must be in the way of Allah. No reward must be expected for it in this world. It must not be followed by references to or reminders of the acts of charity. Still less should any annoyance or injury be caused to the recipient, e.g. by boasting that the giver relieved the person in his hour of need” (Al-Quran 2:262).

Thus the spirit of kindness and well-wishing is the essence of charity. The giver is not to expect any reward from the recipient and *niyyah* (intent) should be for the welfare of the poor and to satisfy only Allah. The Quran admonishes us not to spend “*to be seen of men*” (Al-Quran 2:264). This is false charity. It is said that spending with this

motive is worse than not spending at all. Publicity should never be the motive for an act of charity (Khanam 130).

In verse 273, the Quran states, “*charity is for those in need.*” This is a general condition to help people in need whether they are good or bad, on the right path or not, Muslims or non-Muslims. It is worth reiterating here that the chief motive in charity should be Allah’s pleasure and our own spiritual good. This verse was revealed in the first instance in Medina, but is of general application. The concept of charity in Islam is thus linked with justice (Khanam 131).

3.5 Channelizing *Waqf* Resources:

Waqf means permanent dedication by a Muslim of any property for any purpose recognised by Islam as religious, pious and charitable. The ownership of *Waqf* property is dedicated to the Almighty Allah and the beneficiaries are entitled to receive an allowance only (Karim Vol. II-315).

The institution of *Waqf* has played a highly important role in Islamic civilization. It has served as a potent instrument for the promotion and dissemination of knowledge and learning, in the establishment of madrassas, observatories, hospitals, asylums and caravanserais, and in the care and rehabilitation of the poor and the destitute, orphans and physically challenged persons. The institution of *Waqf* inspired other cultures and civilizations. Thus the earliest colleges in Europe were founded and supported by foundations and charitable trusts (Momin *Islam* 57-58, 70,107). Regarding *Waqf* the Prophet said: “*it is a form of trust, for it cannot be sold, mortgaged, or given in inheritance. It is not lawful for its custodian to get a share out of it, nor can he make*

any property out of it. However, he can take for his sustenance out of it” (Al-Qardawi 158).

The channelizing of *Waqf* resources for the educational and socio-economic uplift and rehabilitation of the community will have far reaching consequences. In some parts of the country, as in Gulbarga, Karnataka, a wide network of educational and welfare activities have been set up under the aegis of local endowments. The revival and revitalization of *Waqf* resources in the country a clearly thought out plan and course of action, the setting up of a national-level apex body for the purpose of carrying out activities and programmes at the state and district levels and for monitoring the functioning of state *Waqf Boards*, and most importantly, extensive grass roots mobilization and the launching of a mass movement for the recovery and restoration of *Waqf* properties (Momin *The Empowerment* 124-125).

Waqf is a permanent form of charity which is called *Sadaqah jariyah*. It covers, in addition to giving education to the needy, such good works as helping someone to recover from some disease by monetary assistance; looking after orphans and the destitute, and giving scholarships to students. This being an institution is the reason for so many centres of social welfare having continued to exist among the Muslim community (Khanam 132).

The constant giving of little is said to please God more than the occasional giving of much. It is also a means of moral edification. It purifies the soul of the evil of avarice, and is reflection of the generosity of God the All-Giving (Khanam 134).

3.6 Zakat al-Fitr or Fitrana:

In Islam another important form of poor due imposed on individuals. It is called *Zakat al-Fitr* or *Fitrana*. It is to be paid to the poor on the completion of fasts of *Ramadan*, prior to the offering of 'Id prayer. The wisdom in declaring it obligatory is as under:

- i) Compensation for failings, deficiencies and shortcomings during the fasting days.
- ii) To please the poor and show the sentiments of affection and brotherhood to them and to enable them to enjoy the festival with pleasure along with their children and families.

Ibn 'Abbas said:

“Fitrana has been declared obligatory by the Holy Prophet so that people who fast during the month of Ramadan may be cleansed of their sins and at the same time the poor may be provided with the means of their sustenance” (Cf. Al-Qardawi 64).

The distinguishing characteristics of Fitrana are:

- i) It is levied on the individuals and not on wealth.
- ii) It is obligatory for all Muslims whether they are free or slaves, male or female, rich or poor. However, the poor (Al-Qardawi 64) is under obligation to pay, provided he has more than his meals for one day and night, for himself and the members of his families on the day of 'Id.

This aims at training the Muslims to spend at the time of felicity and also at the time of adversity and to accustom them to give something to others for their sustenance out of their own earnings to rid hardness of the heart. The giver is always superior to the receiver. There is a saying:

“It is better to give than to take; it is better to serve than to be served; it is better to love than to be loved” (Al-Qardawi 65).

Islam distinguishes between *adl* (justice) and *qist* (equity, fair play) (Kelsey 35). While there are many teachings in the Quran about social and economic justice, scholars agree that several Islamic institutes and values are central to ensure such justice. Promoting economic justice in Islam is an important principle applied through a number of channels, such as those Islamic institutes and values identified by Raquibuz Zaman: (Said, Nimer and Funk 143)

- i) On other occasions to give to the poor are *Id al-adha* (the feast of immolation), the sacrifice of animal and *kaffarah* (expiation and atonement). Muslims distribute food and give money to the poor during the feast.
- ii) Muslims also do justice through *Wassiyah* (will), which permits Muslims to leave a third of the property passing through their will to charity. Contribution to charitable foundations and organizations is an important way to promote social and economic justice.

Other Islamic laws and cultural practices similarly encourage mutual support and cooperation to ensure economic justice. They include:

- i) *Diyah* (blood money), which obligates the family of the criminal offender to pay money to the victim's family.
- ii) *Musharakah* (the law of sharing), which obligates Muslims to share their harvest of crops with those who cannot afford to buy them. Similarly, inheritors should remember the needy when they divide their inheritance (Al-Quran 4:8); and
- iii) *Diyafah* (the law of hospitality) based on the Prophetic tradition, which holds that there is a social obligation to treat the guest graciously.

He who believes in Allah and the Last Day must honour his guest for one day and one night as well as granting him hospitality for three days. More than this minimum is considered *Sadaqah*. A guest, then, should not stay longer in order that he might embarrass his host" (Khan Vol.8 no.156).

3.7 Law of Inheritance (Mirath):

Islamic law of inheritance promotes economic justice and equality by distributing an estate among all members of family. It is a wonderful system that ensures the fair distribution of wealth after someone dies. It details the rights of relatives over the property of the deceased person (Razi 52) '*Suratun Nisa*' of the Quran deals with the law of inheritance in great details (Al-Quran-4:7-12, 176).

The Quran says:

"Allah (thus) directs you concerning your children that the share of the male is equal to that of two females; and if they be only women above two, then for them two-thirds of what he left, and if she be one then to her a half; and to his parents

to each one of the two the sixth of what he left if the dying man has children, but if he has no children and his heirs are his parents, then a third to his mother, then if the dying man has brothers, his mothers share is sixth, after any bequest he bequeathed or after the payment of any debt (he has left)” (Al-Quran 4:11).

The law of Inheritance form a very important chapter of Islam and the Muslim society. The laws of Inheritance cannot survive if the conception of private property is abolished. The elaboration of the Laws of Inheritance is a simple proof of the justification of private property.

The above verses laid special emphasis on the rights of the orphans. So if there is an orphan among the inheritors his share must be very carefully specified and separated because the unjust devouring of an orphan’s wealth is against the spirit of Islam.

Firstly, the share of the children is mentioned. The share of the son is equal to that of two daughters. For example, if there is one son and one daughter, the son shall get two-thirds and the daughter shall get one- third of the property left. If there is one son and two daughters then the son shall get half of the property and the two daughters shall get the remaining half.

If there are only daughters and no son, so if they are above two they will get only two-thirds of the property. And if there is only one daughter she shall get half of the property. It is known that one daughter with one son shall get one-third of the property, so it is easily inferred that one daughter with another daughter shall also get one-third, because when the share of the daughter was not made less than one-third despite the major share of the son, how can her share be made less than one-third with another daughter. So, the order of two daughters share is implicit in the first clause. In the

second clause, therefore, the order of three or more daughters is mentioned so that the doubt may be removed. One could doubt that when the share of two daughters is greater than that of one daughter, the share of three or more daughters might be greater than that of two daughters. The fact is that when the daughters are more than one- whether two or ten- they shall get $\frac{2}{3}$ of the property.

Now the last case remains: Only sons are the heirs. The law for this condition is that the whole property shall be given to the son or divided equally if there are more than one son.

Further there are also three cases if the parents are there to inherit the property:

1. Parents with the sons and daughters-each one of the parents shall get $\frac{1}{6}$ of the property left.
2. Only there are parents as heirs-in this case the mother of the dying man shall get $\frac{1}{3}$ and the rest $\frac{2}{3}$ shall go to his father.
3. If the dying man left brothers and sisters-real or step- but no children, the mother shall get $\frac{1}{6}$ and the rest shall go to his father. But if there is one brother or one sister the mother shall get $\frac{1}{3}$ and rest shall go to the father. The brother and sister shall receive nothing in both cases (Usmani 313).

While some of these methods are more central to Islam and more known than others, all are specific Islamic methods to promote economic justice and the equitable distribution of resources. They illustrate the strong Islamic emphasis on both distributive and procedural aspects of justice. The Quran supports these notions when it describes the Muslim community as a just one (Al-Quran 3:110).

There are certain rules of expenditure to be followed by human being. Allah enjoins upon man to fulfil his financial obligations towards his fellowmen and to be moderate in his spending.

The Quran says;

“And render to the kindred their due rights, as (also) to those in want, and to the wayfarer: But squander not your wealth in the manner of a spendthrift. Make not thy hand tied (like a niggard’s) to thy neck, nor stretch it forth to its utmost reach, so that thou become blameworthy and destitute” (Al-Quran 17:26, 29).

The above verse say to observe all kinds of financial and moral obligations to the kinsmen, and have care for the indigent and the traveller and never squander what God has given as wealth. It also says neither the hand should be chained in miserliness, nor should be outspread extremely. The middle course is suggested and it is the best way.

3.8 Some Principles of Islamic Economic System:

Earning and Expenditure by Halal (*rizq halal*) Means: Muslims are not allowed to earn and spend in any way they like. Islam has laws, based on the Quran and the Sunnah, to regulate earning and expenditure.

Earning from the production, sale and distribution of alcoholic drinks are unlawful, as are earnings from gambling, lotteries and from *Riba* (interest or usury) transactions (Al-Quran 5:90-91; 2:275 cf. Razi 50).

Islam rejects the earnings from the above things because these things deteriorate the social set up. Its injurious effects are destroying the people in general and young

generation in particular. So, Islam has put forward strict Quranic regulations against these things.

Earning by falsehood, deceit, fraud, and theft is unlawful (*Haram*). Taking orphan's property deceitfully has been particularly forbidden (Al-Quran 2:188; 4:2; 6:152; 7:85; 83:1-5).

Islamic teachings show the importance of honesty and integrity in the worldly affairs. Falsehood, deceit, fraud, theft, unlawful possession or expenditure of an orphan's wealth etc. is strictly prohibited in Islam and God reveals drastic action against these evils. If anyone acquire livelihood from these acts then it will be unlawful for him.

Unlawful expenditure is not allowed in Islam. A Muslim should not spend his money irresponsibly. Rather, he should spend it wisely and thoughtfully (Al-Quran 7:31). The bounties of God are created for the sake of utilization and not for renunciation. Extravagant and improper use of His bounties is a department of ingratitude. God has forbidden prodigality and improper expenditure of His bounties.

Hoarding food stuff and basic necessities, smuggling and the artificial creation of shortages are unlawful (Al-Quran 3:180; 9:34-35).

Prophet Muhammad is also strictly against hoarding. Abu Hurairah reported that the Messenger of Allah used to store up nothing for the morrow (Karim Vol. II 262).

Islam is opposed to extravagance and lays stress on keeping needs under control (it should not be, under any circumstances, construed to mean renunciation as the same has been positively disapproved of by Islam). The Quran also requires of the faithful to give away what is superfluous (after meeting one's controlled needs). The Capitalist society,

on the other hand, perpetuates itself by creating artificial needs through high pressure publicity. The noted American sociologist Vance Packard in his book like *Hidden Persuaders* has systematically exposed the working of advertising agencies and their methodologies. He shows how, based on false claims, high pressure publicity, persuades in very subtle ways, the people to buy. Most sophisticated techniques are used by the advertising industry to create artificial needs so that the products, primarily aimed at making profit, can sell well in the market. It becomes the very rationale of the capitalist society (Engineer Vol.5 157).

Earning from brothels and from other immoral sources which are harmful to society are also unlawful (Al-Quran 24:23). Islam strikes at the root of evil and wants to establish a just and fair society. A Muslim must earn his living in Halal ways and he should always bear in mind that whatever he does is known to Allah. He will be accountable for his actions on the Day of Judgement. He cannot hide anything from the knowledge of Almighty Allah.

3.9 Prohibition of *Riba* (Interest or Usury):

An Islamic economy prohibits all transactions involving *Riba* (interest or usury). In Islam there is no distinction between interest and usury. Islam allows only a zero rate of interest, that is, no interest at all. Whatever the name used, interest or usury, it is prohibited in Islam.

The Quran has laid down rather strict injunctions with regard to interest on money. These injunctions are repeated over and over with the same force and emphasis. Later, the Quran has warned the swallows of usury with such a force and rigour that it is not to be found in the case of other sins and faults (Qureshi 48).

Before the advent of Islam it was customary in Arabia to charge compound interest on all debts. The Quran prohibited this practice in clear and unequivocal terms. For instance:

“O ye who believe! Devour not usury, doubling and quadrupling (the sum lent): Observe your duty to Allah, that ye may be successful” (Al-Quran 3:130).

From the above verse it can be deduced that the Quran prohibits usury because the devouring of illegal wealth creates indolence in the observation of religions and in the obedience to God. Usury is the extreme type of miserliness, because a usurer lends his money with the spirit of extreme desire for wealth. So it is prohibited. The usurer wants extra money on his capital money and does not tolerate the benefit of the debtor. So, the Quran says, do not eat even simple interest and observe what is ordered by Him.

Imam Fakhru’ d-din Razi’s views on Interest:

Imam Razi (543/1149-606/1209) is the first person who has shed light on this problem from the economic point of view. The substance of his views on this point from his great work the *Tafsir Kabir* is given below-

1. According to Imam Razi, the word *Riba* means and indicates ‘increase or addition’. But it does not mean that every kind of increase is unlawful. What is, however, illegalised is that particular contract which the Arabs called ‘*Riba*’ (Qureshi 54).
2. Another reason for the unlawfulness of *Riba* is that such transaction necessitates the exacting of another’s wealth without legal consideration or return. One who extorts this does so without consideration. This amounts to exploitation and

reduces the debtor to poverty which is a colossal inequity. The Prophet has said a man's wealth is as unlawful to another as his blood. And it is on account of this that extortion of wealth without lawful consideration is illegalised (Qureshi 55).

3. Another reason advanced before illegality of 'interest' is the fact that income by way of 'interest' prevents the receiver (creditor), from indulging in any occupation or profession. The creditor would certainly find it easy to acquire his livelihood from interest on cash or deferred loans. He would, thus, loathe engaging himself in some business or occupation which entails labour. This would give a setback to public utility, in so far as it is an accepted fact that worldly affairs cannot progress satisfactorily without trade, arts and crafts.
4. Another reason for the illegalisation of interest is that 'debt' cuts at the very root of one's honour and respect in society. If interest is declared illegal, people would naturally abstain from borrowing and squandering money. On the other hand, if it be made lawful, then people would not hesitate in borrowing at any rate. This would bring to an end mutual sympathy, human goodliness and obligation (Qureshi 56).
5. Another reason is that the Quran which is the highest authority on Islamic Law lays down clear and unambiguous orders against all *Riba* transactions. It is not necessary, therefore, that reasons must be advanced for orders enjoined in it. And since *Riba* transactions have been declared illegal by the Quran, it is quite probable that we may not be able to know the reasons which necessitated this order.

6. Finally, the reason for illegalising is that, in all probability the debtor might become rich, while the creditor, poor. Therefore, if *Riba* transactions are declared lawful the rich will seek poor people's money more and more (Qureshi 57).

Difference between Trade and Usury:

Pagan Arabs placed *Riba* and Interest on equal footing. The Quran pointed out by one verse where in it lays down that trade is lawful while *Riba* is unlawful. This verse is so clear that one cannot entertain any ideas of analogy, which is the work of devil. When Allah ordered the Devil to prostrate before Adam in clear and unambiguous words, the Devil utilized analogy, saying: 'I am better than Adam as I am created from Fire, while he is created from dust.' If analogy were permissible in matters of religion, it would also become permissible in matter of interest (*Riba*) (Qureshi 59). Therefore, it always must be remembered that in the matter of religion clear and unambiguous expression plays a much more decisive part than mere analogy or reasoning.

Coming to the consideration of '*Sadaqah* and *Interest*', Imam Razi points out that one is the antithesis of the other, while in *Sadaqah* a person gives out (in charity) the additional part of his wealth to another, in interest he acquires for himself the additional part of another's wealth. How will, then, that religion which has enjoined *Sadaqah* upon its followers, make interest lawful for them? After this Imam Razi goes on to say (Qureshi 60) that outwardly it appears that interest adds to the wealth of the creditor, and *Sadaqah* reduces the giver's wealth, but really speaking the case is reverse, for ultimately *Sadaqah* add to man's wealth, while the ultimate end of devourers of usury is poverty.

He, who charges and receives interest despite its clear prohibition in Islamic law, does so at his own risk, for that blessedness which is a characteristic of Muslim wealth disappears from his wealth.

Another reason for this is that although the wealth of the usurer might not appear to lessen, he is nevertheless held in bad repute and disgrace. He loses all sense of justice and respect; he becomes, indeed, malicious and hard-hearted.

The third reason appears to be that when the poor people observe that the usurer has been devouring their wealth through interest, they wish evil of him and curse him.

The fourth reason appears to be that when a particular person has amassed great wealth through usury, the greedy and the needy concentrate their evil attention upon him. Every tyranny, thief or an undesirable person (Qureshi 61) watches for an opportunity to deprive the usurer of his wealth. These people think that as he is not the real owner of the amassed wealth there is no reason why it should be left with him.

Islam and Credit:

It is said earlier that Islam has strictly prohibited every sort of interest transaction. But Islam does not forbid business on credit. In the present economic system of our civilisation, it is not possible to imagine our routine (Qureshi 91) life being smoothly led without credit and borrowing. Borrowing or debts may be classified into two types, one, contracted with a view to fulfilling our daily domestic needs and necessities of life. This is technically called '*Unproductive Debt*' in economics. The other type of debt is that which is incurred to enable the borrower to do business. This is technically called '*Productive*' or '*Income Producing Debt*'.

Realising the significance and need of the Income Producing Debt, Islam has allowed its followers to conduct business in co-partnership. In the present economic system, loans for business are advanced on fixed rates of interest, without any condition whether the enterprising debtor gains a profit or suffers a loss. The debtor is bound to pay at the end of his debt contract at the very fixed rate at which he borrowed from his creditor in the beginning, although in the market the rate of interest might have changed considerably.

When profit decreases on account of a dull market, many a time it almost disappears, the (Qureshi 92) interest at a certain fixed rate becomes an unbearable burden for commercial undertakings. Islam has offered best solution for this difficulty. It has left fixation of rates of interest in commercial debts open and has enjoined upon the capitalist to 'become a co-partner in the business and share profit or loss with his debtor equally.

Islam has placed the capitalist and the tradesman on one level, almost uniting their interests. If there is a person who possesses capital but does not possess the experience or skill required for an enterprise, and there is another, who does not possess the required capital but possesses the skill or experience necessary for the enterprise, Islam has unified their interest by declaring that the capital of the former with the skill or experience of the latter may lawfully and profitably be unified. Thus they may gain profit in their transaction. This profit will be equitably shared by these above two partners. In such transaction it is the tradesman who alone conducts the business with the capital of his partner (Qureshi 93). According to Islamic system, in such cases, both are entitled to receive their equitable shares of profit or loss.

3.10 Good-Will in Business Transaction:

The importance of good relations in business transaction can never be over-estimated. In fact the very foundation of our business is laid down upon good relationship. It is a great piety that the Muslim community which was at one time considered the ideal of good relationship in business transaction is today ill-credited for its bad credit and lack of reputation. A close observation has revealed the fact that bad relations in business transactions mainly arise on account of failure of parties to reduce in writing their terms of business in a systematic manner. On this problem the Quran lays down the instructions that business transactions should be carefully entered into on terms to be reduced to writing in the presence of reliable witnesses, with a view to establishing good relations in business: (Qureshi 101)

Quran says in this regard in the *Surah al- Baqarah*:

“O ye who believe! when you contract a debt for a fixed term record it in writing. Let a scribe record it in writing between you in (terms of) equity. No scribe should refuse to write as Allah hath taught him, so let him write, and let him who incurreth the debt dictate, and let him observe his duty to Allah his Lord, and diminish naught thereof” (Al-Quran 2 : 282).

The above verses from the *Surah Baqarah* are a clear instruction for business transaction. That transaction is described in which there is a debt and for some future period. Because such a transaction is made for a future period there is the possibility of forgetfulness, mistake or dispute. So it is imperative to manage it in such a way that no dispute or contention may arise in future. The only way for such a transaction is to write it on a paper in which the stated term should be described, the names of the parties and

details of the transaction clearly written. Either the debtor should write himself or dictate to the writer without doing the least harm to the other.

And there should have at least two male witnesses or one male and two female witnesses to that matter, and the witnesses should be trustworthy and reliable.

If the transaction is hand to hand through barter or cash payment, without any credit, then there is no sin if it is not written, but at this time to the witnesses should be made so that any future dispute may be resolved easily.

If a contract of debt is to be made between two parties while in journey and there is no any writer to write the document, then the debtor should put some thing as a pledge with the creditor. Both parties should not conceal anything regarding the contract otherwise it will be a sinful act (Usmani 162-163).

Again, regarding measurement of things Quran says:

“And give full measure when you measure and weight with just balance. It is better and fairer in its end” (Al-Quran 17:35).

This verse not only applies to individuals but also to the society as a whole. Similarly all sorts of “weights and measures” have to be maintained with justice. The system of transactions is ruined by dishonest measuring. It is said in the Tradition that whoso restrains himself from *Haram* (unlawful) in spite of having control over it, he will get in this very world its best return from Allah. An honest trader is liked by all and his business prospers by the grace of Allah (Usmani 1289).

Islam neither supports dependence on individual generosity nor the capitalistic trends to solve the problem of poverty and hunger. Islam dismisses the views of the

priests and predestination believers, individual generosity, and the capitalist. In the like manner it refutes the Marxist Communism which intends to solve the problem of poverty by eliminating the rich altogether, confiscating their wealth and property and declaring the holding of personal property as unlawful. It gives birth to regional disturbances by provoking and instigating the poor against the rich enabling the labour class to hover and thus create a Proletariat Dictatorship (Al-Qardawi 26).

Islamic view on the wealthy people is that there are certain individuals who persuade them to make others the target of their oppression and cruelty to destroy the rights of the poor (Al-Qardawi 26). But there are good people too among the rich who are grateful to Allah for the blessings showered on them. Islam does not permit the punishment to be prescribed for all the people due to the crimes of a few, for every individual is responsible for his own deeds, as Allah says:

“...*Every man is a pledge for that which he hath earned*” (Al-Quran 52:21). In the *Surah al-Toor*, Allah revealed the rule of justice. The demand of justice is that a man should get the recompense according to his deeds, bad or good.

Islam accepts the right of personal property, because it is a satisfaction of man's natural sentiment (Al-Qardawi 27). But the right of social safeguard and economic prosperity has been kept in view. There appears no wrong in the ownership of personal property. The real evil lies with the people who exploit others for increasing their riches. If they rid cruelty and oppression, their wealth can prove to be a source of blessing for the betterment of the people.

Islam rigorously stands against the 'ism' that fans the fire of ill feeling between the rich and the poor. Brotherhood and faith are the luscious fruit trees of Islam. The same

single beam of brotherhood runs through the hearts of all the believers and they are brothers to one another. No poor believer ever reared rancour or groaned with grudge for his rich brother, nor did the rich exhibit his superiority over the poor (Al-Qardawi 28).

On economic side Islam treads the middle course between present day Western Capitalism and Russian Communism. It prohibits interest, upholds the right to private property and encourages trade and commerce. Economic system of Islam has its own philosophy which is neither Capitalism, nor Communism, nor even European Socialism but a harmonious blend of the material with the spiritual (Muslehuddin 61).

3.11 Conclusion:

The Characteristic features and basic principles of the economic scheme drawn by the Quran may be summed up as follows:

It works a happy co ordination between economic and moral values. Instead of being treated as distinctly separate things, the two are drawn together into a harmonious blend. The economic problem has been tackled not from the purely “economic” point of view; it has been solved after being appropriately placed in the overall scheme of life based on ethical concepts of Islam.

All resources and means of living are Allah’s valuable gift to mankind. It implies that Islam teaches to discourage all kinds of monopolization, individual, collective, or national. All men should be provided with free opportunities of earning on Allah’s earth to the maximum limit possible.

It allows individual right of ownership but not to an unlimited extent. Besides putting restrictions on it in the interest of other individuals and society as a whole, it admits on a person's property the rights of his relatives, neighbours, friends, the needy, and so to speak; of all members of the society. Some of these are made enforceable by law; as for others, arrangement has been made to educate people morally and intellectually enabling them to understand these rights and prepare themselves to honour them of their own free will (Ahmed 133).

To preserve economic balance people have been urged to give up miserliness and renunciation. All the gifts from Allah should be utilized for the economic welfare of the society. But at the same time they have been strongly warned not to indulge in extravagance of any kind.

To secure economic justice it has been assured that unjust means are not employed to force the flow of wealth in particular channels. Nor should wealth acquired by just means remain stored at a place and fall out of circulation. Arrangement is also made to ensure that wealth remains in constant use and circulation, particularly for the benefit of those classes which are deprived of their due and reasonable share for one reason or another.

The scheme does not depend much upon the interference of law or the State to ensure economic justice. After declaring a few unavoidable things to be the responsibility of the State for this purpose, it seeks to enforce the other items in its plan through the intellectual and moral uplift of the individuals comprising a society and its general amelioration. Economic justice is thus secured in perfect concord with the principle of allowing the exercise of individual freedom in the economic field.

The above study regarding Islamic economic morality show that it is strongly against class-conflicts. By the fare distribution of wealth it tries to narrow the gap between the poor and rich. Instead of producing class conflict it put an end to the causes of such conflicts and produces a spirit of cooperation and comradeship among the different classes of society.

Notes:

1. Riha- It should not be understood in the context of modern industrial economy only as interest; its scope should be widened to include all the exploitative practices. Abolition of riha should mean banning all exploitative practices including the profit earned by large scale modern industrial establishments (P-79).
2. Al-Bukhari, Muhammad b. Ismail (194/810-256/870) Famous collector of Hadiths, whose collection, known as the Sahih (the 'sound') became authoritative for Sunni Muslims along with the collection of Muslim B. Al-Hajjaj. He also wrote a history of the persons whose names appear in the ISNAD of his great work (P-83).
3. Niyah (Arabic: intent) Most actions in Islam are judged by both the action itself and the intention. Niyah is required before washing, prayer, giving charity, making hajj, observing a fast (swam), or any other religious act (P-87).
4. Suratun Nisa- sent down in Medina, verses-176, sections-24. Human sympathy is the starting subject of this Surah. When poor men, orphans and relatives having no share in the inheritance are present at the time of division of property they should be provided or fed out of the property (P-92).
5. The notion of sustenance being properly earned (rizq halal) is key to the Quran's approach to wealth and has been imbibed by all pious Muslims. Even then, Muslims are prohibited from engaging in any wasteful and ostentatious expenses (Al-Quran 17:26-27) (P-95).

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