CHAPTER 4 B

ECONOMIC ASPECT OF ISLAM AND APPLICATION OF SUNNAH

Islam cannot approve of an economic policy however attractive its name may be and whatever pretensions of welfare it may make if it tramples the rights conferred by the Shari'ah. What Islam aims at is that whatever is the form or mechanism of economic activity, the principles prescribed by it should find a permanent place in such activities, under all circumstances and in all ages. All that is found on earth, in the heavens, the oceans, the stars and other have been made subservient to man by Allah has created all these resources for the benefit of mankind. It is therefore (a) the birth right of every human being to try and secure his share out of the world. All men enjoy this right equally and none can be deprived of it, nor should one man get precedence over another. There can be no compulsion on any individual, race, or class, for taking to certain means to livelihood or adopting certain professions. All are entitled to equal opportunities in the economic realm. (b) Similarly no distinction is valid in Islam which would result in creating a monopoly of a particular means of livelihood for a particular person, class, race, or group of people. (c) Resources which are provided by nature free of cost, and which can be used directly by man may be utilized freely and every one is entitled to benefit from them to the extent of his needs. (d) It is not fair that things created by Allah for the benefit of mankind should be taken possession of by anyone and kept in an idle and unused state. Islam recognizes private ownership. The right of ownership which one may acquire by permissible legal means is to be honoured under all circumstances. Human nature has been so ordained that divergence variety and inequality among men in their modes and standard of living seems to be the most natural thing. The equality in which Islam believes is equality in respect of the opportunities of struggle for securing livelihood and climbing the upper most rung of the ladder of well being and prosperity. Islam does not agree with those who desire to enforce complete (and artificial) equality in respect of the means of production and the fruits of economic endeavour. Islam has forbidden all forms of activity which tend to damage or harm the right full interest of the individual or society. The hoarding of goods in order to artificially raise their prices, speculation, profiteering and monopoly of the essential means of production by an individual or group which lead to the deprivation of the majority, are all forbidden exploitation of all kinds is absolutely
disallowed. The institution of interest or usury has been declared unlawful in Islam. All games of chance including lotteries and horse racing have been prohibited. Islam demands that in all contractual participants, the profit as well as the risk should be shared by both the contracting parties.

What Allah has bestowed on His Rasul [and taken away] from the people of the townships, belongs to Allah, to His Rasul and to kindred and orphans, the needy and the wayfarer; in order that it may not [merely] make a circuit between the wealthy among you. So take what al Rasul assigns to you, and deny yourselves that which he withholds from you. And fear Allah; for Allah is strict in Punishment. (al Hashr 59: 7)

It is on the basis of this fundamental principle that Islam has constructed its economic system. It makes, on the one hand, a distinction between the necessary minimum and the desirable plenitude, and on the other hand, between those orders and injunction which are accompanied by material sanctions and those which are not so, but for which Islam contents itself with persuasion and education only. In matters of inheritance both the individual, rights of disposing of one's wealth, and the collective right is as much as one is a member of society must be simultaneously satisfied. In this direction Islam has taken two steps. Firstly, the obligatory distribution of the goods of a deceased person among his or her close relatives, and secondly, a restriction on the freedom of bequest through wills and testaments. While the Qur'an claims that wealth is the grace and good bestowed by Allah Almighty, it also stresses the fact that it is be considered a mere means to certain ends, not an end itself. When one is convinced of this conception of wealth as a means to an end, it is the real cause of the acceptance of co-operation and not competition as the prevailing principle of economic life. Taxes in Islam come under two different categories; one is chargeable from Muslims and other from non-Muslims. The tax chargeable from Muslims are generally known as zakah and considered a religious obligation, the non observance of which
Trade and Commerce

Trade and Commerce play a very important part in the acquisition of wealth. The Muslims also spread far and wide through commercial enterprises and for propagating the religion of Islam. According to the Qur’an and the Hadith, it is next to jihad. The Qur’an pays a great deal of attention to Commerce. It gives us encouragement to take up business. Seeking wealth through pious and lawful means has been sanctioned and encouraged. There is, therefore no sin in seeking addition of wealth after wealth. Rasul-Allah said: Take a trade because there are nine portions in trade out of ten portions of possession.

The Companions of Rasul-Allah carried on maritime and land trade throughout the then known world and the Arab merchants carried the torch of the new light to the darkest corners of the world. Rasul-Allah himself carried on trade as an agent of Khadija. Abu Bakr had cloth business. ‘Umar carried on corn trade. ‘Uthman had cloth business. Imam Abu Hanifah had cloth business. Honesty is the secret of success in every thing ‘Good will’ is a valuable asset to trades men. It cannot be attained unless there are honest and kind dealings with customers.

Rasul-Allah classed an honest merchant with a Anbiya’ on account of the merchants following Shari’ah rules in trade, classed him with the truthful on account of his being steadfast to truth, and classed him with martyrs on account of his fighting with heavy odds in trading the path of virtue and honesty in his profession. Tradesmen should be strict and impartial with regard to weights and measures.

Sale is contracted by declaration and acceptance expressed unequivocally in words or in expressions conveying the same meaning. The acceptance may be deferred until the breaking up of the meeting whether the declaration is made personally or by letter or message.

There are commonly four kinds of Sale

(a) Muqa’dah (مَنْضَهُ) i.e. sale of kind for kind, barter system.
(b) Saraf (صرف) i.e. sale of cash for cash as sale of gold for silver.
(c) Salam (سلام) i.e. sale of credit for kind in cash as crops are taken for payment in future.
(d) Mutlaq (مطلق) i.e. free sale as sale of a thing in cash for price in cash.
The power to withhold or accept in trade is called option. It occurs before the sale is complete and there are the proposals and acceptance. A purchaser has got the right of option and may reject an article upon inspection of the article if he has not seen it at the time of purchase. A seller has no option of inspection after sale.

There are two kinds of sale which are illegal. One kind is simply invalid (fasid). It can be validated by subsequent remark of the condition which marks it invalid. Another kind is void (batil). It is illegal abinitio and nothing can legalize it. In the former the purchaser can become owner, while in the latter he can not.

The following things have been declared unlawful in trade on the basis of Shari'ah. Hadith regarding these transactions are narrated at the end of the chapter.

(a) al Muzabanah  
(al-Mu'ababah i.e. sale of a known quality for unknown quantity of price.

(b) al Thunnayah  
(al-Thunaynah i.e. sale of fruits upon trees after leaving some fruits from the subject matter of sale.

(c) al Mukhabarah  
(al-Mukhabarah i.e. transfer of a limited and not absolute interest in a land.

(d) al Mahaqlah  
(al-Mahqalah i.e. sale of corn in exchange of a like quantity of wheat by conjecture.

(e) al Mu'amah  
(al-Mu'amah i.e. sale of fruits while upon trees for one year, two years or more whether the fruits appear or not.

(f) al Mulamasa  
(al-Mulamasa i.e. sale by touch.

(g) al Munabazah  
(al-Munabaza i.e. sale by throwing stone on the commodity of sale.

(h) al Habal al Hhabalah  
(al-Habal al-Hhabalah i.e. sale of foetus in womb.116

Land and Labour

The Arabic word for the tilling of land of cultivation is (المحارب) (harth) and (المحاربة) (muzara‘h). Muzara‘h also caries the meaning of making a contract with another for labour on land to sow and till it for a share of its produce. There is another term (مساقيات) (masaqat) which means watering cultivation and gardening are most important factors of production with which people and other animals
sustain themselves. Really speaking, the whole civilized world is always greatly indebted to the tillers of the soil.

The Qur'an draws attention to the necessity of turning waste-lands into gardens by making arrangements for watering it, and growing good useful crops. Hadith speaks of it as an art of great merit. Impetus is given to the cultivation of waste-land. Any how it is warned at the same time that a people who give themselves up entirely to agriculture neglecting other lines of their development, are not capable of great and glorious deeds.

The Arabic word for labour is (ُيُعْرِض) (ijarah) It signifies compensation for work done, or wages paid by one man to another for the service rendered. The two basic rules, laid down in connection with labour, in Hadith, are that.

(a) The labourer, employee or servant shall do his work faithfully and to the best of his ability and
(b) That the employer or master shall pay him fully for service rendered. Unfaithfulness is severely condemned.117

Labour has been always dignified. Even Anbiya' who were the chosen one, of Allah engaged themselves in manual labour. Rasul-Allah in his boyhood also even tended flocks of sheep for wages of nearly a two pica per day in Makkah. Lending and borrowing are a necessary condition in human economic and commercial transactions, and the rules relating to them are laid down in detail in the Ahadith. Every such transaction should be written down as the Qur'an directs and the writing should be dictated by the person who owes the debt.

Mortgaging of property is allowed but the apparent condition of being on a journey or there being no scribe is simply a statement of the difficulties under which it becomes a necessity. A debtor in straitened circumstances must be dealt with leniency, and if he is unable to pay, the debt may be remitted. Contracting a debt, when a man did not intend to pay, is denounced and Rasul-Allah's anxiety to pay his debt is shown in Ahadith. Deferring payment by one who has the means is condemned as unjust and may even by punished.

Economic conception of Islam

The economic conception of Islam lies in man's relationship with Allah, His universe and His people. It is a total commitment to the will of Allah, involving both submission and a mission to pattern to human life in accordance with his will. The will of Allah constitutes the source of value and becomes the end of human endeavor. Life on earth is a test, and its purpose should be to prove successful in the test by doing Allah's will. The entire universe with all the natural resources and powers is made amenable to exploitation by man, though it is owned
by Allah and Allah alone. Life on earth being a test and all the provisions available to man being in the nature of a trust, man is accountable to Allah and his success in the life Hereafter depends on his performance in this life on earth. This adds a new dimension to the valuation of things and deeds in his life.

The relationship between man and man is sharing the bounties of Allah. It is agreed that for the test life is to be conducted in fair circumstances and no one should go without an adequate share of resources that are needed for survival and a good life. Equality of opportunity and social care of disabled is the minimum that this calls for. It is also agreed that Islam rejects asceticism and a good life means, among other things, a materially well provisioned life. Sufficiency (rizq) and peace (sawad) are two inalienable features of the good life envisaged by Allah, a point that finds the widest support in the literature on the subject. Men are encouraged to avail themselves of the vast opportunities of productive enterprise afforded by the almost limitless bounties of Allah, given the right motivation all economic activities assume the character of worship (iwla).

Legitimate individual ends include the fulfillment of personal needs and those of the family. Saving to provide for the future and desire to leave on inheritance are also recognized as proper ends of productive effort. The minimum necessary for survival is in fact of duty to earn.

Eradication for hunger and poverty, disease and illiteracy and mobilization of resources for strengthening the Islamic state and spreading the message of Allah are stated to be the laudable aims of individual economic activities. One who engages in production activities for these purposes is doing Allah’s will, and is promised adequate rewards here and Hereafter.

In Islam real ownership belongs to Allah, man holds property in trust (amanah) for which he is accountable to Him, in accordance with rules clearly laid down in the Shari’ah and the economic philosophy. Acquisition of property as well as its use and disposal are subject to limits set and should be guided by the norms laid down by Allah. Absolute ownership of man is a concept alien to Islam, as it belongs to Allah alone. The rule in Islam is that all rights belonging to Allah are for the good of the individual as well as the society.

The individual, the society and the state each have claims on property rights in view of the principle that the Islamic State has a jurisdiction over individual rights being the embodiment of Allah’s vicegerency on earth and representative of the people. The jurisdiction is, however, functional, depending upon the values and objectives cherished by Islam. Islamic State has the right to intervene in private property by regulating it, putting ceiling or confiscating after the compensation when the owner deviates from the basic role of property.

Economic relations, especially those in production and exchange of wealth, should be co-operative in nature. Rivalry and cut throat competition make
no sense in this context. Co-operation is seen as the basic value in Islam’s economic concept, aiming at, what is best for the society and high quality produces and the consumers. The Islamic view of co-operation does not rule out free and fair competition in the market, provided all economic agents adhere to Islamic morality.

Islam’s economic conception creates a powerful drive for development. A true Muslim looks upon the developmental efforts as striving in the cause of Allah. The Muslim society orients its policies in order to ensure sufficiency and peace for all and any relaxation in this regard is looked upon as rejection of the bounties of Allah. Social justice and peace go together in an Islamic State.

As far as economic equality is concerned, Islam instituted the system of zakah ensure that no individual falls below a certain minimum of material well-being. The income from this zakah was distributed locally to the poor and the needy section of every region or province and if some surplus was left after satisfying the needs of the common people, it was remitted to the central government. Rasul-Allah defined zakah in the following words:

Allah has laid down on them a sadqah which is taken from the rich and returned to the poor. Here the phrase, returned to the poor is very significant. It indicates that the wealth taken from the rich belongs, in fact, to the poor.

Islam found its programme on a spiritual basis invited the whole of mankind to transcend the lower level of animal life to be able to go beyond the mere ties fostered by the kinship of blood, racial superiority, linguistic arrogance and economic privilege. It invited mankind to move on to a plan of existence where, by reason of his inner excellence, man can realize the idea of the Brotherhood of man. By becoming of self controlled individual, a Muslim becomes a member of the community of the righteous ones. He concerts with them to the end that the community enjoins what is right upon the rest of the world and to prohibit what is forbidden so that mankind can march forward on its way to Allah. Not withstanding the comprehensive nature of social policy in Islam, the specifically economic aspects practiced by the regime at Madinah were:

The Qur’an and the Rasul-Allah took a positive attitude to economic enterprise. The Qur’an says: it is He who has produced you from the earth and settled you there in to develop it’. And Rasul-Allah says: There is a reward for anyone who cultivates land who produces and feeds a living being.

All types of unearned income were prohibited: Usury, gambling, monopolistic trade practices, speculation, and the meddling of middle men were ruled out by Quranic and Rasul-Allah’s directions. Thus, Nabiyy said: monopoly is unlawful, do not trade outside the market place, and allow no go-between in urban and rural trade.
A zakah on the agriculture produce of Muslims, their animal possessions, their merchandise, and their possessions in precious metals, was collected as zakah. Eight categories of deserving people were the receipts of zakah. This established a welfare system.

Land liberated by force and thus controlled by Islamic State was distributed on the same basis as other spoils of war, with a fifth for the State and the rest for the warriors. Land which came under Muslim control without war was not divided but became State property. The State could, therefore, own land in the following ways: by allocation, as share in spoils, and, if they cultivate it, dead land which no one else possessed. Individuals could then exploit their land either directly or indirectly through rent (ijara) water partnership (mussagah) or crop partnership (muzarah).

The State employed its revenue from different taxes levied on the people to finance the administration and defense. The surplus was distributed as income to all members of the community. Islam recognized the importance of material well being. The Qur'an says: 'O! Ye who believe, do not forbid yourselves the good things which Allah made lawful for you, and do not exceed the limits.'

O! ye who believe! Make not unlawful the good things which Allah hath made lawful for you, but commit no excess; for Allah loveth not those given to excess. (al Ma'idah 5:87 )

**Ibn Taimiyyah's Economic theory**

It is inconceivable that economic matters could have escaped the attention of such a versatile genius as Imam Ibn Taimiyyah. He had witnessed ruined families and destroyed economic life since his earliest years. His own family had faced migration and suffered loss of property. He observed a general economic decline at the Mongols hands. He had contact with every class of people from the fallahin and artisans up to umra' and sultans. He had seen the agony of the poor classes and the exploitation by the ruling class. So deeply did this impress his dynamic and conscientious spirit that he could not keep silent. What also inspired him was that Islam as a religion does concern itself with economic problems and holds certain fundamental principles in regard to them.
Imam Ibn Taimiyyah emphasized that every person must be assured a minimum standard of living sufficient for him to fulfill his obligations to the Almighty and to his brethren. Equally, he emphasized justice: that is, he sought to point out the responsibilities of the individual as well as the State, so that both could co-operate with each other and neither was abused. According to him, justice is a value recognized by all nations. He says: ‘All people agreed that the consequences of injustice are gloomy and the fruit of justice is admirable’.


Apart from these two books there are number of his works in which he explores matters related to economics. Since he was given to frequent digressions, his economic views are scattered throughout his books. We find them, especially, in his fatwa or legal rulings.

Imam Ibn Taimiyyah takes, as his point of departure, the principle of economic freedom. Unless economic freedom is real and actual, to raise the issue of private property, labour or wage-price controls would be utterly superfluous and inane. Obviously there can be no controls unless freedom is presupposed. Controls constitute the legitimized exceptions to the rule of economic freedom. Imam Ibn Taimiyyah’s argument for free enterprise is framed in statements such as this:

‘The people are in charge of their own wealth: no one dares to take it, or any portion of it, away without their consent, except in particular and necessary situations.’ He says, with respect to price controls, ‘if the merchants are selling their commodities at somewhat higher prices than ordinary known, but without taking undue advantage (zulm) of the public, whether this price increase is due to shortage in supply or increase in population it would be unwarranted and unjust to force them to sell at the same prices’.

‘It is an injustice (zulm) to force men to sell when they do not have to sell and to prohibit them from selling when they are legally entitled to sell; and injustice is illegal and forbidden’ (haram).

He cites other, supportive opinions such as those of Imam Malik, Ibn ‘Umar al Qasim and others, when he defends the merchants against unwarranted price controls by the State when they are doing all their duty to be fair. Likewise he cites the opinion of some of the same jurists in instances warranting price control, such as Imam Malik’s conclusion under given circumstances, to impose price ceilings on meat dealers. The principle of freedom to evident in this
insight: if the consumers needs are met by the merchants sincere efforts to sell at fair prices, it is not necessary to impose price controls, but if the needs are not met by the merchants, then it becomes necessary to impose just controls i.e. prices that are neither depreciated nor inflated.\textsuperscript{124}

The tension, therefore, between the economic freedom of the individual and the interaction of the state constitutes a positive and healthy relationship that aims at maintaining the mutual freedom of all members of the community as is clear in Ibn Taimiyyah’s discourse. For economic freedom in inseparably related to the principles of economic justice. Moreover, justice (‘adal) is seen by Imam Ibn Taimiyyah, not only as an instrument to be utilized in the resolution of economic conflict, but indeed as the fundamental framework of the solidity of any society, regard less less of its confessional position. And the opening of his treatise, he quotes, among others, a Quranic verse which asserts the truth that the very purpose of Divine revelation, through a variety of means, was indeed that justice be established among men:

\begin{equation}
\text{فَنَّذَكَرُوا الرَّسُولَاتَ بِالْقَرْنِينِ وَأَذَّنُنا مَعْهُمُ الْكَنْتَابَ وَالْمِيزَانَ}
\end{equation}

\begin{equation}
\text{لِتَقْفُوं أَلْمَاسًا بِالْقَيْسَطَ وَأَذَّنُنا أَلْحَيْدًا فِيهِ بَأَسٍ شَدِيدٍ وَمَنْفَعُ إِلَّالْقَاسِ}
\end{equation}

\begin{equation}
\text{وَلِيَعْلَمُ أَلْلٰهُ مَنْ يَتَصَلِّبُهُ وَرَسُلُهُ بِالْغَيْبِ إِنَّ أَلْلٰهَ قُوّةٌ عَزِيزٌ}
\end{equation}

We sent aforetime Our Rusul with Clear Signs and sent down with them the Book and the Balance [of Right and Wrong], that men may stand forth in justice; and We sent down Iron, in which is [material for] mighty war, as well as many benefits for mankind, that Allah may test who it is that will help, unseen, Him and His Rusul \textsuperscript{124}: for Allah is Full of Strength, Exalted in Might [and able to enforce His Will]. (al Hadid 57:25)

He attests to the universal unquestionability of the noble consequence of justice, and to the historical and sociological phenomenon of the survival of just societies visa-vis the extinction of their decadent counterparts. This is why it is said he notes, ‘Allah upholds the just State, though it be errant (kafirah) but abandons the unjust, even though it be believing.\textsuperscript{125}

In his stark realism, Imam Ibn Taimiyyah declares that the well-being of the community is more possible in a framework of ‘Justice which may be tainted by some forms of inequity, than in a framework of inequity which may not necessarily participate (actively) in deeds of evil.’ For this it is said, he concludes that Allah establishes the just state, but not the unjust though the latter be Muslim,
and it is also said that the world would survive unbelief if justice prevails, but would not survive oppression even in the presence of Islam.

Justice, therefore, is the ordering principle (nizam) of all things. ‘If the world is to thrive, it will be through justice, though this (alone) may not guarantee salvation on judgement Day (الجنازة) but without justice it will not stand, even though its inhabitants may have enough faith to deserve eternal reward.\textsuperscript{126}

Justice is the safeguard of freedom for the individual (al fard) as well as society. It is conceived as the principle which guarantees and defends social and economic rights.

Within the context of freedom and justice, we proceed to examine Ibn Taimyyah’s conception of the role of the state in the economic life of the community, in the specific areas of labour, commerce and personal property, as representative issues in the overall scheme of his politico-economic ethic.

\textbf{i. Work}

Accordingly to the revelation of the Qur’an and its exemplification by the Hadith, the doctrine of work, in Imam Ibn Taimiyyah’s view, is a social and moral element in the construct of the Islamic community, in addition to its being the individual’s function in its economic scheme.

As such it is regarded as an obligation upon every capable individual for the welfare of the entire community. It is agreed upon as a social necessity among the thinkers and the jurists of Islam such as al Ghazali, al Jawzi, al Shafi‘i and his school and Ibn Hanbal and his school, all of whom are cited by Imam Ibn Taimiyyah. The utilization of various skills is required for self-sufficiency, so to speak (فرضاً للكفء) or for economic independence. The economic independence of society, like its political strength, is the collective duty of its members. In this light, Imam Ibn Taimiyyah stresses the obligation of utilizing one’s skill as particularly serious, by virtue of one’s possession of such skill, and as necessitated by social need.\textsuperscript{127} The use of physical skills (\textit{manafi’l abdan}) is as much an obligation as the imparting of knowledge adjudication among men, the (public) fulfillment of confessional testimony, the commending of good and the prohibition of evil.

The practical implications of this doctrine are, first, that labour may be required by law, which requirement would have to be reinforced by the State authorities, and second, that in the event that this should became necessary, wage controls may be imposed, to grand against potential mutual exploitation. According to Imam Ibn Taimiyyah society needs the skills of farmers, weavers and builders, as people must have food to eat, clothes to wear and dwelling to inhabit. When the authorized official (\textit{أمراء القضاء}) compels (\textit{بجلة}) skilled workers to
meet the people’s needs for their industries, such as farming, weaving, and building he is to set an equitable pay (الفاعل) which neither the consumer may lower, nor the worker raise this kind of control is obligatory.128

ii. Commerce and price control

The tension between personal freedom and the economic independence of the State is perhaps more pronounced in the case of commercial transactions (بيع وشراء) than in the issue of labour, since the latter constitutes a matter of personal survival, whereas the former leaves a wider margin for such tension to exist. That is to say, it may not be as critical for a merchant constantly to market his commodities or to maintain an index of attractive prices as it may be for labourer to keep a steady practice of his skill. In the face of this and other possibilities, Imam Ibn Taimiyyah, like other jurists of Islam, recognized the necessity for the regulating commerce by indicating in the first place, what may constitute a legitimate means of gaining an income, and then some of the circumstances under which commercial control by the state may be necessary.129

Illegitimate means of gaining income are indicated negatively in al Hisbah and other works of Imam Ibn Taimiyyah, by stating the unacceptable ways of obtaining it, which ways should be banned by the State. Among these he cites usury (الملف) in its simple or compounded forms, gambling (الإصر) such as selling by chances (بيع الفرق) or setting exorbitant prices130 (النصب) some of these transaction have been unanimously recognized by Islamic interpreters of Shari‘ah as illegal; have been debated. It seems, however, as is evident in the example of the Rasul-Allah, the Companions and those who followed them, that all these modes of generating income should be prohibited, says Imam Ibn Taimiyyah.

As for the legitimate means of receiving income, particularly in commercial transaction, i.e. selling and buying Ibn Taimyyah sees several circumstances which warrant the controlling intervention of the states.

First among the situations necessitating economic control is the demand, or the public’s need, for a certain commodity. The type of control of which Imam Ibn Taimiyah is speaking here is that of compelling merchants to sell the commodity in question, especially if it is food. ‘It is within the prerogative of the authorized official to coerce a person to sell his goods for a fair price or, its market value, (قيمة المثل) when it is needed by the public: as when he has in his possession food which he does not need while others are hungry, he shall be compelled to sell it for what it is worth. For this reason, the jurists have said, he who is forced by the predicament of need may take food from another without the latter’s choice, but
for its fair price; and if the owner refuses to sell it for only what it is worth, he
does not deserve more of prices. Imam Ibn Taimiyyah said they may be divided to
fair and unfair. Fair prices should be imposed when merchants refuse to sell the
commodities needed by the public for their known prices. Price control in this case
means no more than imposing the fair price ‘on a commodity,’ for merchants
should abide by what Allah requires of them. Imam Ibn Taimiyyah reiterates this
Hanfi qualification: Price control ought not to be imposed, however, unless
without it the public is hurt. He also calls for support on the Shafi'i opinion
which under conditions other than public demand is best favourable toward price
control. His judgment, at any rate, is made on the promise that the need of the
public is of nature of the Divine right (الحق) which, in the idiom of Islamic
law, means ‘Public right’

Economic control is further necessitated in the presence of ‘monopoly’
(الاحتكار) which is defined by Imam Ibn Taimiyyah in terms of hoarding a needed
commodity and refusing to sell it altogether for the purpose of creating a greater
demand which, in turn would justify a price increases.

Imam Ibn Taimiyyah citing Hadith which says ‘No one but an evil man monopolizes’ calls this sort of dealing ‘an oppression of the
consumers, and justifies the intervention of wali al ‘amar for making the
commodity in question available to the public at its fair price. He even concurs
with Abu Hanifah’s opinion that placing the commodity under the custody of the
State for the purpose of making it available in the open market to avert public
harm is a legitimate course of action.

Two other occasions necessitating the States economic intervention are
related. They are: the case of merchants conspiring to fix prices at high levels: and
that of monopolizing certain trades and products, the former is called (tawatu) and
the latter (hasr).

iii. Property and its expropriation

The question of State expropriation of personal property is related to the
issue of price and wage control, for while the dispossession of property for an
adequate compensation by the State is not implied in the principle of sale by
corcision, it may be considered synonymous with it, depending, of course, on the
particular situation.

Where the expropriation of property is to be considered synonymous with
sale by coercion, it, too, is considered an exception to the Shari‘ah according to
Ibn Taimiyyah, after al Shafi‘i. For as has been discussed above. The people are in
charge of their wealth, no one dare take it, or any portion of it, away without their
consent, except in particular and necessary situations. It is with respect of these
particular situations that Imam Ibn Taimiyyah addresses the question of expropriation.

His guideline of public, as well as private, necessity prevails here also the example of the need for food when it is available in excess in someone’s possession and another who is hungry has been cited as an occasion legitimizing coerced sale of it. Even when the need is not as dire as in the case of hungry, but is never the less real, it dictates coerced sale. Imam Ibn Taimiyyah cites as a yardstick, the controversy between two men, who came to the Rasul-Allah for arbitration in their conflict. One had owned an estate in which the other had owned a tree; the former was annoyed by the frequent trespassing of the latter whose excuse was his ownership of the tree. The Rasul-Allah commanded him either to sell it or to deed it voluntarily to the other man. When he refused, he authorized the estate owner to cut the tree down. Imam Ibn Taimiyyah concludes from this incident that the need for food, which is more urgent than the removal of the nuisance caused by the external ownership of a tree, would likewise necessitate its coerced sale. Needs for other than food legitimized forced sale of property: These include payments of debts or alimony, and the priority of a co-owner, over a stranger’s right, to buy his co-owners share of their property. All however, are so authorized by Imam Ibn Taimiyyah under the fair price rule.

Another occasion for expropriation is the need for the usefulness of an object. Under the conditions of this need the object in question, says Imam Ibn Taimiyyah, ought to be made available for its equitable rental value. Such objects for example, may be an inn, a space in the market place, or a public bath. If the owner reserves the right not to lease it, he shall be required, in the face of public need to forfeit his right. Imam Ibn Taimiyyah then tells this rather amusing illustration. If a certain family were forced by their need to live in a certain man’s house (which presumably had available space), and could find no other, he is obliged to lease it to them. If they had need further for warm covers, cooking utensils, or gardening tools, it is incumbent upon the owner to extend such objects free of charge. If he himself is not in need of them. Imam Ibn Taimiyyah’s conclusion, which goes further than that of Ibn Hanbal who advocates paying the fair rental value of such items, is based on the Quranic verse:

So woe to the worshippers Who are neglectful of their salah,
Those who [want but] to be seen [of men], But refuse [to supply]
[even] neighbourly needs. (al Ma’un 107:4-7)
Here Imam Ibn Taimiyyah may have outdone his own rule of fair compensation, and thus may have broken it in the interest of socialistic altruism. For how in the case of extreme need for basic nourishment does he consistently require that forced sale be accompanied by payment of the fair market value, and at the same time suggest the free use of another man’s property? It is possible though unlikely, that he extended to this situation the traditional rule of free lodging and hospitality for a stranger. If he literally meant every detail of his parable, then he has been inconsistent with his own methodology as well as the precedents of the jurists.

It appears, however, that he became somewhat over-zealous in making a legitimate point, namely that nothing which may be useful at present for a fellow human being should be withheld from him now in favour of possibly making it available at a later point for a greater personal gain. This explanation appears to be consistent with Imam Ibn Taimiyyah overriding principle that in the economic exigencies of the community, the higher good of all should be sought above personal accumulation of wealth, through mutual corporation and through collaboration.

Imam Ibn Taimiyyah's views on application of Sunnah in Economic aspect

As we have discussed economic teachings of Islam, and Imam Ibn Taimiyyah’s economic views above in detail, we will narrate here some Ahadith about zakah and riba to highlight the relevance and application of these Ahadith. There are more than 70 verses in the Holy Qur’an about zakah and riba.

![Ahadith about zakah and riba]
Those who devour usury will not stand except as stands one whom the Evil One by his touch hath driven to madness. That is because they say: Trade is like usury, but Allah hath permitted trade and forbidden usury. Those who after receiving direction from their Rabb, desist, shall be pardoned for the past; their case is for Allah [to judge]; but those who repeat [the offence] are Companions of the Fire; they will Abide therein [forever]. Allah will deprive usury of all blessing, but will give increase for deeds of charity; for He loveth not creatures ungrateful and wicked. (al Baqarah 2:275-76)

O ye who believe! Devour not Usury, doubled and multiplied; but fear Allah; that ye may [really] prosper. (al 'Imran 3:130)

That they took usury, though they were forbidden; and that they devoured men’s substance wrongfully; We have prepared for those among them who reject Faith a grievous punishment. (al Nisa 4:161)

That which ye lay out for increase through the property of [other] people, will have no increase with Allah: but that which ye lay out for charity, seeking the Countenance of Allah, [will increase]: it is these who will get a recompense multiplied. (al Rum 30:39)

Following verses are about the obligation of zakah and prohibition of riba, but neither we can know about the minimum amount of property liable to payment of the zakah nor various types of riba because the Holy Qur’an is silent about the nisab of zakah e.g. to whom zakah is obligatory, when zakah becomes obligatory
what is minimum amount of property liable to payment of the zakah and similarly of riba are not available in the Holy Qur’an.

And be steadfast in salah; pay zakah; and bow down your heads with those who bow down [in worship]. (al Baqarah 2:43)

And remember We took a Covenant from the Children of Isra’il [to this effect]: worship none but Allah; treat with kindness your parents and kindred, and orphans and those in need; speak fair to the people; be steadfast in salah; and pay zakah. Then did ye turn back, except a few among you, and ye backslide [even now]. (al Baqarah 2:83)

And be steadfast in salah and pay zakah: and whatever good ye send forth for your souls before you, ye shall find it with Allah: for Allah sees well all that ye do. (al Baqarah 2:110)

Your [real] friends are [no less than] Allah, His Rasul, and the [Fellowship of] Believers, those who establish regular salah and pay zakah, and they bow down humbly [in worship]. (al Ma’idah 5:55)
But [even so], if they repent, establish regular salah, and pay zakah, they are your brethren in Faith: [thus] do We explain the Signs in detail, for those who understand. (al Taubah 9:11)

إِذَا تَعْمَرُ مَسْجِدُ اللَّهِ مِنْ عَمَّانِ بَيْنَ اللَّهِ وَآيَاتِهِ أَقْمَ الصَّلَاةَ وَؤَاتِيُّ الْزَّكَاةَ

The mosques of Allah shall be visited and maintained by such as believe in Allah and the Last Day, establish regular salah, and pay zakah, and fear none [at all] except Allah. It is they who are expected to be on true guidance. (al Taubah 9:18)

**Zakah**

It reached Malik that ‘Umar Ibn ‘Abd al ‘Aziz wrote to his administrator at Damascus zakah is livable on gold, silver, agricultural product and livestock.¹³⁶

Nafi‘ reported that ‘Abd Allah Ibn. ‘Umar said that no zakah was livable on any property unless a full year had passed over it.¹³⁷

**Zakah on Gold and Silver**

Narrated Abu Sa‘id al Khudri: Allah’s Rasul said, ‘No zakah is due on property mounting to less than five uqiy (of silver), and no zakah is due on less than five camels, and there is no zakah on less than five wasq.¹³⁸

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* Minimum amount of property liable to payment of the zakah e.g. nisab of gold is twenty (20) mithqal i.e. approx. 94 grams, nisab of silver is two hundred (200) dirhams i.e. approx 640 grams; nisab of food grains and fruit is 5 awsiq i.e. 673.5 kgms, nisab of camels is 5 camels; nisab of cows is 5 cows, and nisab of sheep is 40 sheep, etc.
According to four schools of thought nisab of gold is twenty (20) dinar. Imam Ibn Taimiyah quotes ‘Umar that, Rasul-Allah used to collect half dinar for twenty (20) dinar and one dinar for forty (40) dinars as Zakah.139

Zakah on Silver

There is consensus among the Islamic schools that nisab of silver is two hundred (200) dirham’s. Imam Ibn Taimiyah quotes Jabir that, the Rasul-Allah said: No zakah is due on silver less than five uqiya.140

Imam Ibn Taimiyah says: if silver is less than two hundred (200) dirhams it is not liable for zakah.141 Imam derives his opinion from above mentioned Hadith.

Zakah on Merchandise

There are two Ahadith attributed to Rasul-Allah about the zakah on merchandise.

Samrah Ibn Jundab narrated: that Rasul-Allah used to order us to pay zakah from the goods which we prepare for business.142

Zuraiq Ibn Hibban who was posted as a customs officer at the Egyptian custom house in the times of Walid and Sulaiman and ‘Umar Ibn ‘Abd al ‘Aziz, reported that ‘Umar Ibn ‘Abd al ‘Aziz wrote to him to the effect that he should recover from Muslims passing his way with merchandise a duty of one dinar out of every forty dinars i.e. one-fortieth past, and if the value be less than that at the same rate until twenty dinars and if the value be less even by a one-third dinar, he
should give an exemption and collect nothing and if any of the dhimmis should pass along with any merchandise, he should levy one dinar on every twenty dinars and if the value be lesser, he should levy at the same rate until ten dinars, and if the value be less than ten dinars even by a one-third dinar he should be granted an exemption. And whatever duty he recovered a receipt should be issued in respect of the whole year.143

Imam Ibn Taimiyah says that, Ibn Munzir claims that, zakah is obligatory on merchandise when a full year is passed over it and there is consensus on it among the Islamic scholars. ‘Umar, Ibn ‘Umar, Ibn ‘Abbas seven jurists, Imam ‘Awzai, Imam Abu Hanifah, Imam Ahmad, Imam Ishaq all are of the same opinion144.

Imam Ibn Taimiyah while quoting above mentioned Ahadith of Samarah Ibn Jundab claims that, there is consensus that, zakah is obligatory on free Muslim men and women when a full year in passed over property. The Rasul-Allah ﷺ says:

There is no zakah on property unless one full year is passed over it145.

Imam Ibn Taimiyah while narrating another Hadith in this regard, says: The Rasul-Allah ﷺ used to sent his ‘umal (workers/deputies) to collect Zakah from Muslims every year and this practice was continued by his right guided successors also146.

**Zakah on Camels and Sheep**

Imam Ibn Taimiyah narrates following Ahadith for nisab of zakah on camels and sheep in his fatawa:


Narrated Anas: Abu Bakr wrote to me about the zakah which Allah had ordered His Rasul صلى الله عليه وسلم to observe: who ever had to pay jadh'a (four year old she-camel) as zakah from his herd of camels and he had not got one, and he had hiqqa (three year old she-camel), that hiqqa should be accepted from him along with two sheep if they were available or twenty dirhams and whoever had to pay hiqqa as zakah and he had no hiqqa but had a jadh'a. The Jadha should be accepted from him, and the zakah collector should pay back or return to him twenty dirhams or two sheeps and whoever had to pay hiqqa as zakah and he had not got one, but had a bint labun (two year old she-camel), it should be accepted from him along with two sheep or twenty dirhams, and whoever had to pay bint labun and had a hiqqa, that hiqqa should be accepted from him and the zakah collector should pay back or return him twenty dirhams or two sheep, and whoever had to pay bint lAbin and he had not got one but had a bint makhad (one year old She-camel), that bint makhad, should be accepted from him along with twenty dirhams or two sheep.

Narrated [Anas]: when Abu Bakr sent me [to collect the zakah from] Bahrain, he wrote to me the following:

In the Name of Allah, the Most Beneficent, the Most Merciful). These are the orders for zakah which Allah's Rasul صلى الله عليه وسلم had made obligatory for every Muslim, and which Allah has ordered His Rasul صلى الله عليه وسلم to observe: Whoever amongst the Muslims is asked to pay zakah accordingly, he should pay it (to the zakah
number was smaller, he took nothing saying: I have heard nothing from the Rasul-Allah in this respect and shall enquire from him.\textsuperscript{149}

There are differences among the Islamic scholars about the obligation of zakah on agricultural products and green vegetables while quoting Hadith.

Musa Ibn Talha narrates that, we have document written by Rasul-Allah for Mu'adh Ibn Jabal when he was governor of the Yemen Rasul-Allah had written in this document that, zakah should be collected from wheat, dried grapes, dates and barley\textsuperscript{150}.

Imam Ibn Taimiyyah seems to be in agreement with those Islamic scholars whose opinion is that, zakah is obligatory for only those agricultural products and dry fruits which can be stored. He is of the opinion that, there is no zakah for vegetables. Imam Ibn Taimiyyah derives this opinion from Imam Malik’s views on vegetables\textsuperscript{151}.

Imam Malik said: There is no difference of opinion on this practice we have heard the same from men of learning- not levying any zakah on fruits or on vegetables\textsuperscript{152}.

According to authentic Hadith narrated by Abu Say'id Khudri there is no zakah on agricultural products and dry fruits less than five (5) wasq approx 775 Kgs.

The nisab of zakah on grains and dry fruits varies according to available irrigation system. 'ushr (i.e. one tenth of the yield be levied as zakah) is to be imposed on the yield of the land which is either irrigated by rain or the running water channel, and on the land irrigated by the well, half of an 'ushr (i.e. one twentieth) is compulsory. Imam Ibn Taimiyyah narrates following Hadith in this regard.

Narrated 'Abd Allah Ibn 'Umar: Rasul-Allah said on a land irrigated by rain water or by natural water channels or if the land is wet due to nearby water channel 'ushr (i.e. one tenth ) is compulsory (as zakah) and on the land irrigated by the well, half of an 'ushr (i.e. one twentieth ) is compulsory (as zakah on the yield of the land)\textsuperscript{153}.
Zakah on Mines and Buried Treasures

According to the majority of Islamic scholars, there is a difference between mines and buried treasures. According to Imam Malik and Imam Shafi’i, rikaz (buried treasure) is a treasure of jahiliyah period whatever derives from it one-fifth will be collected from it. Imam Ibn Taimiyyah is of the same opinion that one-fifth will be collected from rikas (treasure) and zakah on ma’dan (mines) is same as on gold and silver. Imam Ibn Taimiyyah narrates following Ahadith in the regard.

Narrated Abu Hurairah Allah's Rasul® said there is no compensation for one killed or wounded by an animal or by falling in a well, or because of working in mines but khums is compulsory on rikaz (buried treasure or wealth)\(^{154}\).

It is reported by several people that the Rasul-Allah® awarded Bilal Ibn Harith Muzanni mines at Qabaliyyah situated towards Fur’ and from these mines nothing was recovered except zakah\(^{155}\).

There is an absolute agreement among the Islamic scholars that zakah and khums becomes obligatory on ma’dan and rikaz soon one finds them.

According to Imam Ibn Taimiyyah people need trade and business as they need food, water and clothing for their daily life thus Shari’ah prescribes just and reasonable business laws and prohibits unjust and evil business practices for them\(^{156}\).

Riba

Usury is of two major kinds: (a) riba nasi’a i.e. interest on lent money; (b) riba fadl, i.e. taking a superior thing of the same kind of goods by giving more of the same kind of goods of inferior quality e.g. dates of superior quality for dates of inferior quality to greater amount. Islam strictly forbids all kinds of usury. Practice of riba nasi’a was common in Makkah and Madinah and is common in its various manifestations even today. Islam forbids this usury in strict language.
Islamic scholars did not accept the theory of division in usury into two kinds a) interest on business loan b) interest on non-business loan, former as lawful and latter as unlawful as has been presented by some scholars. According to Imam Ibn Taimiyah it is not extra money only which one receives from borrower is usury, if he receives any benefit even a gift from borrow that too is usury.\(^\text{157}\)

Imam Ibn Taimiyah derives his views from following Ahadith:

\[\text{Narrated Ibn Mas'ud: } \text{Rasul-Allah } \text{curses one who takes interest, pays interest, and writes deed for them and those who bear witness for them.}\(^\text{158}\)\]

**Riba al nis'i'a**

There is no usury (in money exchange) except when it is not done from hand to hand.

\[\text{Abu Salih al Zayat narrated: I heard Abu Sa'id al Khudri saying: the selling of a dinar for a dinar and a dirham for a dirham is } \text{lawful} \text{I said to him: Ibn 'Abbas does not say the same. Abu Sa'id replied: I asked Ibn 'Abbas whether he had heard it from Rasul-Allah or seen it in the Book. Ibn 'Abbas said: I do not claim that, and you know Allah's Rasul better than me. 'Usama informed me that Rasul-Allah had said: there is no usury (in money exchange) when it is not done from hand to hand.}\(^\text{159}\)\]

Zaid Ibn Aslam reported that interest in pagan times was of this nature when a person owed money to another man for a certain period and after the expiry of the period, the creditor would say: You pay me the amount or pay the
interest. If he paid the amount, it was well and good; otherwise the creditor increased the loan amount and extended the period for payment again.\(^{160}\)

**Riba al fadl**

Is to exchange the superior things of the same kind of goods by inferior one. Imam Taimiyyah narrates following Ahadith in this regard in his *fatawa*.

Narrated 'Umar Ibn Khitab: Allah's Rasul said, the bartering of gold for gold, is *riba* (usury), except if it is from hand to hand and equal in amount, and wheat grain for wheat grain is *riba* (usury) except it is from hand to hand and equal in amount, and dates for dates is *riba* (usury) except if it is from hand to hand and equal in amount, and barley for barley is *riba* (usury) except if it is from hand to hand and equal in amount.\(^{161}\)

Narrated Abu Bakrah: Allah Rasul said: do not sell gold for gold unless whole measure are equal in weight, nor silver for silver unless equal in weight, but you could sell gold for silver or silver for gold as you like.\(^{162}\)

Imam Ibn Taimiyyah narrates various unlawful business transactions in his *fatawa*, he derives his opinion about these unlawful transactions directly from Ahadith and narrates these Ahadith in his *fatawa* comprehensively. He discussed various unlawful business transactions in his *fatawa* some of them are as follows:

1. *ma'aribah*
2. *khinf*
3. *makhzarah*
4. *muhawarah*
5. *mumah*ah
6. *ma'naa bah*
7. *habbal bah*
8. *najsh*

**Ba'iya al gharar** (The sale of what is not present)
Habal al habala

Narrated Ibn 'Umar Allah’s Rasul had forbidden the sale called Habal al habala, which was a kind of sale practiced in the pre-Quranic period of ignorance. One would pay the price of a she camel which was not born yet but would be born by the immediate offspring of an extent she camel 163.

al Najash*

Narrated Ibn ‘Umar Allah’s Rasul had forbidden Najash164.

Munabadha and mulamasa

‘Abu Hurairah narrated: Allah Rasul has forbidden the selling of mulamasa and munabadha175.

Muhaqala

Anas said: Rasul-Allah had forbidden the sales called muzabana and muhaqala (i.e. to sell wheat in ears for pure wheat)166

* Najash means to offer a high price for something without having the intention to buy it but just to cheat somebody else who really wants to buy it. Such a person may agree with the seller to offer high prices before the buyers to cheat them, in which case both this man and the seller are sinful. The seller may falsely tell the buyer that he (i.e. the seller) has previously brought the goods at a certain price which is in reality higher than the actual price.
Narrated Abu Hurairah: Rasul-Allah said: Don’t keep camels and sheep un-milked for a long time, for that who buys such an animal has the option to milk it and then either to keep it or return it to the owner along with one measure of dates. Some narrated from Ibn Sirin that Rasul-Allah had said: One measure of wheat, and he has option for three days. And some narrated from Ibn Sirin: a measure of dates, not mentioning the option for there days. But measure of dates is mentioned in most narrations.

**Mukhbira**

Jabir Ibn ‘Abd Allah reported that Allah’s Rasul had forbidden muhaqala, and muzabana, mukhabara, and the sale of fruit until their good condition become clear, and [he commanded] that [commodities] should not be sold but for the dinar and dirham except in case of ‘araya.

**Ihtikar**

Ma’mar Ibn ‘Abd Allah reported that Allah’s Rasul had said: No one hoards but the sinner.
Shuf'a:

Narrated Jabir: Rasul-Allah ﷺ gave pre-emption (to the partner) in every joint property, but if the boundaries of the property were demarcated or the ways and streets were fixed, then there was no pre-emption.

Sale of Dog* and income of Prostitute

Abu Mas'ud al Ansari reported that Rasul-Allah ﷺ had forbidden the price of the dog and earnings of a prostitute and doucer offered to a wizard.

Sale of Wine, Swine, Carcass and Idols

Jabir Ibn ‘Abd Allah reported that Rasul-Allah ﷺ had said in the year of victory while he was in Makkah: Verily Allah and His Rasul have forbidden the selling of wine, carcass, swine and idols. It was said: Allah’s Rasul, you see that the fat of the carcass is used for coating the boats and varnishing the hides and people used it for lighting purposes, where upon he said: No, it is forbidden. Then Rasul-Allah ﷺ said: May Allah the exalted and majestic destroy the Jews; when Allah had forbidden the use of fat of the carcass for them, they melted it, and then sold it and made use of its price (received from it).

*Exception is made in case of dogs which are tamed for hunting purposes or for watching the house or fields or herds. The famous jurists Ibrahim Nakh‘i, Imam Abu Hanifah and Imam Abu Yusuf all allow its sale if required for these purposes.
It becomes clear only by Ahadith, some of them mentioned above what exactly definition of riba is? What are its various kinds, which type of business transactions are riba also? Particularly it was not possible for us to know about riba al fadl as it is called riba khaфи (hidden riba) one can not understand its various deals by the Quranic verses alone. Similarly the Quranic verses are silent about the (Baya al gharar) which business transactions are unlawful the Qur'an provides general guideline about that, that one should not take money from others by deception and unlawful means but which business deal is lawful or unlawful it is Hadith which clears this ambiguity, and makes economic teachings of Islam not only practicable but also provides comprehensive details of the business laws.