ABSTRACT

Wealth is the very marrow of man's being. Without wealth he cannot live and progress, all the necessaries of life can be satisfied with wealth and its importance is universally accepted. Scholar and layman alike can understand it, religions of the past had not realized this. Therefore, they looked down upon wealth and the wealthy. There are several instances to prove this contention as is evident from their history.

Distribution of the wealth is the main problem which has been felt by each and every religion as well as the modern system. Islam has propounded certain salutary principles for the proper distribution of wealth. The economic policy which we find enunciated in the Holy Quran is unique in many respects. It is different from capitalism on the one hand and communism on the other. A proper approach to the confused and complex economic problems of the modern world cannot be attained without going into the basic questions of human nature itself.
Man is born with endless wishes and desires in his self. He knows no bounds for his cravings God has put in his nature impatience and longing for more and more. His heart and mind always on the look for something new to be satiated.

The Quran does not discard human emotions and desires. It has encouraged him instead by urging him to exploit and enjoy all what is available in the heavens and the earth.

"And he has made subservient for you all what are in the heavens and what are there in earth"

(Quran, XLV: 13)

Because of this great importance of economics in Islam I have under taken this study for my Ph.D. degree. I have divided the subject into three parts.

The first part has IV chapters which deal with the importance of Islamic ideals and objectives in the light of the Quran and Hadith. Economically, the fundamental principle of Islamic society is ‘no asceticism’ in Islam’. The Quran announced the total suspension of worldly life and its
legitimate enjoyment as undesirable.

The Quran declares that

“But as for monastic asceticism, we did not enjoin it upon them, they invented it themselves out of desire for God’s goodly acceptance. But then, they did not observe as it ought to have been observed.”

(Quran, LVII: 27)

The next chapter deals with the exploitation of Natural Resources. The Quran declares that

“He it is who has created for you all what are in the earth”

(Quran, II: 29)

Islamic economic philosophy calls upon its advocates and adherents to investigate and discover advantages as well disadvantages of everything deposited in the earth and get to know how to benefit from the advantageous. Prophet Muhammad (S.A.W) himself was very pragmatic in this context. He exhorted his companions to utilize the natural resources to the maximum.

Chapter three deals with the Professions and the Occupations.
There are clear references in the Quran not only to common handicrafts but also to industries meant for manufacturing big and small equipments out of iron; these Ayat on the one hand, serve as a source of industrial history as well as on the other hand expresses the desire and gives the message that Muslims be engaged in industrial activities. The Quran presents the picture of Noah (peace be upon him) as that of an engineer building ships and giant boats.

"And he was building ship".

(Quran, XI: 38)

The following chapter sheds light on the impact of usury/interest on economy. Interest is totally prohibited by Islam. It has been customary for people to consider it ridiculous because they thought that trade and industry would neither exist nor grow without the transactions involving interest, but now the economists are realizing that interest is the root cause of economic dislocations and it influences even trade depressions. It requires not much knowledge of economics to understand that the consequences of interest will be the perpetuation of sufferings of one section
of the society. Therefore Islam destroyed it ruthlessly and it has rather classified it as one of the seven “annihilating evils”. In treaties that the Prophet signed with other religionists he had insisted upon the conditions that they would not levy interest; at the same time the Prophet never compelled them to keep away from activities which were un-Islamic. This also means that Islam considers interest to be detrimental to the development of mankind.

The second part of the thesis deals with ‘The Distribution of Wealth’. This is further divided into the following five chapters:

**Chapter I:** This deals with the importance of Infaq and duties of the wealthy people and non concentration of wealth etc.

**Chapter II:** This chapter emphasizes the very important matters of Islamic economy concerning “Inheritance Rules and Practices”. A country, however affluent and rich it might be, can never achieve prosperity and bliss if its wealth
distribution system is not based on fair and just principles. Several nations in the modern period could still be cited as the places where the wealth overflows but the majority of their populace is victim of hunger, poverty, diseases, due to the wealth-distribution system being very defective and disturbingly unequal. Islamic economy has always been based on the principles of fair and just distribution of wealth among all the sections and classes of the land with its resources not being concentrated only in few hands.

**Chapter III:** In this chapter is discussed the social distribution of landed property in the light of the Quran and Hadith.

**Chapter IV:** Here the Taxation system of Islam is described. In Islamic economy tax collection is not only aimed at meeting the state expenses but also to expand its objectives and other related matters. Certain taxes are exclusively for the ones under heavy
burden of debt.

**Chapter V:** This is the last chapter of the Part II which deals with the principles and teachings of labour and the relations between the owner and the labour.

**Islamic Approach:**

Islam’s contribution, among a variety of others, to humanity is that it has eliminated all kinds of discriminations among human beings and all artificial criterion of destruction injected on the theoretical plane on the spirit of human quality and fraternity. It declares, on the practical horizon, manual labour to be as honourable. Thus it has elevated the labourer to a new height of dignity.

Part Three of the thesis consists of two important chapters as follows:

**Chapter I:** It deals with the Barter system and its meaning and its total suspension in the light of Ahadith.

**Chapter II:** Which is the last chapter covers coinage/currency system with a brief introduction to
Islamic system of coins. The reasons for their introduction and the methods of minting and various arrangements for them.