PREFACE

All praises be to Allah, the lord of the Universe and his peace and blessing be upon the Holy Prophet Mohammad (S.A.W.)

Wealth is the very marrow of man’s existence. Without wealth he cannot live and progress and with it all the necessities of life can be fulfilled. Its importance is universally accepted. Scholars and laymen alike understand it but its importance was not realized by the earlier religions of the past did not realize religions. Earlier, the wealthy and their wealth were looked down upon with disdain. There are several instances to prove this contention which can be evident from a study of their history.

Distribution of wealth is the main problem faced by every religion as well as the modern system. Islam has propounded certain statutory 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 man’s nature impatience and longing for more and more. Human heart and mind always look for something new to be satiated.

The Quran does not discard human emotions and desires. It encourages 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.

Part one comprises of four chapters the first of which deals with the importance of Islamic ideals and objectives in the light of the Quran and Hadith.

The Quran declares:

"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)

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.

Chapter two 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 i.e. to get the knowledge of how to benefit from what are advantageous. Prophet Muhammad (S.A.W) himself was very pragmatic in this context. He exhorted his companions to utilize unnatural resources to the maximum.

Chapter third deals with the Professions and the Occupations.

There are clear indicated in the Quran to not only common handicrafts but also to industries meant for manufacturing big and small equipments out of iron. These verses serve as a source of industrial history of the part and desire the message home they encourage the Muslims to engage in industrial activities. The Quran presents the picture of Nooh (peace be upon him) as that of an engineer building ships and giant boats.
Chapter four sheds light on the impact of usury/interest on economy. Interest is totally prohibited by Islam. It had been customary for the people to consider interest as normal but now it because ridiculous because they thought that trade and industry would neither exist nor grow without transactions involving interest. The economists are now realizing that interest is the root cause of economic dislocations that influence even trade depressions. It does not require much knowledge of economics to understand that the result of interest will be the perpetuation of sufferings of one section of the society. Therefore, Islam destroyed it ruthlessly and has classified it as one of the seven “annihilating evils”. In treaties that the Prophet signed with people of other religions he insisted upon the condition that they would not levy interest. On the other hand the Prophet never compelled them to keep away from activities which were un-Islamic. This means that Islam considered interest to be detrimental to the development of mankind.

Part II deals with the Distribution of Wealth and is divided into five chapters:

Chapter I deals with the importance of Infaq and duties of the wealthy people and de-concentration of wealth etc.
Chapter II deals with the very important matter concerning Islamic economy i.e. “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 world can be cited as the places where the wealth overflows but the majority of their populace are victims of hunger, poverty, diseases etc., due to the defective wealth-distribution system and unequal disbursement. Islamic economy has always been based on the principles of fair and just distribution of wealth among all the sections and classes of people of the land with its resources not being concentrated only in a few hands.

Chapter III deals with the distribution of landed property in the society in the light of the Quran and Hadith.

Chapter IV deals with the taxation system. In Islamic economics 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 the one under heavy burden of debt.

Chapter V is the last chapter of Part II which deals with the principles and teachings of labour and owner-labour relations. Islam’s contribution, among others, to humanity is, that it has eliminated all kinds of discriminations between mankind and all
artificial man made criteria. Islam has injected the spirit of human equality and fraternity and declared on practical horizon manual labour as honourable, thus elevating the labourer to new heights of dignity.

**Part III** of the thesis carries only two chapters:

**Chapter I** deals with the barter system, its meaning and total suspension in the light of Ahadith.

**Chapter II** which is the last chapter covers coinage/ currency introduction to Islamic coin. Reason and Minting Arrangement etc.