

Economic Thought of Muhammad Baqir al-Sadr:

A Study of *Iqtisaduna* (Our Economics)

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Certificate

This is to certify that the dissertation entitled “Economic Thought of Muhammad Baqir al-Sadr: A Study of *Iqtisaduna* (Our Economics)” Submitted by Mr. Mohd Lateef Khan, for the award of the Degree of Master of Philosophy (M.Phil), in Islamic studies is an original research work of the candidate. The research work has been carried out under my supervision and has not been submitted for any other degree so far.

It is further certified that this work conforms to acceptable standards of scholarly presentation and is adequate, in scope and quality, as a dissertation for the award of M.Phil Degree in Islamic Studies.

Dr. Manzoor Ahmad Bhat

(Supervisor)

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Introduction:

Islam is a complete way of life. It aims at constructing the entire fabric of human life and culture on the firm foundation of ethical values and principles revealed by Almighty Allah for man's guidance. In the field of economics, it provides necessary guidelines, values and rules that aim at achieving the twin objectives of social justice and sustained increase in economic productivity. Islamic economic system is based on *Quran* and the *Sunnah*. Its central concern is overall prosperity of man, the wholesome and balanced growth of his personality. It prompts that Judicious and efficient management of resources is possible only when an Individual's total behaviour is designed within a proper ethical and moral framework. It further guides that a just society can be built only when the material and spiritual aspects of human activities are welded together.

The foundation of Islamic economics is laid on the principles of Justice, righteousness, brotherhood, equal opportunity, adequate employment and social security. Justice and social security are the basic foundations of the system. Justice is a very wide and comprehensive term embracing almost all phases of human life. In economic terminology it stands for maintaining balance among the people in respect of their rights as well as rendering their due share conscientiously. The entire universe is made amenable to exploitation by man though it is owned by Allah alone. The life on earth is a test, man is accountable to Allah for his deeds and his success in life hereafter depends on his performance in this life on earth. Islam guides that life is to be conducted in fair circumstances and no one should go without an adequate share of resources that are needed for his survival and good

life. Equality of opportunity and social care of the disabled is the minimum requirement that this calls for. Islam discourages (*ruhbaniyah*) and its economic objectives aim at eradication of poverty, hunger, exploitation, corruption and illiteracy. It further focuses at mobilization of resources for strengthening the Islamic state and spreading the message of Allah and maintaining a sustained growth of economic development.

The literature on the subject of Islamic economics dates back to the early period of Islam. The *Quranic* injunctions, the prophetic Traditions and the juristic opinions all taken together provide voluminous material on the subject. Some of the early works on the subject are *Kitab al Kharaj* by Abu Yusuf (d.798 C.E.), another *Kitab al Kharaj* by Yahya b. Adam-al-Quraishi (d. 818 C.E.), *Kitab- al-Amwal* by Abu Ubayd (d.838 C.E), *Kitab al Iktisab fil Rizq al Mustahab* and *Kitab al Asl* by Muhammad b. Hassan al Shaybani (d.804 C.E.), *Al-Ahkam al Sultaniyah* and *Kitab al Din wal Dunya* by Mawardi (1058 C.E.),and *Kitab al Muhalla* by Ibn Hazm. Besides these works, we find objective insights on economic matters in a number of compendiums including Imam Ghazzali's (d.1111 C.E.) *Ihya al Ulum al Din*, Ibn Taimiyah's (d.1328 C.E.) *Al-Hisbah fi-al Islam*, Ibn Khaldun's (d. 1404 C.E.) *Muqaddimah* and Shah Waliullah's (d.1762 C.E.) *Hujjatullah Balighah*.

Although Muslim scholars have discussed economic principles of Islam earlier, exclusive attention to the subject is a twentieth century phenomena. It started in the third decade and specialized works appeared in the fourth. The process was stimulated by the world wide economic crisis during the thirties and forties and increased exposure of Muslim mind to the socialist doctrines. Besides this, the independence of Muslim countries and the rise of the Islamic movements also raised hopes of serious attention to the application of the Islamic teachings in the practical affairs of the new states including their fiscal domain.

On one hand economic principles of Islam were thoroughly analyzed and discussed by Muslim Scholars in the light of *Quran*, *Hadith* and the vast intellectual heritage left by their predecessors. On the other, the prevailing economic systems; capitalism and socialism were critically evaluated. The two systems, however, emerged as unbalanced and unjust approaches for solving man's economic problems. A fairly good number of Muslim scholars got seriously and sincerely engaged in this endeavor. They adopted an objective, unbiased and judicious approaches to this issue. We present here, a synoptic view of this effort.

Mawlana Mawdudi in his book *Islam aur Jadid Maashi Nazariyat*¹ (Islam and Modern Economic Theories), mentions private ownership, freedom of enterprise, competition, profit motive as the soul incentive, discrimination between the rights of the employees and those of the employer, reliance on natural forces for growth and the principle of non intervention by the state as the fundamental principles of modern capitalism. He recognizes an element of truth in these principles, but finds them carried to extreme by capitalism. According to Mawdudi Undue emphasis on rights of individual ownership and freedom of enterprise played havoc during the industrial revolution and it caused wide spread suffering and privation. Over emphasis on self interest and the profit motive produced a society devoid of human character, brotherhood, sympathy and cooperation. He reviews the reforms introduced in capitalistic countries, allowing an active role for the state and a better deal for labour. Despite these changes, he argues, the problems like large scale unemployment, existence of unattended needs, and occurrence of trade cycles and the domination of society by usurious financiers have not been resolved.

¹ Mawlana Mawdudi, *Islam aur Jadid Ma'shi Nazariyat*, Markazi Maktaba Jamat i Islami Hind, Delhi, 1969, pp. 26-106.

Mahmud Ahmad in *Economics of Islam: A comparative study*², disapproves capitalism's claim of being a self adjusting process leading to maximum satisfaction of human wants by pointing out the chaos it has led to.

Abdul Manan in *Islamic Economics: Theory and Practice*³, criticizes capitalism on account of its failure in maintaining full employment and ensuring free competition.

Syed Muhammad Ismail in his book, *A Critical Analysis of Capitalism, Socialism and Islamic Economic order*⁴, criticizes capitalism for accumulation of wealth in a few hands and thereby extending the gap between the rich and the poor.

A strong criticism of capitalism came from Syed Qutb who in *Ma'rikat al Islam, Wal-Ra'smaliyah*⁵ (Confrontation of Islam and Capitalism), mentions that it is thoroughly inhuman and un-Islamic.

Like capitalism socialism has also been critically evaluated by the Muslim scholars.

Masud Alam Naqwi in his book entitled *Ishtirakiyat aur Islam*⁶ (communism and Islam), regards undue emphasis on distribution and the move to abolish private property to be mere reactions to the evils of capitalism. He argues that man does not have to opt for such an extreme solution when the middle path shown by Islam is sufficient to ensure the elimination of these evils and secure the legitimate ends of socialism.

² Mahmud Ahmad, *Economics of Islam: A Comparative Study*, Muhammad Ashraf, 1972 pp. 4-17.

³ Muhammad Abdul Manan, *Islamic Economics: Theory and practice*, Muhammad Ashraf, Lahore, 1970, pp. 37-38.

⁴ Syed Muhammad Ismail, *A Critical Analysis of Capitalism, Socialism and Islamic Economic Order*, Adam publishers and Distributers, New Delhi, 2008 p.43

⁵ Syed Qutb, *Ma'rikat al Islam Wal Ra'smaliyah* (Confrontation of Islam and Capitalism) 3rd ed. Al-Qahira, 1966, 112pp(A)

⁶ Masud Alam Naqwi, *Ishtirakiyat aur Islam* (Communism and Islam) Maktabah Chiragh-e-Rah, 1949, 80pp(U)

Muhammad Nejatullah Siddiqi in *Islam Ka Nazariya-e-Milkiyat*⁷ (Islam's theory of property) examines and rejects the arguments in favour of socialization of all means of production and concludes that individual ownership is a necessary condition for democracy and spiritual and moral growth of human beings. A balanced approach would accommodate individual ownership under social supervision as well as socialization whenever necessary, he opines.

Syed Muhammad Ismail in his book, *A critical Analysis of Capitalism, Socialism and Islamic Economic Order*⁸, disregards the Marxist view point, that the means of production govern our thoughts and actions and determine the course of our mental and physical activities. He considers exploitation of man by man as a biological phenomena. He remarks that it is the man himself who is responsible for this exploitation. Man's ego compels him to show his superiority over others and makes him to exploit others. All material objects of the external world act only as a media for expressing this inner human urge. He also criticizes Marxists for applying dialectical method for analyzing and interpreting the historical and social phenomena. He remarks that there is an inherent defect in the method of dialectics. The dialectical process of reasoning Jumps straight away from thesis to anti-thesis, totally ignoring the vast spectrum of diverse shades and colours in between them.

Mirza Muhammad Hussain in *Islam Versus Socialism*⁹, condemns socialist doctrines on the ground that they ferment class war.

⁷ Muhammad Nejatullah Siddiqi, *Islam ka Nazariya-e-Milkiyat* (Islam's Theory of property), Islamic publications, Lahore, 1968 pp. 93-124(U)

⁸ Syed Muhammad Ismail, *A Critical Analysis of Capitalism, Socialism and Islamic Economic order*, Adam publishers and Distributers, New Delhi, 2008 p. 183.

⁹ Mirza Muhammad Hussain, *Islam verses Socialism*, Muhammad Ashraf, Lahore, 1970, 170 pp.

Muhammad Abdul Mannan in *Islamic Economics: Theory and Practice*¹⁰, accuses communism of having grossly over emphasized the problem it sought to solve, with the result that the solutions are highly unrealistic and unworkable.

Abdul Hameed Siddiqi in *Insanyat Ki Ta'mir-i-nau aur Islam*¹¹ (Reconstruction of Humanity and Islam), refutes the Marxian theories and finds that communism has created more problems than the issues it has solved.

Sheikh Mahmud Ahmad in *Economics of Islam: A comparative study*¹², regards the problems of efficiency as the greatest one faced by communism which completely disregards incentives and rewards.

Thus, much has been discussed by Muslim economists on comparative economics. However, *Iqtisaduna* by Baqir al Sadr encompasses almost all the major aspects in this field, including the contemporary challenges, some of which have not been touched upon by other sources on Islamic economy. He not only criticizes Marxism and capitalism in terms of their resultant problems in the form of injustice, human suffering and loss of individual freedom, but also examines and refutes the philosophical and theoretical foundations of these systems. Besides discussing the fundamental principles of Islamic economics, Baqir al Sadr also presents a well balanced economic model for an Islamic state in this book.

Some aspects of economic ideas of Baqir al Sadr have been briefly discussed by T.M.Aziz, Rodney Wilson, Muhammad Umar Chapra and Muhammad Nejjatullah Siddiqi. T.M.Aziz in his thesis entitled, "An Islamic Perspective of Political

¹⁰ Muhammad Abdul Manan, *Islamic Economics. Theory and Practice*, Muhammad Ashraf, Lahore 1970, pp 48-52

¹¹ Abdul Hameed Siddiqi, *Insaniyat Ki Ta'mir-i-nau aur Islam* (Reconstruction of Humanity and Islam) Markazi Maktaba Jamat-e-Islami-Pakistan, 1950 304 pp (U)

¹² Shiek Mahmud Ahmad, *Economics of Islam: A Comparative Study*, Muhammad Ashraf, Lahore 1972 pp. 77-78.

Economy: The Views of (Late) Muhammad Baqir al Sadr¹³”, discusses Baqir al Sadr’s views on various aspects of Islamic economy like; ownership of property, economic relationships in Islam, economic development, distribution of natural resources and role of the state in Islamic economy. Rodney Wilson in his article entitled, “The Contribution of Baqir al Sadr to Contemporary Islamic Economic Thought¹⁴”, highly acknowledges the contribution of Baqir al Sadr in the development of modern Muslim economic thought. In this study he refers three other Muslim economists besides Baqir al Sadr, these include; Muhammad Nejatullah Siddiqi, Muhammad Umar Chapra and Syed Nawab Haider Naqwi.

Muhammad Umar Chapra in, *Islam and the Economic Challenge*¹⁵”, while acknowledging the role of Muhammad Baqir al Sadr in the development of contemporary Islamic economic thought approves Sadr’s view that poverty and deprivation are caused by the absence of a morally defined framework of human relationships between the rich and the poor.

Muhammad Nejatullah Siddiqi in his book, “*Muslim Economic Thinking: A Survey of Contemporary Literature*”¹⁶ mentions economic ideas of Baqir al Sadr on various Islamic economic issues like ownership of property, goals of Islamic economy, money and banking and role of the state in Islamic economy.

The above mentioned scholars have discussed only a few economic insights of Baqir al Sadr. The present study, however, provides a thorough analysis of his economic thought in the light of his most celebrated book *Iqtisaduna*. It is a

¹³ T.M Aziz, ‘An Islamic perspective of Political Economy: The views of (Late) Muhammad Baqir Al-Sadr’ (www.al-islam.org/political_economy)

¹⁴ Rodney Wilson, ‘The contribution of Baqir al Sadr to contemporary Islamic Economic Thought’, *Journal of Islamic Studies* 9:1(1988) pp 46-59)

¹⁵ Muhammad Umar Chapra, *Islam and the Economic Challenge*, Islamic Foundation, Leicester, 1972, p.12

¹⁶ Muhammad Nejatullah Siddiqi, *Muslim Economic Thinking: A Survey of contemporary Literature*, Leicester, 1981. 130pp.

humble effort to evaluate the imperfections in capitalism and socialism and the practicability of Islamic economics in the modern times.

The analysis presented in this study spreads over five chapters followed by a concluding chapter and the Bibliography.

Chapter first provides a brief account on the life and works of Baqir al Sadr. Some important aspects of his life have been discussed, and his works on various disciplines like Jurisprudence, law, philosophy, logic, theology, economics, exegesis, history and Islamic Culture have been mentioned, besides this, his numerous articles on various academic fields have also been mentioned.

Chapter second provides background study of Islamic economics. It examines the economic teachings of the *Quran* and *Hadith* and presents the economic insights of eminent Muslim scholars throughout the Islamic history. For the sake of convenience the economic history of Islam is divided into various stages and a few scholars, as representatives, are discussed from each of the stages. In this chapter our effort has been to present that Muslim scholars have discussed economic problems right from the prophet's period, in the light of *Quran* and *Hadith* and in accordance with their times and situations.

Chapter third focuses upon the criticism of Marxism by Baqir al Sadr. In the beginning of the chapter, the basic components of Marxist economy including; dialectical materialism, economic interpretation of history, the theory of surplus value and the end of capitalism are briefly discussed. After that, the chapter is divided into two major parts; part first deals with analysis and criticism of historical materialism by Baqir al Sadr and part second, presents his analysis of socialism and communism. The chapter analyses that historical materialism as a single factor (economic) interpretation of history does not hold any scientific

ground. For every social or historical occurrence various factors such as; social, political, religious, psychological are also responsible besides the economic factor.

Chapter fourth deals with Baqir al Sadr's analysis of capitalism. In the beginning of the chapter the basic features of the system are discussed, followed by the critical analysis of its basic principles by Baqir al Sadr. The claims of capitalism in appreciation of economic freedoms; such as freedom promotes public interests, it causes growth of production and is a real expression of human dignity are critically examined. The chapter intends to evaluate, how the humanity has suffered terribly in the hands of capitalism. Poverty, hunger, unequal distribution of wealth and an ever increasing gap between the rich and the poor have emerged as the resultant problems of the system.

Chapter fifth embodies Baqir al Sadr's analysis of Islamic economics. The basic principles of the system are analyzed and discussed and the system emerges as a distinctive one from that of capitalism and socialism. The chapter besides other aspects focuses on the critical assessment of the extreme approaches that the capitalism and socialism have adopted in attempting to solve man's economic problems which, however, have led to the severity of the problem in contrast to the claims of adding human miseries. The middle path as presented by Islam emerges as the only logical solution for humanity to get rid of the whole gamut of problems that have resulted due to these systems. The chapter also discusses the role of the state in Islamic economy and also provides an outline of the distribution of the natural resources in an Islamic state.

Chapter One

Life and works of Muhammad Baqir al-Sadr:

Life of Baqir al-Sadr:

Ayatullah Syed Muhammad Baqir al-Sadr was a scholar, a philosopher and ideological founder of Islamic *Dawah* party (*Hizbul Dawat al Islamiah*)¹⁷ in al-Kazimiya Iraq. He was born on *Dhil Hajja* 25, 1353 A.H. / 1 March 1934 C.E. He belonged to a religious family which had been a cradle for Islamic learning since decades. His father Haydar al Sadr¹⁸ was a well respected high ranking Shia cleric. His lineage goes back to Muhammad (pbuh) through the seventh Shia Imam, Musa al-Kazim.

Baqir al Sadr (1935-1980 C.E.) son of Haider al Sadr (1891-1937 C.E.) son of Ismail al Sadr (d.1919 C.E.) son of Sadr al Din bin Saleh son of Syed Saleh son of Muhammad son of Ibrahim son of Zainul Abidin son of Nur ud din Ali son of Izuddin Hussain son of Muhammad son of Hussain son of Ali Son of Muhammad son of Taj ud din son of Muhammad son of Jala ud din son of Ahmad son of Hamzeh son of Sadullah son of Hamzeh son of Abul Sadat son of Abu Muhmmad son of Muhmmad son of Abul Hassan Ali son of Abu Tahir son of Muhammad son of Tahir son of Hussain al Qati son of Musa Abu Subheh son of Ibrahim son of Musa al Kazim.

Baqir al Sadr lost his father at the age of four, and then he was brought up by his mother and elder brother Ismail al Sadr. He got his early education at al Muntada

¹⁷ Islamic Dawah Party (*Hizbul Dawat al Islamiyah*) was formed in 1957 by some eminent shiate leaders including Muhammad Salih al-Adeeb, Syed Murtadha al-askary, Abdul Sahib Dukeli, Syed Muhammad and Baqir al Hakim. Their aim was to promote Islamic values, ethics, political awareness, and combat secularism and create an Islamic state in Iraq.

¹⁸ Ayatullah Haider al Sadr(1881-1937) was born in Samara Iraq. He died in al Kazimiya Iraq left three children namely Ismail al Sadr, Muhammad baqir al Sadr(d.1980 C.E.),and Aminah (d.1980 C.E.)

al Nashr, an elementary school in al Kazimiya. From his very childhood he showed signs of extraordinary intelligence and aptitude for learning. When he was only ten years old he spoke on doctrinal matters and Islamic History with such a confidence, as if he had spent decades mastering these subjects. When he was eleven years old he wrote a book on logic and also began delivering lectures on this subject.¹⁹

In 1365 A.H., at the age of twelve, he settled in Najaf (Iraq) and began studying as well as teaching the principles of Islamic Jurisprudence and other branches of Islamic learning. He possessed such an extraordinary caliber for learning that he could fully comprehend the lessons, of the level of his own studies without the help of his teacher. At the age of twelve, he began studying the book, *Ma'lim al-Usul* under his brother, Syed Ismail al Sadr, while studying, he would often object to some aspects of the book and his brother would say that, these are the same objectives that the author of *Kifayat al Usul* (one of text books in Seminaries) had against the author of *Ma'lim al Usool*.

Baqir al Sadr completed his religious education at religious seminaries under the guidance of Al-Khoei²⁰ and Muhsin al Hakim²¹. Eventually he emerged as a profile writer and wrote twenty six books and numerous articles, on various disciplines including; Jurisprudence, exegesis, philosophy, logic, history, theology, Islamic culture and economics. Some of these books (originally in Arabic) have been translated into Persian, English, Urdu and Turkish languages.

¹⁹ Baqir al Sadr, *Our Philosophy*, Taylor and Francis, 1987, p.13

²⁰ Abul Qasim Khoei was born on November 19, 1899 in Iran. He was one of the most influential Shia Islamic scholars (*Marja*). He was the spiritual leader of the shia world until his death in 1992.

²¹ Muhsin al-Taba Tabai al Hakim was born in 1889. He attained the position of *Marja* in 1961 and died in 1970.

Baqir al-Sadr rose against the British occupation of Iraq in 1920 and took an active part in the liberation of Iraq. He worked with *Hizbut- Tahrir*²² for some time but later on Joined the Islamic Dawah Party(*Hizbut Dawat al Islamiyah*) in Iraq and laid down it ideological foundation.

In 1960-61 he wrote his most celebrated book on economics namely *Iqtisaduna* (Our economics). In this voluminous work he criticizes the existing economic doctrines; capitalism and socialism and presents Islamic economics as an alternative for both the systems. The book originally in Arabic has been translated into English by WOFIS (World Organization for Islamic Services). Subsequently, he was commissioned by the government of Kuwait to assess how the country's oil wealth could be managed in keeping with Islamic banking.

Baqir al-Sadr actively supported Iranian revolution of 1979 C.E. led by Ayatullah Khomeini. He worked tirelessly with Sayyed Muhammad Baqir al Hakim for propagating the mission of the *Hizbut Dawat al Islamiyah*. When Imam Khomeini (R.A.) called upon Muslims in Iraq to follow the example of the Iranian people and rise against the Ba'thist regime, Baqir al Sadr fully supported him. This attracted the attention of the Ba'thist regime of saddam, (The president of Iraq), which resulted into numerous imprisonments for the Ayatullah. He was often subjected to torture during his imprisonments, but he continued his work after being released. In 1977 he was accused of his active involvement in the uprisings in Najaf, and was sentenced to life imprisonment but was released after two years due to his immense popularity. He was again imprisoned in 1980. This time, he was kept in the prison of *Abu Ghuraib* in Bagdad. Here he and his sister were severely tortured and were shot dead on April 8, 1980.

²² *Hizbut Tahrir* was founded in 1953 in Jerusalem by Taqi ud Din al Nabhani. Later on it spread over forty countries. Presently, it is active in several Arab and Central Asian Countries. It is also active in west particularly in U K.

The bodies of the martyred Ayatullah Muhammad Baqir al Sadr and his learned scholar sister Amina Bint al Huda were buried in the holy city of Najaf, besides Hazrat Ali's ^{R.A} Shrine. Imam Khomeini (RA) in his message on their martyrdom stated: "...Martyr Ayatullah Baqir al Sadr and his honorable sister who were the teachers of Islamic sciences and morality, were martyred by Iraqi regime. Martyrdom is a heritage which these dear individuals inherited from their ancestors."

Syed Khatim al-Hussaini al-Haa'ri describes Baqir al Sadr as, "the pride of his time.....The genius of this age, the miracle of this century... a principled jurist, a Muslim Philosopher.... a *Marja* among the *Maraja* of the Muslims in Najf".

Some of the teachers of Sayyed Muhammad Baqir al Sadr, were Ayatullah Sayyid Abul Qasim al Khoei, Ayatollah Sayyid Husin Taba Tabai-al Hakim

A few of his students were, the martyr Syed Mohammad Baqir al-Hakeem, Martyr Syed Muhammad al-Sadr and Syed Kamal al Haideri.

List of works

Baqir Al Sadr was a prolific writer. He has written on various aspects of Islam. We present here the list of his works contributed in the following fields.

Jurisprudence

- I. *Buhuth fi Sharh al- 'Urvah al' Wuthqa* (Discourses on the Commentary of al- 'Urvah al-Wuthqa), 4 volumes.
- II. *Al-Ta'liqah 'ala Minhaj al-Salihin* (Annotation of Ayatullah Hakim's Minhaj al-Salihin), 2 volumes.
- III. *Al-Fatawa al-Wazihah* (Clear Decrees).
- IV. *Mujaz Ahkam al-Hajj* (Summarized Rules of Hajj)
- V. *Al-Ta'liqah 'ala Manasik al-Hajj* (Annotation of Ayatullah Khui's Hajj Rites).
- VI. *Al-Ta'liqah 'ala Salah al-Jumu'ah* (Annotation on Friday Prayer)

Fundamentals of the law

- I. *Durus fi Ilm al-Usul* (Lessons in the Science of Jurisprudence), 3 Parts.²³
- II. *Al-Ma'alim al-Jadidah lil-Usul* (The New Signposts of Jurisprudence).
- III. *Ghayat al-Fikr* (The Highest Degree of Thought)

Philosophy

Falsafatuna (Our Philosophy) Tr. English Shams C. Inti, Muhammad Trust of Great Britain and Northern Ireland 2 parts (available on Internet, www.al-islam.org/philosophy/1.htm)

Logic

Al-Usus al-Mantiqiyyah lil-Istiqrā' (The Logical Basis of Induction)

Theology

- I. *Al-Mujaz fi Usul al-Din: al-Mursil, al-Rasul, al-Risalah* (The Summarized Principles of Religion: The Sender, The Messenger, The Message).
- II. *Al-Tashayyu' wa al-Islam - Bahth Hawl al-Wilayah* (Discourse on Divine Authority).
- III. *Bahth Hawl al-Mahdi* (Discourse on Imam Mahdi)

Economics

Iqtisaduna (Our Economics)²⁴ Tr. English (WOFIS) (World Organization for Islamic Services) Tehran Iran, 1982, 2 vol.'s

Al-Bank al-Ribawi fi al-Islam Tr. Urdu, Islami Bank, Allama Zeeshan Haider Jawadi, Jamali Publication Mumbai, 1974.

Maqalat Iqtisadiyyah (Essays in Economy).

²³ This book has been translated into English twice: by Roy Mottahedeh as "Lessons in Islamic Jurisprudence" (2005) ISBN-13:978-1851683932 and anonymously as "The Principles of Islamic Jurisprudence According to Shi'i Law" 2003 ISBN-10:1904063128, ISBN-13:978-1904063124.

²⁴ Volume Ist of the Arabic version of this book has been translated into Urdu as Islami Iqtisadiat aur Jadid Iqtisadi Makatib by Allama Zeeshan Haider Jawadi, published by Sazmani Tabligat I Islami Rawabit Bainul Milal 1406 A.H.

Qur'anic commentaries

- I. *Al-Tafair al-Mawzu'i lil-Qur'an al-Karim - al-Madrasah al-Qur'aniyyah* (The Thematic exegesis of the Holy Qur'an).
- II. *Buhuth fi 'Ulum al-Qur'an* (Discourses on Qur'anic Sciences).
- III. *Maqalat Qur'aniyyah* (Essays on Qur'an).

History

- I. *Ahl al-Bayt Tanawwu' Ahdaf wa Wahdah Hadaf* (Ahl al- Bayt, Variety of Objectives Towards a Single Goal).
- II. *Fadak fi al-Tarikh* (Fadak in History).

Islamic Culture

- I. *Al-Islam Yaqud al-Hayah* (Islam Directive to Life).
- II. *Al-Madrasah al-Islamiyyah* (Islamic School)
- III. *Risalatuna* (Our Mission).
- IV. *Nazrah Ammah fi al-Ibadat* (General View on Rites of Worship).
- V. *Maqalat wa Muhazrat* (Essays and Lectures)

Articles

In addition to the above mentioned works, he has contributed significantly on diverse themes of Islam in the form of research articles, published in various reputed journals.

- I. “Al-'Amal wa al-Ahdaf” (The Deeds and the Goals): Min Fikr al- Da'wah. no. 13. Islamic Da'wah Party, central propagation, place and date of publication unknown.
- II. “Al-'Amal al-Salih fi al-Quran” (The Proper Deeds According to Qur'an): Ikhtarna Lak. Beirut: Dar al-Zahra', 1982.
- III. “Ahl al-Bayt: Tanawu' Adwar wa-Wihdat Hadaf” (The House Hold of the Prophet: Diversity of roles but unified goal). Beirut: Dar al-Ta'ruf, 1985.
- IV. “Bahth Hawla al-Mahdi (Thesis on Messiah)”. Beirut: Dar al- Ta'ruf, 1983.
- V. “Bahth Hawla al-Wilayah (Thesis on Rulership)”. Kuwait: Dar al- Tawhid, 1977.

- VI. "Da'watana il al-Islam Yajeb an Takun Enqilabiyah," (Our Call for Islam Must be a Revolutionary): Fikr al-Da'wah, no. 13. Islamic Da'wah Party, central propagation, place and date of publication unknown.
- VII. "Dawr al-A'imah fi al-Hayat al-Islamiyah" (The Role of Imams in Muslims' Life): Ikhtarna Lak. Beirut: Dar al-Zahra', 1982.
- VIII. "al-Dawlah al-Islamiyah" (The Islamic State), al-Jihad (14 March 1983): 5.
- IX. "Hawla al-Marhala al-Ula min 'Amal al-Da'wah" (On the First Stage of Da'wah Political Program): Min Fikr al-Da'wah. no. 13. Islamic Da'wah Party, central propagation, place and date of publishing unknown.
- X. "Hawla al-Ism wa-al-Shakl al-Tanzimi li-Hizb al-Da'wah al-Islamiyah" (On the Name and the Structural Organization of Islamic Da'wah Party): Min Fikr al-Da'wah. no. 13. Islamic Da'wah Party, central propagation, place and date of publication unknown.
- XI. "al-Huriyah fi al-Quran" (Freedom according to Quran)": Ikhtarna Lak. Beirut: Dar al-Zahra', 1982.
- XII. "al-Itijahat al-Mustaqbaliyah li-Harakat al-Ijtihad" (The Future Trends of the Process of Ijtihad): Ikhtarna Lak. Beirut: Dar al-Zahra', 1980.
- XIII. "al-Insan al-Mu'asir wa-al-Mushkilah al-Ijtima'yah" (The contemporary man and the Social Problem).
- XIV. "al-Janib al-Iqtisadi Min al-Nizam al-Islami" (The Economic Perspective of Islamic System): Ikhtarna Lak. Beirut: Dar al-Zahra', 1982.
- XV. "Khalafat al-Insan wa-Shahadat al-Anbia" (Vicory role of man, and Witness role of Prophets): al-Islam Yaqwod al-Hayat. Iran: Islamic Ministry of Guidance, n.d.
- XVI. "Khatut Tafsiliyah 'An Iqtisad al-Mujtama' al-Islami" (General Basis of Economics of Islamic Society): al-Islam Yaqud al-Hayah. Iran: Islamic Ministry of Guidance, n.d.
- XVII. "Lamha fiqhiyah Hawla Dustur al-Jumhuriyah al-Islamiyah" (A preliminary jurisprudence basis of the Constitution of the Islamic Republic): al-Islam Yaqwod al-Hayat Iran: Islamic Ministry of Guidance, n.d.
- XVIII. "Madha Ta'ruf 'an al-Iqtisad al-Islami" (What do you know about Islamic Economics). al-Islam Yaqwod al-Hayat Iran: Islamic Ministry of Guidance, n.d.
- XIX. "Manabi' al-Qudra fi al-Dawlah al-Islamiyah" (The Sources of Power in an Islamic State). Al-Islam Yaqwod al-Hayat Iran: Islamic Ministry of Guidance, n.d.
- XX. "Al-Mihna" (The Ordeal). Sawt al-Wihdah, no. 5, 6, 7. (n.d).
- XXI. "Minhaj al-Salihin" (The Path of the Righteous). Beirut: Dar al- Ta'aruf, 1980.

- XXII. “Muqaddimat fi al-Tafsir al-Mawdu'i Lil-Quran” (Introductions in Thematic Exegesis of Quran). Kuwait: Dar al- Tawjyyh al-Islami, 1980.
- XXIII. “Nazarah 'Amah fi al-'Ibadat” (General Outlook on Worship): al-Fatawa al-Wadhiha. Beirut: Dar al-Ta'aruf, 1981.
- XXIV. “Al-Nazriyah al-Islamiyah li-Tawzi' al-Masadr al-Tabi'iyah” (Islamic Theory of Distribution of Natural Resources): Ikhtarna Lak. Beirut: Dar al-Zahra', 1982.
- XXV. “al-Nizam al-Islami Muqaranan bil-Nizam al-Ra'smali wa-al- Markisi” (The Islamic System Compared with The Capitalist and The Marxist Systems). Ikhtarna Lak. Beirut: Dar-al Zahra', 1982.
- XXVI. “Risalatuna wa-al-Da'wah” (Our Message and Our Sermon). Risalatuna. Beirut: al-Dar al-Islamiyah, 1981.
- XXVII. “Al-Shakhsiyah al-Islamiyah” (Muslim Personality): Min Fikr al-Da'wah al-Islamiyah (Of the Thoughts of Islamic Da'wah). no. 13. Islamic Da'wah Party, central propagation, place and date of publication unknown.
- XXVIII. “Surah 'An Iqtisad al-Mujtama' al-Islami” (A Perspective on the Economy of Muslim Society). Al-Islam Yaqwod al-Hayat Iran: Islamic Ministry of Guidance, n.d.
- XXIX. “al-Usus al-Amah li-al-Bank fi al-Mujtam al-Islami” (The General Basis of Banks in Islamic Society). in al-Islam Yaqwod al-Hayat Iran: Islamic Ministry of Guidance, n.d.
- XXX. “Utruhah al-Marja'iyah al-Salihah” (Thesis on Suitable Marja'iyah). In Kazim al-Ha'iri, Mabahith fi 'Ilm al-Usul. Qum, Iran: n.p., 1988.
- XXXI. “al-Yaqin al-Riyadi wa-al-Mantiq al-Waz'I” (The Mathematic Certainty and the Phenomenal Logic): Ikhtarna Lak. Beirut: Dar al-Zahra', 1982.
- XXXII. “Preface to al-Sahifah al-Sajadiyah” (of Imam Ali ibn Hussein al-Sajad) Tehran: al-Maktabah al-Islamiyah al-Kubra, n.d.

Chapter Two

Evolution of Islamic Economic Thought and Baqir al-Sadr:

Early Development in Islamic Economics:

Evolution of Islamic economic thought can be traced back to the earliest period of Islam. Right from the prophet's period, economic issues have been addressed from different perspectives by various authors, in the context of different disciplines and in response to the need of respective times in the Islamic history. In the early Islamic economics five different dimensions of analysis are broadly identified. First, economic issues have been discussed by Mufassirin in the light of the holy Quran, For instance, discussions on the prohibition of usury and the encouragement of economic activities for human welfare. Second; economic issues have been discussed in the light of Fiqh. For example the legal aspects of Mudharibah and Musharikah have been dealt within this discipline in some great detail. Third; economic matters have been discussed by Muslims in the light of ethical system of Islam for moral development. The works of 'Ulama, Sufis, Muslim philosophers and reformers come under this category. Fourthly, some good pieces of works, related to economics have been written by some great scholars of Islam in response to the needs of their times while holding important government offices. The works related to public finance, public revenues, land tax, public expenditure fall under this category. The book Kitab al Kharaj by Imam Abu Yusuf is one such example. Finally some Islamic Scholars and philosophers have provided objective analysis in the field of economics. The analysis made by Imam Ghazzali, Ibn Taimiyah and Ibn Khaldun fall under this category.

The economic activities practiced in the early Islamic period had a clear basis in the overall ethical and social philosophy of Islam. It was based on the guidance of

Islamic Shariah with the aim of promoting public interests. The general principles were derived from the verses of the holy Quran and the necessary details and guiding principles were provided by the holy prophet. The economic system at the times of the prophet was not very complex. The prophet lived in a tiny state of Madinah and his economic policies were simple. After his demise (d.632 C.E.) the Islamic state crossed the boundaries of Arabian Peninsula, especially during the reign of caliph ‘Umar (d. 644 C.E.), this made imperative the need for an organized system which could effectively tackle the new economic challenges. Thus, in the light of the verses of the holy Quran and Sunnah of the prophet, various rules were adopted after mutual consultation (Shura) and consensus (Ijma) of the companions of the prophet. The main thrust of the consensus was that policies adopted must be based on the basic principles of Shariah and guided for the public interest.

Thus two more sources on Islamic economics got developed besides the holy Quran and the Sunnah of the prophet. These were consensus of the opinion and analogical reasoning of experts of Islamic law for the public interest. Afterwards, society expanded and gradually became more complex, newer and newer problems of personal, social, political economic and international nature raised their heads. The need then arose to carry an earnest research to find out the solutions of these problems in the light of the Quran and the Hadith and so was evolved al-Fiqh. The Fiqh did not remain confined to ablution, fasting, Hajj and Zakat but also encompassed other aspects of society including economics. This state of affairs continued during the period of Khulfai-Rashdin and Umayyads till the advent of Abbasids, when economic matters were given due importance and were attended with great care. It was in this period that many books on economic matters particularly on financial policy of Islam were written.

It is beyond the scope of this work to present Muslim economic thought over fourteen centuries, therefore, for the sake of convenience in the present study the economic history of Islam has been divided into various stages and a few representatives from each stage have been concisely discussed.

The Quran and Hadith being the divine sources cannot be included in economic thinking, because thinking is a human process, however it is necessary to throw some light upon their basic teachings in order to understand the basic principles that have been taken into consideration by Muslim thinkers while discussing the economic matters throughout the Islamic history.

Economic Teachings of the Holy Quran:

The Quran provides a series of values, guidelines and rules which serve as the basis for developing an appropriate economic system. The many positive values discussed in the Quran include; justice, honesty, moderation and kindness to the disadvantaged while as injustice, greed, extravagance, miserliness and hoarding are termed as negative values. The Quran permits trade and identifies some prohibited economic practices such as Usury, Misappropriation and gambling. There are more than two hundred verses in the Quran which in one way or another concern economics; including zakat, permissible and prohibited goods, wealth, ownership of property, trade, credit and debt, fraud, associations and contracts etc. There are five areas of economic behavior which are prominently mentioned in the Quran, these include; Justice and social responsibility, acquisition of wealth, distribution of wealth, the protection of the disadvantaged and regulation of transactions through contracts.

Justice and social Responsibility:

The Quran lays much emphasis upon maintaining justice in the society. Justice ('Adl) is to be upheld in all aspects of life including the economic one²⁵. Those who pursue economic affairs are exhorted to act fairly, truthfully, honestly and in a spirit of co-operation. They are being emphasized to provide a fair description of the goods involved in transaction and ensure that proper standard of measure are used²⁶. Those who commit acts of injustice are required to repent²⁷. They are being warned that their punishment in the life hereafter will be severe²⁸ and even in this world they will have to suffer.²⁹ Many of the prohibited acts in commerce and finance are described as unjust such as dishonesty, cheating, fraud, misrepresentation of things and theft³⁰.

The Muslim society is held responsible for maintaining economic justice both at individual and collective levels. This responsibility functions through the institution of "Enjoining what is right and forbidding what is wrong." (Al-amr bi-al maruf wa nahi an-al munkar) and is regarded by the Quran as essential to social cohesion.³¹

Acquisition of Wealth:

Quran highly encourages economic activities and direct Muslims to enjoy fully the bounties of Allah³². The Quran emphasizes repeatedly that all things in the universe belong to Allah. It is He who created them and allowed man to exploit them and placed them at his disposal³³. However, men should distinguish between

²⁵ Al-Quran: 4:58, 6:152, 11:84, 16:76, 42:15

²⁶ Ibid., 6:152, 7:85, 11:84-85, 12:59

²⁷ Ibid., 5:39

²⁸ Ibid., 39:24

²⁹ Ibid., 29:31

³⁰ Ibid., 82:1-6, 2:188, 3:16, 5:41, 4:10

³¹ Ibid., 7:157, 9:71

³² Ibid., 7:10, 34:15, 7:32

³³ Ibid., 2:29, 7:10, 13:3, 14:32-34

things lawful and unlawful. Qur'an ordains that wealth should be acquired by lawful means only and that unlawful ways and means should be discarded altogether: "O you who believe, take not your wealth among yourselves in wrongful ways, but let there be trade among you by mutual agreement"³⁴..."

These "wrongful ways" have been dealt at length by the holy Prophet and the great Jurists of Islam have elucidated them in the books of law. Some of them, however, have been described in the Qur'an as under:

- a. "And do not eat one another's property among yourselves in wrongful ways, nor seek by it to gain the nearness of the judges that may sinfully consume a portion of other men's goods and that knowingly"³⁵."
- b. "If one of you deposits a thing on trust with another let him who is trusted (faithfully) delivers his trust, and let him fear God, his Lord."³⁶,"
- c. He who misappropriates (the public money) will come on the Day of Judgment with what he has misappropriated; then shall everyone be given in full, what he earned."³⁷,"
- d. "The thief, male or female, cut off his or her hands."³⁸,"
- e. "Those who devour the property of orphans unjustly, devour fire in their bellies, and will soon endure a blazing fire."³⁹,"
- f. "Woe to the defrauders who, when take the measure from men, exact full measure, but when they measure or weigh for them, give less than is due."⁴⁰
- g. "Those who love that indecent thing should spread among the believers, for them is a painful chastisement, in the life of this world and the hereafter"⁴¹."

³⁴ Ibid., 4:29

³⁵ Ibid., 2:188

³⁶ Ibid., 2:283

³⁷ Ibid., 3:161

³⁸ Ibid., 5:41

³⁹ Ibid., 4:10

⁴⁰ Ibid., 83:1-3

- h. “Force not your slave-girls to prostitution that you may enjoy (some) gain of the present life, if they desire to live in chastity.”⁴² And approach not fornication, surely it is shameful deed and an evil way.”⁴³ “The adulterer and the adulteress, flog each of them with a hundred stripes⁴⁴.”
- i. “O ye believers, wine and gambling and idols and divining arrows are an abomination-of Satan’s handiwork; so avoid them that you may prosper⁴⁵.”
- j. “God has permitted trade and forbidden usury.”⁴⁶ “O ye believers fear God and give up what remains (due to you) of usury if you are believers (indeed). If you do not so, take notice of war from God and His Messenger. But if you repent you shall have your principal. Neither you wrong, nor shall you be wronged. If the debtor is in straitened circumstance, give him time till it is easy (for him to pay), and that you remit (the debt) by way of charity, that is the best thing for you, if you only knew.”⁴⁷

Thus Qur’an prohibits the following ways of acquiring wealth: taking ones property without his consent, bribes, forcible acquisitions, fraud, taking or giving wrong measure, business which spread indecency, prostitution, manufacturing buying selling and carriage of wines, gambling, manufacture buying selling of idols, and business like astrology, foretelling of faith, divination and usury.

Distribution of Wealth:

The Quran lays down a broader expenditure policy for fair distribution of wealth among the various sections of the society. The main objective of the Quranic

⁴¹ Ibid.,24: 19

⁴² Ibid.,24: 33

⁴³ Ibid.,17:32

⁴⁴ Ibid.,24:2

⁴⁵ Ibid., 5:93

⁴⁶ Ibid 2:275

⁴⁷ Ibid.,2:278-280

principle of distribution is to avoid the concentration of wealth in a few hands⁴⁸. The Quran repeatedly commands the faithful to give to the poor and needy⁴⁹, to one's parents and relatives⁵⁰. Further it states that the reward for such a deed is great⁵¹. It links this giving to belief and warns of severe punishment for those who do not act generously⁵². Distribution of wealth and its prohibition of concentration are further reinforced by the laws of inheritance that the Quran explains⁵³. Therefore, the Quran wishes that the wealth should remain always in circulation. On account of it the Quran criticizes stinginess and miserliness,⁵⁴ while as moderation is encouraged⁵⁵, hoarding of wealth is strongly prohibited and those who disobey are warned of hell fire⁵⁶. Similarly squandering property is also prohibited; in fact the society must prevent individuals from wasting their wealth⁵⁷. Likewise extravagance is linked to corruption⁵⁸ with severe punishment to follow⁵⁹. In the same vein individuals should not spend on prohibited goods or acts such as illicit sex, alcohol or anything that leads to the corruption of society or injury to others.⁶⁰

Non Exploitation of the Disadvantaged:

According to the Holy Quran, wealth should be acquired by engaging in socially beneficial activities which take into account the needs of the weaker sections of the society. On account of it Quran prohibits usury because, it leads to the exploitation

⁴⁸ Ibid., 2: 83

⁴⁹ Ibid., 2:271

⁵⁰ Ibid., 2:83

⁵¹ Ibid., 92:5-7

⁵² Ibid., 74:42-44

⁵³ Ibid., 4:7-12

⁵⁴ Ibid., 53:33-34, 59:9

⁵⁵ Ibid., 17:29

⁵⁶ Ibid., 9:34-35

⁵⁷ Ibid., 4:5

⁵⁸ Ibid., 2:60, 7-74

⁵⁹ Ibid., 7:86, 13:25

⁶⁰ Ibid., 24:33, 5:93, 2:75

of the economically weaker people; the prohibition of usury is mentioned in four different contexts in the Quran. First, it emphasizes that usury strips wealth of Allah's blessing⁶¹. Second, it condemns usury equating it with wrongful appropriation of property⁶². Third, it commands Muslims to avoid usury⁶³ & fourth, it establishes a clear distinction between usury and trade, urging the believers to take only the principle sum and to forgo even this, if the believer is unable to repay⁶⁴. Increase of wealth by means of usury is forbidden on the ground that it is unjust and exploitative.⁶⁵

While giving a deep rooted nature of usury in Jahiliya and early Muslim society, the Quran declares that, those who transgress should be ready for the wrath from Allah and His prophet⁶⁶. Since usury occurs largely due to debts, the creditor is commanded to give additional time to the debtor in case the later is facing financial difficulties, without charging any interest⁶⁷.

Regulation of Transactions Through contracts:

In order to regulate the economic activities in the society, the Quran insists that transactions must be governed by rules so that there will remain no disputes among the people. For instance, to avoid misunderstanding or injustice, contracts should be written along with witnesses⁶⁸. The Quran commands believers to fulfill promises⁶⁹ and contracts⁷⁰ and emphasizes that this is a duty for which they shall

⁶¹ Ibid., 30-39

⁶² Ibid., 4:161

⁶³ Ibid., 3:130

⁶⁴ Ibid., 2:275-280

⁶⁵ Ibid., 2:279

⁶⁶ Ibid.

⁶⁷ Ibid., 2:280

⁶⁸ Ibid., 2:282

⁶⁹ Ibid.,6:152,16:91, 17:34

⁷⁰ Ibid.,5:1, 23:6

be rendered accountable on the Day of Judgment.⁷¹ Honoring of obligation is a hall mark of the believers⁷². On the other hand violation of one's commitment is prohibited⁷³. Believers are also commanded to pay their debts⁷⁴, give full measure⁷⁵, return what is entrusted to them⁷⁶ and avoid fraud and cheating.⁷⁷

In this way a full-fledged economic system based upon equity and justice can be formulated by properly seeking the guidance from the Holy Quran.

Economic Teachings of Prophet Muhammad:

There are numerous Ahadith, of Prophet Muhammad (Pbuh) which deals with various aspects of economics. Some of the chief economic issues discussed in Hadith include; ownership of property, earning one's livelihood, development of land, wages, profit, capital, consumer behavior, Market mechanisms, partnerships and business transactions. Most of these Ahadith are the explanation of the Quranic verses related to economics. Both the Quran and the Ahadith provide necessary guidelines and rules which can help in developing an economic system based upon equity and Justice.

The holy prophet actively participated in supervising economic activities in the society. He would often visit market places in order to find out the real nature of transactions occurring there. He would advice his companions to be fair while making any business deal.

It is narrated on the authority of Abu Huraira that the Messenger of Allah happened to pass by a heap of eatables (corn) He thrust his hand (in that heap) and

⁷¹ Ibid., 17:34

⁷² Ibid., 17:34

⁷³ Ibid., 2:227

⁷⁴ Ibid., 3:75

⁷⁵ Ibid., 6:152, 7:85, 11:84-85, 17:35, 26:181

⁷⁶ Ibid., 2:283, 4:58

⁷⁷ Ibid., 26:181

his fingers were moistened. He said to the owner of that heap of eatables (corn). “What is this”, He replied, “Messenger of Allah, these have been drenched by rainfall.” He (the prophet) remarked, “why did you not place this (the drenched part of the heap) over the eatables so that the people could see it? He who deceives is not of me (is not my follower)⁷⁸.

In another Hadith, prophet has remarked that the defects of goods should be clearly revealed.

Uqba bin Amir reports, I heard the Messenger of Allah saying, “Muslims are brothers to each other. It is not lawful for a Muslim to sell something (to his brother) which contains some defects except what he reveals to him”⁷⁹.

In fact prophet has remarked that one who does not wish for his brother as he wishes for his own self is not a true believer.

It is narrated on the authority of Anas bin Malik that prophet observed, “No one amongst you believes (truly) till one likes for his brother or for his neighbor what he loves for himself”⁸⁰.

Islam guarantees the right to ownership private property and prophet has ordained the Muslims to safe guard their property. He has also made a distinction between private and public property.

Abu Huriara reports, a person came to the Messenger of Allah and said.” Messenger of Allah, what do you think of a man who comes to me in order to grab my possession”? He said: “Don’t surrender your possession to him.”He (the

⁷⁸ Imam Muslim, Sahih Muslim, Arabic English, Tr. English, Abdul Hamid Siddiqi, Adam Publishers and Distributors, New Delhi, 2006, Vol.,1, H. no. 186.

⁷⁹ Ibn Majah ,Bk.12 ,(al-Tijarah), CH. 15, Cf, Economic Teachings of Prophet Muhammad, Mohammad Akram Khan, Noor Publishing House Delhi, 1992,

⁸⁰Imam Bukhari,Sahih Bukhari, Arabic English Tr. English, Muhammad Muhsin Khan, Maktaba Dar al Salam publishers and Distributors, Riyadh ,Saudi Arabia ,1994, H. No. 13.

inquirer) said: if he fights with me?” He (the prophet) remarked; then, fight (with him)”. He (the inquirer) again said: “what do you think if I am killed? “ He (the Prophet) observed: “you will be a martyr.” He (the inquirer) said.” Messenger of Allah, what do you think of him, (if) I kill him”. He (the Holy Prophet) said, “He would be in the fire.”⁸¹

In another Hadith Abdullah bin Amir Says that prophet has said, “He who dies in protecting his property is a martyr.”⁸²

To prevent cheating, injustice, dishonesty and exploitation, prophet has forbidden certain unethical trade practices, these practices were prevailing in Jahiliya Arabia.

Abu Hurraira reports that Allah’s Messenger has forbidden (two types of Transactions) Mulamasa nad Munabatha.⁸³

Abu Hurraira also reports that Allah’s Messenger has forbidden a transaction determined by throwing stones⁸⁴ and the type which involves some uncertainty (Bay al Gharar).⁸⁵

Abdullah ibn ‘Umar narrates that, Allah’s messenger forbade the sale called Habal-il-Habala which was a kind of sale practiced in the Jahiliyah period, in which one

⁸¹ Sahih Muslim, op.cit., vol.1, H. No.259.

⁸² Ibid., H. no.260

⁸³ Mulamasa; means that a man touches another’s garment or cloth or anything else without turning it over and Munabatha; means that a man throws his cloth to another, and the other throws his cloth to the first, thus confirming their contract without inspection or mutual agreement. Sahih Muslim, op.cit.,5, H. no. 1511.

⁸⁴ This is a type of transaction which was prevalent in the markets of Jahilia Arabia. The transaction was done by throwing a stone either by the seller or by the purchaser and whatever the stone touched it transaction became binding.

⁸⁵ Bay al Gharar; one might translate this as arbitrary contract of sales, but this is not the only term to which it is applied. This type of transaction intended, is one in which there is no guarantee that the seller can deliver the goods for which he receives payment. It could include such items as selling a runaway slave or fish which one has not caught.

would pay the price of a she camel which was not born yet, but was likely to take birth.⁸⁶

Ibn ‘Umar narrates that, Allah’s Messenger forbade Muzabana and Muzabana is the selling of fresh dates for dried old dates by measure, and the selling of dried grapes for fresh grapes by measure.⁸⁷

Abu Bakr narrates that Allah’s Messenger said, “Do not sell gold for gold unless equal in weight, nor silver for silver unless equal in weight (and from hand to hand), but you could sell gold for silver or silver for gold as you like.”⁸⁸

It is also, forbidden to enter into transaction when somebody is already bargaining.

Ibn ‘Umar reports that Allah’s messenger has said, “One among you should not enter into transaction when somebody is already bargaining”⁸⁹.

Prophet has prohibited interception of goods before they reach the market. The seller of a commodity should be allowed to go to the market so that he can observe the actual situation there. Accordingly, he can sell his goods.

Ibn ‘Umar reports that Allah’s Messenger said: Do not go out to meet merchandise in the way, (wait) until it is brought unto the market”⁹⁰.

While making any business deal, both parties should get fully satisfied. The seller and the buyer can break the deal (if any of them wishes) before they depart from one another. But that too should be done in a beautiful way, besides both the parties are advised to be truthful in their sayings. If both are truthful and honest they will be blessed in their sale. But if they are secretive and tell lie then the

⁸⁶ Sahih Bukhari op.cit., H. no. 1022

⁸⁷ Ibid., H. no 1027

⁸⁸ Ibid., H. no 1029

⁸⁹ Sahih Muslim ,op.cit.,vol. ,4, H. no. 1412

⁹⁰ Ibid., vol., 5, H. no. 1517

blessing of their sale will be destroyed. Hakim bin Hazam narrates that, Allah's Messenger said, "The seller and the buyer have the right to keep or retain goods as long as they have not parted or till they part; and if both the parties speak the truth and describe the defects and qualities (of the goods) then they would be blessed in their transaction and if they tell lie or hide something, then the blessings of their transaction would be lost."⁹¹

In another Hadith Abu Hurraira reports that Allah's Messenger said, "He who bought a goat having its udder tied up should go back with it, milk it, and if he is satisfied with its milk, he should retain it, otherwise he should return it along with a measure of dates".⁹²

While economic activities have been highly encouraged by the holy prophet at the same time much emphasis have been laid on earning livelihood with one's own hands consider the following Ahadith.

'Urwa 'ibn Abu-al Jad al-Baraqui reports that the prophet of Allah gave him a dinar to purchase for him a scarified animal or a goat. He purchased two goats. He sold one of the two for a dinar and came to him with a goat and a dinar. He (the prophet) prayed for him for blessing in his business. The effect was that if he would deal in mud i.e. something valueless he would earn a profit on it".⁹³

Another Hadith is reported by Zubair (bin Awwam) The prophet said, "It is better for any one of you to take a rope (and cut) and bring a bundle of wood (from the

⁹¹ Sahih Bukhari, op.cit., H. no. 996

⁹² That is a compensation of the milk consumed by the buyer. According to Imam Abu Hanifah the price of milk can also paid as compensation. Sahih Muslim, op.cit vol-5, H. no. 1524.

⁹³ Abu Dawud, BK, 22, al-Buyu ,Ch-28 ,Cf, Economic Teachings of Prophet Mohammad, Mohammad Akram Khan, Noor Publishing House Delhi, 1992, p. 72.

forest) over his back and sell it and Allah will save his face (from the Hell fire) because of that, rather than to ask the people who may give him or not.⁹⁴

In another Hadith which is narrated by Al-Miqdam, prophet has said, “nobody has ever eaten a better meal than that which one has earned by working with one’s own hands. The prophet of Allah Dawud (David) used to eat from the earning of his manual labor.”⁹⁵

On one hand earning livelihood with one’s own hands has been encouraged on the other, earning livelihood through begging has be disliked. Prophet has remarked, “when a man is always begging from people, he would meet Allah (in a state) that there would be no flesh on his face.”⁹⁶

Poverty is discouraged in Islam. Prophet has disliked it. Abu saeed Khudri reports, Allah’s Messenger (Pbuh) as praying, “Allah, I seek thy refuge from infidelity and destitution.” There upon a person asked: Are both (the things) equal, the prophet said, “Yes”.⁹⁷

Similarly earning through stealing and prostitution has also been prohibited Abu Hurraira reported that prophet has said: no plunderer who plunders a valuable thing that attracts the attention of people is a believer, so long as he commits this act.⁹⁸

Rafi b. khadij reported, Allah’s messenger as saying; the price of a dog is evil and the earning of a prostitute is evil.⁹⁹

Similarly much emphasis is laid in Hadith on spending in the way of Allah. Those who do not act generously are warned against a severe punishment. It is narrated

⁹⁴ Sahih Bukhari,op.cit., H. no. 749.

⁹⁵ Ibid., H. no. 993

⁹⁶ Sahih Muslim,op.cit., vol. 3 H. no 1040.

⁹⁷ Abu Dawud ,BK. (40), al-‘Adab CH.10, Cf, Mohammad Akram Khan op cit. p. 216.

⁹⁸ Sahih Muslim, op.cit, vol., 1, H.no. 107.

⁹⁹ Ibid., H. no.46

on the authority of Abu Hurriara, Allah's Messenger has said, "whosoever is made wealthy by Allah and does not pay Zakat of his wealth, then on the day of Resurrection his wealth will be made like a bald headed poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and will say, "I am your wealth, I am your treasures."¹⁰⁰

Spending in the way of Allah is a means to acquire Allah's blessings it is narrated by Asma bint Abu Bakr that the prophet Said, "Do not shut your money bags, otherwise Allah too will hold his blessings from you. Spend (in Allah's cause) as much as you can afford."¹⁰¹

On one hand spending in the way Allah has been highly encouraged. On the other keeping something at disposal has been also considered good.

Abdullah bin 'Umar reports that the Messenger of Allah Said, "The upper hand is better than the lower one, the upper being the one which bestows and the lower one which begs."¹⁰²

In another Hadith Hakim bin Hazam reports, Allah's Messenger saying this, "The most excellent Sadaqa is that after giving which the giver remains rich and the upper hand is better than the lower hand".¹⁰³

Muslims have been emphasized to live a simple and moderate life. They should prefer the life hereafter over the worldly life and should not merely run after the worldly possessions.

Umm Salma, the wife of Allah's messenger has said, "He who drinks in the vessel of silver, in fact drinks down in his belly the fire of Hell."¹⁰⁴

¹⁰⁰ Sahih Bukhari, op.cit., H. no. 707

¹⁰¹ Ibid., H. no. 725

¹⁰² Ibid., H. no. 722

¹⁰³ Ibid., H. no. 721

Anas reports that Allah's Messenger has said, "If the son of Adam were to possess two valleys of riches, he would long for the third one. And the stomach of the son of Adam is not filled but with dust. And Allah forgives those who repent".¹⁰⁵

Economic thinking of Eminent Jurists, Sufis and philosophers up to 450A.H:

In this period the economic issues were discussed by fuqaha followed by Sufis and philosophers. Since the focus of fiqh is what is required by Shari'ah, therefore, the fuqaha have discussed economic issues in the light of that context only. They have focused upon the principles of permissions (Halal) and prohibitions (Haram) rather than providing descriptions and explanations of economic events of life. Some of the chief economic issues discussed in this period include; Mudaraba, Musharika, Muzariah, Mulamatha, Munabatha, Bay al-Gharar etc.

Some of the important jurists of this period are Zaid b. Ali(d.120/738), Abu Hanifa (d.150/767) Awzai(d.157/774), Imam Malik (d.179/798), Abu Yusuf (d.198/798), Muhammad bin Hassan al Shaybani (d.189/804), Yahya bin Adam (d.203/818), Shafi (d.204/820), Abu Ubayd(d.224/838), Ahmad bin Hanbal (d.241/855), Yahya bin Umar(d.289/902), Qudama bin Ja'far (d.337/948), Abu Ja'far al Dawudi (d.402/1012), Mawardi (d.450/1058), Ibn Hazm (d.456/1064), Abu Yala (d.458/1066) and al-Imam al-Haramain al Juwayni (d.478/1085).

The Sufis have talked about economic life in terms of Zuhd (asceticism) they have given less importance to the material world and have focused upon unselfish service to Allah's creatures. Some of the important Sufis of this time include Hassan al-Basri (d.110/728), Ibrahim bin Adham (d.161/874), Fudzyl bin Ayad (d.187/802), Maruf Karkhi (d.200/815) and Dhunmun Mirsi (d.245/859).

¹⁰⁴ Sahih Muslim, op.cit., vol.1, H. no 249

¹⁰⁵ Ibid., Vol. 3, H. no. 1048

Among the philosophers the mention may be made of Ibn Miskawiyh(d.421/1030),al-kindi(d.260/873),al-Farabi (d.339/950) and Ibn Sina (d.428/1037)

Imam Abu Yusuf (113-182 A.H./731-798 C.E.):

An emphasis on the economic responsibility of the rulers has been a recurrent theme of Islamic economic thought since the early times of Islam. This happens to be the focal point of Imam Abu Yusuf who served as the chief Justice under the Abbasid caliph Harun al Rashid.¹⁰⁶ His book entitled Kitab al Kharaj¹⁰⁷ is written in response to the caliph's queries on the state of religious precepts dealing with taxation problems, revenue administration and public expenditure. He writes, "The commander of the faithful (Amir al Muminin) asked me to prepare for him a comprehensive book to be used for the purpose of the collection of legal taxes, a book for him to study and act upon designed to overt oppression on his subjects and serve their interests".¹⁰⁸

While writing on the subject of revenue collection Abu Yusuf prefers the state to take a proportional share on agricultural produce from the cultivators rather than levy a fixed rent on agricultural land. This was more just and likely to yield larger revenue by facilitating the expansion of the area under cultivation. Advocating the need of adopting the proportional method, he writes, "In my view the best system of taxation for generating more revenue for the treasury and the most adequate one to prevent injustice to the tax payers by tax collectors is the proportional agricultural tax. This system will alleviate injustice to the tax payers and benefit

¹⁰⁶ Yaqub bin. Ibrahim Abu yusuf (731-798 C.E.), was a scholar of high degree and served as chief justice under Abbasid Caliph Mahdi (d. 785 C.E.) and his son Harun (d. 809 C.E.)

¹⁰⁷ The book kitab al Kharaj of Imam Abu Yusuf was first published in 1885 from Cairo-Egypt. It has been translated into English, French, Italian, Turkish and French languages.

¹⁰⁸ Abu yusuf, Kitab al Kharaj Beirut: Dar al-M'arifah, 1979, p.3

the treasury”¹⁰⁹ He also emphasis upon the ruler to adopt such policies that could secure the well being of the people and increase the general prosperity and welfare of his subjects. He observes that the work for general utility should be provided publically and free of any direct charge. He holds that all expenses occurring on the provision of public works such as construction of walls, bunds on the river banks to prevent floods and other developmental projects should be borne by the state. For the provision of better irrigation facilities to agriculture, his suggestion to ruler runs thus. “If these projects are likely to result in improvement and increase in Kharaj, you should order digging of these canals, all expenses are to be met out of the public treasury. Do not charge the expanses from the people of the area because it is better that they should be developed rather than ruined. Every request from the kharaj paying people for repairs etc involving improvements and betterment in their lands and canals should be granted as it does not harm others”.¹¹⁰ However, if the project is for the benefit of a particular group, in such a case the cost will be properly charged. In regard to the cleaning works on privately owned canals he recommends,” the whole canal is to be cleared first and expenses should be charged from those who own it, in proportion to their shares in the canal.”¹¹¹

Abu Yusuf has a detailed discussion on the growth and development of the economy. He suggested various policy measures to be adopted by the state in order to increase the productivity of the land. According to him it is an obligation upon the ruler to arrange for the cleaning of ancient canals and excavation of new ones. He should also construct dams in order to increase the productivity of the land and income of the state. He clearly states, “The expenses of the upkeep of the walls on

¹⁰⁹ Ibid., p.50

¹¹⁰ Ibid., p.109

¹¹¹ Ibid., p. 11

the river banks to prevent floods and expenses of the dams and of the water locks must be borne by the state treasury and that they should be kept in order, as any malfunction will cause damage to agriculture and decrease the income from taxation.”¹¹²

Abu Yusuf provides a detailed discussion on the reclamation of dead and unclaimed land. About the ownership rights of these lands he holds that he who revives a dead land acquires the right of ownership to it and may continue to cultivate it or let it for cultivation, dig canals in it or otherwise, develop it for his benefit. He will have to pay Ushr Levy if the land is from Ushr category and Kharaj levy for Kharaj land.¹¹³ He highly emphasizes upon the cultivation of these lands and categorically recommends that these unused lands must not be kept idle. He holds, “These resources (un owned/waste lands) are like wealth which does not belong to anyone. A just ruler should grant them to someone who promotes the interests of Islam and spends the wealth for a good purpose.”¹¹⁴

Muhammad bin Hassan al-Shaybani (132-189 AH/750-804 C.E.):

Muhammad bin Hassan al Shaybani wrote a small tract on Kasb (earnings) entitled as al-Iktisab fi'al rizq al Mustahab,¹¹⁵(book on earning a clean livelihood); In this short tract he discusses different ways of earning one's livelihood. These ways include Ijarah (hiring out), Tijarah (trade), Zira'ah (agriculture), and Sina'ah (industry).¹¹⁶ The various sharia'h rules for conducting these activities are noted. The author also describes the good Muslim's consumption behaviour and

¹¹² Ibid., p.110

¹¹³ Ibid., p. 65

¹¹⁴ Ibid., p. 58

¹¹⁵ Muhammad bin. al-Hassan: Kitabal Iktisab fi al Rizq al- Mustahab, Beirut, Dar al Kutub al Islamiyah 1986 (Arabic).

¹¹⁶ Ibid., p.40

emphasizes the desirability of charitable giving on the one hand and the undesirability of begging on the other. He criticizes some Sufis who shun economic enterprise but do not hesitate in accepting food from others who earned it. He also emphasizes that one must earn enough to meet his own needs in moderation, as well as spend on others especially those, whose financial support is obligatory. Beyond this, one is free to earn and save or not to earn more.¹¹⁷ Muhammad's another book kitab al Asl¹¹⁸ discusses various types of transactions including Salam (prepaid order)Muharikah (partnership) Mudarabah (profit sharing).

yahya bin Adam(d. 818 C.E.):

Abu Zakariya Yahya bin Adam was the contemporary scholar of Imam Abu Yusuf. He also wrote a treatise on revenue administration entitled Kitab al Kharaj.¹¹⁹ The book contains Traditions relating to fiscal issues like the status of land, the problems of revenue collection, revival of dead unclaimed lands, matters related to the collection of sadaqat and Fay. The book contains six hundred forty Traditions on the subject of revenue administration. Yahya discusses some important fiscal issues in this book. About the revival of dead/unclaimed lands yahya holds that revival of land means that, one should open springs or ancient wells or conduct water to a land which was not cultivated or occupied by anyone before him and who cultivated or reclaimed it until it was fit for cultivation.¹²⁰ While emphasizing the importance of the revival of dead and unclaimed lands, Yahya holds that he

¹¹⁷ It may be noted that Muhammad came from a well to do family. Though he spent most of what he inherited, on academic pursuits. His senior colleague Abu Yusuf was quite well off as the chief Justice in the court of Harun al Rashid, but had a more modest beginning.

¹¹⁸ Muhammad b. al Hasan kitab al Asl, Karachi, Idara al Quran wa' l 'Ulum al Islamiyah, undated (Arabic).

¹¹⁹ Abu Zakariya Yahya b. Adam (757-818 C.E.) was a trustworthy compiler and transmitter of Traditions of Prophet. His kitab al Kharaj was preserved in manuscript form in the Arabic section of Bibliotheque Nationale, Paris and first published in 1928, from Cairo Egypt.

¹²⁰ Yahya, Kitab al Kharaj (Beirtu: Dar al Ma'arifah, 1979), p.90.

who revives a dead land has its right of ownership.” He cites a hadith of prophet, “The original rights of ownership in land are God’s and the prophets and then yours afterwards. But he who revives any dead land acquires the right of ownership to it.”¹²¹ Yahya also quotes Umar II, who wrote to one of his governors, “look into the state lands in your province and distribute them on the condition of crop sharing at half of the yield or even less, reducing the state’s share to one tenth. However, if the land is so infertile that nobody likes to cultivate it even to one tenth, give it for nothing, if even then there is no body to accept, spend on its cultivation from the public treasury so that no land under your control is neglected.”¹²²

However, if someone fails to cultivate a dead land, his claim on it becomes null and void. In such a precedent, Yahya reports that caliph Umar took away a land from Bilal (a companion of the prophet) when he failed to cultivate it and divided it among Muslims¹²³. Yahya in his discussion on the status of conquered lands holds that the land taken forcibly from the enemy is at the disposal of the ruler, who using his discretionary power may make it a permanent source of income by leaving it in the hands of its subjects.¹²⁴

Abu Ubayd (d.838 C.E.):

Abu Ubaid’s, *Kitab al Amwal* is a comprehensive work on public finance in Islam.¹²⁵ This book is not only a treatise on fiscal system of Islam but, it is also a treasure of information concerning laws, history, geography, administration and

¹²¹ *Ibid.*, p. 85

¹²² *Ibid.*, p. 63

¹²³ *Ibid.*, p.93

¹²⁴ *Ibid.*, p. 19

¹²⁵ Abu Ubayd al Qasim bin.Sallam (774-838 C.E.), was an eminent scholar of Quran, Hadith and Islamic law. His book is the most comprehensive work on the subject of economics it contains about two thousand (1998) items on fiscal issues.

Jurisprudence. The book contains ninety three chapters in total. It is a good source of authentic Traditions from the prophet and the reports from his companions and those who followed them, on economic matters.

While dealing with any issue, Abu Ubayd usually refers to the verses of the holy Quran, narrates Traditions of the prophet and practices of the pious caliphs and examines their various interpretations, putting out their strength or weakness, then gives his own opinion. While expressing an opinion, he gives reasons for preferring one opinion over the other. Overall the entire book can broadly be divided into two major parts, Part first starting from item number 1 to 895 deals with those sorts of revenue which are imposed upon and received from the non Muslim citizens of the Islamic state that is 1/5th of the spoils of were, Jizya, Kharaj and different forms of Fay. It also discusses the problems related to them. Part second; (paragraph number 895 to 1988) undertakes Zakat, (the compulsory religious obligation upon the rich Muslims for their poor and needy brethren) and its different forms.

Qudamah bin Ja'far (d.932C.E.):

Qudamah bin jafar is the author of another book entitled Kitab al-Kharaj.¹²⁶ Qudamah served as a finance secretary under two Abbasid caliphs' al-Muqtafi and al-Muqtadir. Being personally involved in fiscal affairs, he wrote the book in the style of a government official and presented a summary of religious precepts of taxation as practiced in the first quarter of the tenth century. The book originally contains eight parts. Part seven of the book deals with and explains the matter of revenue and taxes. Qudamah has made Yahya's kitab al Kharaj and Abu Ubaid's Kitab al Amwal his source books. Besides these sources he also refers frequently to Abu Yusuf's Kitab al kharaj.

¹²⁶ A part of this book is translated by shemesh A. Ben as Taxation in Islam vol. 11, E.J Brill, Leiden 1965.

Abu Ja'far Nasr al-Dawudi (d.1012 C.E.):

Abu Ja'far Nasr al Dawudi was a scholar of the Maliki School of law. He also wrote a book entitled *Kitab al Amwal*.¹²⁷ This book is the specific work which treats the problems of taxation and land management from the stand point of Maliki fiqh. A distinctive feature of Abu Ja'far's book is its treatment of the status of land in the provinces of al-Ifriquyyah, Sicily & Spain focusing attention on the nature of the area in order to impose land taxes accordingly. A whole chapter of the book is devoted to the responsibility of the ruler to exercise control on the financial corruption among officials. As a whole the book reflects the religious and practical character of its time.

Mawardi (d.1058 C.E.):

Mawardi¹²⁸ wrote a treatise on government and administration entitled *Ahkam al Sultaniah*.¹²⁹ The chief issues discussed by Mawardi in this book include the duties of the ruler, public revenue and expenditure, public lands, common lands and the state's prerogative to make land grants and supervision of the market. Mawardi regards fulfillment of the needs of every member of the society as an economic moral and religious obligation of the ruler. He holds that supply of drinking water to the city and construction of city walls for the purpose of protection are among the socially obligatory duties of the ruler.¹³⁰ The financial assistance for marriage is also considered as a basic need to be fulfilled by the state. Al Mawardi also holds

¹²⁷ There is Ph. D thesis, "A critical Edition of *Kitab al Amwal* by Ja'far al Dawudi by Fili Najib (university of Exeter, U.K) 1989, unpublished) 2. Vols., 693 pp.

¹²⁸ Abu Hassan Ali b. Muhammad al-Mawardi (d. 1058 C.E.) was one of the most eminent jurist of Shaf'it school of Jurisprudence lived in Bagdad. He was contemporary to Hanbalit judge Abu Yala Muhammad b. Hussain al farra (d. 1065 C.E.).

¹²⁹ Al-Mawardi, *al-Ahkam al-Sultaniyah*, (Beirut: Dar al Kutub 1978.) 264 pp.

¹³⁰ *Ibid.*, p. 245

that financial assistance for the wedding expenses of orphan girls is also one of the duties of the ruler.¹³¹

Another book of Mawardi entitled kitab al Din wal Dunya¹³² is richer in its economic content because, it focuses on the behaviour of the Muslim individuals. In this book he discusses agriculture, animal husbandry, trade and industry¹³³ as the four ways of earning one's livelihood. He writes that it is alright to earn more than one needs for the fulfillment of one's basic requirements with the intention of spending on good cause. But earning money for the sake of it and in order to amass wealth and claim superiority to others on that basis is bad. There is simply no end to greed which is destructive of all virtue.¹³⁴ Besides these treatises Mawardi has left a voluminous works on Fiqh, al-Hawi, a part of which has been published under the title Mudarabah.¹³⁵ It is a comparative study of the various schools of Islamic law on the subject of profit sharing.

Ibn Hazm (d.456/1064 C.E.):

The vast scholarly work of Ibn Hazm¹³⁶ entitled Kitab al Muhalla¹³⁷ throws light on many important economic issues. Besides analyzing many fiscal issues, the book discusses in detail the financial administration of the state. Ibn Hazm also speaks about the responsibilities of the Islamic state towards the elimination of poverty and securing social justice. He has a clear view of the collective responsibilities of an Islamic society. He therefore, strongly advocates the rights of

¹³¹ Ibid., p. 16

¹³² Mawardi, kitab al Din wa 'al Duniya, Beirut: Dar Ihya 'al Turath al 'Arabi, 1979 (Arabic).

¹³³ Ibid., p. 107

¹³⁴ Ibid., p. 201

¹³⁵ Abd al Wahhab al 'sayyid al Siba'i Hawas (ed) al Mudarabah, Cairo, n.d. (Arabic).

¹³⁶ Abu Muhammad Ali: b. Abu Umar most commonly known as Ibn Hazm (1063C.E.) served as wazir to three different rulers. He was well informed on all the main currents of thoughts. He completed as many as four hundred works on jurisprudence, logic history and theology.

¹³⁷ Kitab al Muhalla, ed. Shakir Ahmad (Cairo: al. Muniriya, 1347 A.H) 8. Vol.'s.

the poor in the wealth of the rich and prosperous. After quoting many verses of the holy Quran and the sayings of the holy prophet Ibn Hazan observes that, it is the duty of the rich that they should meet the needs of the poor and the destitute of their village or town, and if the treasury is not sufficient to meet their needs, then the state has the right to take their surplus wealth, if necessary, by force to meet the needs of the poor people in the community¹³⁸. He further says that all the companions of the prophet have a consensus of opinion that if there is anyone hungry or naked or without shelter, it is incumbent upon the state to supply his needs from the surplus wealth of the rich (incase its own treasury is insufficient).¹³⁹

The second phase (450-850 A.H. /1058-1446C.E.):

In the second phase of the development of economic thought in Islam, Muslims started with the rich intellectual heritage left by their predecessors besides being directly influenced by the Quran and the Sunnah. At the same time they faced a political reality characterized by the disintegration of the central Abbasid rule and the division of the Islamic realm into regional powers largely based on force rather than people's consent. There was high level of corruption which was followed by moral disintegration. With the decaying moral fabric of the society the gap between the rich and the poor was also on an increase. The Muslim rulers were less serious in terms of their economic responsibilities towards their subjects. Therefore, they were often reminded of their duties towards their subjects by the Muslim scholars. This age is also characterized by the prosperity of the people with brisk trade practices between the people. People in this age were paying huge taxes and levies to the government with little curb on economic enterprise.

¹³⁸ Ibid., vol. 1, p. 156-158

¹³⁹ Ibid., p. 106

This age, also witnessed a good number of Jurists, Sufis and philosophers. Some of the noteworthy Jurists of this period include; Shamsuddun al Sarakshi (d.483/1090), Nizamul Mulk Tsui (d.485/1093), Imam Ghazzali (d.505/1111), Ibn Mas'ud al Kasani(d.578/1182), Shirazi,(d.589/1193), FakhruddinalRazi(d.606/1210), Najmuddin,(d.654/1256), Ibn Taimiyah (728/1328), Ibn Ukhuwa(d.729/1329), Ibn al Qayyam (d.751/1350), Muhammad bin Abdur Rahman al Habashi (d.782/1300), Abu Ishaq al-Shatibi (d.790/1388), Ibn Khaldun (d.808/1404) al Maqrizi (d.845/1441).

Similarly some of the great Sufis of this time who also made a deep impact on successive generations of Muslims are al-Qushayri (d.465/857), al-Hujwari (d.490/1096), Abul Qadir Jilani (d.564/1169), Farid al-din Attar (d.622/1252), Ibn Arabi (d.638/1240), Jalaludin Rumi (d.672/1274).

This period is also known for its towering philosophers like Ibn Baja (d.533/11380), Ibn Tufayl (d.581/1185), Ibn Rushd (d.595/1198).

All these jurists, Sufis and philosophers have touched the economic issues in one way or the other in accordance with their times and situations. However, the present work will only focus upon the few economic insights of Abu Hamid al-Ghazaali, Taqiuddin Abul Abbas Ahmad Ibn Taimyah and Ibn Khaldun.

Al-Ghazzali, (451-505 A.H. /1055-1111C.E.):

Economic thinking of the author of *Ihya-al-ulum al din*,¹⁴⁰ Abu Hamid al-Ghazzali¹⁴¹ is an integral part of his vision of a rejuvenating Islamic life. In his book *Ihya al Ulum al din*, he devotes a separate chapter for economic teachings of Islam under the title, “Earnings and trade and commerce.”¹⁴² Some of the important economic issues that he discusses in this book include buy and sale, advance payment money, lawful and unlawful ways of earnings, economic justice, economic behaviour and relation between economics and religion. According to Ghazzali there are four things necessary in earnings; earning through lawful means, justice, kindness and fear of religion¹⁴³. While discussing the principles of buy and sale, Ghazzali observes that, no transaction is valid with a minor, insane, slave or a blind man¹⁴⁴. However, Transaction with the slave becomes lawful with the permission of his master. Similarly, transaction with the blind man is lawful with the consent of his representative. It is also lawful to have transaction with unbelievers but it is unlawful to sell arms to them.¹⁴⁵

While analyzing the characteristic features of commodities for sale, Ghazzali observes that, the things for sale must be fit for transfer and must be known, fixed and certain. The contract for buy and sale must be expressed in clear and unambiguous terms. Intention plays an important part in it and no condition can lawfully be imposed by one party after the agreement is final.¹⁴⁶

Ghazzali also discusses advance payment of money and things. He observes that the conditions necessary in it are as the follows.

¹⁴⁰ Imam Ghazzali, *Ihya al-Ulum al Din*, Tr. English Al-Haj Mawlana Fazlul Karim, Islamic Book Services New Delhi, 1995.

¹⁴¹ Abu Hamid b. Muhammad al Ghazzali (1058-1111 C.E) born in Khurasan, is one of the eminent scholars of Islamic Science including; logic, philosophy and Sufism (Mysticism).

¹⁴² Al-Ghazzali, op. cit., p.45

¹⁴³ Ibid., p. 48

¹⁴⁴ Ibid., p. 49

¹⁴⁵ Ibid.,

¹⁴⁶ Ibid., p. 50

1. The quantity and the kind of the thing for which advance payment is made should be fixed.
2. The time and place of its delivery should be ascertained.
3. It should not be a precious or a rare thing like a precious jewel.
4. It should be an exchangeable commodity.
5. Its weight and time of delivery must be fixed.¹⁴⁷

While discussing the prohibition of interest, Ghazzali states that, interests arise only in two cases, in transactions of cash money, gold and silver and of food stuffs. Interest occurs in these two cases under two conditions; first sale is held on credit and not in cash; that is not to hand in hand transaction and second, more quantity is taken in lieu of the same kind of things. On account of this, it is unlawful to sell fixed quantity of gold or silver for a fixed quantity of more gold or silver. There is however, no fault in selling silver in more quantity in lieu of gold of less quantity, because they are different kinds of things and not of the same kind. It is also unlawful to receive in cash the value of a certain thing which is to be delivered in future. Similarly it is unlawful to exchange food stuffs of the same kind in cash or on credit. For instance a goat cannot be exchanged with mutton nor can wheat be exchanged with bread. It is also unlawful to exchange milk with milk products.¹⁴⁸ Ghazzali highly emphasizes upon maintenance of justice in business transactions, he strongly opposes ill economic practices like hoarding and monopolization of wealth, these practices leads market imperfections and hurts the interests of common people. He cites many Ahadith of prophet and stories of the pious persons in respect of the prohibition of hoarding. However, he allows,

¹⁴⁷ *Ibid.*, p. 51

¹⁴⁸ *Ibid.*, p. 48

hoarding of such kind of things which are not principle food stuffs for livelihood like saffron and medicines. He also allows hoarding of food stuffs provided their hoarding does not affect the general public. In this way Ghazzali has provided due regard to the interests of the common people.¹⁴⁹

Ghazzali regards trade and commerce as a trail for believers. He emphasizes that one should do good to others while persuing any economic activity. He remarks that one should not make much profit in business and considers it an Ihsan¹⁵⁰. However he is not against making much profit. It is better to buy at a higher price from a poor person and while purchasing from a rich person one may search for additional profit. He also regards payment of debt in a good manner as Ihsan¹⁵¹. It is better to go personally and pay the debt than to wait till it is demanded. He also remarks that one should not forget ones religion and hereafter, while one is in a state of business with others. If he forgets, he will be ruined and will be one of those who sell their next world in lieu of this world. His real capital is his religion and matters relating to the next world¹⁵².

Ibn Taimiyah (661-728 A.H/1263-1328 C.E.):

Taqiuddin Abu al Abbas Ibn Taimiyah was primarily an author on Hadith, but his contribution to Tafsir and Fiqh are no less significant. He also wrote extensively on logic, philosophy mysticism and comparative religions. His economic ideas are reflected from his works Al Hisbah fi al Islam¹⁵³ (public duties in islam) Al Siyasa al Shariah fi Islah al Ra,i wa,l Ra,iyah¹⁵⁴ (Shariah policies on Reforming the

¹⁴⁹ Ibid., p. 53

¹⁵⁰ Ibid., p. 57

¹⁵¹ Ibid.,

¹⁵² Ibid., p. 58

¹⁵³ Ibn Taimiyah, Al-Hisbah, fi al Islam Tr. English Muhtar Holland ed. Khurishid Ahmad, the Islamic foundation, 1982.

¹⁵⁴ Ibn Taimiyah, Al-Siyasa al Shariah fi Islaha al Rai wa'l Ra'iyah, Damascus Maktaba Dar al-Bayan, 1985.

Affairs of the Ruler and the Ruled).In his Al Hisbah fi al Islam(public duties in Islam)Ibn Taimiyah envisioned a well provisioned society organized on the basis of freedom of enterprise and private property with limits set by moral considerations and supervised by a just ruler enforcing Shariah and working for the welfare of the people. He describes the characteristic features of the Muhtasib in the following words, “The Muhtasib not only ordains the Friday congregation and other communal prayers. He also exacts truthful reports and the discharge of truths. He proscribes such abominations as lying and deceit, including the giving of small measure and weight and fraudulent practices in history commerce and religious matters etc.¹⁵⁵” In the third chapter of the book he discusses the issue of price control in detail. He observes that it is wrong to control prices if it involves injury to people and forces them without any justification to sell goods at a price not agreeable to them. He quotes Anas bin Malik(The companion of the prophet),who narrates, “The market price rose in the time of the messenger of God, on him be peace, and they said to him: Messenger of God; if only you would fix the prices! But he replied: God is The Taker, The Disposer, The Scourer and The Controller of prices .I very much hope that when I meet God, no one will claim against me for an injury, I have caused him in blood and property¹⁵⁶.”Ibn Taimiyah however, remarks that if the controlled prices involves just dealings between people and prevents them from doing unlawful activities, then it is not merely permissible but indeed obligatory. For instance when the owners of merchandise refuse to sell except for more than the reasonable value at a time people are in urgent need or when certain people have monopoly of particular commodities and goods are sold only to them and retailed by them. In these situations Ibn Taimiyah

¹⁵⁵ Ibn Taimiyah, al-Hisbah fi al Islam, op.cit. p., 29.

¹⁵⁶ Abu Daud and al Tirmidhi, Quoted from al-Hsibah fi al Islam op.cit. p.35.

emphasizes that prices must be controlled, so that people will not suffer¹⁵⁷. Another unique contribution of Ibn Taimiyah to Islamic economics is his emphasis upon partnerships based upon proportional shares, for example one third or one half. To take a fixed amount according to him would not constitute equity but rather injustice¹⁵⁸. Ibn Taimiyah also vehemently condemns improper economic practices that involve cheating, fraud or speculation. He quotes many sayings of prophet against the trade practices like Mulamasa, Munabatha and bay al Gharar. Similarly, he also condemns hoarding and other ill economic practices that leads market imperfections.¹⁵⁹

Ibn Khaldun(732-808/1332-1404 C.E.):

Ibn khaldun¹⁶⁰ was a historian and a social analyst. His Muqaddimah¹⁶¹ is one of the greatest works in social, political and economic analysis in the Islamic tradition. Some of the main economic issues that he discusses in this book are division of labour, money and prices, production and distribution, international trade, capital formation and growth, trade cycles, poverty and prosperity, population ,agriculture, industry and trade and macro economics of taxation and public expenditure. He defines commerce as a means to attempt to make a profit by increasing capital, through buying goods at a low price and selling them at a high price¹⁶². He regards profit as the value realized from human labor. He writes, “The

¹⁵⁷ Al Hisbah fi al Islam, op.cit. p.36.

¹⁵⁸ Ibid.,pp.40-41

¹⁵⁹ Ibid.,p.31

¹⁶⁰ Ibn Khaldun was born on May 1, 1332 A.H.in Tunis into an old Arab family of the Hadramout which had emigrated first to Spain, then to Morocco and finally settled in Tunisia. He received a thorough education in the theological and philosophical disciplines, taught at Madrasa of Tunis by outstanding scholars.

¹⁶¹ Ibn khaldun Muqaddimah (An Introduction to History ,Tr. English, Franz Rosenthal, ed. N J Dawood, Rout ledge and Paul, London ,1967.

¹⁶² Ibid.,p.309

part of the income that is obtained by a person through his own effort and strength is called profit.¹⁶³”

According to Ibn khaldun prices are determined in the market by the interplay of both supply and demand. He writes, “When goods are few and rare, their prices go up, on the other hand, when the country is near and the road safe for travelling, there will be many people to transport goods, thus they(goods) will be found in large quantities and the prices will go down.¹⁶⁴” He regards continued low prices as the main cause of business decline. He writes, “When the prices of any type of goods; food, clothing material or anything else that may bring in capital remain low and the merchant cannot profit from any fluctuation of the market affecting these things, his profit stops, if the situation continues for a long period. Business in this particular line slumps, no trading is done and the merchants lose their capital¹⁶⁵.”

Ibn khaldun observes that the division of labour plays a very important role for growth and development. He observes that civilization and its wellbeing as well as its business propensity depend upon productivity and propelling efforts of people in all directions according to their own interest and profit. The way in which the productive powers of people can be utilized is through cooperation. He notes that production of staple diet like wheat requires six to ten different kinds of services. By coming together to supply all these services men are able to produce a quantity many times more than the quantity needed for their consumption¹⁶⁶. In this way the surplus can be exchanged by the goods produced by others, thus leading to prosperity. He notes that the countries which have a surplus to trade with other

¹⁶³ Ibid.

¹⁶⁴ Ibid.,p.310

¹⁶⁵ Ibid.,p.311

¹⁶⁶ Ibid.,p.46

countries are more prosperous than the countries that have little to offer for international trade. He observes that more profit can be secured by withholding goods till the market prices are again high and by foreign trade¹⁶⁷. He strongly discourages hoarding. He observes that it can cause loss of profit. He writes, “Intelligent and experienced people in the cities know that it is inauspicious to hoard grain and wait for high prices....the reason may perhaps lie in the fact that people need food and they are forced to spend money on it. For things that are traded other than foodstuffs, people have no compelling need.... On things not really needed they spend their money willingly and eagerly and feel no attachment to the money they have spent.”¹⁶⁸

Ibn khaldun has a wide range of discussion on economic growth. He talks about different types of crafts and their development. According to him crafts can improve and increase only when people demand them. If the demand for a particular craft decrease, the people engaged with that craft becomes dishearten and their interest decreases and if the situation continues, this results into the disappearance of that craft. In fact development of civilization and the refinement of crafts are complementary to each other.¹⁶⁹

The Third Phase (850-1350AH/1445-1932 C.E.)

As we enter into this period, the decline in independent thinking had already yielded to stagnation. But there is a fresh stirring during the last two centuries in which a number of thinkers and reformers called for a return to the Quran and Sunnah for inspiration and guidance. Notable among these are Shah Waliullah (1114-1176A.H. /1703-1762C.E.), Muhammad bin Abdul Wahab (d.1206A.H.

¹⁶⁷ Ibid.,p.310

¹⁶⁸ Ibid.,p.311

¹⁶⁹ Ibid.,pp.316-317

/1787C.E.), Jamaluddin Afghani (d.1294A.H. /1897C.E.), Muhammad Abduh (d.1320A.H./1905 C.E.), Iqbal (d.1356A.H. /1938C.E.).

The Jurists in this period were generally speaking content with writing footnotes on the works of their eminent predecessors and issuing fatwa in the light of standard rules of their respective schools. Although the gates of Ijtihad had long being closed, there are numerous insights to be found in the works of jurists like Ibn Najaym (d. 970/1562) and Ibn ‘Abedin (d.1252/1836).

Similarly this period also witnessed the works of eminent Sufis like Sheikh Ahmad Sirhindi (d. 1034/1624) and a host of other writers. Among all the above mentioned scholars Shah Wali-ullah Dehlvi has significantly contributed in the field of Islamic Economics.

Shah Waliullah (1114-1176 AH-1703-1762 C.E.):

Economic ideas of Shah Waliullah¹⁷⁰ are found in his different works such as Hujjat Allah al-Balighah, al-Budar al-Bazigah, al-Tafhimat al-Ilahiyah and his numerous letters that he addressed to different rulers, notables and friends.

Starting from simple primitive village life to an international community, Shah Waliullah divides human society into four stages. These stages he calls as the stages of Irtifaqat. All his economic ideas are related to some way or the other to his concept of Irtifaqat or stages of socio-economic development.

Al-Irtifaq al Awwal (The First Stage of Socio-Economic Development):

In the Irtifaq al Awwal, man becomes acquainted with food stuffs suited for his physical constitution and learns how they are to be eaten and digested, besides the

¹⁷⁰ Qutub al Din Ahmad b.Abdur Rahim, more commonly known as Shah Waliullah Dehlwi (1702-1763 C.E.) ,lived during the Mughals rule in India.His economic ideas are mainly reflected from his Hujjat Allah al Baligah.In this work he explains the rationale of shariah rules for personal conduct and social organization.

ways of preparing and cooking them. He also becomes aware about different methods of cultivation, irrigation, harvest and preservation. He learns how to benefit from animals, their domestication and their use for different works such as ploughing the land, riding over them and benefiting from their milk, meat and wool. He also learns how to manufacture garments out of animal skin. In short this is an age of fulfilling the basic needs of food, shelter and clothing. In this stage the social organization is led by the person who possesses a higher quality of sound Judgment and powers to sub-ordinate others. There is a set pattern of rules to resolve the disputes among people. On intellectual level there are people who discover ways of socio-economic development according to their condition and other people become their followers.¹⁷¹

Al-Irtifaq al Thani (The second stage of Socio-Economic Development):

In this stage the various occupations of people are agricultural, grazing animals, acquiring the natural products of sea and land such as metals, trees, animals and different industries emerge such as; carpentry, Iron work, weaving etc. There is division of labour and specialization of work among people. The division of labour arises due to diverse needs of people which they cannot satisfy individually¹⁷². The division of labour and specialization may be on the basis of one's ability for doing a particular job or it may be incidental. For Instance; the son of a blacksmith takes the work of Iron work. Similarly, the person living close of the sea may take the profession of fishing¹⁷³. Shah Waliullah emphasizes that one should be very selective in choosing one's job. He should not follow the blind tradition of his family.¹⁷⁴ He advises municipal authorities that they should be vigilant to people's

¹⁷¹ Shah Wali Allah, Hujjat Allah al Balighah, Beirut, Dar al Fikr, New Delhi, Vol.2, P. 40.

¹⁷² Shah Waliullah, al Budur al Bazighah, Dabhel al Majlis al Ilmi, P. 50.

¹⁷³ Hujjatullah Balighah, op.cit., vol. 1, p. 43.

¹⁷⁴ Al- Budur, op. cit., p. 60.

selection of jobs and should exercise some type of control if necessary to ensure that they do not concentrate on few jobs, leaving the others unattended, and to check engagement of more people in production of luxuries and their involvement in socially undesirable production.¹⁷⁵

Division of labour and specialization lead to the need of exchange which can be done easily through an object that can be used as medium. This leads to the invention of money. Thus, it is the second stage of socio-economic development in which the use of money appears. According to Shah Waliullah, money should be a durable object and commonly accepted by people in their transactions.¹⁷⁶ He mentions that Gold and Silver are most suitable to be used as money. They are easily divisible into small pieces, their different units have similarity and are of great benefit to human physique and may serve as adoration¹⁷⁷.

While explaining the rationale of Shariah rules for prohibiting wrong ways of earning wealth, Shah Waliullah particularly takes up Gambling and Interest.¹⁷⁸ He notes that gambling amounts to acquiring wealth on the basis of people's ignorance, greed, false hopes and exposure to risks and uncertainties produced by these conditions. Similarly, interest is prohibited because; it creates disputes among people and is a source of hatred and envy among them. It also causes decline in agriculture and industry which are fundamental means of earning a living.¹⁷⁹ Shah Waliullah considers interest in lending as the actual one (al-Haqiqi). He also takes note of barter exchange with inequality in terms of quantity or time of delivery termed as Riba al-fadl and Riba al nasiah in the Shariah. He regards

¹⁷⁵ Hujjatullah Balighah, Vol. 2, p. 105.

¹⁷⁶ Ibid., vol. 1 p. 43

¹⁷⁷ Ibid., vol. 2, p. 43

¹⁷⁸ Ibid., p. 106

¹⁷⁹ Ibid.,

these interests in similitude (Mahmulalaih).¹⁸⁰ prohibition of this kind of interest is known by a hadith of prophet stating that gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates salt for salt, be exchanged , the same for some, in equal quantity and hand in hand. Incase these groups are different, and then sell them as you like (with unequal quantity).¹⁸¹

Al Irtifaq al-Thalith (The Third Stage of Socio-Economic Development):

With the completion of second stage, the human society develops into a city stage. Shah Waliullah emphasizes that city does not mean walls, buildings and market. The city is a kind of relations between different groups of people based on mutual dealings and cooperation¹⁸². The integrity, interest and independence of the city are maintained through the Institution of Imam, who acts as a physician to maintain a healthy body of the city.¹⁸³

In this stage it will be the duty of the government to see that proper allocation of employment is done in different industries and services. Traders and farmers are encouraged in their professions and arrangement for their proper education is also made. He emphasizes that city develops with easy taxation and employment of necessary number of officials.¹⁸⁴

Al-Irtifaq al Rabi (The fourth stage of socio-Economic Development):

In this stage the human society and the Institution of the government adopts an international character and need arises to have a government of all the governments (Khalifat al Khulafa).¹⁸⁵ This is the final stage of socio-economic

¹⁸⁰ Ibid., p. 107

¹⁸¹ Imam Bukari Sahih Bukhari, Op.cit.,H. no. 1027-1029

¹⁸² Al-Budur, op. cit, p. 51

¹⁸³ Ibid., pp. 71-72

¹⁸⁴ Hujjatullah Balighah op. cit pp. 45-47

¹⁸⁵ Al- Budur, op. cit p. 85.

development. Shah Waliullah does not assign any economic role to the government in this stage, except that it will need a lot of men and material to perform the duty of keeping peace, providing Justice and check exploitation.

Later Development in Islamic Economic Thought:

Although Muslim scholars have discussed the economic principles of Islam earlier, much attention has been paid to the subject in the twentieth century. It started in the third decade and specialized works appeared in the fourth. Its commencement was due to the world wide economic crises during the thirties and forties and the increasing exposure of Muslim mind to the socialist doctrines and the impact of Russian Revolution. There was acceleration in these writings during the fifties and the sixties due to the emergence of a number of independent Muslim countries and the rise of powerful Islamic movements which raised hopes of serious attention to the application of the Islamic teachings on the practical affairs of the new state. On one hand Islamic Economic principles were thoroughly discussed on the other, it was presented as an alternative to neoclassical economics and other economic doctrines rooted in western social thought. Among the Muslim Scholars of the modern times Muhammad Baqir al Sadr has emerged as a distinguished economist. He wrote a comprehensive book on economics 'Iqtisaduna' besides having academic scholarship in other disciplines of knowledge like Jurisprudence, exegeses, Philosophy, history, theology and Islamic culture. In Iqtisaduna he has made a detailed study on capitalism, socialism and communism and the book primarily deals with various aspects of Islamic economy.

Chapter Three

Baqir al Sadr on Marxist Economic Model:

Marxism: The basic Components of the Doctrine:

Marxism is the gamut of economic, social and political theories formulated by Karl Marx¹⁸⁶ and Friedrich Engels¹⁸⁷, stressing the doctrine of dialectical materialism¹⁸⁸, class struggle, the labour theory of value and the inevitable decay of capitalism, leading to the goal of a class less society.¹⁸⁹

Karl Heirich Marx was born in Germany at Trier in 1918 C.E. He studied various subjects including; law, history, philosophy and economics. The study of economics and history led him to conclude that society have always remained a composite of two antagonistic classes. One of which possessed the means of production and the other did not possess them. The later class could therefore, contribute towards the production process only with their physical and mental exertions. The exploitation of the labouring class by the proprietary class has been always the cause of the antagonism. Although the production methods have been

¹⁸⁶ Karl Heinrich Marx was born in Germany at Trier in 1818. He studied law, history and philosophy at Bonn and Berlin universities and received his Ph. D at Jena in 1842. In the same year he married Jenny von Westphalen, stepsister of Ferdinand von Westphalen, a reactionary statesman: and was about to become an assistant professor in philosophy, when politics attracted him. He became a newspaper editor in Cologne. The paper was banned in 1843 due to harsh criticism against government policies and Marx moved to Paris, where he met Friedrich Engels. Working here as a journalist and a bitter critic, he was expelled from France in 1845. He went to Belgium and taught economics there for three years; and also wrote his first book, *The Poverty of Philosophy* in 1847. Here he also founded a German worker's society and joined the Communist League. He moved to London in 1849, and lived there till death in 1883.

¹⁸⁷ Fredric Engels (1820-1895) was born in Bremen. In 1944 he met Marx in France. The two became close friends and collaborated on a number of works, the best known of which is the *Communist Manifesto*. Ed., David-L-Skills; *International Encyclopedia of social Sciences* (Macmillan Company and the Free Press 1968) vol.5, P.64.

¹⁸⁸ Dialectical materialism is a socio-economic theory introduced by Karl Marx and Frederic Engels, according to which; history and the forms of society are interpreted as the result of conflicts between social classes arising from the relations of the means of production. The new international Webster's comprehensive Dictionary of English Language (Deluxe Encyclopedic edition) Trident press international, 2003 edition.

¹⁸⁹ The New International Webster's Comprehensive Dictionary of English Language (Deluxe Encyclopedic Edition) Trident press international 2003 edition, p.584.

changing with the passage of time, the two classes and their antagonism remained persistent. The struggle between the two classes will continue, until the cause of antagonism is removed. Marxian Doctrine is based upon the following main components.

- i.* Dialectical materialism; as the basis of all thoughts, ideas and actions.
- ii.* Historical materialism or Economic interpretation of history; as the only true explanation of all historical events and social behaviour.
- iii.* The Theory of surplus value; which explains how capital is the product of labour and how capitalists usurp the surplus value from the labourers.
- iv.* End of capitalism; which expounds how capitalism will come to an end and how it will be replaced by the socialism.

Dialectical Materialism:

Dialectical method is an intellectual investigation. It was initiated by Socrates and developed by Hegal.¹⁹⁰ It is based on the idea that there is a continuous opposition between two contradictory but interconnecting forces (thesis and antithesis) and their continual reconstruction takes place at a higher level (synthesis).¹⁹¹

Materialism is a theory, according to which physical matter is the only or fundamental reality and all beings, processes and phenomena can be explained as manifestations or results of matter. In this doctrine the highest values or objective lie in material well being and in the development of material progress.¹⁹²

¹⁹⁰ Hegal was born in Germany (1770-1831). He taught the philosophy that the rational is the real and the real is the rational. Opposites are essential elements of change as Heraclitus had believed. The pattern of change takes the form of triads; Thesis, Antithesis and synthesis. Ed. David I-Skills, op.cit, vol.6., p. 341

¹⁹¹ Ibid., p. 276

¹⁹² Syed Muhammad Ismail, A Critical Analysis of Capitalism, Socialism and Islamic Economic order, Adam publishers and Distributers, 2008, p. 176.

Dialectical materialism is a Marxian theory, which asserts and maintains the material basis of a reality constantly changing in dialectical process and the priority of matter over mind. According to Engles:

“The great basic thought is that the world is not to be comprehended as a complex of readymade things but, as a complex of processes in which the things apparently stable, no less than their mind image in our heads, the concepts, go through an uninterrupted change of coming into being and passing away.”¹⁹³

He Continues:

“For it (dialectical philosophy) nothing is final, absolute, and sacred. It reveals the transitory character of everything and in everything; nothing can endure before it except the uninterrupted process of becoming and of passing away of endless ascendancy from the lower to the higher. And dialectical philosophy itself is nothing more than the mere reflections of this process in the thinking brain.”¹⁹⁴

Thus, Marxism wants to assert on the basis of the law of dialectics that, the society has been in a continuous state of change and the modern capitalistic society, based on the law of dialects will once collapse down because, it contains some contradictory elements inherent in it, which will act as its antithesis and will finally replace it by socialism

Economic Interpretation of History:

Marx seeks to explain every event of history on economic ground. He provides an economic interpretation of history. According to Marx, man’s relations are determined by the means of production. All wars, riots, and political movements have their Origen in the economic factors, he writes”

¹⁹³ Karl Marx, Selected works, Foreign languages publishing House, Moscow, 1946, Vol.1, p. 359.

¹⁹⁴ Ibid., p. 360

“In the social production of their life, men enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material forces of production. The sum total of these relations of production constitutes the economic structure of the society- the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life determines the social, political and intellectual life process in general. It is not the consciousness of men that determine their being, but on the contrary their social being that determines their consciousness.”¹⁹⁵

About the classes and class struggle, Marx asserts in the Communist Manifesto that, history of mankind is the history of class struggle. He writes, “The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebian, Lord and self, guild master and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, a fight that each time ended, either in a revolutionary reconstitution of society at large or the common ruin of the contending classes.”¹⁹⁶

Marx adds; that the modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonism. It has but established, new classes, new conditions of oppression, new forms of struggle in place of the old ones. He further writes,

“Our epoch, the epoch of bourgeois possesses, however, this distinctive feature: It has simplified the class antagonism. Society as a whole is more and more splitting

¹⁹⁵ Ibid., p.300

¹⁹⁶ Karl Marx and Friedrich Engles, Selected works, Foreign language publishing House Moscow, 1950 , vol. 1,p. 33.

up into two great hostile camps, into two great classes directly facing each other—bourgeoisie and proletariat¹⁹⁷.”

According to Marx, the hostility between the two classes will continue. He explains that, with the passage of time the capitalism will generate conditions which will replace it by socialism. The capitalists will grow in wealth as the time passes, but will become less in number. There will be a cut throat competition in which the lower capitalists will perish. This will result into monopolies and over production, which will necessitate markets abroad. This will lead to an imperialistic war, and one war will be followed by another, more terrible than the proceeding one, till capitalism perishes in the conflict and the dictatorship of proletariat is established.

The Theory of surplus value:

The third component of the Marxian doctrine is the theory of surplus value, which has become the pivot round which the entire Marxian economic analysis revolves. In his Das capital Marx begins with explaining the nature of the terms; use value and exchange value of a commodity. According to Marx, raw materials possess by their nature no exchange value. The exchange value in a natural raw material comes into existence only as a result of the rectification of human labour therein. He writes, “as the exchangeable values of commodities are only social functions of those things, and have nothing at all to do with their natural qualities, we must first ask: what is the common social substance of all commodities? It is labour. To produce a commodity certain amount of labour must, be bestowed upon it or worked upon it.”¹⁹⁸

¹⁹⁷ Ibid., p.34

¹⁹⁸ Karl Marx, selected works, op.cit.,p.247

However, the resultant effect of labour may vary from one person to another, due to the difference in their intelligence and aptitude as well as their commitment to excel others. Therefore, in order to remove this controversy, Marx uses the term social labour, he defines social labour as, “The labour time socially necessary is that, required to produce an article under the normal conditions of production and with the average degree of skill and intensity prevalent at that time.¹⁹⁹”

Marx propounded his theory of surplus value on the basis of his theory of value. He says that, in order to enable labourer to carry on the work of production, he needs some instruments of production and other facilities, but he lacks these facilities. Hence, he has to sell his labour to the capitalist. However, the capitalist does not pay the labourer the full value of the product produced by him. A worker continues working even after the time he has put in labour worth its price. Sometimes he works for twelve hours where as six hour labour was enough to compensate the capitalist. Thus, work of labour force is not merely to produce value equal to its price but much more than it. Marx calls this extra value as ‘Surplus Value²⁰⁰’. The surplus value is the difference between the market value of the commodity and the cost of the factors used in the production of the commodity. Marx says that the manufacturer gets for his commodity more than what he has spent on labour and other costs. By using this surplus value, the capitalist can get still more surplus. This surplus is the creation of labour. It is created because, labour is paid much less than is due to it .He characterizes the appropriation of the surplus value by the capitalist as robbery and exploitation .A commodity according

¹⁹⁹ Karl Marx, Capital: A critical Analysis of Capitalist production, vol.,1 p. 39.

²⁰⁰ Ibid., p.177

to him is simply a 'crystallized labour' or 'congealed labour'. He writes, "All commodities are only definite masses of congealed labour time²⁰¹ .

In this way the capitalist by the help of surplus value becomes richer and richer, and the exploitation of the working class is continuously increasing .Thus, Marx propounded his theory of exploitation on the basis of the theory of surplus value.

End of capitalism:

According to Marx, the forces that operate in the capitalist system lead to greater and greater exploitation of the laborers. The capitalists compete against one another in order to increase their profits. There are three ways of enhancing the exploitation, a) increasing the duration of the working day; when the period of working day is increased, total output increases, but the wages remain fixed. Thus, it leads to the enhanced exploitation. b) Surplus value is increased by the more intense use of labour. The working hours are not increased, but the workers are made to produce more. However, the surplus value cannot be substantially increased by these two methods. c) According to Marx, there is a third and more important method of increasing surplus value. It is to increase the physical productivity of labour by technological progress. Technical progress implies improvement in the techniques of production by which a labourer is able to produce more, working the same number of hours as before. The result is that the total output of labour increases. Thus there is increase in surplus value, or the rate of exploitation. In this way, the working of capitalistic system results in the worsening condition of the working class. Marx calls it the law of increasing misery of the working class. According to this law, owing to technical progress, increase in capital accumulation and the consequent increase in national income

²⁰¹ Ibid., p.40

under capitalism, the relative share of wages in national income is bound to fall and that of capital is bound to go up.

Surplus value is basis for profits and accumulation of capital. The aim of the capitalist is to increase surplus value to the maximum. At first, when the supply of labour is large, wage rate remains constant at the subsistence level, but sooner or later, the demand for labour exceeds the available supply and wages rise, reducing thereby surplus value. With the loss of surplus value, there is a crisis', as the capitalist has no incentive to invest. He also tries to create again a surplus value of labour using labour saving machinery but this also is temporary solution as a too frequent resort to this device will lower the rate of profit and thereby reduce the capitalist's incentive to accumulate.

Thus, capitalism is doomed to fail and give place to socialism. This is the picture which Marx himself predicts on the eve of the fall of capitalism. He comments, "Along with the constantly, diminishing number of the magnates of capital, who usurp and monopolies all advantages of this process of transformation, grows the mass misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of working class, a class always increasing in number, and disciplined, united, organized by the very mechanism of the process of capitalist production itself.....centralization of the means of production and socialization of labour at last reach a point where they become incompatible with their capitalist integument bursts asunder. The knell of capitalist private property sounds."²⁰²

Baqir al Sadr on Marxist Economic structure; Economic Science and Economic Doctrine:

²⁰²K. K .Dewett, Modern Economic Theories, S.Chand and Company,2003,p.599.

According to Baqir al Sadr, there are two aspects of economy; economic science and economic doctrine. The economic science is the science, which gives the explanation of the economic life, its economic events and its economic phenomena and the linking of those events and phenomena with the general causes and factors which rule therein.²⁰³

The economic doctrine is an expression of the way which the society prefers to follow in its economic life and in the solution of its practical problems.²⁰⁴

The line of demarcation between science and doctrine is the ideology of social Justice, Sadr writes, “The economic doctrine consists of every basic rule of economic life connected with the ideology of social Justice. And the science (of economics) consists of every theory, which explains the reality of economic life apart from a prefixed ideology or an ideal of Justice.”²⁰⁵

On account of this, Sadr classifies Marxist economy into historical materialism (the Marxist science) and the socialism and communism (the Marxist creed). Historical Materialism is the Science of Marxism which gives the economic explanation of the entire history in the light of Productive powers²⁰⁶

Marxist creed means the social system towards which Marxism calls and for the materialization of which it leads humanity.²⁰⁷

In spite of the vast difference between the two aspects, Sadr states that the link between them is very strong. He remarks that if the historical materialism fails to discharge its scientific function and in its analysis, it is proved that it does not explain the laws of human societies, then the whole edifice of Marxist creed will

²⁰³ Baqir al-Sadr, Iqisaduna Tr .English Our Economics, (WOFIS) World organization for Islamic Services Tehran-Iran,1982, vol. 2, Part, 1, p.6.

²⁰⁴ Ibid

²⁰⁵ Ibid.,p.10

²⁰⁶ Ibid; vol.1, Part.1, p.202

²⁰⁷ Ibid

collapse down, as the foundation of the Marxist creed is laid on the historical materialism.²⁰⁸

Historical Materialism as a single factor Theory:

Historical materialism is the interpretation of history in terms of single factor. According to this theory; it is the economic formation which determines social, Political, religious, ideological and other manifestations of the social existence. As for the economic formation it too bears a cause and that cause is the mode of Productive forces and the means of production. Thus, the theory regards economic factor as the chief factor and the first guide to the origin and development of society. Sadr however, regards this theory as one of the many theories, which interpret history in terms of the single factor. One such theory holds race as a basis of societies. Another theory regards geographical and physical factors as the basis of the history of nations. Another interpretation of history in terms of single factor is provided by psychologists who regard sex instinct as the main factor, which underlie all the human activities.²⁰⁹ Sadr states that, for every social or historical occurrence many factors including social, political, economic, cultural and psychological are also operating. Therefore, the interpretation of history in terms of single factor does not stand the test of reason and science.

Historical Materialism in the light of Philosophy:

After providing a detailed discussion on the historical materialism, Sadr analysis the theory in the light of philosophy, he finds that, Marxism regards it necessary to interpret history in terms of means of Production. According to it, as long as material interpretation is true in case of existence in general, it will be true in the

²⁰⁸ Ibid.,p.4

²⁰⁹ Ibid.,p.6

case of history also; since history is only a part of general existence.²¹⁰ On account of this, it condemns the standpoint of the eighteenth century materialism in respect of its interpretation of history. According to Engels:

“And for us that in the realm of history old materialism becomes untrue to itself, because it takes the ideal driving forces which operate there as ultimate causes, instead of investigating what is behind them, what are the driving forces of these driving forces. The inconsistency does not lie in the fact that the ideal driving forces are recognized, but in the investigation not being carried further back behind these into their motive causes”²¹¹

Sadr disagrees with Marxism; he argues that, materialism in its philosophical conception means that matter with its manifold manifestations is the only one reality which includes all the phenomenon of nature within it. Such a philosophical outlook makes no difference whether man is taken to be the product of material conditions and the production forces or the conditions of production and its forces are the product of man.²¹² In other words historical materialism and philosophical materialism are two independent theories.

He also disagrees with Marxism on applying dialectical method in the investigation of history. He observes that the results it arrives are contrary to the law of dialectics. On one hand Marxism holds the view, on the basis of the law of dialectics, that the class contradiction is the only one main cause of the internal conflicts in the society and all the other contradictions merely arise from it, yet at the same time, it lays down that the caravan of humanity is travelling inevitably towards a single class. Sadr argues that how could Marxism explain dialectical

²¹⁰ Ibid., p.18

²¹¹ Fredrich Engles, Tarikh ki Ishtiraqi Tafsir (The Socialist Interpretation of History), p. 57, Cf, Iqtisaduna, op. cit, p.19.

²¹² Baqir al Sadr Iqtisaduna, op.cit. p.19.

movement in a classless society, as long as the class contradiction has met its inevitable end and as long as the dialectical movement cannot arise except on the basis of contradiction.²¹³

Arguments in Favour of the Historical Materialism:

After making a close examination of many source books on the historical materialism, Sadr remarks that there are three types of arguments put forth by Marxism in favour of the historical materialism. These include philosophical argument, Psychological argument and scientific argument.²¹⁴

a) Philosophical Argument:

The philosophical argument is based upon the principle of cause and effect. According to this Principle, nothing occurs by chance and that for every occurrence there is a cause. Marxism holds the view that ideas and opinions cannot be regarded as the basic cause behind the historical and social occurrences. Because these ideas are also subject to particular causes and to their coming into existence. Therefore, it is necessary to interpret history in terms of means of production.²¹⁵ On account of this, Marxism criticizes idealistic philosophy. According to Plekhanov,²¹⁶

“Hegel found himself having fallen in the very same vicious circle, in which the (French) sociologists and French historians had fallen for they had explained social

²¹³ Ibid., p.28

²¹⁴ Ibid., p.35

²¹⁵ Ibid., p.38

²¹⁶ Plekhanov Georgi Valentivovich Plekhanov (1859-1918) was a Russian Revolutionary and Marxist Theoretician. He was the founder of social Democratic movement in Russia. Wikipedia. Org/ Wiki/ Plekhanov.

forms by the existing state of ideas and the existing state of ideas by the social forms.”²¹⁷

According to Sadr, Marxism explains the history of production forces and their evolution in term of means of production themselves. It says that production forces are the forces which change and subsequently entire society changes accordingly. It can be explained in this way that the production forces, in the course of mans interaction with nature give birth in the mind of mans the reflective ideas and knowledge. By the help of these ideas and knowledge man makes inventions of new means of production. In this way the development and renovation of production forces take place. Thus, development of productive forces is accomplished in correspondence with the reflective and scientific development and the reflective and scientific development are fashioned by these productive forces during the course of their experimentation.²¹⁸

Marxism in this way, states Sadr, follows a circular course in its explanation of production forces and scientific development. He argues that if such a circular course is possible from philosophical side, then it is also possible to say that social formation results from the social experiments which man conducted during the course of his interaction with other individuals. This occurred in the same way as man conducted experiments with nature with productive forces, during the course of his productive operations. The society’s practical ideas developed under the shelter of these social experiments. Just as man’s mind develop during the course of his experimentation with nature. These ideas which are the result of social experiments give rise to new experiments, consequently leads to the development

²¹⁷ Karl Marx, *Falsafi Tarikh (The Philosophy of History)* P.44,Cf, *Iqtisaduna*, op.cit, p.38.

²¹⁸ Baqir al Sadr, *Iqtisaduna*, op.cit., p.40.

of the entire society.²¹⁹In this way, Sadr provides the possibility of an alternative explanation of history. He regards the justification of this possibility from law of cause and effect in which the Marxism believes.²²⁰

b) Psychological Argument:

According to Sadr on the basis of this argument propounded by Marxism the rise of thought in the life of mankind results from the phenomena and forms of a specific society. Thoughts appear in history as an outcome of social phenomena in the life of mankind. This means social phenomena are prior to thought. Consequently, it is not possible to explain any social phenomena in their first formation by ideal factors.²²¹ In support of this argument Marxism takes the help of language.

According to Stalin,²²²one of the prominent Marxist writers, “whatever the thoughts be that come to the mind, it is not possible for them to be begotten and to come into existence except on the basis of the media of language.”²²³

In other words thoughts cannot emerge without language and language is nothing but a social phenomena.

Sadr contests this argument and holds that thought bears its existence independent of language. Language arose in the life of a man as a result of man’s need of communicating his ideas to others. Man is a thinking being without language. It is not language which by coming into his life made him a thinking being. He further

²¹⁹ Ibid.,p.42

²²⁰ Ibid., p.43

²²¹ Ibid., vol., 2, Part. 1, p.44

²²¹ Ibid.

²²² Joseph Stalin (1879-1953) was born in Soviet. In 1917 he became the editor in chief of ‘pravada’ and in 1922 he was appointed secretary General of the Communist Party and Lenin’s Successor. Ed. David L-Skill, op. cit. Vol.1, p.440.

²²³ Politzer, Georges, Madiyat wa Mithaliyat Falsafa (Materialism and Idealism in Philosophy) p. 77, Cf, Iqtisaduna, op.cit., Vol.1, Part, 1, P.44.

remarks that language appear in the life of man and not in other beings, only because man alone is able to think and reflect. It is alone possible for him to perceive and change the existing reality. If language is assumed to be the outcome of productive forces, then it should undergo a change with the change in the productive forces,²²⁴ but it is not the fact. Language maintains its own pace of development and change which lies in the thoughts and needs of human beings rather than in productive forces.²²⁵ In this way Sadr refutes the psychological argument of Marxism, according to which, thought cannot be the cause of any social phenomena.

c) Scientific Argument:

Marxism provides explanation of historical and social phenomena in terms of dialectical materialism and regards this as a scientific explanation of history. According to Lenin,²²⁶ “Dialectical materialism is no more in need of a philosophy higher than the other sciences. The only thing that remains of ancient philosophy is the theory and laws of the mind i.e. formal and dialectical logic.”²²⁷ Sadr argues that, any hypothetical explanation attains the scientific degree only when the scientific evidence is able to establish it as the only possible explanation of the phenomena and deny the possibilities of other explanations. Such an explanation is possible in the field of physical sciences and not in the social science.²²⁸ Sadr states, “The first and the serious obstacle which confronts Marxism in its path is the nature of the subject matter of history.... the subject matter of inquiry in the field

²²⁴Baqir al Sadr, *Iqtisaduna*, vol. 1, part, 1, op.cit., p.78

²²⁵ Ibid

²²⁶ Vladimir Ilyich Ulyanov, Lenin (1870-1924) was the founder of the Soviet Union. He was exiled from Russia 1905-17 as a result of the leading role he played in the revolution of 1905. From 1918 to 1924, he was the head of the state and leading Marxist theoretician. His best known works are “Materialism and Empiro- Criticism and Imperialism, Final Stage of Capitalism. Ed. David-L-Skills, op.cit., Vol. 9, p. 254.

²²⁷ Baqir al Sadr *FalASFatuna*, Our Philosophy, Tr. English, Shams C. Inti, Muhammad Trust of Great Britain and Northern Ireland, Part.1, Chap.1, P.104..

²²⁸Baqir al Sadr *Iqtisaduna*, op.cit., p.51.

of history differ in nature from the subject matters of scientific inquiry in the field of physical science. The historical investigator who proposes to explain human society, its origin, development and its stages, he is not able to investigate these phenomena directly, in a way a physicist is able to explain physical phenomena which he can test by special experiments.²²⁹

On account of this, Sadr concludes that it is not possible to accept the economic factor as an inevitable cause behind all the historical and social events as long as other factors like social, religious, political, ideological, Psychological, aesthetic etc. also have the ability to become the causes of these events.²³⁰

Sadr on Marxist conception of ideology:

According to Marxism the real cause of every ideological process whether it is based upon religion, philosophy or science is latent in the material and economic conditions. According to it, ideology; whether it is based on religion, philosophy or science has no independent history of its own. It changes according to the change in productive forces.²³¹

a) Marxism & Religion:

Marxism shows a negative approach towards religion; it believes that religion is the product and outcome of the class conflict of society.²³²

Marx writes, “Religious suffering, indeed, is the expression of the real suffering, as also the protest against this suffering at the same time. Religion is the sigh of the oppressed creature, the sentiment of the heartless world, as it is the spirit of the

²²⁹ Ibid., P. 55

²³⁰ Ibid., p. 58

²³¹ Ibid., p. 87

²³² Ibid., p. 81

sprit less. It is the opium of the people, so the criticism of religion, then, is the first step towards the criticism of this valley sunk in tears.”²³³

Marxism believes that, Religion as opium is given by the ruling exploiter to the exploited class to drink in order to make it forget its demands and its political role and submit to the existing evil reality.²³⁴

According to Sadr religion is not the ideological phenomena of the multiclass societies only, even the primitive societies which Marxism thinks were communistic in nature, practiced the ideology of religion.²³⁵ He further states that it is an undisputed truth that, religions always grow in the lap of the miserable and poverty stricken people. It illuminates their souls with its brightness, before it enlightens the entire society.²³⁶ He further argues that if religion could be treated as the creation of the ruling class then it should not have passed decree against the practices like Usury.²³⁷ Similarly, if religion could be regarded as the ideology of down trodden and oppressed only then it should not have accepted by the class not down trodden and not oppressed.²³⁸

b. Marxism and philosophy:

Philosophy according to Marxism is another intellectual manifestation of the material life and economic conditions in which the society lives. It establishes an inevitable relation between philosophy and productive forces. Knostantinov, one of

²³³Karl Marx, Selected Essays of Marxism (Arabic Transl.) pp. 16-17, Cf, Iqtisaduna, op.cit., p. 81.

²³⁴Baqir al Sadr, Iqtisaduna, op.cit. p.81.

²³⁵ Ibid., p.83

²³⁶ Ibid., p. 82

²³⁷ Ibid

²³⁸ Ibid., p. 83

the prominent Marxist writers says, “...in fact the sociological, juridical, aesthetic and philosophical ideas are the reflections of material conditions of social life”²³⁹

Evolution in philosophical thinking takes place along with the evolution in productive forces. According to British communist philosopher Maurice Cornforth,²⁴⁰ “The advancement of science towards evolutionary conception, and which expresses the discovery of the actual evolution of nature and society, corresponded with the development of the industrial capitalism in the later part of the eighteenth century, obviously, this correspondence was not merely a pure correspondence but expressed a casual nexus....bourgeois would not have lived had not the continuous revolutionary changes in the modes of production brought in....it was these conditions which lead to the general appearance of the conception of the evolution of nature and society. Because of this the importance of philosophy in the generalization of laws of change and evolution, did not result merely from the scientific discoveries but was rather tied with every movement of the new society in its entity.”²⁴¹

Thus it appears that the above mentioned philosopher opines that means of production were changing and taking new forms and inculcating in minds of philosophers the conception of evolution which transferred the static philosophical theory of nature towards the revolutionary view which corresponds with the continuous evolution in the means of production. In other words there is a necessary causality between philosophy and means of production. Philosophy of a particular stage of history depends on the means of production of that time.

²³⁹Knostantinov, *Dur al Afkar al Tadmiya fi Tatwir al Mujtama* (The Role of progressive Ideas in Evolution of society), p. 8. Cf, *Iqtisaduna*, op.cit., p. 87.

²⁴⁰ Maurice Campbell corn forth (1909-1980) was a British Marxist Philosopher. He was the official ideologist of the communist party of Great British. [Wikipedia. Org/ Wiki/ Maurice Cornforth](https://en.wikipedia.org/wiki/Maurice_Cornforth).

²⁴¹Maurice Consforth, *Al Madiyat al Dialectia* (Dialectical Materialism) P. 40, Cf, *Iqtisaduna*, op.cit, p. 88.

Philosophical ideas and views change along with the change in the means of production.

Sadr acknowledges the relationship between philosophy and productive forces. However, his difference with Marxism is in accepting economic cause as the sole cause behind the philosophy. He mentions various early philosophers in this respect these include, Anaximander²⁴² Heraclitus²⁴³ and Sadr al-din shirazi,²⁴⁴ whose philosophical ideas were the same as found in the 18th century materialistic philosophy. Sadr argues that if Marxism is true in its conception, that philosophy and productive forces should maintain the same pace, the philosophical ideas of these philosophers would not have been the same to the philosophy of eighteenth century.²⁴⁵

c) Marxism and Science:

About science Marxism expresses the similar view as about philosophy, that is all the natural sciences progressively advance and grow in correspondence with the material needs opened up to them by the economic formation.²⁴⁶

²⁴² Anaximander who lived in the Sixth century B.C. 611 -547 B.C gave to philosophy a conception of evolution which was not different in essence from the conceptions of evolution prevalent in the age of the capitalist production. He held that creatures in their first state were lowly things, then impelled by the power of their native motive force moved on by evolutionary process to higher and higher steps to concordance between itself and the external environment. Man, for instance was an aquatic animal but when water was swept off, this aquatic animal was obliged to seek congenial environment. So he acquired by the passage of time organs suitable for locomotory movement which enabled him to move upon dry land, and thus, became man.

²⁴³ Heraclitus born 535 B.C. Died 475 B.C. gave philosophy the conception of evolution based on the opposites and the dialectics. He affirmed that nature does not remain in a fixed state but is in continuous flux. This change from one form into another form and the motion are the reality of nature; and explains this motion by the law of opposite which means that a thing in motion 'is' and is changing that is existence and nonexistent at the same instance, and this union of two instances of existence and non existence is the meaning of motion which is the essence of nature and its reality.

²⁴⁴ Sadr ad Din al Shirazi, better known as Mulla Sadra (1572-1641). He believes that ancient philosophy combined with revealed truth gives the highest form of truth. He wrote a number of original works. The best of which is kitab al-Hikma al-Muta'aliya.

²⁴⁵ Baqir al Sadr, Iqtisaduna, Op. cit., p.91

²⁴⁶ Ibid., p.103

Sadr acknowledges the relationship, between scientific progress and economic forces, however he disregards economic cause as the soul cause behind the scientific progress. According to him except in the modern times, all the societies which existed before were to a great extent alike as to their means and modes of production. Simple agriculture and handicrafts were the two forms of production in these societies. He argues that if the forms of production were same, then why was there difference in the scientific progress.²⁴⁷ He further says that although socio-material needs result in new inventions and discoveries, however, this cannot be the legitimate interpretation of history and its progress. For the simple fact that many needs remained thousands of years waiting until science opened ways to fulfill them.²⁴⁸

Sadr on Marxist Law of Value:

Marxism holds the opinion that raw materials by their nature possess no exchange value. The exchange value in a natural raw material comes into existence only as a result of the rectification of human labor there in. Marx writes, “take two commodities, e.g., corn and iron. The proportions in which they are exchangeable whatever those proportions may be can always be represented by an equation in which a given quantity of corn is equated to some quantity of iron. E.g., 1 quarter corn = x cwt. iron what does this equation tell us? It tells us that in two different things-in 1 quarter of corn and x cwt. Of Iron, there exists in equal quantities something common to both. The two things must therefore be equal to a third, which in itself is neither the one nor the other.... If we leave out of consideration the use value of commodity, they have only one property left that is being products

²⁴⁷ Ibid., p.104

²⁴⁸ Ibid., p.105

of labour.”²⁴⁹ Thus work is the basis of exchange value. However, this law in Marxism does not apply in case of hoarding, similarly, this law is not applicable in case of some technical and monumental productions like a plate produced by an outstanding skilled artist or a handwritten letter which dates back to hundreds of years.

According to Sadr, work is not the basis of exchange value. He argues that two persons can create two different exchange values of the same commodity, at equal intervals of time due to the difference in their mental aptitude, desire to excel others and the kinds of feeling they harbor in their minds about that particular work.²⁵⁰ Two painters, for instance, each of whom has one hour to paint a picture, but natural ability of one of them makes the picture painted by him more charming than that painted by the other. Thus Sadr considers work as a heterogeneous factor which includes units of efforts, which differ in importance and vary in degree and value. He regards it a folly to measure work quantitatively and numerically alone.

²⁵¹

He further says that it is also possible to exchange a technical or monumental production at a rate higher than what has been spend on it in the form of work. A letter of historical importance for instance can be exchanged for a book of al-Kamil’s history, if such an exchange is possible then what is the common thing between them besides labour?²⁵² This means there is some other thing between them besides labour. Similarly, Sadr argues that Marxism fails to explain the falling of exchange value of a commodity with the decline in the collective desire or demand for it. The value of the commodity falls despite the fact that amount of

²⁴⁹ Karl Marx, Capital: A Critical Analysis Of Capitalist Production, voi.1, p.38.

²⁵⁰ Baqir al Sadr, Iqtisaduna, op cit., p. 171.

²⁵¹ Ibid

²⁵² Ibid., pp.165-166

collective work involved there in remains unchanged. Sadr argue that, the degree of the utility of a commodity and how far it satisfies the need of a person both have a bearing on the constitution of the exchange value.²⁵³ He concludes that it is not the work but the collective human desire which is the common factor between two things. If the desire for a particular commodity increases, one can pay every price to obtain it. Thus, it is not work, but the human desire on the basis of which exchange of commodities takes place. He writes, “Thus there is a collective desire for the cot as also for the cloth. This desire is attributable to the use and benefit they have in them. In this way, although the benefits they render are different from each other, yet the result produced is common between them, which is the human desire.”²⁵⁴

Sadr on Primitive Communism:

After investigating many contemporary societies, Marxism propounds the view that humanity has passed through a stage of primitive Communism at the dawn of its social life. The Primitive conditions according to it prevail in these societies even to this day. These societies include most of the tribes in Africa, Polynesia, Malenesa, Australia, American Indians, Eskimos, and Lagoons.²⁵⁵

On this, Sadr remarks that if these societies are accepted as primitive, then it goes against the law of inevitability of history in which Marxism believes, according to which, societies have continuously moved from one stage to another. He argues that how primitive societies can remain thousands of years at one stage without any development.²⁵⁶

²⁵³ Ibid., pp.166-170

²⁵⁴ Ibid., p.177

²⁵⁵ Ibid., p.127

²⁵⁶ Ibid

Marxism explains the nature and characteristics of property relations in these societies in the following words, “Human beings were obliged to pursue production a jointly social form and unblock (in group) to face the nature, due to man’s weakness and Paucity of means. Cooperation in production necessitates the establishment of Communal Property and forbids the thought of Private ownership..... For the severe low level of the forces of production rendered meager food and simple commodities in equal Portion obligatory.”²⁵⁷

Thus, Marxism has regarded scarcity of production as the main cause behind the communal social life. However, at same time it contradicts, while talking about the moral dispositions of the communist society and while glorifying its virtues.

About the American Indians Andrerez a Marxist writer cites on the authority of Catalin, “Every individual of an Indian village has the right to enter any dwelling and eat if he is hungry; nay, those who were disable for work or whom sheer laziness from hunting were able, in spite of that to enter any house they want and share food with its inmates.”²⁵⁸

This shows that the production level in these societies was quite high. Taking into consideration the above passages Sadr concludes that, if the production level in the Primitive societies was high then what is the logical explanation of these societies being communistic.²⁵⁹ He further argues that why did not occur to anyone the idea of exploitation and fraudulence in terms of distribution of produced commodities, when there was enough possibility of it due to abundance of production. According to Sadr, the answer of all these things lay in the consciousness of these people, which was preventing them from doing so.²⁶⁰ Thus, it was not the economic factor,

²⁵⁷Morgon, Tatwir al Milkiyat al Fardiya (Evolution of Private property), p. 14., Cf, Iqtisaduna, op.cit. p.128

²⁵⁸ Ibid

²⁵⁹ Baqir Al Sadr, Iqtisaduna, op. cit.,p.129

²⁶⁰ Ibid.

which was responsible for the equal distribution of food in these societies, but the human nature which was not allowing them to make suffer others.

Sadr continues that, however, if the equal distribution was the result of scarcity of production, then what is the reasonable explanation of feeding those idle fellows by whose loss they would have lost nothing.

Sadr on slave Society:

The communist society emerged into the slave society, as a result of the development in production forces. According to Marxism; due to increase in productive forces, an individual was able to meet his requirements by labour of a limited portion of time, but the productive forces were demanding more work. Thus, slavery system began to emerge to meet the new requirements of the new times. About the way it emerged it explains, “The individuals who were pursuing function of the leaders, senior war officers and the priests in a primitive communist society took to exploiting their position in order to obtain wealth and to acquire a public property and began to secede gradually from the members of their own societies to be formed into aristocracy.”²⁶¹

It further says, “ the society converted the prisoners of war into slaves and began to gain an account of it, surplus product, till it became rich and was able, as a result of its wealth, enslave those members of the tribe, who had became debtors.”²⁶²

In view of the above passages Sadr argues that, the explanation Marxism provides about the emergence of the slave society contradicts with the historical materialism. The explanation regards political factor as the major and economic factor as the minor factor responsible for its emergence. It further fails to explain

²⁶¹Morgon, op.cit., p.134, Cf, Iqtisaduna, op.cit., p.134.

²⁶²Ibid., p,135

that why those masters were provided the opportunity of enslaving the others as communist society claims equality of its people.²⁶³ According to Sadr, it was not the economic factor, but the human natures which gave rise to the slave order.²⁶⁴ Man by nature loves comfort and leisure and when faces two ways to achieve one aim, surely chooses the less difficult. It was this nature of man which inspired him to think of enslaving others. Such a method provided him a better guarantee of comfort and leisure. He argues that if the development was demanding more labour. It was more fruitful to make a free mutual agreement with the people, who were made slaves. Such a trend would have multiplied the labour, consequently, the production because; a slave works disinterestedly in contrast to a free man. However, such a trend was not followed as it contradicts with the human nature.²⁶⁵

Sadr on Feudal society:

According to Marxism the slave society emerged into the feudal society as a result of the brutal exploitation of the slaves by their masters. In this way, thousands of slaves lost their lives. Besides, the conversion of majority of independent farmers and craftsmen decreased the number of armed forces and soldiers, which consequently, decreased the flow of slaves supplied through them. Because of all this a violent conflict arose between the scarcity of labour supply and the increasing demand of productive forces. Therefore, the slave society collapsed and the feudal order succeeded.²⁶⁶

Such a change, according to Marxism, was revolutionary in nature as it was the result of class conflicts. Further, the change was the result of the development in productive forces because; it is the means of production which is the supreme force

²⁶³ Baqir al Sadr *Iqtisaduna*, op.cit., p. 175

²⁶⁴ *Ibid.*, p.131

²⁶⁵ *Ibid.*

²⁶⁶ *Ibid.*, p.136

behind the history. Lastly, the change resulted into progress and development because, history always moves in forward direction according to the law of historical materialism.²⁶⁷

Sadr mentions the transformation of Roman society from slave order to feudal order. He argues that the transformation was a voluntary action on the part of the master class and there was no revolution.²⁶⁸ Sadr further says that transformation is not the necessary result of development in productive forces. It was the same agriculture and some handicrafts found in the slave order that continued in the feudal system. Contrary to this, the primitive society underwent a drastic change in the form of productive forces. The primitive man first used to take help of stones in their natural form to carry out his productive activities, and then he designed them into stone implements. Thereafter, he was able to discover fire. Later on, the forces of production developed and the mining implements and bows and arrows made their appearance. In spite of all these great transformations the Society is regarded as primitive communistic.²⁶⁹ He argues, if the modes of production change while the social forms remain unchanged as in primitive society and if the society changes while as the modes of production remain constant as in feudal society, then how can Marxism explain the historical materialism in such a situation.²⁷⁰

Similarly, the assertion that the change leads to the progress and development of the society is also not true. Sadr argues that instead of laying a positive effect, feudalism laid down a negative effect on progress and development. Feudalists remained contended with the agriculture revenues and its simple products, as a

²⁶⁷ *ibid.*, pp.136-137

²⁶⁸ *ibid.*, p.137

²⁶⁹ *ibid.*, p.140

²⁷⁰ *ibid*

result of it, Commercial capitalism got discouraged. This resulted into wide spread poverty among the people.²⁷¹

Sadr on the Emergence of Capitalist Society:

According to Marxism, The capitalistic economic system emerged as a result of the disintegration of the feudalistic economic system.²⁷² Marxism, while analyzing capitalism historically, lays much importance to the Primary accumulation of capital. It denies the conventional view point about political economy²⁷³ which states that the capital production and the necessary wealth for the same, was the result of intelligence, frugality and good management by one class of the society. According to Marx, “This historical movement was completed by means of enslavement, armed robbery, there being no hand in its realization of planning economy intelligence, as believed by authorities of the conventional Political economy”²⁷⁴.

According to Sadr the Marxist description about the emergence of capitalism does not apply to the societies like Germany where a large number of feudalists built factories, carried on their administration and financed them with Feudal income they received. There was no violence, nor any movement of usurpation.²⁷⁵ Similarly, it is not applicable to the commercial capitalism of Italy, which got huge profit to the Italian commercial Democracies like; Venice, Genoa and Florence

²⁷¹ Ibid., 143

²⁷² Ibid., p.144

²⁷³ Political Economy is a common name for economics until the late nineteenth century, when government policies concerning finance and commerce (political) could at least be gradually separated from the realities of production, finance and trade (economics). Thus David Ricardo and John Stuart Mill's books (1817-1848) still dealt with "political economy" whereas Alfred Marshall's book (1890) is entitled Principles of Economics. Until recent times this term is the common name for the study of economic processes. The term connotations of the inter relationship between the practical aspects of political action and pure theory of economics. Sometimes, it is argued that classical political economy was concerned with this aspect of the economy and the modern economists have tended to be more restricted in the range of their studies.

²⁷⁴ Karl Marx, Das Capital, vol. iii, Sec.3.pp. 1050-55, Cf, iqtisaduna, op.cit., p.146.

²⁷⁵ Baqir al Sadr, Iqtisaduna, op.cit., p.148

because, a class of traders came into being in these cities before the emergence of industrial capitalism. These traders earned huge profits by means of trade with eastern countries during the crusades.²⁷⁶ Their profit was boosted as a result of their friendly ties with the rulers of Egypt & Syria. Consequently, on the basis of this profit, they set up large factories. In this way the capitalism flourished without any violence.²⁷⁷

Sadr further says that, if the explanation provided by Marxism regarding the emergence of capitalism is regarded as absolute. It then contradicts with the historical materialism. He argues that, how could Marxists say that the reason behind the Primary capital accumulation and the existence of the capitalist class historically was the power of usurpation and subjection, where as it is itself a reason not economic by nature? As a matter of fact, Marx according to Sadr demolishes his historical logic himself and admits implicitly by that the class formation does not exist on economic basis.²⁷⁸

Marxist Creed: Socialism and communism;

²⁷⁶ Ibid

²⁷⁷ Ibid

²⁷⁸ Ibid., 149

Socialism:

Marxist creed means the social system to which Marxism calls and for the materialization of which it leads humanity.²⁷⁹ It has two stages; socialism and communism.²⁸⁰ From the point of view of the historical materialism, humanity will reach the highest stage of development on the basis of the law of dialectics. That highest stage is known as communism.²⁸¹ However, before reaching that stage it will pass through a transitory stage known as socialism. During this stage a government will be established which will nationalize the resources of wealth and the capitalistic means of production. In this way a classless society will emerge in which the arrangement of distribution will be based upon the principle, "From everyone according to his capacity and for everyone according to his work." Marxism believes that the class composition is the result of private property.²⁸² When the private property is abolished the society will turn into a single class.

Sadr argues that the class composition is not the necessary result of economic factor and the position of private property only. As many a class compositions have existed in history on military, political and religious basis. Therefore, historically it is not necessary that the division of society into classes disappears with the end of private property, but it is also possible that a class composition may take place in the socialistic society on some other basis.²⁸³

Further the economic and political nature of the socialist stage according to Sadr, can lead to the creation of a new form of class inconsistency,²⁸⁴ so far as the economic distribution in the socialist state is concerned, it is based upon the

²⁷⁹ Ibid., p. 202

²⁸⁰ Ibid., p.203

²⁸¹ Ibid

²⁸² Karl Marx and Friedrich Engles, Op.cit, p.33.

²⁸³ Baqir al Sadr, Iqtisaduna, op cit.,p.209.

²⁸⁴ Ibid.

Principle, “For everyone according to his work,” Sadr argues that it contradicts with the classless nature of the socialist society, because, the individuals naturally differ from one another in their work efficiency, due to the difference in their capabilities, nature of the work and the degree of its complication. Thus, a talented worker gifted with genius and intelligence cannot be equalized with an ordinary worker.²⁸⁵ Therefore, according to Sadr, Marxism finds only two solutions to solve the issue One;to adhere to the principle of distribution which states, “For everyone according to his work,” and therefore, distribute the production among the individual with different degrees, and create class inconsistency a new or it may take away the surplus value from the talented worker like capitalism, in order to equalize the wages.²⁸⁶

The political nature of the socialist society also creates class inconsistency, based upon the possession and deprivation of the political power. Under socialism too much power is concentrated in the state. The state is not only a political authority but it also exercises unlimited authority in the economic sphere. According to Sadr, the ownership in its real substance is nothing but authority over the wealth and power. This authority is enjoyed by the political powers in the socialist stage.²⁸⁷

Communism:

Communism; according to Marxism, is the highest stage of human development. This is the final stage of history, in which the society will turn into a single class. All the class struggle will come to an end and the natural resources will be equally distributed. There are two pillars of communism according to Marxism; First, wiping out of Private ownership not only in the field of capitalist production, but in

²⁸⁵ Ibid., p.219

²⁸⁶ Ibid., p.220

²⁸⁷ Ibid.,p.216

the field of consumption also.²⁸⁸ Thus, it nationalizes all the means of production and all the consumer goods. Second pillar is the elimination of political authority and finally liberation of the society from the clutches of the government.²⁸⁹

As for the wiping out of private ownership in all the fields, Sadr states that it does not derive its existence in the doctrine from the scientific law of value, as the nationalization of the means of Capitalist production is based on the theory of surplus value. Instead; the idea is based on the assumption that, the society will attain a high degree of richness, as the production powers will grow enormously; consequently, no room is left for private ownership.²⁹⁰ Therefore, the distribution will be based upon the Principle, “from everyone according to his capacity, for everyone according to his need.”²⁹¹

Sadr argues that history has never witnessed such a miracle so far. It was the result that thousands of innocent people lost their lives while materializing this experiment by the Marxists. Therefore, the experiment remained preponderating between socialism and communism till it expressed its inability to materialize communism.²⁹²

As for the second pillar of communism (disappearance of government) is concerned, Sadr questions that how this change will take place? Marxists have been saying that the revolution against government always sprouts from the class which is not represented by that government; Sadr argues that if the change from socialism to communism is revolutionary, then which class is going to bring it, as in communism, the society is a single class.²⁹³ However, if the change is a gradual

²⁸⁸ Baqir al Sadr Falasfatuna, op.cit, p.28

²⁸⁹ Ibid., p.81

²⁹⁰ Baqir al sadr Iqtisaduna, op.cit., p.28.

²⁹¹ Baqir al sadr Falasfatuna, op.cit.,p.224

²⁹² Baqir al sadr Iqtisaduna, op.cit, p.225.

²⁹³ Ibid., p.227

one, then it contradicts with the law of dialectics. Sadr further argues that the change also contradicts the nature of reality because, how can government give a death blow to itself, while every other government on the face of earth adheres to its centre and defends its political existence till the last moment of its life.²⁹⁴ Lastly, Sadr argues that if the miracle of communism is given the practical shape, will then the society not need an authority to regulate the proper distribution of work and the problems related to it?²⁹⁵

²⁹⁴ Ibid

²⁹⁵ Ibid., p.228

Chapter Four

Baqir al-Sadr on Capitalist Economy

Capitalism: A General Overview:

Capitalism is an economic system in which the production and distribution of goods and services are privately owned.²⁹⁶ It is often called the “free enterprise system”, as in this system individuals are free to invest their capital. Sometimes it is also referred as “free market economy”, because in this system buyers and sellers are free to exchange goods and services²⁹⁷. According to Louks, “capitalism is a system of economic organization featured by the private ownership and the use for Private profit of manmade and nature made capital.²⁹⁸”

Capitalism in its industrial form first developed in England in the late nineteenth century²⁹⁹. Thereafter it spread over Europe, North America, Australia, Newzealand and South Africa. It along with colonial manifestations dominated the world during the nineteenth century. Presently it is one of the dominant economic systems of the world.

Under capitalism, all farms, factories and other means of production are the property of private individuals and firms. They are free to use them with a view to make profit, or not to use them, if it so suits them. The desire for profit is the sole consideration with the property owners, in the use of their property. Besides free and unfettered use of their property, everybody is free to take up any line of production he likes and is free to enter into any contract with fellow citizens for his

²⁹⁶ The New International Websites Comparative Dictionary of English Language (Deluxe Encyclopedic Edition, Trident press International) 2003 Edition, p.148

²⁹⁷ P. 688

²⁹⁸ K.K Dewett, Modern Economic Theories, S. Chand and company 2003, p. 589

²⁹⁹ David-L-Skills, International Encyclopedia of Social Sciences, (Macmillan company and the free press) 1968, vol. 1. P. 294

profit. In this way capitalism provides unlimited freedom of ownership, exploitation and consumption.

In a capitalist economy, what to produce, how to produce and for whom to produce, all these central problems of economics are settled by the free working of the forces of demand and supply.

Outstanding features of capitalism

Following are the outstanding features of capitalism.

***i.* Right to have private property:**

The most outstanding feature of capitalism is the existence of private property and the system of inheritance. Everybody has a right to acquire private property, to keep it, and, after his death pass it to his heirs. The result of this system is that inequalities of wealth distribution are perpetuated. The rich people become richer and the poor people become poorer.

In a capitalist economy, instruments for production are privately owned by individuals. They are managed by the owners of farms and factories, who carry on the business for their own personal profit and not for the benefit of the society. Generally the masses are exploited and do not get a fair return on their labour.

***ii.* Economic Freedom:**

A very important feature of the capitalist order of the society is economic freedom. This freedom implies three things;

- a.* Freedom of enterprise
- b.* Freedom of contract and
- c.* Freedom to use one's property.

In a capitalist system, everybody is free to take up any occupation that he likes, or start any business he wishes and enter into contracts or agreements with his fellow citizens, in a manner most profitable to him. Every citizen has the freedom to form any firm, any where he likes provided, he has the requisite capital and ability.

iii. Freedom of choice by the consumers:

Another important feature of capitalism is that in this system every consumer enjoys a freedom of choice of the commodities and services that he wishes to consume. One cannot be forced to consume any particular commodity or service in this system. The consumer is sovereign. Of course; his sovereignty is limited by his income and the availability of goods. Finally it is his likes and dislikes which determine the magnitude and pattern of production.

iv. Profit Motive:

Another remarkable feature of capitalism is that the profit motives of individuals govern business enterprise. It is the profit motive which motivates people to undertake any particular activity. To make profit is the primary motive of entrepreneurial activity and not love of society or social services. Those commodities and services are produced under this system, which are expected to yield maximum profit, hence, what to produce and how much to produce is determined by individual profit, rather than by social benefit. It is the profit motive which induces business men to make the optimum use of the factors of production. This profit motive is the mainspring of all economic activities under capitalism.

v. Class conflict:

Another feature of capitalist economic order is the class conflict. The society is divided into two major classes; one possesses the capital and means of production

and the other does not possess them. The gap between the rich and the poor is on an increase and there seems to be no solution of the problem in this system.

vi. Uncoordinated Nature:

A remarkable feature of this economic system is its uncoordinated nature. There is no conscious regulation or central direction of economic activities of the people in this system. Production is conducted as a result of the decisions of numerous isolated entrepreneurs. It is also influenced by a vast number of individual consumers who make their decisions without consulting one another.

vii. Role of Entrepreneur:

A very distinguished feature of this economic order is the vital role which the entrepreneur plays under this system. The entire production machinery of the country is under his direction. It is he who hires the other factors of production and undertakes to pay them. He is the soul agent of the community in the matter of production. In fact, it is difficult to see, how the present system can work in his absence. He is the pivot round him revolves the entire system.

viii. Control with Risks:

Another important feature of this system is that the control of business goes with risk. This is called as the Golden Rule of Capitalism.³⁰⁰ He, who risks his money, must also control the business.

ix. Competition and Cooperation:

³⁰⁰ Ibid., 590

This is another characteristic feature of capitalism. The producers compete with one another to get the consumers choice. They use different technique for this purpose. They may cut the price or improve the quality of the product or offer other concessions to the purchasers. Besides competition among the produces, there is also competition among the buyers to obtain the commodity. They bid against one another and offer high prices for this purpose. Similarly, there is competition among the workers for jobs.

On one hand there is competition, on the other, there is cooperation among various groups of the people. The buyers compete with buyers and the sellers with sellers; the laborers compete with one another in order to get jobs, but they also combine in trade unions to fight against the capitalists. Similarly, the employers not only compete among themselves but, they also combine to form associations to safeguard their interests. Thus, under capitalism competition and cooperation go side by side.

x. Importance of price System:

Capitalist economy is governed by price system. It is the price mechanism, which facilitates the functioning of capitalism. It is the price which equates the demand and supply of commodities and factors of production. If supply is short, price rises and the demand is cut to size of supply. If supply is large, the price comes down, so that the extra supply is taken off from the market. In fact, price is a signal, which guides the producers as to what to produce and what not to produce. The higher price is also a warning to the consumers to cut down their consumption.

xi. Economic inequalities :

An outstanding feature of capitalistic countries is the glaring inequalities of wealth and income. A few are very rich indulging in all sorts of luxuries, where as the

masses do not get even two square meals a day. What is more painful is that the gulf between the rich and the poor is ever widening. The inequalities arise from unearned incomes which are due to uneven distribution of wealth. Larger wealth yields higher income.

Sadr on Capitalist Economy:

Sadr on Capitalist Economy & its Nature:

Baqir al Sadr divides the capitalist economy into scientific aspect and doctrinal aspect in a similar way as he divides the Marxist economy into science and doctrine. In its scientific aspect according to Sadr, it tries to explain the course of economic life and its events in an objective way based upon stability and analysis.³⁰¹

The capitalist doctrine is a social system towards which capitalism calls and for its materialization it leads humanity.³⁰² Sadr remarks that, at the emergence of the capitalist economy there were two notions pervading among the economists.

First: The economic life proceeds in accordance with some natural laws, which dominate all economic entities of the society. Therefore, the job of economists is to discover those laws, in order to explain different economic Phenomena and events accruing in human lives.

Second: These natural laws constitute a guarantee for human happiness; provided they are enforced in a free environment and all the members of the society enjoy freedom of ownership, exploitation and consumption.³⁰³

³⁰¹ Baqir al-Sadr, *Iqtisaduana*, Tr. English Our Economics,(WOFIS) world organization for Islamic services Tehran-Iran, 1982., vol.1, part 2,p.3

³⁰² *Ibid*

³⁰³ *Ibid*, p.9

The first notion, according to Sadr, lays down scientific foundation of the capitalist economy, while as the second one lays its doctrinal foundation.³⁰⁴

The economic thinkers of that time, states Sadr, believed that the two notions were closely linked to each other. Therefore, restricting individual's freedom and interference in his economic affairs by the state was regarded as a crime against the natural laws.³⁰⁵ However, this sort of thinking no more appears to be sound because the natural laws never fail in any circumstances. It is therefore, mistake to regard the capitalist freedoms as an expression of natural laws and consider their violation as a crime against them.³⁰⁶

The natural laws, according to Sadr, work uninterrupted in all conditions irrespective of the degree of freedom enjoyed by individuals in the field of ownership, exploitation and consumption. Sometimes, it is however possible that the effect of these laws differ, in accordance with the difference in the conditions and circumstances. This is possible in the same way as the natural laws differ in their effects and results with the difference in circumstances and conditions.³⁰⁷

Therefore, according to Sadr unlike the Marxist doctrine, the capitalist economy is not the result of the science of economy set up by the capitalists, nor is its destiny linked with the extent of success in its scientific aspect in explaining the objective reality. The doctrine depends upon some moral and some practical values which must alone be regarded as the criterion for giving verdict in favour or against it.³⁰⁸

Besides this, Sadr also emphasizes that although the capitalist doctrine does not derive its justification and existence from the scientific laws in economics; however, the scientific laws in the capitalist economy are influenced by the

³⁰⁴ ibid

³⁰⁵ ibid., p.10

³⁰⁶ ibid

³⁰⁷ ibid

³⁰⁸ ibid., p.11

capitalist doctrine.³⁰⁹ In order to explain it, Sadr classifies scientific laws of economics into two groups, natural laws; which are similar to other scientific laws discovered by the natural sciences and do not show any link with the human will like the general law of limitation³¹⁰ and the law of increasing produce.³¹¹ Second type of laws have link with the will of man like the law of supply and demand³¹² and the iron law of wages.³¹³ Man's will remarks Sadr, is determined and conditioned in accordance with his ideas and understanding as well as the doctrinal ideology prevailing in the society in which he lives, therefore, these second type of laws can change from society to society because, societies differ from one another in respect of factors which determine their impulses of character and practical values in life. He observes that the laws in the capitalist economy are of second type in nature. They are influenced by all the factors that interfere in man's will and his tendencies. For instance; the iron law of wages, according to which, when the wages of the workers increase, their supply also increases due to the improvement in their living standard, but when the situation is contrary, the wages falling down to the natural level, this results into wide spread misery and disease, consequently decreases their number and the wages increases.³¹⁴

³⁰⁹ Ibid., p.14

³¹⁰ According to this law; every production which depends on the land and on the raw materials; its content is limited according to the limited amount of land and its raw materials. Iqtisaduna, op.cit., p.15.

³¹¹ According to this law, every increase in the production compensates the producer in a greater measure proportionately with his additional expenditure until the increase reaches a special degree in which case its (increase) is subject to a contrary law, that is, the law of contradictory yield which says that the increase in the yield starts diminishing at certain degree (stage) Iqtisaduna, op.cit., p.15.

³¹² According to this law when demand for a commodity increases while it is not possible to increase supply, the price of the commodity is bound to rise. Iqtisaduna, op.cit., p.15.

³¹³ According to this law when the wages of the worker increases their supply also increases due to the improvement in their living standard, but when the situation is contrary, the wages falling down to the natural level, this results into wide spread misery and disease, consequently, decreases their number and the wages increase. Iqtisaduna, op.cit., p.15.

³¹⁴ Baqir al Sadr Iqtisaduna, op.cit., p.15.

Sadr observes that such a law does not apply in a society in which the principle of general assurance for a respectable level of living prevails like the Muslim society.³¹⁵

So far as the first type of laws is concerned; Sadr states that they are universal in nature, applicable in all societies and all times to come.³¹⁶

Based upon this view Sadr concludes that the scientific laws in the capitalist economy are scientific only in the framework of a particular doctrine and not general laws that might be applicable in every society and at every place like the scientific laws of natural sciences.³¹⁷

Sadr on General Framework of the Capitalist Doctrine:

The capitalist economy, according to Sadr, is based upon three elements. These are freedom of ownership, freedom of exploitation and freedom of consumption.³¹⁸ This freedom is granted to every Individual in the capitalistic economic system equally, without any limitation or restriction and to all of them equally. Thus, every individual has the full freedom to pursue any approach and to take up any path for acquiring, enlarging and multiplying his wealth in accordance with his personal interests and benefits.³¹⁹

Apparently there is a huge difference between the capitalist doctrine and the Marxist doctrine. The former acknowledges the private property and provides unlimited freedom to the individual while as the later abolishes the private property and sacrifices the individual for the sake of the society. However, according to

³¹⁵ Ibid., p.21

³¹⁶ Ibid., p. 15

³¹⁷ Ibid., p.21

³¹⁸ Ibid.,p.6

³¹⁹ Baqir-al-Sadr, Falasfatuna, Tr.English Our philosophy by Shams C. inti, (Muhammad Trust of Great Britain& Northern Ireland) p. 19

Sadr, it is wrong to make a distinction between the two doctrines on the basis of their attention towards the individual and the society and regard the capitalist doctrine as an individual doctrine and the Marxist doctrine as a collective doctrine. He argues that, both the doctrines are individualistic in nature. Because, both of them rest on individual views and depend upon personal views and ego. The capitalism ensures fortunate individual's ego by providing him an unlimited freedom of ownership, exploitation and consumption and the Marxism focuses upon the unfortunate individuals. It prepares them against the exploitation of rich people and provides them a hope for a better future.³²⁰

According to Sadr, the doctrine which deserves the title of the collective doctrine is one which should depend on powers other than the ego and personal impulses. Such a doctrine cultivates in every individual a deep consciousness of responsibility towards the society and its interests. Such a doctrine makes incumbent upon an individual to forgo some of the fruits of his work, efforts and some private wealth for the sake of the society. Indeed, such a doctrine safeguards rights of individuals and ensures their welfare. All these characteristic features, according to Sadr, are present in Islamic economic doctrine.³²¹

Sadr on Capitalist Freedom:

The cornerstone of the capitalist doctrine is the freedom of man in the economic field in its various branches such as ownership, exploitation and consumption. Capitalism according to Sadr provides three reasons for such an unlimited freedom.

³²⁰ Baqir al Sadr, *Iqtisaduna*, op.cit, p.6

³²¹ *Ibid.*, p.8

First: Freedom is an instrument to ensure good and welfare demanded by the society.

Second: Freedom causes growth of production.

Third: Freedom is the real expression of human dignity.³²²

Freedom Ensure good and welfare of the society:

Capitalism believes that, in a free society, man struggles for the materialization of his personal interests which in the long run, leads to the promotion of general interests. Personal interest, which is a strong incentive and the real goal of an individual in his work and activity, is the best insurance of the general social welfare. Personal interests always motivate the individual to think of ways to increase and improve production, while decreasing its cost and expenses. This fulfils the interest, of society, while at the same time it is also considered proper for the individual. Therefore, according to capitalism, individual is the basis on which the social system must be established.³²³ Capitalism does not consider it necessary to inculcate moral and spiritual values among the people. According to it, every human being even he who does not know anything about these values proceeds in accordance with his own interests, when freedom is granted to him. Consequently, the social interests are automatically materialized.³²⁴

Sadr argues that the capitalist freedom devoid of moral and spiritual values has shown dangerous consequences during the past history and is likely to show the same in the future. He remarks that, one cannot underestimate the crimes and

³²² Ibid., p.24

³²³ Baqir al Sadr, *FalASFatuna*, op.cit., part.1, chap.1, p.17

³²⁴ Baqir al sadr, *Iqtisaduna*, (Our Economics) op. cit., p. 26.

cruelties brought by its (Capitalism's) unbridled freedom and the emergence of moral and spiritual bankruptcy as a result of its neutrality towards these values.³²⁵ s

The absolute freedom became a weapon in the hands of the powerful to suck the blood of the weak. As a result of this freedom human dignity was spoiled to such an extent that man himself became a commodity and was subjected to the law of supply and demand. Oppression, tyranny, greed and exploitation were the expression of such an unbridled freedom. Even the situation became so much worse, that there was no harm for the workers to perish and die of starvation as long as the capitalist economy provided them a ray of hope and an aperture of light. It was the hope of the iron law which states, “wait a bit until starvation and misery make a large number of you fall down (die) so that your number decreases whereby supply equaled demand resulting in the rise of your wages and the consequent improvement in your condition.”³²⁶

As a result of this freedom the sentiments of goodness and doing well to others disappeared and the tendencies of selfishness and greed emerged. Instead of cooperation and solidarity, the struggle for existence became the trend of the society. Due to this freedom, there started a mad race among the European countries to subjugate peaceful humanity and to exploit it towards the service of the capitalists.³²⁷

In this way, Sadr concludes, that humanity suffered terribly at the hands of capitalism due to its unrestricted freedom moral emptiness and spiritual vacuum.

Sadr believes that it is not possible to materialize the public interests without inculcating in man the moral and spiritual values.

³²⁵ Ibid., p.27

³²⁶ Ibid. p. 29

³²⁷ ibid

Freedom Causes growth of Production:

The second reason in favour of the freedom is that it causes growth of production. Capitalism believes that Economic freedom opens the field of free competition in different Projects of production. The owner of the project improves his project in order to excel others. One of the important means to achieve that excellence is to bring about technical improvements in the project. In this way new inventions take place and the society is benefited as a whole.

According to Sadr, this statement is based upon two mistakes, one in understanding the results of the capitalist freedom and the another in assessing the value of the production.³²⁸ So far as the first mistake is concerned, Sadr argues that, project units in the capitalist society are not similar, operating with equal degree of competence, but are different in terms of size and competence. Such a nature of these projects leads to violent struggle in which the strong projects crush the weak ones and finally results into monopolization.³²⁹ So far as the second mistake of the notion is concerned, Sadr argues that, manifold increase in the production level is not the guarantee of welfare and happiness of the society. It is not the increase in production but, its proper distribution, which constitutes the entire impression of general social welfare.³³⁰

Freedom is the Real Expression of Human Dignity:

The third reason in favour of freedom, put forth by the capitalists is that, freedom is the real expression of human dignity. Man loses his dignity when he loses his freedom. According to Sadr, the capitalists use the concept of freedom in a wrong way. Sadr classifies freedom into two kinds; Natural freedom and Social freedom.

³²⁸ Ibid., p. 31

³²⁹ Ibid.

³³⁰ Ibid., p. 32

The natural freedom is bestowed by nature while as the social freedom is granted by the social system in which a person lives. The natural freedom according to him is rightly the essential element of human dignity; however, it has no doctrinal character. It is a boon bestowed upon man by God and not a gift provided by any doctrine. As for the freedom, which carries doctrinal character is the social freedom which an individual gets from the society.³³¹

This social freedom is again divided by Sadr into two forms; one, essential social freedom and the other formal social freedom. The essential social freedom is a power which an individual earns from the society to do a certain work and the society provides the individual all the means and conditions required for it, So, if the society assures an individual to possess the price of a commodity and makes it available in the market. Further it does not let anyone to monopolize it and an individual is free to purchase it. Then according to Sadr, he enjoys the essential social freedom.³³²

The formal social freedom according to Sadr means that, the society allows an individual within the scope of his possibilities and opportunities to adopt any method to purchase a certain commodity. On the basis of this freedom an individual is free to purchase anything, if he possesses the means to purchase it. A person enjoying this freedom is free to buy a pen or a big company. Thus, formal freedom is a means of strength in an individual to reach higher levels, although it does not offer any guarantee of success to him.³³³

According to Sadr, it is the formal freedom which is provided by capitalism, so for as the essential social freedom is concerned capitalism expresses its inability to

³³¹ Ibid., p. 34

³³² Ibid., p. 37

³³³ Ibid., p. 37

provide it. It is because; the essential social freedom and the formal social freedom are contradictory to each other. Capitalism therefore, adopts a negative attitude towards the essential social freedom and considers it as the capability to benefit from the freedom and not the freedom itself. Sadr regards this negative attitude of capitalism towards the essential social freedom as an inevitable result of its positive attitude towards the essential social freedom.³³⁴

According to Sadr, it is not possible for any economic doctrine, to provide both the freedoms simultaneously because, the essential social freedom demands curb and pressurization on the formal social freedom. It is this curb which provides an assurance of better living to the economically backward classes.

There are three ways according to Sadr, to justify this curb.

One: it is justified as a historical need, as believed by Marxism in the light of historical materialism.

Second: The pressurization derives its justification from the belief in a higher authority, which possesses the right to organize the entire humanity, like religion.

Third: The limitation and curb emerges as a result of one's conscience: which enjoins upon man moral values and definite limits. However, capitalism neither believes in the historical materialism, nor it exhibits any relation with religion or conscience.³³⁵

Based upon the above view, Sadr argues, that there are only two ways open before capitalism. Either the wealthy people are allowed to work as they want and are provided the formal social freedom; hence, sacrifice the interests of economically backward people for their sake or to provide the assurance of better life to the

³³⁴ *Ibid.*, p. 42

³³⁵ *Ibid.*, p. 46

economically weaker people, so that the wealthy people are not allowed to act according to their free will. This however, would mean violation of the principle of the formal social freedom.³³⁶

Thus, Sadr concludes that the concept of freedom before capitalism is incomplete. With regard to the conception of freedom, Sadr argues that it is not the social freedom but the natural freedom, which is the real expression of human dignity.

³³⁶ *ibid.* p.42

Chapter Five

Major Themes of Islamic Economics in Iqtisaduna:

General structure of Islamic Economy:

The general edifice of Islamic economy according to Baqir al Sadr comprises of three main elements, these include; dual form of ownership, economic freedom in a limited sphere and social justice.³³⁷

Dual Form of Islamic Economy:

The economic structure of the Islamic state consists of private property and public property. This does not mean that the economic structure of an Islamic state is some sort of combination of capitalism and socialism. Sadr strongly rejects this misconception. According to him, Islam neither agrees with capitalism in the belief that private ownership is the fundamental principle nor does it see eye to eye with socialism in regarding the public ownership as the general principle. The private and public rights of ownership in Islam stems from the fundamental beliefs of Islam. This is similar to the way that private ownership is advocated in the capitalistic system and public ownership by socialistic system as a logical conclusion of their ideological and philosophical beliefs. Islamic economy is the logical conclusion of Islamic ideology. Therefore, in order to justify private and public ownership in Islam, one must understand the rights and obligations of the individuals and the state in it.³³⁸ In this way, Sadr distinguishes Islamic economy from capitalism and socialism.

Restricted Economic Freedom:

³³⁷Baqir al Sadr, Iqtisaduna, Tr.English ,Our Economics (WOFIS) ,world organization for Islamic Services, Tehran-Iran,Vol.,1,part.2,p.51.

³³⁸ Ibid.

The second element of the Islamic economy is limited freedom allowed to an individual in the economic field. This restriction on freedom states Sadr is based upon some moral and spiritual values in which Islam believes. He differentiates two kinds of restrictions, first; the personal restriction, arising from one's self, which is the result of spiritual and ideological effects of Islam upon one's personality, Second; the objective restriction, which is the expression of an external power, which defines and regulates the social behaviours in an Islamic society.³³⁹

The personal restriction develops under the shadow of a special training and education given to an individual in an Islamic society, and according to Sadr, it showed dynamic results during the early period of Islam.³⁴⁰

The objective restriction in Islam is based upon the principle that there can be no freedom for an individual, in respect of such kind of activities which goes against the Shariah.

The implementation of this principle according to Sadr is materialized in two ways; first, the Shariah has banned certain economic and social activities, which contradicts with the ideals and values adopted by Islam, such as Usury and monopolization. Second, the Shariah has given authority to the ruler (Waliyyu'l-Amr) to supervise and intervene in public activities in order to promote social interests.³⁴¹ He derives the justification of legislative authority in respect of the principle of supervision and intervention from the Qur'anic verse:

³³⁹ Baqir al Sadr, *Iqtisaduna*, Tr. Urdu, *Islami Iqtisadiyat aur Jadid Iqtisadi Makatib*, Allama Zishan Haider, ,Sazmani Tabligat-i-Islami, 1986,p.344.

³⁴⁰ Baqir al Sadr, *Iqtisaduna*, op,cit., p.55.

³⁴¹ *Ibid.*, p.57

“Obey Allah, and obey the messenger and those in authority among you.”³⁴²

A ruler in Islam states Sadr, cannot make lawful things unlawful, however, he enjoys the right of interference in activities which are permissible under the Islamic Shariah. He can thus prohibit or permit such activities which suit the Islamic ideals of the society. In this respect, Sadr mentions the interference of Prophet in the matters of people. He mentions that prophet is reported to have decided among the people of Madinah in a case about the watering troughs for the Palm trees by saying that surplus of anything should not be denied to others. He also gave a verdict in a case that arose among the people of the desert that surplus water should not be denied to others or the surplus herbage.³⁴³ According to Sadr, it is well known by the jurists that to deny surplus of water or herbage to others is not unlawful in a general way therefore, it only shows the right of interference by the authority in the public matters in an Islamic state.

Social Justice:

The Third element of Islamic economy is the principle of social justice embodied by Islam in the system of distribution of wealth in the Islamic society. According to Sadr, the meaning of social justice in Islam is so broad that its every aspect is pulsating with the concept justice. Social justice in Islam aims at developing a better human society. According to him, the Islamic form of social justice comprises of two general principles; first one is ‘general reciprocal responsibility’, on the basis of which it is obligatory upon Muslims to help each other in times of need and the other one is ‘social balance’, on the basis of which it is the responsibility of the state to bring different standards of people close to each

³⁴²Al-Quran, 4:59

³⁴³ Baqir al Sadr, Iqtisaduna, op.cit., p.59.

other.³⁴⁴ It is through this reciprocal responsibility and the balance with their Islamic sense states Sadr that, just social values are materialized and Islamic form of social justice comes into existence. The importance of social justice in Islamic economy in the light of these principles is clearly reflected from the first political address of the prophet to the people of Madina. Prophet Said, “Oh people, send forth (some good) for yourself. By Allah, one of you will certainly be stunned leaving behind his sheep without a herdsman and then his Lord would say to him. Did not my Messenger come to you and convey (My Message)? I granted you bountiful wealth and favored you, so what did you then send forth for yourself?” Therefore, he would look at the right and left and would find nothing there, and then he would look in front of him where he would see nothing but the Hell. Therefore, anyone could possibly save himself from the fire (of Hell) even though by means of a portion of data, he must do it.”³⁴⁵

Besides this address Sadr states that, prophet started his first political activity in Madina by establishing brotherhood between the emigrants of Makka and the helpers of Madina. This fraternity was based upon the principle of reciprocal responsibility in order to materialize the social interests which Islam intends.

Integrative Nature of Islamic Economics:

The various aspects of Islamic economy according to Sadr are integrated together; besides, the whole economic system is connected with the rest of the religious entities of Islam including the Social, political and other ones.³⁴⁶ This attachment according to him is so strong that isolation of one aspect from the other give rise to serious problems in the economic life of an Islamic society. Therefore, Sadr

³⁴⁴ Ibid., p.60

³⁴⁵ Ibid., p.61

³⁴⁶ Ibid., p.66

emphasizes that various aspects of Islamic economy should be studied together and Islamic economy as a whole should be understood as a part of the general system of Islam. On one hand Islamic economy is connected with the belief system of Islam, which constitutes the basic source of spiritual provision of the religion, on the other hand this connection extends to the sentiment of brotherhood (fraternity).³⁴⁷ Similarly, the connection between the Islamic economy and the political system in Islam is such that separation of one from the other creates misunderstanding in realizing the goal of both the systems. The wide economic powers enjoyed by the ruling authority in the Islamic state are the outcome of the intimate relationship between the Islamic economy and the political system of Islam.³⁴⁸ Like-wise the connection between the economic doctrine and the Finance policy of the Islamic state is to such an extent, as may let the financial policy be regarded as the program of the economic doctrine of Islam. The economic policy in Islam has been formulated in such a way as to meet the general objectives of the Islamic economy. It aims at establishing social balance in an Islamic society through general reciprocal responsibility of people³⁴⁹ and elevating the society to its ultimate destiny.³⁵⁰ The relation between the prohibition of usury and the other aspects of Islam is also very close. According to Sadr if the prohibition of usury in Islam is studied as a separate component it will give rise to many complicated problems, however, if it is considered as a part of the single interconnected operation, then it will become evident that Islam provides clear solutions to the

³⁴⁷ Ibid., p.69

³⁴⁸ Ibid., p.71

³⁴⁹ On the basis of the principle of 'public reciprocal responsibility', it is obligatory upon a Muslim to help his Muslim brother in times of need.

³⁵⁰ Baqir al Sadr, *Iqtisaduna*, op. cit., p.71

problems that emerge as a result of its prohibition. This solution, states Sadr, lies in Mudharibah, social balance and reciprocal responsibility.³⁵¹

Therefore, it is necessary to comprehend Islamic economics as a part of the entire system of Islam.

Religion Alone can Materialize Social Interests:

According to Sadr, the economic doctrine of Islam is distinguished from other economic doctrines by its religious nature. Islam while dealing with any aspect of life links it with religion shaping it in the framework of man's relationship with his creator and the life hereafter. It is this framework states Sadr, which enables the Islamic system to materialize the general social interests of man as these interests according to him cannot be secured except by means of a system which has a proper religious background³⁵². Sadr classifies man's interests into two types; natural interests and social interests. The former are provided by nature³⁵³. While as later are fulfilled by the social system in which man lives.³⁵⁴. Sadr further says that there are two basic conditions to fulfill these interests; first, man should know them second, he should have an incentive to materialize these interests after having known them³⁵⁵.

So far as the natural interests are concerned, man knows and materializes them on the basis of his personal interest, which motivates him to know and give practical shape to these interests. Since these interests do not contradict with personal interests of any individual besides, every person is benefited by them equally,

³⁵¹ Baqir al Sadr, *Islami Iqtisadiyat aur Jadid Iqtisadi Makatib*, op.cit. p.359.

³⁵² Baqir al Sadr, *Iqtisaduna*, op.cit, p.76.

³⁵³ For Instance, nature provides herbs which prevent man from a particular disease.

³⁵⁴ For instance, man is allowed to exchange his product with others or assurance of livelihood is granted to him in case of his inability to do any work, because of old age, disability etc. and in case of unemployment.

³⁵⁵ Baqir al Sadr, *Iqtisaduna*, op.cit., p.77

therefore, every individual at every time is striving to know them and making efforts to materialize them to promote individual and social welfare. The problem according to Sadr lies with the social interests. Many a time's social interests contradict with the personal interests of man and become a hindrance in the path of social interests. Thus, assurance of livelihood of a worker in case of his unemployment is inconsistent with the interests of the rich people. Similarly, nationalization of land goes against the interests of those who could monopolize the same. Therefore, Sadr regards it necessary to make an agreement between the two types of interests to solve the problem.³⁵⁶ This problem according to him cannot be solved by science as most of the people in his view believe because, science is only a means to discover reality it cannot make a person to choose the reality.³⁵⁷ Similarly, Sadr does not find any logical solution to the problem from the Marxist doctrine, because it does not hold any scientific ground³⁵⁸. Furthermore, it is also not possible for any social setup like government to solve the issue by formulating laws because; the authorities in the government are again human beings with personal interests. Therefore, Sadr reaches to the conclusion that it is only religion which can provide solution to the problem. This is due to the fact that the solution depends upon an agreement between the two types of interests. It is only religion that can establish such an agreement³⁵⁹. Religion motivates a person to sacrifice his personal interests for the sake of others. It creates in him a new attitude towards life and inculcates in him a new concept of profit and loss, higher than their material and commercial meanings. It prepares his mind to bear any suffering of loss for the sake of his brother and gives him a spiritual contentment to serve others. In this way it teaches him the highest lesson of brotherhood, and

³⁵⁶ Ibid., p.80

³⁵⁷ Ibid., p.81

³⁵⁸ Ibid., p. 83

³⁵⁹ Baqir al Sadr, *Islami Iqtisadiat aur Jadid Iqtisadi*, Makatib, op.cit. p.372

encourages him to perform those activities, which benefits the society at large. In this respect Sadr mentions the following verses of the holy Quran:

“And he that works a righteous deed, whether man or woman and is a believer such will enter the Garden (of bliss); there in they will have abundance without measure.”³⁶⁰

“Whosoever works righteousness benefits his own soul; whosoever works evil, it is against his own soul.”³⁶¹

“On that day will men proceed in companies sorted out, to be shown the deeds that they (had done) then shall anyone who has done an atom’s weight of good, see it! And anyone who has done an atom’s weight of evil, shall see it.”³⁶²

“It was not fitting for the people of Madinah and the Bedouin Arabs of the neighborhood, to refuse to follow Allah Messenger, nor to prefer their own lives to his: because nothing could they suffer or do but was reckoned to their credit as a deed of righteousness-whether they suffered thirst, or fatigue or hunger, in the cause of Allah, or trod paths to raise the ire of the unbelievers, or received any injury whatever from an enemy: for Allah suffereth not the reward of the lost of those who do good-nor could they spend anything (for the cause)-small or great-nor cut across a valley ,but the deed is inscribed to their credit; that Allah may requite their deed with the best (possible reward).”³⁶³

These verses of the Holy Quran clearly reveal the importance of righteous deeds. In other words it removes the inconsistency between the personal and social interests. On account of this, Sadr considers religion as a natural need for

³⁶⁰ Al-Quran, 40:40

³⁶¹ Al- Quran, 41:46

³⁶² Al- Quran, 99:6-8

³⁶³ Al-Quran,9:120-121

humanity. On one hand nature inculcates in man love for his self and hence creates a gulf between personal and social interests on the other hand, he is naturally inclined toward religion. Sadr calls it a natural solution to a natural problem³⁶⁴. However, the religion that forms the part of human nature according to Sadr, is none but Islam because, it is only the religion of unity which can organize humanity practically and socially and can remove the gap between personal and social interests³⁶⁵. As for the religion of idolatry or polytheism; Sadr considers them as the outcome of the problem as it is mentioned in the Holy Quran; “Those whom ye worship besides Him are but names which ye have named, ye and your fathers. Allah hath revealed no sanction for them.”³⁶⁶

Therefore, these religions cannot prove to be the remedy for the problem.

Islamic Economics is not a Science:

There are two sides of economics according to Sadr, scientific side and doctrinal side. Scientific side is concerned with the explanation of economic life, its economic events and its economic phenomena. The economic doctrine is an expression of the way which the society prefers to follow in its economic life and in the solution of its Practical problems.³⁶⁷ However, Islamic economy according to Sadr has only one aspect that is the doctrinal side. Islamic economics is a way which Islam prefers to follow in the pursuit of its economic life and not an interpretation of the economic events.³⁶⁸ It is a part of the whole religion Islam, which organizes economic life in the same way as it deals with other aspects of life. It aims at changing a corrupt facet into a sound one and not an objective

³⁶⁴Baqir al Sadr, *Iqtisaduna*, op.cit., p.87.

³⁶⁵ Baqir al Sadr, *Islami Iqtisadiat our Jadid Iqtisadi Makatib*, op.cit., p.375

³⁶⁶ Al-Quran, 12:40

³⁶⁷Baqir al sadr, *Iqtisaduna*, op.cit., vol.2, part.1, p.6

³⁶⁸Baqir al sadr,*Iqtisaduna*, op.cit., vol.1, part.2, p.92

explanation of the facet. However, in order to lie down the scientific foundation of Islamic economy Sadr regards it necessary implement Islam in a society as a complete way of life.³⁶⁹

According to Sadr, there are two ways to make a scientific explanation of the events of economic life; First, information about economic events are collected from the realistic experience of life and are arranged scientifically to make a scrutiny examination of the laws operating behind them. Second, starting a scientific research from particular admitted facts and deducing in their light the economic direction and its course of events.³⁷⁰

As for the scientific explanation in the Islamic economy on the first basis is concerned, Sadr states that it depends upon the implementation of the religion in its entirety, so that a researcher could record the actual laws operating behind these events, but anything like this is not possible for the Muslim economists because, there is not a single Islamic society where the economic life of people completely run on the guidelines of Shari'ah.

As for the scientific explanation on the basis of the second method is concerned Sadr states that it is possible to explain thought it some of the facts of Islamic economy by starting from certain religious points and formulating in the light of them the scientific model of an Islamic economy. However, such a hypothetic explanation cannot be regarded as scientific one because; very often the actual reality is different from the hypothetical one. Moreover, the spiritual and ideological aspects of an Islamic society also have an effect in the economic life of people³⁷¹. Therefore, Sadr concludes that the science of Islamic economy cannot

³⁶⁹ Ibid.,p.96

³⁷⁰ Ibid., 94

³⁷¹ Ibid., p.95

possibility take its real birth unless it is implemented in a society which is completely based upon the principles of Shari'ah.

Economic problem in the light of Islam

According to Sadr, every economic system believes that there is a problem in the economic field of mankind which must be tackled. Capitalism believes that the basic problem is the shortage of natural resources. These resources cannot keep pace with the development of civilization³⁷². Similarly, Marxism holds the view that the economic problem lies in the disagreement between the forms of production and the relations of distribution.³⁷³ Islam according to Sadr disagrees with both of the systems. According to it the real problem neither lies in the paucity of natural resources nor is there any inconsistency between the forms of production and the relations of distribution. The actual problem lies in the man himself.³⁷⁴

According to the Holy Quran, Allah Almighty has kept all the needy and beneficial things for man in this world and has provided him resources sufficient to meet his material needs. But it is the man himself who has lost this opportunity because of his transgression and ingratitude.

“Allah is he who created the heavens and the earth, and causeth water to descend from the sky, thereby producing fruits as food for you, and maketh the ships to be in service unto you, and hath made of service unto you the rivers. And maketh the sun and the moon constant in their courses, to be of service unto you, and hath made of service unto you the night and the day. And he giveth you of all you ask of

³⁷² Ibid., p.110

³⁷³ Ibid., p.111

³⁷⁴ Baqir al sadr, *Islami Iqtisadiyat aur Jadid Iqtisadi Makatib*, Op.cit., p.390.

him, and if you would count the bounty of Allah ye cannot reckon it. Lo man is verily a wrong doer, an ingrate.”³⁷⁵

Thus man’s unjust behaviour in his practical life and his thanklessness of the Divine bounty are the real causes of the economic problems in man’s life. According to Sadr man’s injustice in the economic field is due the equal distribution of wealth while as his thanklessness to divine bounty lies in neglecting the exploitation of the natural resources³⁷⁶. Therefore, the economic problem will be solved only when there is a fair distribution of wealth between people besides; the natural resources are completely exploited.

Distribution of wealth on Islamic Level:

The first economic wealth is the natural resources of the environment. Unjust distribution of economic wealth begins with the problem of ownership of these natural resources. On account of it humanity has suffered terribly in the hands of capitalism and socialism. Capitalism while focusing upon the rights of an individual completely ignores the society. Meanwhile socialism sacrifices an individual for the sake of the society. However, Islam lays down such a framework of distribution for the Islamic society that ensures regard for the rights of the individual as well as that of the society. In order to understand the rights of ownership of natural resources in Islam, Sadr develops the theory of distribution of these resources. He constructs the theory of distribution of economic wealth at two stages; preproduction stage and post production stage³⁷⁷.

I. Distribution at preproduction stage

³⁷⁵ Al-Quran, 14:32-34

³⁷⁶ Baqir al sadr, Iqtisaduna, op cit., p.112

³⁷⁷Baqir al sadr, Iqtisaduna, op.cit., vol.2, part.1, p.75

While constructing the conceptual framework of his theory Sadr disagrees with political economists in regarding Capital and labour as a part of the economic resources.

The capital; according to Sadr is a produced wealth and not an original source of production. As for labour, it is an abstract and immaterial element, so cannot be included in the orbit of private or public proprietorship.³⁷⁸

On the other hand nature can be divided into four categories; Land, Mineral wealth, natural streams and other natural resources such as living species in the air, sea and on land.³⁷⁹

Ownership of Land in Islam

There are different types of lands within in an Islamic Society; Fertile land, Dead land, the Muslim land by call (Ad-Da'wah), the land of Sulh (treaty land) and other types of land, like the land which its inhabitants have surrendered to Muslims without any attack and the land whose inhabitants have become extinct.

The naturally fertile land is the property of the state or the property of the Prophet or his lawful successor. Sadr states that in al-Tadhkirah of al Állámah al-Hilli, there is a consensus between the 'Ulama in respect of it.³⁸⁰

Similarly, the dead land is also the property of the state. According to Sadr, ash-Sheikh al-Iman al-Mujaddid al Ansari has mentioned in his al-Makásib that the texts in respect of this are in profusion. It even says that they are profuse to the extent of twatur³⁸¹.

³⁷⁸ Ibid., p.80

³⁷⁹ Ibid., p.83

³⁸⁰ Ibid., p. 128

³⁸¹ Ibid.

Although the sole ownership of these lands belongs to the Islamic state, people may gain special rights of ownership, if they invest their labour to develop them and such a right expires as soon as that development ends. People while utilizing these lands must pay property taxes for their use to the Islamic state³⁸².

The Muslim Land by call includes all those lands which come within the bounds of an Islamic state without any armed conflict. These lands are divided into different types like the one which their inhabitants have cultivated and their owners accepted Islam willingly, the land naturally grown, like forests and the land which were dead when they were annexed to Islam. The cultivated land belongs to its inhabitants because, according to Sadr, Islam confers upon a Muslim who embraces Islam willingly in respect of his lands and other property all the rights which he enjoyed before his acceptance of Islam³⁸³.

As far the dead lands, the principle of state ownership is applied to them; however, people can acquire special rights through the investment of labour.³⁸⁴

Likewise naturally cultivated lands which are annexed to the Islamic sultanate also are the property of the state by the application of the Juristic principle which holds that 'every land which has no owner is a part of the anfal.'³⁸⁵

The land of sulh (treaty Land), include those lands which are invaded by Muslims in order to capture them. Its inhabitants neither embrace Islam nor offered any armed resistance to the call of Islam but remained on their own religion and were pleased to live in the lap and under the protection of Islamic state in peace a scarcity. The ownership of this land depends upon the terms and conditions in the

³⁸² Ibid., p. 114

³⁸³ Ibid., p. 116

³⁸⁴ Ibid.

³⁸⁵ Ibid.

treaty. If it is mentioned in the text of the treaty that the land belongs to its inhabitants then the land will be considered on the basis of it. If it has been executed in the treaty terms that the land belongs to the Muslim community, and then the land will be subjected to the principle of the common ownership and Kharaj, on it will become incumbent.³⁸⁶

The land, whose inhabitants surrendered it to the Muslims without any attack, comes under the Category of anfal and hence belongs to the Islamic state.³⁸⁷ Sadr derives its justification from the following verse of the Holy Quran:

And that which Allah gave as spoil unto his messenger from them, ye urged not any horse or riding Camel for the sake thereof, but Allah giveth his messenger Lordship over whom he will, Allah is able to do all things.³⁸⁸

The land whose inhabitants have perished also belongs to the Islamic state. Sadr supports his statement by the tradition reported by Hammád ibn Isa from Iman Musa ibn Jafar (a-s), “Anfal belongs to the Iman, and anfal is every land whose people have perished.”³⁸⁹

Mineral wealth:

The second type of natural wealth is the mineral resources. Sadr categorizes minerals into two types, based upon their location in the earth, open minerals and hidden minerals.

The open minerals are the easy available minerals. To reach them, no heavy process is needed. Besides they exist in their actual natural mineral state like salt, oil, coal-tar, millstone, asphalt, china clay, ruby, antimony and other such minerals.

³⁸⁶ Ibid., p.118

³⁸⁷ Ibid., p.118

³⁸⁸ Al-Quran, 59:6

³⁸⁹ Baqir al Sadr Iqtisaduna, , p.119

The hidden minerals on the other hand are disclosed only after a heavy labour. Besides, these minerals are subjected to various metallurgical operations before use. These include; gold, silver, copper, lead etc.³⁹⁰

As for the open minerals, they are subjected to common ownership. An individual can take such quantity of them, as would fulfill his basic needs; however, he cannot take into possession its natural mines. According to Sadr the texts of many source books on Islamic jurisprudence like al-Mabsut, al-Muhadhdhab, as-Sara'r, al-Tahrir, al-Durus, al-lumah, and al-Rawdah support the principle of the common ownership and the invalidity of the principle of private ownership in respect of the open minerals.³⁹¹

The hidden minerals are again of two types; those, which exist close to the surface of the earth and those which are concealed in the deep bowls of the earth. Sadr calls the latter the latent hidden minerals.

According to Sadr, the minerals that are close to the surface of earth are commonly owned. Every individual can take into possession such quantities of these minerals that do not exceed reasonable limits. Al-Allamah al-Hilli mentions in al-Tadhkirah that these minerals cannot be taken as private property. Sadr states that the people in the legislative age were satisfying their requirements of the mineral materials found on the surface of earth or close to it by taking into possession these minerals in such quantities that would fulfill their need.³⁹²

As far the latent hidden minerals like gold, silver, iron, lead and copper, some jurists hold the opinion that they are the state property. These jurists include al-Kulyani, al-Qummi, al-Mufid, al-Daylami, and al-Qadi, regards them as anfal and

³⁹⁰ Ibid., p. 140

³⁹¹ Ibid., p.144

³⁹² Ibid., p.145

hence are the property of the state. However, majority of jurists including Allamah al-Hilli subject them to the common ownership and Sadr maintains the similar viewpoint. Allamah Hill mentions in al-Qawaid, “If a person digs and reaches the mine, he does not get the right to prevent other person from digging it from another side. If he (the other) reaches its vein, it is not for him- I mean the first digger to prevent him, for he possesses the place which he has dug up and its precinct (harim).”³⁹³

Natural waters

The sources of water are two of types based upon their presence in the earth. Those resources which are on the surface of the earth like; oceans, rivers, ponds and the second source is the ground water. The first kinds of sources are common property shared jointly by all the people. It is the labour on the basis of which a person can take it under his control.³⁹⁴

As for the ground water it can be owned by applying labour upon it. One who spends the labour owns the water; however, according to Sadr he does not become the owner of the spring which existed in the bowels of the earth, before he opened it up by his labour. Therefore, it is his duty to make it available for others after he has satisfied his requirements.³⁹⁵ Sadr writes, “it is narrated on the authority of abu Basir from imam as-sadiq that the messenger of Allah has for bidden annitaf³⁹⁶ and

³⁹³ Ibid., p-149

³⁹⁴ Ibid., p.166

³⁹⁵ Ibid., p.167

³⁹⁶ Al-Nitaff means one has a fixed limit of time for irrigating his land to his satisfaction. Iqisaduna, op.cit., p.167

al-arba'a'.³⁹⁷ He (the Imam) said," so do not sell them but lend them to your neighbour or brother (in faith)".³⁹⁸

Other Natural wealth

As for other natural wealth such as living species in air, sea and on land, they come under the category of al-Mubahatu' l-ammah (things permitted to all). They can be privately owned through the investment of labour. It will not suffice for them to come under the control of man unless he puts in positive work for securing them. It is mentioned in al-Qawaid of Allamah Hilli, in respect of the rules of hunting," prey does not become his property by falling in the mire of his land or birds nestling in his house or fish leaping up to his boat."³⁹⁹

In this way one can conclude that Sadr regards people themselves or in more concrete terms their representative government is the sole and legitimate owner of the natural resources. Individuals may gain special privileges to make use of these resources only through the investment of their labour but, they must at the sometime contribute towards the development of these resources. Other forms of individual labour; such as the use of force to possess them is not considered legitimate means to ownership. It is only invested human work, that has legal significance of ownership.⁴⁰⁰

II. Distribution at Post production Stage:

The Islamic general economic theory of post production distribution confers upon a working man the private right of ownership to every wealth which he produces by his labour. As for the material means of production and various tools which a

³⁹⁷ Al- Arbaa' means one makes a dam for irrigating his land, till he is satisfied. Iqtisaduna, op.cit., p.167

³⁹⁸ Baqir al sadr Iqtisaduna, op.cit., , p.167

³⁹⁹ Ibid., p-169

⁴⁰⁰ Ibid., p-206

man makes use of in the operation of production. If these means are to be the property of an individual other than the labourer, then the legitimate owner of these tools will be paid for their use.

It is mentioned in Shara'i by Muhaqqiq-al- Hilli "if a man gives for example an animal and another man his water skin to a water carrier with the understanding of sharing in the earnings there for, no partnership will take place, so in such a case whatever is earned will belong to the water carrier and compensation for the use of the animal and the water skin will be due from him"⁴⁰¹

According to Sadr, here lies the major ideological difference between capitalism and Islam. The former regards the owner of the means of production as the sole owner of the produced commodities, while as Islam considers only the labourer to have the legitimate claim to the commodities produced. In capitalism tools get a share of the product because their use, like human labour represents expenditure of work in the production process. In Islam tools only assist and aid man to facilitate the process of production. Thus they must be compensated for rent only and not in profit sharing. In this way the role of man according to Sadr in the capitalist view is that of means which serve production and not the end which production serves. As for the status of man in Islamic view, it is that of an end and not that of means.⁴⁰²

Accordingly, only the labourer has the legitimate claim to the products of his effort. Therefore, it is unthinkable in Islamic economics, states Sadr, for someone to employ others and provide them with rent and tools so that he alone owns the production of their labour.

⁴⁰¹Baqir al Sadr, *Iqtisaduna*, op.cit., vol.2, part.2 p.9

⁴⁰²*Ibid.*, p.14

It is mentioned by Allamah-al-Hilli in his book *ash Shar'i*, “if a person appoints another person as his wakil (Agent) to cut wood from the forest on his behalf, the Wikalah will be null and void. The appointer will not become the owner of the wood cut by his agent, the reason being that, the labour work produces no special right for a person, until he himself performs the labour.”⁴⁰³ He also links together Wikalah (agency) and Ijarah (hire work) and then states, “When Wikalah is in productive in regard to those works then Ijarah is also like it. So just as the appointer does not acquire the ownership of cutting of wood or hunting a prey or reclaiming a waste-land by the labour of his agent so naturally the hirer of the labour does not acquire the yield of the labour of the workman hired by him.”⁴⁰⁴

As for the production of secondary commodities, Islam gives the owner of primacy commodities the right to establish his claim to final products. The legitimacy of his ownership does not cease because, someone aids him in transforming his commodity in different forms. For instance, if a person spins yarns or weaves a fabric out a quantity of wool which a shepherd owns. He will have no claim to the possession of wool but the whole of the woollen fabric will be considered as the property of the shepherd. Sadr calls it the ‘Phenomenon of the constancy of ownership.’⁴⁰⁵

The whole theory of post production can be thus summarized as: the material for the production of which a man carries out his labour, when it does not happen to be already an owned property of another man, then the wealth which he produces will be wholly and solely his own property and all the other forces participating in its production will be regarded as his servants and will meet their remuneration at his hand and not partners in the manufactured company. But when the material is to be

⁴⁰³ Ibid., p.5

⁴⁰⁴ Ibid., p.7

⁴⁰⁵ Ibid., p. 28

an already owned property of some particular individual, then in such a case, it will continue to remain, according to the ‘phenomenon of the constancy of ownership’ the private property of that man whatever changes it may undergo.⁴⁰⁶

Relation between Production and Distribution: An Islamic Perspective

There are two important operations according to Sadr that people practice in their social life; the operation of production and the operation of distribution. In the process of production man’s battle is with nature, while as in the process of distribution he is concerned with people with whom he establishes certain relationships. Unlike Marxism which establishes an inevitable relationship between the two operations sadr observes that in Islam, production and distribution are independent of one another⁴⁰⁷. This segregation, is because, Islam regards social life with its different forms as an expression of human need,⁴⁰⁸ rather than the result of various forms of production (as believed by Marxism). Islam believes that it is the man who is the driving force of history. He has been created in such a way that he loves his own self and consequently exploits all things around him in order to obtain maximum pleasure and comfort.⁴⁰⁹ It is this nature of man which brings change and development in social relations in the society. That is why Islam has focused upon the fulfillment of all types of human needs. Sadr divides human needs into types; the basic socio-economic needs which remain constant despite the change in times and situations and the secondary needs which are the result of knowledge, discoveries of new resources and power of production. Islam provides due regard to both these types of human needs. Its social system has got two aspects; the permanent aspect, which cannot undergo any change whatever the

⁴⁰⁶ Ibid., p.52

⁴⁰⁷ Ibid, p.128

⁴⁰⁸ Islami Iqtisadit aur Jadid Iqtisadi Makatib, op.cit., p.382

⁴⁰⁹ Ibid

conditions, would be. This is the stable side of Islamic social system. It includes the Islamic rules and regulations towards the basic needs of man, like the need for the guarantee of livelihood, the safety needs, needs related to the distribution of wealth and those related to marriage and divorce and others laid down in the holy Quran and the Sunnah of Prophet Muhammad (pbuh). In its second aspect which is dynamic it empowers the ruling authority (waliyy al amr) to decide in the light of the stable aspect, all that is best for its people in accordance with new times and circumstances. In this way it caters both the types of human needs. The basic needs as well as the secondary needs.⁴¹⁰

Role of state in Islamic Economy:

In Islamic economy the state according to Sadr performs two important functions; first, it provides social security to its people and second, it maintains social balance in the society.⁴¹¹

(a) Social Security:

The state according to Sadr provides social security in two phases. In the first phase it provides different work opportunities to its people, so that they can earn their own livelihood. However, when an individual is unable to perform work or when the state fails to provide him any opportunity of work then there comes the second phase wherein the state makes ready availability of an adequate amount of money for him so that he can fulfill his basic needs.⁴¹² The social security states sadr has its basis on the two doctrinal principles of Islamic economics. One is the

⁴¹⁰ Baqir al Sadr, *Iqtisaduna*, op. cit vol.2,p.147

⁴¹¹ *Ibid.*, p. 151

⁴¹² *Ibid.*, p.151

public reciprocal responsibility and the second is the societies right on the natural resources of the state.⁴¹³

1. Social Security Based on Public Reciprocal Responsibility:

On the basis of the principle of public reciprocal responsibility, it is obligatory upon a Muslim to help his Muslim brother in times of need. This help from him is obligatory even after the payment of zakat. In this respect Sadr mentions; a man named Sama'ah asked Imam jafar ibn Muhammad, "There is a group of people. They have excess of wealth while their brethren are in severe need, and zakat will not suffice them. Can they eat to their fill, while their brethren go hungry? The time is hard." Imam jafar replied, "A Muslim is a brother of Muslim. He shall not wrong him; neither shall he abandon him in bad conditions nor deprive him. It is a duty upon a Muslim to strive after, keep friendly relations, and cooperate with each other and be sympathetic to those in need⁴¹⁴." Similarly in another tradition Imam Jafar al sadiq has said, "whosoever of the faithful denies a faithful a thing of which he is in need while he can give out of what he has or somebody else has will arise (from the grave) on the Day of Resurrection with his face blackened, his eyes blinded and his hands tied to his neck. Then will be said: "this man is a dishonest who has committed dishonesty against Allah and his messenger then he will be ordered to hell."⁴¹⁵

In light of the above passages sadr infers that a Muslim cannot leave another Muslim in isolation after he possesses the potential to help him. If such a situation arises then the state can compel him forcibly on the basis of the principle of public reciprocal responsibility to provide support and maintenance to the needy Muslim,

⁴¹³ Ibid., 152

⁴¹⁴ Ibid., p. 153

⁴¹⁵ Ibid., 154

However, such a compulsion will be confined only up to the fulfillment of basic needs, without the satisfaction of which life of an individual will be difficult to live in.⁴¹⁶

2. Social Security Based on Societies Right on Natural Resources:

As for the social security based on the principle of societies right on the natural resources of the state, Sadr remarks that the theoretical basis of this principle lies in the Islamic belief about the creation of natural resources that these resources have been created for the society as a whole and not for any particular section of class or group. As it is mentioned in the holy Quran ----“who created for you all that is in the earth.”⁴¹⁷ It is further mentioned in Surah al Hashr, “what Allah has granted to his Apostle as a Fay, from them while you did not run a horse or a camel, but Allah gives his dominance over whom he wishes and Allah is all powerful and what Allah has granted his Apostle as Fay from the property of the people of the town belongs to Allah, to his (Apostles) family, to the orphans, to the traveler, so that it may not be a thing taken by turns among the rich of you⁴¹⁸. In the light of these verses of the holy Quran, Sadr draws the conclusion that every individual of the society has a right to get benefited by the natural resources of the state. However, unlike the social security based on the principle of public reciprocal responsibility the state on the basis of the principle of ‘people’s right on the natural resources of the state’ is directly responsible for the support and maintenance of its needy and helpless subjects. He further states that the state on the basis of this principle is not only responsible to satisfy the basic needs of its subjects but has also a duty to set a minimum standard of life in the society and provide facilities to every individual

⁴¹⁶ Ibid., 155

⁴¹⁷ Al-Quran 2:29

⁴¹⁸ Ibid., 59:7

up to that standard of life⁴¹⁹. He observes that the legislative texts pertaining to the state's direct responsibility as to the social security are quite clear in their emphasis on direct responsibility of the state and on the fact that this is a security of upkeep. He mentions, "It is reported on the authority of Imam Ja'far al Sadiq that: "The Messenger of Allah (SAW) used to say in his sermon, "whosoever leaves debt behind him, his debt is my responsibility and whosoever leaves his money, it is his food."⁴²⁰ Similarly Sadr mentions that Imam Musa ibn Ja'far (a.s) has said, "He is the heir of one who leaves no heir behind him and he maintains one who has no means to maintain himself."⁴²¹ In a report to Musa ibn Bakr (it is stated) that al-Imam Musa(a.s) told him that one who seeks sustenance by lawful means in order to benefit himself and his family and children is a mujahid in the cause of Allah. Then if he fails in that, let him seek to borrow in the name of Allah and his Messenger (S.A.W) whatever he needs to feed his family and children. Then if he dies without discharging his debt then it will be the responsibility of the Imam to discharge it. Then if the Imam does not discharge it, upon him will be the burden of it.⁴²² Similarly, in a letter Hazrat Ali wrote to the Governor of Egypt, "Thereafter for the sake of Allah take care of those from among the poor and the needy, the miserable and the crippling who have no means to support them. Allot for them a share of Islam's best crops from every city.... Look after the orphans and the one enfeebled by age that have neither the ability nor can toil for their own problems."⁴²³ These texts states sadr enunciate clearly the principle of social security, expound the responsibility of the state for the maintenance of an individual and provide him with the means of its maintenance.

⁴¹⁹ Baqir al Sadr, *Iqtisaduna*, op.cit, p.156

⁴²⁰ *Ibid.*, p. 156

⁴²¹ *Ibid.*

⁴²² *Ibid.*, p.157

⁴²³ *Ibid.*, p. 158

(b) Social balance

While maintaining social balance in an Islamic society Sadr states that Islam proceeds from two basic truths, one universal and the other doctrinal. As for the universal truth, it is the difference which exists between individual members of the human species as to their diverse mental, intellectual and physical facilities and aptitudes. These incompatibilities in Islam are not accidental but natural⁴²⁴. Therefore, according to Sadr, it is neither possible for a realist theory to discard it, nor for any social order to abolish it through legislation. As for the second truth of the Islamic logic for the treatment of the matter of social balance, it is the ‘(economic) doctrinal law of distribution’ which states that it is the work which is the basis of private property.⁴²⁵ Therefore, according to Sadr Islam focuses upon the balance of the standard of living and not the balance of income among the individual members of the society as believed by Marxism. The meaning of standard is that the wealth should circulate among the people in a degree as would afford each individual member of the society a common standard of life⁴²⁶. This however, states Sadr does not mean that Islam enjoins to create this state in a moment but appoints social balance of the standard of living as an aim and objective which the state should strive within the means at its disposal. Islam facilitates to accomplish this aim by putting pressure from above on higher standard of life by prohibiting extravagant practices and from below provides ways and means for the upliftment of people living a lower standard of life.⁴²⁷ In this way different standards are brought closer to each other till they get merged into a common standard.

⁴²⁴ Ibid., p. 162

⁴²⁵ Ibid., p. 163

⁴²⁶ Ibid., p. 165

⁴²⁷ Ibid., p. 165

Besides enforcing the Shariah laws, guaranteeing fulfillment of needs and maintaining the social balance, the state has an important function of undertaking fresh legislation to regulate and guide economic affairs of life left unregulated by the shariah. This sphere open to fresh legislation, mainly related to relations between man and the world of nature, is distinct from the relations between man and man. These relations change with changing knowledge, discovery of new resources, powers of production etc. They have to be properly regulated in order to ensure Justice and protect the interests of the society. Islam authorizes the properly constituted government to fulfill this gap. The government can prohibit something hitherto regarded as 'Permissible' or make some permissible act an obligatory one in accordance with the fulfillment of the needs common people.⁴²⁸

⁴²⁸ Ibid., 178

Conclusion:

Islamic economics has been the subject of discussion among Muslim scholars right from the prophet's period. Early analysis of economic matters was made by them in the disciplines of *Tafsir*, *Hadith* and *Fiqh*. This was followed by abundance of literature that was produced on the subject. The economic responsibilities of the ruler, payment of *Zakat*, disbursement of public funds, exploration, utilization and development of natural resources and works of public utilities are some of the major themes upon which the early Muslim scholars, such as, Imam Abu Yusuf, Abu Ubayd, Yahya bin Adam Qudamah bin Jafar and Mawardi focused upon their attention. This was followed by special treatment to the other economic aspects such as; buy and sale, prohibition of interest, lending of money and prices, production and distribution, supply and demand, development of various types of crafts, capital formation, trade cycles and international trade. Some of the eminent Muslim scholars who have made analytical study of these economic issues are Imam Ghazzali, Ibn Taimiyah, Ibn Khaldun and Shah Waliullah. The subject got extraordinary momentum in the twentieth century when a number of Muslim scholars came forward and produced abundant literature, in which they attempted to project Islamic economics as a viable alternative to the capitalism and socialism, on the basis of the logical and realistic solutions that Islam provides to the economic problems of man. One of the eminent Muslims scholars and thinkers of the modern times, Ayatullah Muhammad Baqir al Sadr made a significant contribution in this direction.

Baqir al Sadr holds the view that, every economic system has got two aspects; scientific aspect and doctrinal aspect. The scientific aspect of Marxist economy is the historical materialism, while as its doctrinal aspect comprises of Socialism and communism. Historical materialism as an interpretation of history in terms of

single factor (economic) does not explain most of the historical and social events which are the results of social, political, religious and psychological factors.

The labour theory of Marx has also many loopholes. It does not apply in case of hoarding and in some technical and monumental productions, as well as when there are fluctuations in the supply and demand. It is not the human labour, remarks Sadr, but the human desire on the basis of which exchange between commodities take place. Similarly, Marxist doctrines viz, socialism and communism are not the inevitable ends of historical and social development. There are enough possibilities that capitalism may be replaced by a society based on some ideology other than socialism, as history bears witness that many societies have emerged in history on military, political and religious basis. However, if the socialism is being given the practical form, it will create a new form of class inconsistency, as individuals naturally differ in terms of their physical capabilities and mental abilities, while as the principle for distribution in the socialist stage is, “for everyone according to his work”. This will lead to the distribution of production among the individuals with different degrees and class inconsistency will take a fresh birth. Similarly, Marxist anticipation that socialism will be replaced by communism does not explain that which class is going to bring this change, as there is a single class in the socialist stage. However, if it is the government itself that will wither away then, it contradicts with human nature. Sadr makes an important argument that, how can government in the socialist stage give a death blow to itself, while every other government on the surface of earth adhere to its centre and defend its political existence till the last moment of its life.

Capitalist economy like Marxist economy has also got two aspects; scientific aspect and doctrinal aspect. However, the laws of the capitalist economy are doctrinal in nature, because, they are influenced by human will and differ from

society to society. So far the natural laws of the system are concerned, they are universal in nature and do not belong to any particular system. The remarkable feature of capitalist economy is that, it provides unrestricted freedom of ownership, consumption and exploitation to every individual. However, such an unbridled freedom has resulted into numerous economic problems such as; poverty, hunger, inflation, unequal distribution of wealth and economic backwardness. In fact, it has opened ways for rich people to exploit the poor. Although the level of production has considerably increased in capitalism, but it is not the manifold increase in production, but its proper distribution which ensures individual betterment and promotes welfare of the society.

The distinctive nature of Islamic economy is that it adopts a moderate approach, while solving man's economic problems. The edifice of Islamic economy comprises of dual form of ownership, judicious economic freedom and social Justice. The various aspects of the system are integrated together, besides the entire system is intimately related with other aspects of Islam such as social, political spiritual and Psychological.

Islamic economy is more a doctrinal one. The Science of the economy can take its real birth only when it is implemented in a society completely based on Islamic *Shariah*.

According to Islam, economic problems in man's life are due to his unjust nature and his thanklessness to the bounties of Almighty Allah. Man's injustice lies in unequal distribution of wealth, while as his thanklessness to the divine bounties lies in neglecting the exploitation of natural resources. Islam provides a broader framework for the distribution of wealth, where no one is deprived from his basic rights.

Islam assigns much role to the state in the economic matters of people. The government can prohibit something hitherto regarded as permissible or make some permissible act an obligatory one, in accordance with the fulfillment of the needs of common people.

The state plays a significant role in providing social security to all sections of the society. It makes continuous efforts for elevating the position of underprivileged subjects and thus maintains balance in the society. In this way, it is free from the imbalances and imperfections which are embedded in capitalism and socialism. Therefore, it is undoubtedly the most practicable and the best alternative for the humanity in the present times to combat the economic crises from which they suffer.

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