

IQTISĀDUNĀ

OUR ECONOMICS



IQTIṢĀDUNĀ

OUR ECONOMICS

AN OBJECTIVE STUDY CONSISTING OF
THE EXAMINATION AND CRITICISM OF
THE ECONOMIC DOCTRINES OF MARXISM,
CAPITALISM AND ISLAM AS CONCERNS
THE FUNDAMENTALS AND DETAILS OF
THEIR IDEAS

Muhammad Baqir aṣ-Ṣadr

Volume One — Part Two

WOFIS

**WORLD ORGANIZATION FOR ISLAMIC SERVICES
TEHRAN - IRAN**

English translation
First edition 1982/1402
Second edition 1994/1414
Revised 2009/1430

Translated from the Arabic

Published by
**World Organization for Islamic Services,
P. O. Box No. 11155—1545,
Tehran — IRAN.**

***In the Name of Allāh,
The All-compassionate, The All-merciful***

*Praise belongs to Allāh, the Lord of all being;
the All-compassionate, the All-merciful;
the Master of the Day of Judgement;
Thee only we serve, and to Thee alone we pray
for succour;
Guide us in the straight path;
the path of those whom Thou hast blessed,
not of those against whom Thou art wrathful,
nor of those who are astray.*

** * * * **

*O' Allāh! send your blessings to the head of
your messengers and the last of
your prophets,
Muhammad and his pure and cleansed progeny.
Also send your blessings to all your
prophets and envoys.*

CONTENTS

	Page
TRANSLITERATION	xi
PUBLISHER'S FOREWORD:	
In Arabic	xiii
English translation	xv

CHAPTER ONE CAPITALISM

INTRODUCTION	3
I — DOCTRINAL CAPITALISM IN ITS MAIN FRAME-WORKS ...	5
II — DOCTRINAL CAPITALISM IS NOT A PRODUCT OF THE SCIENTIFIC LAWS	9
III — SCIENTIFIC LAWS IN THE CAPITALIST ECONOMY ARE OF DOCTRINAL FRAME-WORK	14
IV — A STUDY OF DOCTRINAL CAPITALISM AS REGARDS ITS IDEOLOGY AND BASIC VALUES	22
A— Freedom is a Means for the Materialization of Public Interests:	24
B — Freedom Causes Growth of Production:	31
C — Freedom is the Real Expression of Human Dignity:	33

CHAPTER TWO

OUR ECONOMY: ITS MAIN SIGN-POSTS

I – GENERAL EDIFICE OF ISLAMIC ECONOMY	51
1 — Principal of Double Ownership	51
2 — Principal of Economic Freedom in a Limited Sphere	54
3 — The Principle of Social Justice	60
II – ISLAMIC ECONOMY IS A PART OF A WHOLE	64
III – GENERAL FRAME-WORK OF THE ISLAMIC ECONOMY ...	74
CAN SCIENCE SOLVE THE PROBLEM?	79
THE HISTORICAL MATERIALISM AND THE PROBLEM	81
IV – ISLAMIC ECONOMY IS NOT A SCIENCE	89
V – RELATIONS OF DISTRIBUTION ARE SEPARATE FROM THE SHAPE OF PRODUCTION	95
VI – ECONOMIC PROBLEM IN THE SIGHT OF ISLAM AND ITS SOLUTIONS:	
What is the Problem?	108
System of Distribution	111
Role of Work in Distribution	112
Role of Need in Distribution	116
Need According to Islam and Communism	117
Need According to Islam and Marxist Socialism	118
Need According to Islam and Capitalism	121
Private Property	122
Ownership is a Secondary Instrument of Distribution	126
CIRCULATION	128

TRANSLITERATION

ARABIC LETTERS

Symbol	Transliteration	Symbol	Transliteration
ء	'	ك	k
ب	b	ل	l
ت	t	م	m
ث	th	ن	n
ج	j	ه	h
ح	ḥ	و	w
خ	kh	ي	y
د	d	ة	ah, at (construct state)
ذ	dh	ال	article al- and 'l (even before the antepalatal)
ر	r		
ز	z		
س	s		
ش	sh		
ص	ṣ		
ض	ḍ		
ط	ṭ		
ظ	ẓ		
ع	'		
غ	gh		
ف	f		
ق	q		

Long Vowels

آ	ā
و	ū
ي	ī

Short Vowels

a
u
i

تصدير

١- العلامة الكبير الحجّة، والفقيه المجدّد، والمفكر الاسلامي العبقريّ السيّد محمّد باقر الصّدّر (١٣٥٣/ ١٩٣٥ - ١٤٠٠/ ١٩٨٠) تغمّدّه الله برحمته، بآثاره التي خلفها للمسلمين عامّتهم ومفكرهم، وبحياته الحافلة بجهوده وجهاده التي قصّرتها الأيدي الأثيمة - بكلّ أسف - لأشهر وأعرف، وأوسع جانبا، وأعمق دراسة، من أن نؤرّخه في كلمة قصيرة مقتضبة نقدم بها الترجمة الانجليزية لأثره الشّهير (اقتصادنا).

٢- سبق وأنّ عرفنا قراءنا الكرام بأهم آثار السيّد الصّدّر في فاتحة الترجمة الانجليزية لكتاب (المرسل. الرّسول. الرّسالة) واليوم اذ ننشر - بعون الله وتسديده - الترجمة الانجليزية (لاقتصادنا) نجد أنفسنا مضطّرين الى أن نلفت انتباه قرائنا الكرام الى ما جاء في مقدّمة (اقتصادنا) نفسه، حيث عرض السيّد الصّدّر في نهايتها نقاطا ستأ رأى من الضّروريّ أن نلحظ، وأن نلحظ بعناية تامّة.

ولا نزيد على ما قاله المؤلّف نفسه رضي الله عنه، شيئا سوى أنّ هذه النّقاط الست التي وضعها المؤلّف أمام عينه حينما ألف الكتاب والتي أكّد على قرّائه أن يضعوها أمام أعينهم حينما يقرأون الكتاب ويدرسون بحوثه كانت نفس هذه النّقاط

تصدير

ماثلة أمام أعيننا حينما أقدمنا على نشر الترجمة الانجليزية للكتاب، ونؤكد على الاهتمام والعناية بها بمثل ما أكد به المؤلف، رحمه الله.

٣- انّ الترجمة الانجليزية لكتاب (اقتصادنا) قامت بها مؤسسة (پير محمد- ابراهيم) الباكستانية، باقتراح منّا، وبعد أن تمت الترجمة أحوالها الينا، ولم يكن عندنا، بادئ الأمر من بواعث الثقة والاطمئنان الى صحة الترجمة وسلامة النقل ما يدعونا الى أن نسارع الى نشرها، فبقيت نسخة الترجمة عندنا الى أن عثرنا على من عهدنا اليه مراجعتها وتلافي ما يراه من نقص فيها، وبعد ذلك عثرنا على نقائص، ولم يكن ذلك عن طريق المراجعة المستوعبة، وكان من حسن الحظّ أن وجدنا من يفقه اللغتين العربية والانجليزية، وله اختصاص بالدراسات الاقتصادية فقرأ الترجمة الانجليزية وقارنها بالنصّ العربي، وتلافي ما أمكنه تلافيه من نقائص وأخطاء كلّ ذلك حسب اجتهاده ورأيه.

وهنا وجدنا أنفسنا قد وصلنا إلى مرحلة كانت نهاية الشوط لما نملكه من امكانيات وما نقدر عليه من جهد وسعي، وبذلك يصحّ منا أن نسعى، بعون الله، إلى نشر الترجمة ولا يصحّ أن يوصف عملنا بأنّه مجازفة كان الترتيب خيرا منه. ومع كلّ هذا فإننا نفتتح صدورنا لأيّ نقد وملاحظة يردنا، ونرحب بأيّ اقتراح يعود الى تحسين عملنا، ونأمل أن نتلافى ما نجده من نواقص وأخطاء فيما نستقبله. بتوفيق الله سبحانه.

ونرجو الله سبحانه أن يجعل في الترجمة الانجليزية لهذا الكتاب كلّ خير و بركة، وأن يعمّ به النفع، كما صنع بأصله العربي وأن يجعل عملنا خالصا لوجهه الكريم، أنّه نعم المولى ونعم النصير.

المؤسسة العالمية للخدمات الاسلامية

١٤٠١/١١/٢٧

(لجنة التأليف والترجمة والنشر)

١٩٨١/٩/٢٦

طهران — ايران

PUBLISHER'S FOREWORD

1. The great Islamic scholar, regenerating jurist and thinker of genius, al-‘Allāmah as-Sayyid Muhammad Bāqir aṣ-Ṣadr (1353/1935—1400/1980) may Allāh encompass him with His Mercy, because of the works which he bequeathed to the Muslims, both the ordinary and the educated among them, and because of his life, which was filled with effort and striving, and which was cut short at the hands of criminals, he is too famous and well-known for us to give his biography in this brief preface which we are giving to the English translation of his celebrated book, *Iqtiṣāduna*, the Islamic System of Economics.

2. In the preface to the English translation of *The Revealer, The Messenger, The Message* we have introduced the works of as-Sayyid aṣ-Ṣadr to our respected readers. And now that we are publishing the English translation of *Iqtiṣāduna* we find ourselves compelled to turn the attention of our readers to the preface of *Iqtiṣāduna* itself, where as-Sayyid aṣ-Ṣadr has mentioned six points which he deemed necessary for the readers to observe, and that also carefully.

We do not wish to say anything more than what the author has mentioned himself, except that these six points, which he introduced while writing the book and emphasized to his readers to keep in their mind while reading the book and studying its discussions, the same six points were in our mind also when we

PUBLISHER'S FOREWORD

decided to publish its English translation. And we emphasize, alongwith the author, the careful observation of these points.

3. The English translation of *Iqtisāduna* was prepared by the Peermaḥomed Ebrahim Trust of Pakistan at our instigation. After completing the translation it was submitted to us, but at that time we did not have the means to be sure and satisfied about its authenticity. So it remained with us until we found the person who could check and make up the defects in the translation. Then again just by the way we were confronted with some defects, and fortunately we found a person who was familiar with both the Arabic and English languages with qualifications in economical studies. He compared the translation with Arabic version and corrected, according to his own views, as much as he could.

At this point we reached the utmost stage of our abilities and facilities for correction of the translation, and so we deemed it right to publish it, by the help of Allāh; and thus it cannot be said that our efforts were reckless and it would have been better to delay the publication. After all these efforts we shall gladly accept any criticism or observation, and welcome any suggestion to improve our work. We hope to correct the defects and mistakes with which we may be confronted in future.

We ask Allāh, the Glorified, to bless the English translation of this book and to generalize its benefit as He did for the original Arabic version. And may He accept our work sincerely for His Holy Self. He is the best Master and the best Helper.

WORLD ORGANIZATION FOR ISLAMIC SERVICES

(*Board of Writing, Translation and Publication*)

27/11/1401

26/9/1981

Tehran — Iran.

Volume One

Part Two

CHAPTER ONE

C A P I T A L I S M

INTRODUCTION

- I - DOCTRINAL CAPITALISM IN ITS MAIN FRAME-
WORKS.**
- II - DOCTRINAL CAPITALISM IS NOT A PRODUCT OF
SCIENTIFIC LAWS.**
- III- SCIENTIFIC LAWS IN THE CAPITALIST ECONOMY
ARE OF DOCTRINAL FRAME-WORK.**
- IV- A STUDY OF DOCTRINAL CAPITALISM AS REGARDS
ITS IDEOLOGY AND BASIC VALUES.**

INTRODUCTION

Just as the Marxist economy is divided into science and doctrine in the same way the capitalist economy is also divisible into two. Thus it has a scientific aspect wherein capitalism tries to explain the course of economic life and its events in an objective way based on stability and analysis. There is also in it the doctrinal aspect the materialisation whereof capitalism calls for and adopts a call therefore.

These two aspects or sides of the capitalistic economy have got mixed up in many discussions and ideas despite the fact that they are two different aspects, each one of them having its peculiar nature, basis and measure. Consequently if we try to give one of the two aspects the distinctive character of the other, thus regarding the scientific laws a pure doctrine, or allotting the scientific trait to the doctrine, we would certainly be caught on a great mistake, as we shall soon see.

Although Capitalism agrees with Marxism in being divided into two aspects, scientific and doctrinal, yet the relationship

IQTISADUNA

between the science of Capitalistic economy and the Capitalistic doctrine the economy differs substantially from that between the scientific side of Marxism and the doctrinal one, that is between the historical materialism on the one hand and Socialism and Communism, on the other. It is this difference that will make our method of discussion about capitalism different from that of our discussion about Marxism, as would become clear in the course of this chapter (About Capitalism).

In the following, we will discuss the capitalistic economy in its main lines and thereafter we will deal with the relationship of the Capitalist doctrine with the scientific aspect of Capitalism and finally we will study capitalism in the light of its doctrinal notions whereupon it is based.

I — DOCTRINAL CAPITALISM IN ITS MAIN FRAME-WORKS

The capitalistic doctrine is based on three main elements which constitute its peculiar organic entity which distinguishes it from other doctrinal entities. These elements are:

Firstly, adherence to the principle of private ownership in an unlimited form. Thus, while the general rule in Marxist doctrine was the collective ownership, not to be forsaken except in an exceptional case, the question is entirely reverse in the Capitalist doctrine. Thus private ownership, under this doctrine, constitutes the general rule extending to all the fields and different fields of wealth, which could not be violated except under exceptional circumstances, obliging, at times, nationalization of this project or that and making it a property of the State. Therefore so long as the collective experiment did not prove the necessity of nationalization of any project, private ownership remained the general rule in force.

On this basis, capitalism believes in the freedom of ownership (possession) and lets private ownership raid all elements of production such as land, tools, buildings, mines and other forms of wealth and the law in the capitalist society guarantees safety of private ownership and preservation thereof by the proprietor.

Secondly, opening the way for every individual to exploit

IQTISADUNA

his ownership and possibilities as he likes and to allow him to develop his wealth with different means and methods he can. If he owned, for instance, an agricultural land, he was entitled to exploit it himself in any way of exploitation. He had also the right to hire it out to another person and make such conditions to him as he might deem important. He had similarly the right of having it unexploited.

This capitalist freedom which the doctrinal capitalism grants to the owner aims at making the individual the only worker in the economic movement as no one was better aware of his real benefits than he himself, nor was anyone else more competent to gain them. And nobody could be in such a position unless he was provided freedom in the field of exploitation and the preparation thereof and as long as interference from any side, Government or otherwise, was not removed from his way. In this way, therefore, everyone had a sufficient opportunity to choose the method of exploiting his wealth, the profession he should adopt and the methods which he might adopt for realizing greatest possible amount of wealth.

Thirdly, guaranteeing freedom of consumption in the same way as freedom of exploitation is guaranteed. Thus every individual enjoyed the freedom to spend his money and wealth as he liked, to satisfy his desires and meet his needs. He was free to choose whatever the goods he liked for consumption and he could not be prevented therefrom by the Government banning, at times, the consumption of certain commodities for considerations relating to public interests, such as the consumption of an anaesthetic.

So these are the main signposts of the Capitalist doctrine, which could be summed up in three freedoms:

Freedom of ownership, freedom of exploitation and freedom of consumption.

CAPITALISM

At the very first sight there appears the glaring inconsistency between the capitalist doctrine and the Marxist doctrine, which lays down collective ownership at the principle instead of the individual ownership and ends the Capitalist freedoms based on private ownership and replaces them with the State's control over all the utilities of the economic life.

It is generally said that the variance between the two doctrines, the Capitalist and the Marxist, in their signposts, reflects the difference existing in the nature of the view with which they look at the individual and the society because the Capitalist doctrine is an individual doctrine, which sanctifies personal impulses and regards the individual as the pivot for whose interest it is incumbent on the doctrine to work and whose interests it must guarantee. But the Marxist doctrine is a collective one which rejects personal impulses and the ego, extirpates individual into the society and adopts the society as a pivot for him. For this purpose it does not recognise individual freedoms but ignores them for the sake of the fundamental issue, that is the issue of the society as a whole.

As a matter of fact both the doctrines rest on individual view and depends on personal impulses and ego. Thus Capitalism respects fortunate individual's ego by ensuring him freedom of exploitation and activity in different fields unmindful of the injustice and the evading that might result from the freedom let loose for that individual so long as others enjoyed the freedom in principle, as did the exploiting individual and while Capitalism provides fully for the satisfaction of the personal impulses of the fortunate ones and promotes their propensity, Marxists turns to other individuals who are not fortunate enough to have those opportunities. Its doctrinal call, therefore, centres round inciting personal impulses and their ego and the satisfaction thereof. It tries to promote these impulses with different methods, regarding it the power used by history for its development, until it is able

IQTISADUNA

to exploit them in a revolutionary way. It explains to those with whom it comes into contact that the others steal their efforts and wealth and therefore it was not possible for them to confirm (accept) this theft in any case as it constituted a blatant aggression on their peculiar (private) entity.

Thus we find that the fuel on which the Marxist doctrine depends is but these personal and individual impulses which Capitalism adopts. Thus both the doctrines adopt (adhere to) satisfaction of personal impulses and promote them. They only differ in the matter of the kind of the individuals whose personal impulses and ego respond to this doctrine or that.

As for the doctrine which deserves to be described as being a collective doctrine, it is one which depends on a fuel of another kind, that is, on powers other than the ego and personal impulses.

The collective doctrine is that which cultivates in every individual a deep consciousness about the responsibility towards the society and its interests and which makes it incumbent on him to forego something of the fruit (benefits) of his work and efforts and his private wealth for -the sake of the society and others, not because he had stolen others' property and consequently they had risen against him to regain their own rights but because he feels that this was a part of his duty and an expression of the values he believes in.

Indeed the collective doctrine is that which safeguards rights of others and their welfare not by raising their personal impulses by collective impulses in all and by letting springs of good come forth in their minds. In the future discussions would see what that doctrine is.

* * * * *

II — DOCTRINAL CAPITALISM IS NOT A PRODUCT OF THE SCIENTIFIC LAWS

At the dawn of the scientific history of Economy, when magnates of the classic natural economy were sounding the needs of this science and laying its first foundation, two notions pervaded the economic ideology.

First: The economic life proceeds in accordance with limited natural powers, which dominate all economic entities of the society as do various aspects of the existence in accordance with the different natural powers. The scientific duty vis-à-vis these powers which dominate economic life constitutes in discovering its general laws and fundamental rules which can appropriately explain different economic phenomena and events.

The second one is this that those natural laws, which the science of economy must discover, constitute a guarantee for human happiness if they are enforced in a free atmosphere and when all the members of the society are enabled to enjoy the capitalistic freedoms that is freedoms of ownership, exploitation and consumption.

The first notion has laid the scientific seed of the capitalist economy while the second one has laid its doctrinal seed. But the two notions or the seeds are closely linked so that the economic thinkers at that time thought that restricting freedom of the

IQTISADUNA

individuals and interference in the economic affairs by the state meant standing in the way of Nature and its laws which ensured affluence to humanity as also the solution of all its problems. Consequently, any attempt to make any of the capitalistic freedoms vain is regarded a crime against the just natural laws. Thus this belief led them into saying that those good laws themselves impose the capitalist doctrine and make essential for the society to guarantee the capitalist freedoms.

But this sort of thinking now appears to be ridiculous and childish to a great extent because revolt against a natural scientific law does not mean that a crime had been committed against that law, but it shows the wrongfulness of the law itself and deprives it of being scientific and objective. Because natural laws never fail under the shadow of conditions and circumstances therefore and it is only the conditions and circumstances that change. It is, therefore, a mistake to regard the Capitalist freedoms as an expression of natural laws and to consider their violation as a crime against them. Thus the natural economic laws work uninterrupted, in all conditions irrespective of the degree of the freedom enjoyed by individuals in the fields of right of ownership, exploitation and consumption. Yes, sometimes it does happen that the effect of these laws differs, in accordance with the difference of the conditions and circumstances under the shadow of which they work in the same way in which the laws of physics differ in the matter of their effects and results with the difference in their conditions and circumstances.

It is, therefore, essential to study Capitalist freedoms, not because they were scientific necessities made incumbent by natural laws from the view point of the Capitalists in order that they may have thereby scientific character. But they should be studied on the basis of the extent to which they afford happiness and respect to man and values and ideals to the society. And this is the basis adopted by the scholars of the capitalist economy

CAPITALISM

from the study of the doctrinal capitalism.

In the light of this we can understand the essential difference, to which we had hinted in the beginning of this chapter, between Marxism and Capitalism, because the relationship between the scientific and doctrinal aspects of Marxism differs basically from that existing between scientific and doctrinal economics under Capitalism. Because the doctrinal Marxism which is represented in Socialism and Communism, is regarded a necessary result of the laws of historical materialism constituting an expression of history's natural laws, from the view point of Marxism. So if the historical materialism was right in the matter of explanation of history, it proved (demonstrated) the doctrinal aspect of Marxism. Consequently the study of the scientific aspect of Marxism is considered as a basis for the study of the doctrinal aspect thereof and an essential condition for giving a verdict in favour of the Marxist doctrine or against it. It is not possible for a doctrinal (religious) investigator (scholar) to criticise Socialism and Communism independently of its scientific basis, the historical materialism.

As for the doctrinal Capitalism, it is not the result of science of economy set up by the Capitalists nor is its destiny linked with the extent of the success of the scientific aspect of capitalism in explaining the objective reality. The doctrinal depends but on moral and certain practical values and ideas, which must alone be regarded the criterion for giving verdict about the capitalist doctrine.

Thus it becomes clear that our attitude towards Marxism, while we believe in an economic doctrine distinct from capitalism and Marxism, is different from our attitude vis-à-vis capitalism. So in respect of Marxism we are face to face with an economic doctrine which thinks that it centres round the laws of the science of history (Historical materialism). It is, therefore, necessary for the criticism of this doctrine, to take under discussion and study

those so-called scientific laws. That is why we presented historical materialism giving its meanings and stages, as a prelude to pass a judgement about the Marxist doctrine itself. As for our attitude towards the doctrinal Marxism, i.e., the Capitalist freedoms, we are confronted with a doctrine which does not derive its entity from scientific laws, so that the discussion of those laws and scrutiny thereof should form the necessary manner for its study. We are but confronted with a doctrine which derives its existence (entity) from particular moral and practical estimations. There-fore, we are not going to talk about the scientific aspect of Capitalism except so far as it clarifies that the doctrinal aspect is not an essential result thereof nor does it possess its scientific character. Then we will study the Capitalist doctrine in the light of practical ideas and moral values whereupon it is based. Because all the discussions contained in this book have doctrinal character and there is no room for scientific aspects except so far as the doctrinal attitude demands.

Although the study of the Capitalist doctrine on this basis depends also on some scientific discussion, yet the role of the scientific discussion in this study completely differs from that in the study of the Marxist doctrine. Because scientific discussion of the laws of historical materialism alone could pronounce final verdict in favour of doctrinal Marxism, as mentioned previously. As for the scientific discussion in the field of the examination of doctrinal capitalism, it does not constitute the highest authority to give verdict in its favour as it does not claim to have scientific character.

The help of scientific discussion is sought only to form a complete idea about the objective results produced by Capitalism in the social field and the nature of the trends (directions) taken by the laws of the economic movement under the shadow of Capitalism so that those results and trends (directions) which result from the enforcement of the doctrine, could be judged

CAPITALISM

with moral measures and practical ideas which the investigator (examiner) believed in. Therefore, the function of the scientific discussion in the study of the capitalist doctrine is to give a complete picture about the reality of the Capitalist society so that we could judge that picture with special practical measures. It is not its function to put forward an evidence on the necessity of the Capitalist doctrine or wrongfulness thereof.

Consequently, how often it is that an investigator on this basis put forth by us — commits mistake if he receives the Capitalist doctrine from Capitalist scholars as being a scientific reality or a part of the science of political economy, without distinguishing between the scientific and doctrinal character of those economists. For instance when they assert that the provision of the Capitalist freedoms means good and happiness for all, he thinks that this opinion was scientific or was based on a scientific basis like the economic law which says, for instance, that 'when supply increases price decreases' although this law is a scientific explanation of the movement of price as found (prevailing) in the market. As for the former verdict about the Capitalist freedoms, it is doctrinal one which its supporters issue in their doctrinal capacity, deriving it from the moral and practical values and ideas they believe in. Therefore correctness of that or other scientific laws does not mean that this doctrinal verdict was correct. This verdict depends but on the correctness of the values and ideas whereupon it was based.

* * * * *

III – SCIENTIFIC LAWS IN THE CAPITALIST ECONOMY ARE OF DOCTRINAL FRAME-WORK

As we have seen before, the Capitalist doctrine has no scientific character nor does it derive its justifications and existence from scientific laws in economics. Here we want to reach a point deeper in the analysis of the relationship between the doctrinal aspect and the scientific aspect of Capitalism to see how the Capitalist doctrine limits (determines) the scientific laws in the capitalist economy and influences them so far as their direction and course are concerned. This means that the scientific laws in the capitalist economy are scientific laws in the framework of a particular doctrine, and not general laws that might be applicable to every society and at every place and at all times like the natural laws in Physics and Chemistry. Many of those laws are only regarded objective realities in the social conditions controlled by capitalism with its aspects, ideas and meanings and consequently they are not applicable in a society which is not controlled by Capitalism and in which its ideas do not prevail.

In order that it may be clear, we must throw some light on the nature of the economic laws which the Capitalist economy teaches (studies) so that we may know how and to what extent it is possible to admit their scientific character.

CAPITALISM

Scientific laws of economy are divided in two groups:

First, natural laws which owe their necessity to nature itself rather than the human will, like the general law of limitation which says that: every production which depended on the land and on the raw material its content is limited according to the limited amount of the land and its raw materials; Or, like the law of increasing produce which says that every increase in the production compensates the producer in a greater measure proportionately with his additional expenditure until the increase reached a special degree in which case it (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 a certain degree (stage).

These laws are not different, in their nature and the objective aspect, from other laws of Universe (existence) which are discovered by natural sciences and therefore they bear no doctrinal character nor are they dependent on particular social or ideological circumstances. Nay expenses of time and place do not differ in respect thereof so long as the nature with the production is related remains the same at all times and in every place.

Second, group of the scientific laws of political economy comprises laws of economic life having link with the will of man himself, in view of the fact that economic life is but one of the phenomena of general human life in which will plays an acute positive role in different branches and aspects. Thus the law of supply and demand, for instance (which says that when demand for a commodity increases while it is not possible to increase the quantity thereof to meet the increased demand the price of the commodity is bound to rise) is not an objective law operating independently of understanding, of man, as do the laws of Physics and Astronomy and as do the natural laws of production which we have in the first group. The law of supply and demand only represents the phenomena of man's wakeful life. Thus it

IQTISADUNA

clarifies that the buyer would in the case defined by the law just mentioned, come forward to purchase the commodity at a rate higher than that in the case of the supply and demand being equal. The seller would not in that case, sell it but at that rate.

The interference of human will in the course of economic life does not mean separation of economic life from the purview of scientific law and impossibility of scientific discussion thereof, as believed by some thinkers in the beginning of the birth of political economy. Because they believed that the scientific laws being incumbent and necessary was contradictory to the nature of freedom reflected by human will. Therefore, if human life was subjected to strict scientific laws, it would be inconsistent with the freedom enjoyed by man in his life. Because when subjected to these laws, he would become a hard tool working mechanically, in accordance with natural laws which control the course of his economic life.

This belief is based on a wrong meaning of the human freedom and a permanent understanding of the relationship existing between freedom and will on the one hand and those laws on the other. Because the existence of natural laws for man's economic life does not mean that man loses his freedom and will. They are but laws for human will which explains as to how man uses his freedom in the economic fields and consequently they cannot possibly be regarded as nullification of the will and freedom of man.

* * * * *

But these economic laws differ from scientific laws in other aspects of existence in one point which is that these laws; in view of their relationship with the will of man, are influenced by all the factors that affect human wakefulness as also by all the factors which interfere in man's will and his tendencies. Obviously, man's

CAPITALISM

will with which these laws deal is determined and conditioned in accordance with man's ideas and understanding as also the doctrine (religion) that is in vogue in the society and the form of legislations restricting behaviour of the individuals. It is these factors, therefore, that dictate to man his will and practical attitude and when these factors change, man's tendency and will also change and consequently general scientific laws differ which explain the course of economic life. Therefore, at many times it is not possible to give a general law to humanity about the economic life with different ideological, doctrinal (religious) and spiritual framework. It is not right, scientifically, to expect from human will, in the course of economic life, to proceed and be lively — always and in every society — as it proceeds and is lively in the Capitalist society which the capitalist economists have studied and in the light of which they have formulated laws of the political economy, so long as societies differ in their ideological, doctrinal and spiritual frameworks. But it is necessary to take these frameworks as established meanings in the field of scientific discussion. It is but natural that we should then discover results of the discussion about the laws holding good in the context of those frameworks, particularly.

As an example, we mention the main rule in the light of which many of the classical economic laws have been formulated. This is that rule which takes out from the social perceptible man — an economic man who believes in having his personal interests as his main objective in all the economic activities. The economists have presumed, since the very beginning, that every one's practical tendency in his economic activities is always inspired by his special material interest and then they began to discover the scientific laws which prevail in such a society. This presumption of theirs was very much objective in comparison with the European capitalist society and its ideological and spiritual character and moral and practical measures.

IQTISADUNA

But it is just possible that a basic change may take place in the economic laws of the society's life simply with the changing of this basis and facing a society which differs from the Capitalist one in the matter of the general rule for the behaviours of its members and the ideas and values they believed in. This is not a presumption of our own but it is a fact about which we are going to talk. Because societies differ from one another in respect of factors which determine their impulses of character and practical values in life.

Let us take for example the capitalist society and the one which Islam has called for and which it has been able to bring about. There has lived a human society under the shadow of Islam comprising human beings having blood and flesh, whose general rule of character, scientific measures and spiritual and ideological contents differ totally from the capitalist society. Although Islam, being a special religion of life, does not deal with economic events (problems) scientifically, yet it greatly influences these events and their social course, as it deals with the pivot of these events, that is man with his notions about life, impulses and objectives and fuses him into its peculiar mould and moulds him into its ideological and spiritual framework. In spite of the fact that the experiment Islam made to bring about such a society was short, yet it produced most brilliant results man's life had ever witnessed and proved the possibility of man rising to horizons which members of the capitalist society, immersed in the needs of material and its meanings, could not look at. The information that history gives us about the Islamic experiment and its brilliance throws a light on the possibilities of good (potentialities) hidden in the human being and reveals the power of Islam's mission whereby it could mobilize these possibilities and exploit them for the greater human issue. The history of this golden experiment tells us that once a group of poor people came to the

CAPITALISM

holy Prophet and said, "O Messenger of Allāh! The rich people have excelled us in earning rewards (of Almighty Allāh) as they say prayers and observe fasting as we do but they also give in charity their extra wealth (which we cannot do)." Therefore the Prophet replied: "Has not God enabled you to give alms? Verily for every *tasbi7i* (praising Allāh) and every *takbir* (glorifying Allāh) you would be given reward of charity, similarly the act of your ordering others to do good and forbidding them to do evil deeds would amount to charity on your part." These Muslims who had complained to the Prophet did not want wealth whereby they could have power or enjoyment or satisfaction of their personal desires. What pained them was that the rich people should surpass them in moral measures by way of righteousness and doing good to others and participation in public welfare works in the social field.

This reflects the meaning of wealth and nature of a Muslim, under the shadow of a completely Islamic experiment of life.

The commercial deals and leases which prevailed in the Islamic society have been described by Shāṭibi as under:

You would find them taking very little profit or rent so much so that the other party got more out of the deals than they themselves. They cared for the welfare and benefit of the people more than what was normally due so that it looked as though they were agents of the people rather their own. Nay, they regarded themselves, though permissible, it was for them as being cheating against others.

Relating about the cooperation and reciprocal responsibility that existed in the Islamic society, Muhammad ibn Ziyād says: "Sometimes it so happened that someone of them had a guest, while the vessel of another was on the fire for cooking

some foodstuff. So the host would take away the vessel to serve the food to his guest. When the owner of the vessel found it missing he would ask as to who had taken the vessel and when told by the man, whose guest had arrived, that they had taken it for their guest, he (the owner of the vessel) would remark, 'May Allāh bless you therein' ".

Thus we realise the positive effective role of Islam in changing the course of economic life and its natural laws by bringing about a change in his very self and by creating for him new spiritual and ideological conditions. Similarly, we know how fallacious it is to subject a society having these characteristics and ingredients, to the same laws which govern a capitalist society replete with egoism and material conceptions.

We can also take, for example, the laws about the distribution of income and those of demand and supply. The laws about the distribution of income under the capitalist economy, as explained by Ricardo and other classical magnates, require to reserve a part thereof as the wage of the worker, to be determined in accordance with the prices of food-stuffs which might be sufficient for nourishment of the worker and maintenance of his powers. The rest (of the income) is then divided by way of profit, benefit and income. The capitalist economy has concluded from this that for wages there was a rigid law according to which they cannot increase or decrease irrespective of whether there was increase or decrease in the quantity of the cash in which the worker received his wage, according to (as the result of) rise and fall in the prices of the food-stuffs. This rigid law could be summed up like this: When the wages of the workers register increase for any reason, their living condition improves and they take to marriages and procreation in an increased way as the result of which working hands increase and the supply becomes more while the wages fall to the natural limit.

CAPITALISM

But when the situation is contrary, the wages falling down to the natural level, it leads to wide-spread misery and disease in the ranks of the workers and consequently their number decreases, the supply decreases and the wages rise.

The classical economists present it to us as a scientific explanation of the reality and as being a natural law of the economic life, but as a matter of fact, it does not apply except within special limits and in those capitalist societies in which a general collective insurance is not found and in which pricing depends on the apparatus (system) of the market. But in a society in which the principle of general insurance for a respectable level of living prevails like the Muslim society or in a society in which the apparatus (system) of market is null and void and in which it is bereft of its function to control the prices in accordance with the supply and demand position, such as the socialist society, these laws do not prevail in the form in which they are effective in a capitalist society.

It thus becomes clear that the general scientific framework of the Capitalist economy has a special doctrinal framework, there being no sanctity of the absolute scientific laws.

* * * * *

IV — A STUDY OF DOCTRINAL CAPITALISM AS REGARDS ITS IDEOLOGY AND BASIC VALUES

The basic constituents of the Capitalist doctrine which we have reviewed previously, indicate that the corner stone of the doctrine is the freedom of man in the economic field in its various branches such as ownership, exploitation and consumption. Thus freedom — with its different kinds — is the basis wherefrom spread all the rights and doctrinal values proclaimed by Capitalism. Nay, even the scientific laws of Capitalist economy themselves are but an explanation of the rigid objective reality in the framework of this freedom as we have seen.

When the idea of freedom was the substance and the -basic content of the doctrinal capitalism, it is necessary for us, while studying the Capitalist doctrine, to examine this notion and analyse the same and to study its ideological seeds as also the ideas and values it was based on.

The first question that comes up for discussion is as to why it is necessary that the society be established on the basis of the economic freedom and how man's right grew therein, a thing on which doctrinal capitalism lays emphasis and refuses to admit any basic definition therefor.

To answer this question, we must know that the freedom

CAPITALISM

of Capitalist thinking is usually linked with a number of notions and values from which it derives its central position in the doctrine and its character of being a social and human necessity for the human entity.

Thus at one time it was linked with the ideology which believes in the agreement between the interests of the individual, which he feels inclined to materialise out of his personal impulses, and those of the society whereupon depends its general entity. Because when the interest of the individual and the society are in agreement with each other, the social doctrine seeking insurance of social interest has nothing to do except to allow freedom to the individual and open the way for his personal impulses to make realise his special interests which were instrumental in providing (serving) general interest. The freedom, on the basis of this ideology, is therefore nothing but an instrument to provide (serve) these general interests and ensure good and the welfare demanded by the society and being an instrument therefore, it deserves to have its basic centre in the doctrine.

At another time, it is linked with the ideology of the increase in production and centres round the view that holds that the economic freedom is the best motive power for the productive powers and must potent means to bring about all the powers and possibilities and to mobilize them for the general production and consequently to enhance the social wealth in the country. This in reality originates from the first ideology as it expresses one of the aspects of the general interest, that is to provide social production which could materialise through the freedom.

There is a third notion with which the meaning of the Capitalist freedom is linked. This is a notion (ideology) having a purely moral character to express which the Capitalists usually use cloudy expressions or which are not entirely clear. Thus

they repeat that the freedom, in a general way, is an original human right and a practical expression of human dignity and of man's consciousness thereof. Therefore it is not merely a means of social welfare or the increase in production, but it means of materialising man's humanity and his proper natural existence.

It is clear that the doctrinal value of the economic freedom, on the basis of the first two notions, in an objective one, ensuring from the results and effects to which it leads in life. But on the basis of the third notion, the freedom generally — the economic freedom being an aspect thereof — has its own value dictated by man's consciousness of his dignity and humanity.

These are the thoughts by means of which Capitalism usually justifies its understanding of freedom and the necessity of regarding it as the foundation in the social planning called for by the doctrinists.

Therefore, they are a means to materialise general interests. And they are a cause of increasing the production and the general wealth.

And they are the original expressions of the human dignity and man's right in life.

* * * * *

Having presented ideological basis of the economic freedom, we must now study and clarify them.

A- Freedom is a Means for the Materialisation of Public Interests:

This notion is based on the belief that personal impulses always meet general interests and social welfare when freedom is provided to all the individuals in the practical field, because

CAPITALISM

in a free society man struggles for the materialisation of his personal interests which, in the long run, leads to the promotion of general interests.

In view of this the Capitalist economists were led to believe, in the beginning, that to ensure society's welfare and interests it was not necessary to inculcate moral and spiritual values among the people as every human being, even he who does know anything thereabout, proceeds in accordance with his own interest, when freedom is ensured to him in the practical field. This interest goes side by side with the interests of the society and is consonant therewith, though the individual impelled thereto by a special impulsive. In this way it was possible for the society to dispense with the services which moral and spiritual values render and to fulfil its interests through the Capitalist method which provides freedom to every individual and enables him assess his attitude in the light of his personal interests which ultimately meet with public interests.

It is for this reason that the freedom proclaimed by Capitalism was bereft of all the moral and spiritual frameworks and values because it was (freedom) even in the appraisal of these values. It does not mean that these values have no existence in a capitalist society. It only means that Capitalism does not recognise the necessity of these value to ensure society's interest and thinks that it is possible to dispense with them by providing freedoms to the individuals, though the people were free to adhere to these values or reject them.

In the context of the argument therefore, the supporters of Capitalism say economic freedom opens the field of free competition in different projects of production. The owner of the project — under the shadow of this free competition prevailing in the economic life — always apprehends lest any other project should excel his own and thereby sweep it off. Therefore, his own interest makes him improve his project and

increase its competence so that he is able to enter the race with other projects and remains involved in the furnace of perpetual competition (struggle). One of the important means which are adopted to achieve that end is to bring about technical improvements in the project. This means that the owner of a project in a free Capitalist society always remains catching every idea or new improvement in production or anything else which could enable him to materialise the production with less expenses. Having introduced the improvement, he soon finds other projects having caught up with his, whereupon he once again starts searching for some other new idea so that he may retain the superiority of his project over other ones. Anyone who remains behind in this race has to pay for it in the form of his project becoming bankrupt. Thus free competition under the Capitalist system constitutes a sword that hangs over the heads of the organisers, annihilating the weak, negligent and the lazy fellows and ensuring survival of the fittest. Obviously, this competition leads to the promotion of the general interest because it provides an urge to benefit perpetually from the scientific and technical product of mind and to meet human needs with the least possible expenditures.

Thus being the state of affairs, there is no need to tax the owner of the project with a certain moral education to train him with moral values or to pour admonition and advices into his ears in order that he may satisfy human needs with the least possible expenditure and enhance the quality of the commodities. Because his personal interest necessarily makes him do that, so long as he lives in a free society pervaded by competition.

Similarly, there is no need for preaching so that he may contribute in good benevolent deeds and be concerned with the interests of the society as his personal interest makes him do

CAPITALISM

that automatically, being a part of the society.

* * * * *

The talk about the consonance between general interests and personal impulses, under the shadow of the Capitalist freedom, has today become a laughing stock rather than acceptable after the history of capitalism has groaned with distresses and calamities having but little parallel in the history, blatant inconsistencies between general and personal interests and colossal vacuum caused by the dispensing with the spiritual and moral entity of the society as the result of which the society was pervaded by different kinds of oppression, recklessness and greed.

We can very easily discern, through the pervading history of Capitalism, the crimes of this Capitalist freedom which has thrown off the yoke of all the spiritual and moral restrictions, as also it has dangerous effects in the course of economic life. In the first place, in the economic life, in the second place, in the spiritual contentment of the society, and in the third place, in the relations between the capitalist and other societies. As the result of this the capitalist themselves have started to have belief in the necessity of Capitalism undergoing change and restriction and are trying to do some patching and repairing, with a view to get rid of these effects or to conceal them from the eyes and thus Capitalism, in its complete doctrinal form, has become more a historical doctrine than the one living existing in actual life.

As for the course of economic life of the Capitalist society, the absolute capitalist freedom therein is but a weapon in the hands of the powerful making way for them and paving the way of wealth on the skulls of others. Because so long as the people possess different amounts of mental and physical talents and

IQTISADUNA

natural opportunities, they must adopt different ways to benefit from the complete economic freedom provided to them by the Capitalist doctrine. They must also differ in the degree in which they benefit therefrom. This inevitable difference between the strong and the weak people leads to the freedom becoming legal expression of the right of the strong in everything, while meaning nothing in respect of others. Since the Capitalist freedom does not recognise control, of whatever kind it may be, the secondary people would lose every assurance for their existence and respect, in the struggle of life and would remain at the mercy of strong competitors who know no bounds for their freedoms in respect of spiritual and moral values and who take into account nothing but their own interests.

As the result of this Capitalist freedom, human dignity was spoiled so much that man himself became a commodity subject to the laws of supply and demand and human life became dependent on these laws and consequently dependent on the iron law about wages. So when the working human powers increased and when the part thereof brought on the stage of the Capitalist production registered an increase, there was fall in prices. Because the Capitalist would regard it a good opportunity to derive his own happiness from the misery of others and thus he would let the wages of the workers fall to a level which does not ensure them a living and at which they cannot meet some of their needs and which throws off a colossal number of them into the streets where they suffer pangs of starvation only because he (the Capitalist) enjoyed unlimited freedom. There was no harm for the workers (so to say) to perish and die of starvation as long as the Capitalist economy gave them a ray of hope and an aperture of light. But what is that hope which it generates in their minds? It is the hope their number becoming less as the result of piling misery and disease. Yes, by God, this is the hope which the iron law of wages holds out to the workers saying to them: "Wait a

CAPITALISM

bit until starvation and misery make a large number of you fall down (die) so that your number decreases whereby supply equalled demand resulting in the rise of your wages and the consequent improvement in your condition".

This is the so-called mythical agreement between the personal impulses under the shadow of the Capitalist freedom and the public interests. This is the agreement which the Capitalists themselves have been obliged to no longer believe in and adopt the idea of limiting the freedom with values and guarantees.

When this was the lot which the economic life in a capitalist society got out of the capitalist freedom and effects thereof, the spark of that bare freedom which affects spiritual contentment of the nation was all the more cruel and bitter, as sentiments of goodness and doing good to others disappear generally and tendencies of selfishness and greed dominate and struggle for existence pervades in the society instead of the spirit of co-operation and solidarity. What do you think about a person who lives in conformity with the absolute meaning of the Capitalist freedom when moral values and social situations demanded of him some sacrifice of his personal interests and when even his personal interests sometimes make him materialise public interests, being in his own interest also. Although this might lead to the same result which is aimed at by spiritual and moral values from the objective point of view but it does not materialise the personal aspect of those values nor does it make a human being a man in respect of his sentiments, feelings, impulses and incentives. Because morals do not have objective values alone, but they also possess personal value, which is no less important than their objective value in perfecting human life and spreading (generating) the spirit of happiness and personal welfare. We will shortly discuss, in the next chapter, the question of personal impulses and their relationship with public interest, in more detail.

IQTISADUNA

Let us now leave effects of the Capitalist freedom on the inner contentment of the Capitalist society and suppose — with the Capitalist myth — that personal impulses themselves guarantee the materialisation of public interests. But is it possible for this imaginary idea to say like that about the interests of different societies and claim agreement between special interests of the Capitalist society and other human societies? If the Capitalist society believed in the Capitalist freedom, cut off from all the spiritual and moral frameworks, then what prevents it from exploiting all other human groups to its advantage and subjugate them to serve its own purposes?

It is the historic reality of Capitalism which replies to this question. Humanity has indeed suffered terribly at the hands of Capitalist societies as the result of its moral emptiness, spiritual vacuum and its peculiar way of life. These sufferings would remain a blot on the face of the history of the modern materialist civilization and a proof that the economic freedom which is not bound by moral limits constitutes one of the most destructive weapon of man. It was the result of this freedom, for instance, that there has been a mad race among the European countries to subjugate peaceful humanity and to exploit it towards the service of the capitalist. The history of Africa alone constitutes a page of that feverish race in which African Continent was subjected to a storm of misery because a number of States like Britain, France and Holland, etc. imported a colossal number of peaceful residents of Africa, sold them in the slave market and presented them for sacrifice at the altar of Capitalist giant. The traders of these countries used to bum African villages so that their residents were terrified into fleeing their hearths and homes whereupon the traders got control of them and drove them to Merchant ships which transported them to the Masters' countries. These horrible deeds continued to be committed until the nineteenth (19th) Century during which Britain launched a large

CAPITALISM

scale campaign against it until it was able to conclude international Agreements condemning the trading in slaves. But this endeavour itself bore the Capitalistic character and did not come forth out of the spiritual belief in moral and spiritual values. This is proved by the fact that Britain which did so much to ban practical deeds, replaced it with concealed enslavement by sending its large Fleet to African coasts to supervise (control) the banned trade with a view to put an end thereto. Yes, by God, it claimed that it had done that to finish it. But in this way it paved the way for occupation of large areas on the western coasts; the operation of enslavement started in the Continent itself under the mark of colonisation in place of the trade markets of Europe!!

After all this, can we say that the Capitalist freedom is a magical equipment working spontaneously without any moral and spiritual consideration, to turn the struggle of the people for their personal earnings into a machine which might guarantee the public interests and social welfare?

B- Freedom Causes Growth of Production:

This is the second notion on which capitalist freedom is based as we have seen before. But it is based on a mistake in understanding the results of the Capitalist freedom and another mistake in assessing the value of the production.

Thus the production Projects in the Capitalist society do not constitute small units entering competition with equal degree of competence and possibilities so that each Project might be competent to compete with other Projects which constitutes a factor which ensures free competition and thereby makes it a means for growth and improvement of the production. But the production Projects in the Capitalist society are of different sizes, competence and capability of getting merged into one

another. The Capitalist freedom in such a case opens the way for competition, which soon leads to violent struggle in which strong Projects crush other ones and begin to monopolize the production gradually until all the forms of competition and its fruits get concealed in the race course of production. Thus free competition which promotes production does not accompany the capitalist freedom long but it soon leaves room for monopolization as long as the economic situation is possessed by the Capitalist freedom.

As for the other basic mistake of the notion, it lies in assessing the value of the production as mentioned by us. Supposing the Capitalist freedom leads to abundant production and its growth both quantitatively as well as qualitatively and that the free competition would continue under the shadow of Capitalism, materialising the production of the commodity with the least possible expenditure, but this does not prove that Capitalism is capable of ensuring welfare (happiness) of the society. But it only indicates that the society, under its shadow, is capable of improving the production and realising largest possible quantity of the commodities and the services. This capability is not all that matters in social welfare which the doctrine is supposed to ensure. This is but a power which _is spent in a way that ensures welfare and happiness for the society as also in a contrary way. The thing that determines the form in which the social collective power is expanded for production is the manner followed in the distribution of general production among the members of the society. Thus the public welfare does not relate so much to the quantity of the general produce as to how this produce is distributed among the individuals.

The Capitalist doctrine is most incompetent in respect of distribution which guarantees welfare of the society and happiness of all because the doctrinal capitalism depends on the price structure in the matter of distribution which means that he who

CAPITALISM

does not possess the price of a commodity has no right to live. Thus it passes sentence of death or deprivation on anyone who was unable to earn the price on account of being unable to contribute to the production of the commodities and the services or because non-availability of opportunities for the contribution or because of having fallen a victim at the hands of stronger competitor having blocked all opportunities for him. That is why the unemployment of working hands in capitalist societies constitutes a most terrible human tragedy. Because when a Capitalist dispenses with the services of a worker, for any reason, the latter does not find the price whereby he could procure his needs and necessities of life and thus he is obliged to lead a life of misery and starvation because price constitutes the framework of distribution and as long as he did not obtain something thereof in the market, he had no share in the wealth produced however colossal it might be.

Therefore, the exaggeration about the competence of the Capitalist doctrine and its potency in respect of promoting the production, is very misleading and a cover to conceal the dark aspect thereof which recklessly passes sentence of death and deprivation on anyone who does not know the secret word, and cannot get the magic coin of cash.

In the light of this it is not possible for us to regard the production alone as a justification, from moral and practical aspect, for different means which help promote greater production and more fertile land because abundant production, as we have seen, does not constitute the entire expression of general social welfare.

C- Freedom is the Real Expression of Human Dignity:

After this, nothing remains there except the third notion about freedom which judges the freedom by personal criterion

IQTISADUNA

and adds thereto an original spiritual and moral value, as being the basic manifestation of the dignity and self-realisation without both of which life remains meaningless.

* * * * *

We must, first of all, point out that there are two forms of freedom, i.e. natural and social freedom. The natural freedom is that which is bestowed by nature itself while the social freedom is that which is granted by a social system and which the society guarantees to its members. Each of these two freedoms has a characteristic of its own. Therefore, when we study the meanings in which Capitalism understands freedom, we must differentiate between these two freedoms lest we should give the attributes and characteristics of one to the other.

Thus the natural freedom is an essential element in the man's constitution and constitutes a basic phenomenon which is common to all living beings with different degrees in accordance with their vitality. That is why man has the largest share of this freedom of all the living beings. Therefore, the greater the life in a living being, the greater the amount of freedom it enjoys.

In order to realise the essence of this natural freedom, we start with observation as to how non-living beings follow their course. Nature determines fixed directions for such beings and lays down the way (behaviour) from each one thereof which it cannot deviate from. For instance nature has prescribed a particular course for the stone, in accordance with general laws of existence. Thus we cannot, for instance, expect from it to move so long as we did not move it nor can we expect it, when we set it in motion, to move in any direction except in which we have set it to move. Similarly we cannot imagine it to retreat in order to avoid collision against a wall coming in its way. So it is bereft

CAPITALISM

of all forms of positive power and capability of being conditioned into new conditions and therefore it had no share of the natural freedom. As for a living being, its attitude towards the circumstances and conditions is not negative or obligatory in a particular direction from which it could not deviate. Contrarily, it possesses a positive power to condition itself and is capable of innovating a method (course) in case the usual one was incompatible with its circumstances. Thus positive power alone reveals to it the meaning of the natural freedom in view of the fact that nature had placed before the living being numerous alternatives so that it could adopt, in all circumstances, the one which was most suitable for its particular environments. Thus the plants, which are regarded to belong to the lowest category in the family of living beings, possess that power or the freedom in a low or primitive degree or level. Because some plants change their direction when they come near an obstruction which might prevent them from proceeding in that particular direction, and hasten to condition themselves and take a new direction. Looking at the animals, being in the second position (class) among the living beings, we find that they possess that power and freedom on a larger scale and of a higher level. Nature has placed before them numerous alternative from which they could always adopt that which suited their desires and inclinations the best. Thus while we find that when we throw a stone, it cannot change its set direction at all and the plant cannot deviate from its direction except in a limited way, the case is different with the animal which is capable of taking different directions always. Thus the scope given by nature to the animal for its essential activities is greater in respect of alternatives as compared with those allowed to the plant.

The natural freedom reaches its climax in man because the field of work granted to him by nature is the widest of all.

IQTISADUNA

While the natural inclinations and desires in an animal constitute the final limits for the field in which it works so that it cannot use its freedom except within the limits of these inclinations and desires, the situation is different so far as the field of essential activities of man is concerned because man has been constituted, spiritually and organically, in a peculiar way, so that he can possibly control or restrain these desires. Thus he is free even to act according to these desires or contrary thereto.

This natural freedom enjoyed by man is rightly regarded one of the essential elements of humanity as it constitutes an expression of its essential power. Therefore mankind without this freedom would come to a word with no meaning.

Obviously, the freedom taken in this sense does not fall in the purview of doctrinal discussion and it has no doctrinal character because it is a boon bestowed upon by God and it is not a gift of any particular doctrine so that it could be studied on a doctrinal basis.

As for the freedom which carries doctrinal character and distinguishes the capitalist doctrine and which occupies main position in its entity, it is the social freedom that is the freedom which an individual gets from the society. Because this is the freedom which relates to the social existence of man and falls within the scope of the doctrinal and social studies.

If we were able to clearly distinguish between the natural and social freedoms, we could realise the extent of folly involved in ascribing the attributes of the natural freedom to the social freedom and in saying that the freedom provided by the Capitalist doctrine constitutes the essential constituent of humanity and an essential element in its entity. Because this assertion is based on not distinguishing between the natural freedom, being an essential constituent of the human existence and the social freedom, being a social issue the extent of whose capability of building a happy society and compatibility whereof with the moral

CAPITALISM

values we believe in must be studied.

* * * * *

Let us now take the social freedom, being much, so that we may study capitalist doctrines attitude thereto, having set aside the natural freedom from the scope of doctrinal discussion and getting acquainted with the characteristics of each of the two freedoms.

On analysing the meaning of the social freedom we find its real content and ostensible (outward) form. It is two-sided, one, the real content of the freedom or the essential freedom, as we will express it hereafter, and the second, the outward form of the freedom which may be called formal freedom.

Thus there are two kinds of the social freedom. One, essential social freedom and the other, formal social freedom.

As for the essential social freedom, it means the power which one earns from the society to do a certain thing. This means that the society provides to the individual all the means and conditions needed for doing that thing. So if the society assures you of possessing the price of a particular commodity, made the commodity available abundantly in the market and does not let anyone else have the right to monopolise the purchase of the commodity, you are then free to purchase the commodity because socially you enjoy all the conditions where-upon depends purchasing of that commodity. But if the society does not enable you to have the price of the commodity, does not ensure supply of the commodity in the market or gives another person the exclusive right to purchase that commodity then in such a case you do not have in reality essential freedom or the real purchasing power.

As for the formal freedom, it does not demand all that, but the act becomes impossible in respect of the individual like

purchasing of the commodity by one who does not possess its price. But in spite of that, he is regarded socially free in formal aspect, even though this formal freedom may not have any real content. Because the formal freedom to purchase does not mean power to purchase, actually. It only means, in its social sense, that the society allows one, within the scope of his possibilities and opportunities determined by his position in the course of competition with others, to adopt any method which enabled him to purchase that commodity. Thus an ordinary man is free, formally, to purchase a pen, in the same way as he is free to purchase a Capitalist company, having a capital of hundreds of million, so long as the social system lets him do any work and adopt any method towards purchasing that big company or that insignificant pen. As for the scarcity of the opportunities and conditions enabling him to purchase the company or absence of these opportunities in the competition course finally and their being not provided by the society, all this is not inconsistent with the formal freedom in its general outward framework.

But the formal freedom is not void like this entirely as it has a positive meaning sometimes. Thus a businessman whose existence as a trader began in a successful way, may not be able practically to purchase a big company but as long as he enjoys the formal freedom socially he was capable of doing different kinds of business in order that he might obtain the power to purchase that company sooner or later. On this basis the formal freedom to purchase and possess the company would have a positive meaning because although it does not give him the company practically, yet it allows him to try his talents and undertake different activities with a view to succeeding in getting the ownership of that company. The thing which he misses under the shadow of this formal freedom is the society's guarantee to him to secure the company or its price. Because this guarantee, which

CAPITALISM

constitutes the meaning of the essential freedom, is not provided to the individuals by the formal freedom.

Therefore, the formal freedom, socially, is not always void, but it constitutes a means to rouse power and strength in an individual and to mobilize it in order to make him reach higher levels, although it (formal freedom) does not offer any guarantee of success.

In the light of this we realise that although the formal freedom does not mean power, practically, yet it is an essential condition to have this power. Thus the businessman mentioned above, could not be able to dream of owning the big Capitalist Company and consequently could not practically possess it after continued struggle, had he not enjoyed the formal freedom and had the society not let him try his luck and the chances in competition course. In this way the formal freedom would be an effective means and an essential condition to secure the essential freedom and the real power to purchase the company while the freedom of individuals to own the company remained but formal and only nominal, with no atom of reality.

* * * * *

The Capitalist doctrine adopts the social formal freedom, believing that the formal freedom embodies the meaning, of freedom entirely. As for the 'essential freedom' — as described by us in the foregoing pages — it means, according to it (Capitalist doctrine), capability to benefit from the freedom and not that it is the freedom itself. That is why it does not concern itself with providing one with the capability and granting him the essential freedom. It simply leaves it to the opportunities and possibilities one happens to succeed with, regarding it enough to provide the formal freedom which allows him to undertake different

kinds of economic activities to achieve his objects and reject any social authority putting pressure and coercion in any field of life.

Therefore, Capitalism adopts a negative attitude vis-à-vis the essential freedom and a positive one towards the formal freedom that is, it does not bother about providing the former, but providing only the formal freedom to the individuals.

There are a number of justifications, in the opinion of Capitalism, for that negative attitude towards the essential freedom which are summed up in two things:

One, the power of any social doctrine, whatever it may be, is remiss in providing the essential freedom to everyone and in ensuring power enough to achieve all his objectives. Because many people are bereft of talents and special competence which are considered essential for the achievement of their objects and naturally a doctrine cannot possibly turn a dullard into a genius. Similarly there are many objectives, the achievement of which cannot be ensured to all the individuals. For example, it is not reasonable that every individual becomes President of the country and similarly all the individuals cannot be assured of the capability to hold the post of the President, practically. What was reasonable was to open the way for every individual to enter political or economic struggle and make experiment with his talents, whereafter he may succeed and reach the climax, stop in the midway or go back as loser. In any case he would himself be finally responsible for his destiny in the struggle and the extent to which he succeeds or fails.

The second thing whereby Capitalism justifies its being devoid of the essential freedom is that if an individual was granted this freedom by offering sufficient guarantees for the success in any enterprise undertaken by him, it would greatly weaken his feeling about his responsibility and extinguish the sparks of freedom in him which urges him to be active and

CAPITALISM

lends him greater wakefulness and vigilance. Because so long as the doctrine ensured success to him he had no need of depending on his own self and exploiting his potentiality and talents, all of which he would have done if the doctrine had not provided to him the essential freedom and necessary guarantees.

Both of these justifications are right to some extent but not in the form given by capitalism on the basis of which it totally rejects the idea of the essential freedom and the assurance. Because although to guarantee the achievement of an objective one has in the field of economic activity, constitutes a hollow dream which is impossible to materialise, and which a social doctrine can rarely be expected to materialise, yet it is not something ideal which could not be materialised, to provide minimum essential freedom in the economic field and give sufficient guarantees for a certain level of living, regardless of the man's opportunities and conditions, nor is it a reason for freezing the talents and potentialities of growth and perfection found in man as long as the higher levels were subject to free competition as they demand from individuals effort and activity and develop self-reliance in them.

Therefore, Capitalism cannot, in its negative attitude towards the essential freedom and the assurance, take the support of the impossibility of providing such an assurance or by saying that such an assurance paralyses the fervent energy for the human activity, as long as the doctrine could provide a reasonable degree of assurance and open, outside this degree, fields for competition which promotes and improves capabilities.

As a matter of fact, the negative attitude of capitalism towards the notion of assurance and the essential freedom was inevitable outcome of its positive attitude towards the formal freedom. Because having adopted the formal freedom and based its entity thereon, it was necessary for it to reject the idea of the assurance and adopt its negative attitude towards the essential

freedom which are inconsistent with each other. Therefore, it is not possible to provide the essential freedom in a society which believes in the principle of the formal freedom and is anxious to provide it to all the individuals in different fields. Because the liberty a businessman had to employ or reject a worker and the freedom the wealthy people enjoyed in disposing their wealth to suit their own interests, as established by the principle of the formal freedom, i.e., the infeasibility of laying the principle of guaranteeing work to the worker or guarantee of living to those who cannot work, being invalids. Because provision of such guarantees was not possible without limiting those freedoms which are enjoyed by businessmen and the wealthy people. Thus either businessmen or the wealthy people are allowed to act as they want and are given, thereby, the formal freedom so that it became impossible to provide guarantees of work of living, or these guarantees are provided so that business-men or the wealthy people are not allowed to act according to their free will, which would mean violation of the principle of the formal freedom which stands for the necessity of allowing everyone freedom to act in the economic field as he desired. Since Capitalism believed in this principle, it was obliged to reject the idea of guarantee, the idea of the essential freedom with a view to ensuring the formal freedom to all the individuals, equally.

While the Capitalist society adopted the formal freedom, setting aside the essential freedom and the idea of assurance, the Socialist society adopted a contrary attitude as the Marxist Socialism ended the formal freedom by establishing a dictatorial system, wielding absolute authority in the country. It claimed that it had compensated for the formal freedom by providing essential freedom, that is by providing to the country-men guarantees of work and life.

Each of the two doctrines has, thus adopted one aspect of

CAPITALISM

freedom leaving the other one. This polarised inconsistency between the formal and the essential freedoms or between the form and essence, has not been solved except in Islam which believes that society needs both the forms of freedom. Consequently, it provided to the society the essential freedom by ensuring a reasonable degree of guarantee to all the individuals of the society, an honourable life and the necessary requirements thereof, not recognising freedom within the limits of this assurance. At the same time it did not let this assurance be a justification for doing away with the formal freedom and wasting its own personal and objective value but opened the way and granted to everyone, outside the bounds of the assurance, such freedoms as were consonant with his understanding about the existence and life. Thus man is guaranteed to a degree and within special bounds, and is freed outside these bounds. In this way the formal and essential freedoms have been blended together in the Islamic planning. There has never been any consideration, outside the shadow of Islam, over this splendid blending of the two as how to materialise it, except during the last century when efforts were started to establish the principle of assurance and to bring about agreement between it and the freedom, after the experiment of Capitalist freedom failed bitterly.

* * * * *

In any case, Capitalism has sacrificed the idea of assurance and the essential freedom for the sake of the formal freedom.

Here we arrive at the central point in our study to ask as to what are those values on which the formal freedom is based in the Capitalist doctrine and which have allowed Capitalism to sacrifice the essence of freedom and its guarantees at their altar. We must here set aside all the efforts aimed at justifying the

formal freedom with social objective justifications such as describing it as being a means to make general production abundant or to materialise social welfare. We have already studied these justifications, which have not withstood study and examination. We are now concerned with the endeavour of capitalism, to explain the value of freedom itself.

It may be stated in this regard that freedom is a part of man's entity and if he is deprived of his freedom he loses his dignity and his human meaning (character) whereby he becomes distinct from other animals. This flimsy expression does not apply to a scientific analysis of the value of freedom and can attract no one but one who is fond of playing with words. Because man's human entity is distinguished from the rest of the world by natural freedom being, a natural being, and not by social freedom, as being a social being. Thus it is the natural freedom which is regarded as something belonging to man's entity and not the social one which is bestowed or snatched away, depending on the social doctrine in vogue.

It is sometimes said that freedom, in its social meaning is an expression of an original tendency in man and of one of his essential needs. Thus being gifted with natural freedom, man feels personally inclined to be free in his behaviours and relations with others in the society he lives in, just as he was free by nature. In order that a social doctrine be realistic one compatible with the human nature with which it deals, it should recognise original tendencies in man and ensure their satisfaction. A doctrine cannot, therefore, possibly suppress in man his natural tendency towards freedom.

This is right to some extent. But, on the other hand, we say that it is the duty of a social doctrine which wants to base its edifice on solid foundations in human being to recognise different original tendencies in man as well as his various essential needs and to work for agreement between them. In order that

CAPITALISM

it may be a realistic human doctrine, it is not palatable for it to recognise one of those original tendencies and guarantee them to the greatest extent at the cost of other tendencies. For instance, although freedom is an original tendency in a man because by nature he rejects compulsion, coercion and pressurisation, yet he has essential needs and other tendencies and therefore he urgently needs something of tranquillity and peace of mind in his life. Because worry (anxiety) awes him just as he is perturbed by pressure and compulsion. So when he loses all the guarantees which the society could provide him within his life and livelihood, he is deprived of one of his essential needs as also of the satisfaction of his original tendency to have settlement and confidence. Similarly if he loses his freedom entirely and the social system dictated its will to him per force, he was deprived of another of his essential needs, that is his need for freedom which expresses original tendency in his mind. Therefore, if the doctrine tried to be realistic and based on firm foundations of the reality of humanity, it must work for bringing about wise and minute agreement between man's original need for freedom and his original need for something of settlement and confidence and his all other original needs. If the tendencies and other needs are set aside and be sacrificed for a single original need so that it may be satisfied to the greatest possible extent, as has been done by the capitalist doctrine, it would be in contravention of the simplest doctrinal duties.

* * * * *

Finally, although the attitude of Capitalism towards freedom and assurance is wrong, yet it is completely in consonance with the general framework of Capitalist thinking. Because assurance centres round the notion of limiting and pressurisation thereof but Capitalisation finds no justification for this curb and limitation

on the basis of its general meaning of the world and man.

Because the limitation and pressurisation are justified by historical need, as believed by Marxism in the light of historical materialism as it is of the view that Proletarian dictatorship which practises the policy of limitation and pressurisation of the freedoms in a Socialist society springs from the inevitable necessity of laws of history.

But Capitalism does not believe in the historical materialism with the continuity peculiar to Marxism.

The limitation and pressurisation derive the justification from the belief in a higher authority possessing the right to organise humanity and direct it in life and to lay defined guarantees for the freedoms of individuals, just as religion believes, as it thinks that man has prudent Creator who has the right to make his social existence (being) and define the way he must follow in life.

This is something which capitalism cannot recognise in view of its basic meaning which stands for separation of religion from the reality of life and alienating it from all the general social fields.

The limitation and pressurisation is sometimes justified by its being a power springing from within man and imposed on him by his mind (conscience) which enjoins on him moral values and definite limits (boundaries) in regard to his behaviour with others and about his attitude towards the society. But the conscience, in the sense it is taken by Capitalism in its code of ethics, is but an internal reflection of the practice or customs or any other limitation imposed on an individual from without. Thus conscience, on final analysis means external pressure and it does not spring from inner depths.

In this way, Capitalism is ultimately unable to explain the pressure on freedom, by way of historical need, religion or conscience.

CAPITALISM

And in this way its attitude towards freedom is connected with its ideological roots and its main meanings of the existence and man, and of history, religion and morals.

It is on this basis that Capitalism has formulated its political understanding about Government and various social authorities. Thus it sees no justification for the interference by these authorities in the freedoms of individuals except to the extent necessary for maintaining them and safeguarding them against anarchy and clash because it is the extent allowed by the individuals themselves. But interference beyond these limits has no justification from historical inevitability, religion or values and morals. It is therefore but natural that Capitalism should desist from its ideological continuity and by stress on the freedom in the economic field and reject the idea of establishing authority by providing any guarantee and restriction.

These are the concepts of Capitalism in its general binding which leads to the general ideological bases.

And this is the aspect of view which must thoroughly examine those concepts, and as a result victimize them on the basis of that view point.

* * * * *

CHAPTER TWO

OUR ECONOMY: ITS MAIN SIGN-POSTS

- I - GENERAL EDIFICE OF ISLAMIC ECONOMY
- II - ISLAMIC ECONOMY IS A PART OF A WHOLE
- III - GENERAL FRAME-WORK OF THE ISLAMIC ECONOMY
- IV - ISLAMIC ECONOMY IS NOT A SCIENCE
- V - RELATIONS OF DISTRIBUTION ARE SEPARATE FROM THE SHAPE OF PRODUCTION
- VI - ECONOMIC PROBLEM IN THE SIGHT OF ISLAM AND ITS SOLUTIONS

I — GENERAL EDIFICE OF ISLAMIC ECONOMY

The general edifice of Islamic economy comprises of three main elements according to which its doctrinal content is defined and whereby it is distinguished from all other economic doctrines in their broad lines. These elements are as follows:

1. The principle of double ownership.
2. The principle of economic freedom in a limited sphere.
3. The principle of social justice.

We will soon explain and elucidate these elements, providing a general idea about the Islamic economy, so that we may be able to discuss more exhaustively its details and doctrinal characteristics.

1- PRINCIPLE OF DOUBLE OWNERSHIP

Islam differs from Capitalism and Socialism substantially in respect of the nature of ownership which it allows.

Thus the Capitalist society believes in private individual

form of ownership, that is, private ownership, as a general rule, allowing the individuals to have private ownership of various kinds of the wealth in the country according to their activities and circumstances. It does not recognise general (public) ownership except when necessary for social need and when nationalisation becomes essential in this field or that on the basis of experience. This need would thus be an exceptional case in which the socialist society was obliged to give up the principle of private ownership and exempt a public utility or a certain wealth from its purview.

The Socialist society is entirely contrary thereto. Because common ownership constitutes the general principle in such a society, which is applicable to all kinds of wealth in the country. It regards private ownership of some of the (sources of) wealth only an exception, which is recognised sometimes in view of some dire social need.

On the basis of these two contradictory views of Capitalism and Socialism the name 'Capitalist Society' is given to any society which believes in private ownership as the only principle and which believes in nationalisation as an exception resorted to in order to meet a social need. Similarly, the name of 'Socialist Society' is given to every society which believes that the common (public) ownership constitutes the fundamental principle and which does not recognise private ownership except under exceptional circumstances.

As for the Islamic Society, the basic attribute of each of these two societies is inapplicable thereto. Because the religion of Islam does not agree with Capitalism in the belief that private ownership is the fundamental principle nor does it see eye to eye with Socialism in regarding the common (public) ownership as the general principle but it establishes different forms of ownership at one time, thereby laying down the principle of double ownership (of different forms) instead of only one form

OUR ECONOMY: ITS MAIN SIGN-POSTS

of ownership as adopted by Capitalism and Socialism both. Thus it believes in private ownership, general (public) ownership and 'State ownership' and provides for each of these forms of ownership a particular field to work in. It does not regard anything thereof as an exception or a temporary treatment necessitated by circumstances.

That is why it is wrong to call the Islamic society a Capitalist one in spite of the fact that it allows private ownership in respect of a number of capitals and means of production, as it does not recognise private ownership as a general principle. Similarly, it is wrong to give to the Islamic Society the name of 'Socialist Society' although it adopts the principle of general (public) ownership as well as State ownership in respect of some kinds of wealth and capitals because in its opinion the Socialist ownership does not constitute the general principle. It is also wrong to regard it (Islamic Society) as an admixture of this and that, because the variety of the main forms of ownership in the Islamic Society does not mean that Islam has blended the two doctrines, the Capitalists and the Socialist, and adopted an aspect from the both. This variety of the forms of ownership is only an expression of an original religious planning which is based on certain ideological basis and which lies within a special framework of values and meanings, contrary to the bases and values and meanings on which are based the free Capitalism and the Marxists Socialism.

There could be no better evidence on the rightness of the attitude of Islam towards ownership, based on the principle of dual ownership than the (result of) the two experiments, of Capitalism and Socialism. Because both the experiments were obliged to recognise the other form of ownership, which was inconsistent with their general principle as the idea of having only one form of ownership has been proved to be wrong by actual practice. Consequently the Capitalist Society has since long

started adopting the idea of nationalisation and exempting some of the public utilities (fields) from the system of private ownership. This tendency of nationalisation is but an indirect admission on the part of the Capitalist Societies of the invalidity of the Capitalist principle in respect of ownership and an effort to deal with the inconsistencies and complications arising out of that principle.

On the other hand the Socialist Society despite its being young, was also obliged to recognise private ownership at one time, legally, at another time illegally. Its legal recognition thereof was constituted by the seventh Article of the Soviet Constitution under which each of the families of the cooperative farms has a piece of land of its own, adjacent to the place of its residence, over and above its basic income accruing from the economy of the common cooperative farm. Besides, it has additional economy on the land, a dwelling place, productive live stock, birds and simple agricultural implements. All this it possesses as a private ownership. Similarly the 9th Article allows individual and professional farmers the ownership of small economic projects and the existence of these properties side by side with the Socialist system in vogue.

2- PRINCIPLE OF ECONOMIC FREEDOM IN A LIMITED SPHERE

The second element of the Islamic Economy is constituted by the limited freedom allowed to the individuals in the economic field, which is restricted by moral and spiritual values in which Islam believes.

In this element too, we find a glaring difference between the Islamic economy on the one hand and those of Capitalism and Socialism on the other. Thus while individuals enjoy unrestricted freedoms under the shadow of the Capitalist economy

OUR ECONOMY: ITS MAIN SIGN-POSTS

and while the Socialist economy confiscates freedoms of all, Islam adopts an attitude which is in consonance with its general nature. Thus it allows the individuals to enjoy their freedoms remaining within the sphere of the values and ideals which refine and allow freedom and thereby make it a means of welfare and good for the entire humanity.

Islam's restriction of the social freedom in the economic field is of two kinds:

First, the personal restriction springing from the depth of one's self, deriving strength from the spiritual and ideological content of the Islamic personality (individuality).

Second, the objective restriction which constitutes an expression of an external power which defines and regulates the social behaviours.

As for the personal restriction, it is constituted naturally under the shadow of a special training and education given to an individual in a society in which Islam dominates in all walks of life. The ideological and spiritual frameworks in which Islam moulds the personality by affording an opportunity to lead life and make history on its basis, have immense moral power greatly and great influence in limiting the freedom which is granted to the individuals of the Islamic society and in directing it in a proper and refined manner, without letting them feel that anything of their freedom had been wrenched, because the limitation springs from their spiritual and ideological reality and therefore they do not find therein a curb on their freedoms. That is why the personal limitation does not in reality mean a curb on the freedom. It only means an operation of letting the internal content of man in a proper and spiritual way so that freedom conveys its right message under the shadow thereof.

This personal restriction had a great and splendid effect in formulating the nature of the Islamic society and its general

temper. Although the complete Islamic experiment was short, yet it bore fruit and let noble and ideal possibilities gush forth in man, and granted him a rich spiritual stock of the feelings of justice, goodness and benevolence. If this experiment could continue longer than it did in the short span, of its history, it would have proved man's competence for caliphate (rule) on earth and it would replete with feelings of justice and mercy and would have uprooted elements of evil and impulses of injustice and corruption from mankind's self.

To prove the results of the personal restriction it is sufficient to realise the fact that it alone has been basically responsible for good and benevolent deeds in the Muslim society ever since Islam lost its experimentation of life and its political and social leadership. Although a long time has elapsed since that experiment and leadership took place and although the Muslims have gone away therefrom, standards having commensurate with the falling of their ideological and moral standards and their adoption of other ways of social and political life, yet despite all that, this personal limitation whose seed was laid down by Islam in its complete experiment of life, has played its positive and active role in ensuring deeds of goodness and benevolence, which is represented in the fact that millions of Muslims with their full freedom shining in the framework of that limitation, come forward to pay up religious tax (*zakāt*) and other rights of God and participate in the materialisation of the meanings of Islam about the social justice. In the light of this reality it can very well be judged what the results would have been had these Muslims lived strictly according to the Islamic experiment and if their society had been a complete embodiment of the Islamic thoughts, values and politics and a practical expression of its meanings and ideals.

* * * * *

OUR ECONOMY: ITS MAIN SIGN-POSTS

As for the objective restriction of freedom, we mean thereby the restrictions imposed on an individual in the Islamic society from without by dint of the religious law (*shar'*). The objective limitation of the freedom in Islam is based on the principle which says that there can be no freedom for an individual in respect of such kinds of activities which according to the sacred laws (*share ah*) run contrary to the ideals and objectives in whose necessity Islam believes.

The implementation of this principle was materialised in Islam in the following way:

In the first place, the *sharī'ah* has, in its general sources, banned certain economic and social activities, which, in the opinion of Islam, stand in the way of materialising the ideals and values adopted by Islam, such as usury and monopolisation etc.

Secondly, the *sharī'ah* has laid down the principle of ruler (*waliyyu 'l-amr*) supervising the general activities of the people in the country and the States' intervention with a view to safeguard and promote general (public) interests, by means of restricting the freedom of the individuals in their activities. It was necessary for Islam to lay down this principle so that it could ensure continued materialisation of its ideals and meanings of social justice with the passage of time, because the demands of the social justice which Islam calls for, differ with differing economic conditions of the society and its material circumstances. Because it may be that doing of a certain work is harmful to the society and its entity at one time and not at another. It is thus not possible, therefore, to give details thereabout in definite constitutional forms. The only way towards that end is to empower the ruler (*waliyyu 'l-amr*) to discharge his duties as a supervisory authority, directing and restricting the freedom of the individuals to do or not to do the activities which are permissible under the religious law (*shar'*) in accordance with the Islamic ideals in the society.

IQTISADUNA

The original legislative authority in respect of the principle of supervision and intervention is contained in the Qur'ānic verse:

أَطِيعُوا اللَّهَ وَأَطِيعُوا الرَّسُولَ وَأُولَى الْأَمْرِ مِنْكُمْ. (التَّوْبَةُ، ٥٩)

Obey God, and obey the Messenger and those in authority among you. (4:59)

The text of this Qur'ānic verse clearly proves the obligation of obeying the authorities (*uli 'l-amr*). There is no difference of

opinion among the Muslims that *أولى الامر* *uli 'l-amr* (authorities) means those who wield legal authority in the Muslim society, though there exists difference of opinion among them in respect of determining them and their attributes. Thus a high Muslim authority enjoys the right of obedience and interference to safeguard the interest of the society and to maintain Islamic balance therein provided the interference was within the limits of the sacred *sharī'ah*. Therefore it is not permissible for the State or the ruler (*waliyyu 'l-amr*) to make usury lawful or allow fraud or to suspend the law of inheritance or to nullify an ownership in the Muslim society established on an Islamic basis. A bona fide ruler (authority) in Islam can only interfere in respect of the activities and deals which are permissible under the Islamic law. He can thus prohibit or order such activities as to suit the Islamic ideals of the society. Thus reclamation of land, mining of minerals and digging of canals etc. are such kinds of activities and business as have been permitted generally by the Islamic law (*sharī'ah*). If the ruler (authority) deemed it necessary to prohibit or order any of these pursuits remaining within his powers, he could do that, in accordance with the above mentioned principle.

The Holy Prophet, himself used to enforce this principle of interference when need demanded and the situation necessitated

OUR ECONOMY: ITS MAIN SIGN-POSTS

interference and direction. An instance of this is provided by an authentic tradition in which the Prophet is reported to have decided among the people of Medina 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 desert saying that surplus water should not be denied nor the surplus herbage. Similarly he said, "Harm not and be not harmed".¹ The jurists know it very well that to deny surplus of water or anything to others is not unlawful in a general way under the Islamic law (*shari'ah*). In the light of this we realise that the Prophet did not prohibit denial of surplus of water or anything else in his capacity as a Prophet conveying general Islamic tenets but he did that only in his capacity as the authority responsible for organising economic life of the society and directing it in such a way that it did not go against the general (public) interest. That may be the reason why the narrator has expressed the Prophet's prohibition with the term *qadā'* (decision) rather than *nahy* (forbiddance) in view of the fact that *qada'* (decision) is a sort of *hukm*² (Judgement). We will take up this principle (of supervision and interference) for discussion in greater detail and more elaborately in a future study.

-
1. *al-Wasā'il, III, Kitāb Iḥyā'u 'l-mawāt.*
 2. Some Jurists believe in respect of the Prophet's verdict prohibiting denial of surplus water or anything else that the prohibition falls under the category of undesirable (*makruh*) rather than the unlawful (*ḥarām*). They have had to give such an interpretation to the Prophet's verdict, stripping it of its character of necessity because they think that the tradition could be interpreted in two ways only; either the prohibition by the Prophet be taken to mean unlawfulness (**ram*) so that the denial of surplus water and herbage be regarded being unlawful under the Islamic law (*shari'ah*) in the same way as the drinking (of wine) and other unlawful -matters. Or the prohibition be taken to mean encouraging preferring

3- THE PRINCIPLE OF SOCIAL JUSTICE

The third element of the Islamic economy is the principle of social justice embodied by Islam in the system of distribution of wealth in the Islamic society, having such elements and guarantees which enable the system to enforce the Islamic justice and make it consonant with the values on which it is based. While including social justice in its basic principles, which constitute its economic doctrine, Islam did not adopt social justice in its general sense nor did it call for it as being open to every interpretation nor did it leave it to the human societies which differ in their views about social justice with the difference in their ideas about civilisation and their understanding about life. But Islam has defined its meaning and crystallised by means of a certain social plan and has been able to embody this planning in a living social reality all of whose arteries and veins pulsate with the Islamic concept of justice.

Thus it is not sufficient to know Islam's call for social justice but we must also have knowledge of its detailed pictures about justice and its peculiar Islamic sense.

The Islamic form of social justice comprise two general principles, each having its own lines and details. The first one is that of general reciprocal responsibility and the other one is

the benevolence of the owner to give in charity his surplus wealth. Since the former interpretation is alien to the jurisprudic sense, it is necessary to adopt the latter one. But in reality this does not justify interpretation of the Prophet's verdict as conveying the sense of desirability as long as it was possible to retain the character of necessity and compulsion for it, as is evident from the wording, and to understand it as being a decision given by the Prophet in the capacity of *waliyyu 'l-amr* keeping in view the peculiar circumstances in which the Muslims lived and not as being a general legal verdict declaring the matter in question unlawful like the drinking (of wine) and gambling.

OUR ECONOMY: ITS MAIN SIGN-POSTS

that of social balance. It is through reciprocal responsibility and the balance, with their Islamic sense, that just social values are materialised and it is therewith that Islamic ideals of social justice come into existence as we shall see in the coming chapter.

The measures taken by Islam towards bringing about a better human society over its radiant experiment clearly showed how great an importance it attached to this main element of its economy.

Attachment of this importance was reflected clearly in the first address given by the Prophet at the time of the first political activity conducted in his new State.

It is narrated that the Prophet inaugurated his directive declarations in the following address:

O people, send forth (some good) for yourselves. By Allāh, 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 favoured you. So what did you then send forth for yourselves?!" Thereupon, 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 a date, he must do it. If he does not have (even) that, he (should secure safety from Hell) by uttering a pleasant word, because a good deed is rewarded from tenfold to seven hundred. May peace and God's blessing and mercy be on you.

He started his political activity by fraternisation between the emigrants (*muhājirūn*) and the helpers (*anṣār*) and enforcement of the principle of reciprocal responsibility, with a view to materialising the social justice which Islam intends.

Thus the main elements of the Islamic economy are as

IQTISADUNA

under:

Firstly: multi-form ownership in the light of which the distribution system is defined.

Secondly: freedom restricted by Islamic values in the fields of production, exchange and consumption.

Thirdly: social justice which ensures happiness to the society based on reciprocal responsibility and balance.

* * * * *

There are two basic characteristics of the Islamic economy, which radiate in its various lines and details. They are: objectivism and moralism. Thus the Islamic economy is realistic and moral in its objectives which it aims at, as also in the method which it adopts for that purpose.

Thus it is an economy which is realistic in so far as its aim goes as in its system and laws it aims' at, such objects as agree with humanity, its nature, its tendencies and its general characteristics. It always tries not to oppress humanity in its legislative account nor does it make humanity hover round in high imaginary atmospheres beyond its power and possibilities. But it always bases its economic planning on man's realistic views and aims at realistic objects which are in consonance with that view. An imaginary economy such as the Communist one may happily adopt base on an realistic objective and aim at materialising a new humanity free from all egoistic tendencies and capable of distributing among it works and wealth without the need for a governmental weapon (means) to conduct the distribution which is free from all sorts of differences or struggle. But this does not agree with the Islamic legislative nature and its character of being objective in its aims and objects.

It (Islamic economy) is — so far — realistic in its method too. Thus, just it aims at realistic objectives, possible to be

OUR ECONOMY: ITS MAIN SIGN-POSTS

achieved, it also provides realistic material guarantee for their achievement and does not suffice with guarantees of advice and direction which are tendered by preachers and the preceptors, because it wants to achieve those objects and therefore it does not leave them at the mercy of chance or fate. For instance, while it aims at bringing about general reciprocal responsibility in the society, it does not achieve it by means of advice and incitement of sentiments only but it also resorts to legislative guarantee to ensure its achievement in any case.

The second quality of the Islamic economy is the moral one, means, so far as the objective goes, in achieving its economic life of the society, Islam does not derive support from material and natural conditions separate from man himself, as Marxism gets inspiration, in respect of its objectives, from the situation of the productive powers and their conditions. It only looks at those objectives as being an expression of practical values which it is necessary to materialise from the moral aspect. For instance, when it decides to insure the life of a worker, it does not believe that this social insurance provided by it springs from material conditions of production, for instance. But it regards it a representative of a practical value which must be materialised, as we shall see in detail during the discussions in this chapter.

The moral quality means — in respect of method — that Islam attaches importance to the psychological factor in matters of the method it adopts to achieve its aims and objects. Thus in adopting method to achieve that end does not attach importance to the objective aspect alone. Thus it takes particular pains to mingle the personal and psychological factor with the method which help those objective materialise. For instance, money (wealth) is taken from the rich to fulfil the (need of) the poor and thereby the objective purpose of the Islamic economy behind the principle of reciprocal responsibility comes into being. But this is not

the whole question in Islam's account but there is the method (also) whereby the general reciprocal responsibility materialises because this method may sometimes simply mean use of force to wrench tax from the rich to meet the needs of the poor. Although this is sufficient to materialise the objective aspect of the issue, that is situation of the poor, yet Islam does not establish this, as long as the method of materialising the reciprocal responsibility was bereft of the moral impulse and factor of goodness in the rich person. That is why Islam intervenes and makes financial duties, whereby it seeks to bring about the reciprocal responsibility, obligatory religious duties, which must spring from luminous personal impulse urging man to participate in the materialisation of the objects of the Islamic economy in a conscious manner seeking thereby God's pleasure and blessing.

No wonder that Islam is so much concerned with the personal factor and is so anxious to make it spiritual and ideological, in accordance with its aims and objectives and meanings. Because the personal factors which dash together in man, go a long way in constituting his personality and determining his spiritual content in the same way as the personal factor has a great bearing on social life and its problems and the solution thereof. It is clear to all today that the personal factor plays a role in the economic field. Thus it has a bearing on the periodical crises under which European economy groans. It also affects on the winding of supply and demand (positions), production capability of a worker and other elements of economy.

Islam's doctrine and teachings are therefore not confined to organising the outward form of the society but they go deep into its spiritual and ideological depths so that the internal content may be in consonance with Islam's economic and social plan. Towards this end it does not suffice with adopting any method which might ensure achievement of its aims and objects but it mingles

OUR ECONOMY: ITS MAIN SIGN-POSTS

this method with the psychological factor and personal impulses which agree with those objectives and their meanings.

* * * * *

II — ISLAMIC ECONOMY IS A PART OF A WHOLE

To understand the Islamic economy, we must not study it by one part thereof excluded from others. For instance, we should not study Islam's prohibition of usury or the permission about private ownership as being separate from other parts of the general plan of the Islamic economy. Similarly it is not permissible to study the whole of Islamic economy as being something separate and a doctrinal entity independent of the rest of the religious' entities including the social, political and other ones and of the nature of the relations existing between these entities. We must understand the Islamic economy as a part of the general system of Islam which organises different aspects of life in the society. Just as the view of a certain thing perceived as a part of a general form comprising a group of things differs from a view thereof while separated from that form or from the view thereof when looked at as a part of another system so that a line when viewed amidst a certain arrangement of lines sometimes looks short, and looks long in different arrangement of lines, similarly general forms of social doctrines play an important role in the assessment of their economic plans. It is therefore wrong not to attach due importance to the general Islamic system and take into account the nature of the relation ship between the economy and other parts of

OUR ECONOMY: ITS MAIN SIGN-POSTS

the religion and their mutual effect on its general organic nature.

We must also not separate the religion of Islam in general from its peculiar ground for which it is prepared and in which all the elements of existence and strength of the religion have been provided. Just as we comprehend the perceptible forms on different grounds and each form agrees with a certain ground so that a certain ground does not suit another form nor does that form agree with another ground, similarly the general form of the religion, whatever it may be, needs a ground and soil which might be compatible with its nature and which might strengthen it with faith, meanings and sentiments compatible thereto. It is therefore necessary that, while assessing the general form of the religion, we must study it on the basis of the soil and ground prepared for it that is within its general framework.

It is thus evident that the Islamic economy is interlinked in its lines and details and that it plays its role as a point of a general system of life which has a ground peculiar to it. A complete Islamic society is materialised only when the form and the ground are achieved together and when the vegetation and soil both are obtained. The Islamic economy could be discussed properly only when it is studied as a plan bound together and as a part of the general way of life whose role is based on the soil and ground prepared for Islam and the real Islamic society.

* * * * *

The soil or the ground for the Islamic society and its social doctrine is composed of the following elements:

Firstly, belief which is the central basis in the Islamic thinking, which defines a Muslim person's main outlook towards the world in a general way.

Secondly, the concepts which reflect Islam's view point in

the description of things in the light of the general outlook crystalised by the faith.

Thirdly, sentiments and feelings which Islam undertakes to disseminate and promote to the row of those meanings, because the meaning being an Islamic notion about a certain event creates in the mind of a Muslim a special feeling about that event and defines his sentimental attitude towards it. And Islamic concepts with their role are placed in the light of the basic Islamic belief. As an example for that, let us take piety (God-fearing, *taqwa*). Thus under the shadow of the belief of God's unity the Islamic meaning of piety (*taqwa*) grows according to which piety (*taqwa*) is the criterion of nobility and preference among human beings. This concept gives birth to an Islamic sentiment for piety (*taqwa*) and the pious people (*muttaqīn*); a sentiment of greatness and respect.

So these are the three elements; belief, concepts and sentiments which participate in the making of the congenial soil for the society.

Then comes — after the soil — the role of the general Islamic way of life as an inseparable entity extending to various walks of life. It is only when the Islamic society fully attains its soil and general form that we can expect of the Islamic economy to fulfil its unique message in the economic life and to ensure for the society means of happiness and welfare and it is only then that we can pluck therefrom the greatest fruit. But if the Islamic message is enforced in a certain walk of life, separated from other ones, it is wrong to expect of the greater Islamic message to materialise all its objectives in that walk of life. Because in view of the close link existing between different sides of the greater Islamic plan of the society would make it like a plan made by a most expert engineer for a beautiful building. This plan can never reflect the beauty and grandeur — as designed by the engineer — except when the plan is implemented in toto. But if we utilise

OUR ECONOMY: ITS MAIN SIGN-POSTS

it to build only a part of the building, we have no right to expect from this part to be as designed by the engineer by drawing the entire plan. The same is the case with the Islamic planning. Because Islam has established its peculiar path a complete means to materialise happiness for humanity provided this great system is enforced in an Islamic environment which is based entirely on Islam in respect of its existence, thoughts and entity and provided it is enforced in toto, so that its different parts strengthen one another. Thus if a part of the Islamic system is segregated from its environment and from other parts, it would mean to deprive it of the necessary conditions under which it could achieve its high object. In such a case, Islamic directions could not be blamed for being totally or partially incompetent of guiding the society. Because in such a case, it would be like scientific laws which bear fruit only when the necessary conditions are found.

* * * * *

We cannot bring out, in this exposition of ours, all the aspects of the mutual interlinking of (different parts of) the Islamic economy and of the mutual action and interlink existing between it and all peculiarities and Islamic elements connected therewith. We confine ourselves to giving examples thereof as under:

1- The connection of the Islamic economy with the belief which constitutes the source of spiritual provision of the religion. Because the belief makes a Muslim condition himself according to the religion and it lends to the religion a character of conviction and a value of its own, irrespective of the nature of the objective results registered in the field of practical implementation, and creates in the mind of the Muslim a feeling of personal satisfaction under the shadow of the religion, as being something emanating from the belief which he professes. Thus the force of

IQTISADUNA

implementation, the spiritual and religious character and personal satisfaction are all characteristics of the Islamic economy, provided by the basic belief on which it rests. That is why these characteristics do not come at the time of discussion except when the Islamic economy is studied in the light of belief and the extent to which it reacts thereto.

2- The connection of the Islamic economy with the conception of Islam about the world and life and its peculiar way of explanation of things like the Islamic concept of private ownership and profit. Thus in Islam's view ownership constitutes a right carrying responsibility and not an absolute authority. Similarly, it lends to profit a meaning much wider than the one given to it in the purely material accounting. Consequently many activities are included in the purview of profit, in its Islamic sense, which are regarded as a loss according to another non-Islamic view.

It is but natural that this understanding of Islam about the private ownership should have its bearing on the manner of availing of this right and on restricting it according to its Islamic framework. It is also natural that the economic field should be affected by the Islamic sense of profit to the extent defined by the depth of the meaning and its concentration and consequently the meaning influences the course of the Islamic economy in its implementation. It must therefore be studied through that and it should not be isolated from the effects of different Islamic meanings, during the implementation.

3- The connection of the Islamic economy with those sentiments and feelings based on its peculiar understanding, which Islam promotes in the Muslim environments, like the sentiment of general brotherhood, which breaks forth in the mind of every Muslim a fountain of love for others and sharing in their weal and woe. This fountain grows and becomes gushy commensurate with the degree of the sentiment of brotherhood and the fusion

OUR ECONOMY: ITS MAIN SIGN-POSTS

of man's spiritual entity with the Islamic sentiments and the education enforced in the Islamic society. These sentiments and feelings play an important role in conditioning the economic life and help the religion in achieving its objects.

4- The connection between the economic doctrine and the financial policy of the state to such an extent as may let the financial policy be regarded a part of the programme of the economic doctrine of Islam. Because it has been formulated in such a way as to meet the general economic policy and work for the achievement of the objectives of the Islamic economy. Thus the financial policy in Islam does not suffice with providing the State with necessary expenses, but it aims at participating in establishing social balance and general reciprocal responsibility. That is why it was necessary to regard the financial policy a part of the general economic policy and to include the rules about the State's financial organisation in the general edifice of legislation for the economic life as we shall see in coming discussions.

5- The connection between the Islamic economy and the political system in Islam whose separation from each other leads to mistake in the study. Thus the ruling authority enjoys wide economic powers and large properties which it manages as it deem fit. These powers and properties, must always be linked, in the study, with the authority in Islam and the guarantees which Islam has provided for the integrity and uprightness of the *waliyyu 'l-amr* (ruler), that is to ensure his immunity from error or counsel and justice, according to different schools of thought in Islam. Thus in the light of these guarantees we can study the position of the State in the economic doctrine and believe in the rightfulness of the powers and rights given to it in Islam.

6- The connection between the elimination of the usurious capital and other Islamic tenets about partnership and general

reciprocal responsibility and the social balance because of the prohibition of usury is studied in isolation it would give rise to serious problems in the economic life. But if we consider it as being a part of a single inter-connected operation, we would find that Islam has provided clear solutions for these problems which are in consonance with the nature of Islamic law and its aims and objects. This is so in the rules about partnership, balance, reciprocal responsibility and the money, as we shall see in a coming discussion.

7- The connection between some rules about private ownership in the Islamic economy and those relating to *jihād* (religious war) which regularises relations of the Muslims with non-Muslims in times of war. Thus Islam has permitted *waliyyu 'l-amr* to enslave the prisoners (of war) and possess them as a part of the booty and to distribute them among the warriors in the same way as other articles of booty are distributed. The crusade enemies of Islam are wont to present this rule of the *sharī'ah* (Islamic law) isolated from its conditions and conjunctures with a view to show that Islam is a code of law which provides for enslavement wherefrom humanity has been suffering ever since the dark days of history and from which it has been delivered by the modern European civilisations alone, which have liberated humanity for the first time and has wiped off slime and disgrace from it.

But to make an honest study of Islam and its rule about the booty, we must, first of all, know when a thing is regarded as a booty (*ghanīmah*) under the Islamic law. It is after this that we could know as to how and to what extent had Islam allowed *waliyyu 'l-amr* to enslave a prisoner of war being a booty and who was this ruler who had been authorised to enslave a prisoner as such. Having comprehended all these aspects, we would be in a position to see Islam's provision about the booty in the right perspective.

OUR ECONOMY: ITS MAIN SIGN-POSTS

The basic condition for the concept of a booty, according to Islam, is that it should have been obtained in a legitimate war based on beliefs ('aqīdah). Thus unless a war has the character of *jihād* (religious war) the wealth obtained as the result thereof cannot be treated as booty and this depends on two things:

Firstly, the war should have been urged under the orders of *waliyyu 'l-amr* with a view to promote the cause of Islamic propagation. Thus the wars like those were waged in pre-Islamic times with the purpose of looting and plundering, or the battles aimed at securing the wealths and markets of the countries such as the capitalist wars, have all nothing to do with *jihād*.

Secondly, the Muslim preachers should first of all make an announcement about their Islamic message and explain its main sign-posts supported by proofs and arguments, till Islam's (truthfulness) had been fully established and no room was left for others for a proper logical arguments. If despite this they continued to refuse (to accept) the light (of Islam) no alternative was left for the Islamic call, as an international ideological religion based on real benefits and well-being of humanity, but to make its way through material force, that is the armed *jihād* (war). Under such circumstances alone are the war gains regarded booty, in the eyes of Islam.

As for the treatment which is meted out to a prisoner of war as a part of the booty, it consists of one of the three alternatives, namely, pardoning, setting him free by a ransom or to enslave him. Thus the enslavement is one of the three manners in which *waliyyu 'l-amr* must treat a prisoner of war.

We should know in this regard, that *waliyyu 'l-amr* is responsible to adopt the most suitable of the three alternative manners to treat the prisoner of war, one which is most compatible with the general interest, as has been stated by al-Fāḍil and ash-Shahīd ath-thāni and other Muslim jurisprudents. More-over, Islam has not permitted waging of war to carry its call to

non-Muslim country unconditionally, as a general rule. It has allowed it only in case of an infallible leader being available who might undertake leadership of the raid and direction of the Islamic march in religious battles. Keeping in view these two realities we would come to the conclusion that Islam does not allow enslavement of a prisoner of war except when it was more suitable than pardoning and ransoming, both. That too has not been permitted except for an infallible *waliyyu 'l-amr* who can commit no mistake in deciding which (of the three alternative treatments) was the most in the fitness of things.

There is nothing in this rule for which Islam could be blamed. But it is a judgement in which social doctrines, however different their notions be, agree on it. Because as at times to enslave is better than both pardoning and ransoming. This is so in case the enemy adopted enslavement of his prisoners of war. In such a case, therefore, it becomes necessary to deal with the enemy by tit for tat. When the circumstances made the enslavement more appropriate than both pardoning and ransoming then why should Islam not allow it? No doubt Islam has not explained the circumstances in which enslavement would be more appropriate but this purpose has been fully served by leaving the decision in the matter to *waliyyu 'l-amr* who is infallible from error and passion and who leads the religious battle (*jihād*) politically. He is, therefore, responsible for judging the circumstances and acting accordingly.

Looking at the rule of Islam about the prisoners of war, while it was enforced in the political life of the Islamic State, we find that the enslavement did not come into being except under those circumstances in which it was the most appropriate of the three alternative ways of treating the prisoners of war, because the enemy which the Islamic State encountered in the battle followed the same way in dealing with his prisoners of war.

OUR ECONOMY: ITS MAIN SIGN-POSTS

There is, therefore, no ground for criticism or objection. There is no ground for criticising or objecting to the general rule allowing the enslavement, because Islam permitted to enslave the prisoners when it was in consonance with the general interest in the opinion of the infallible ruler. Nor could there be any criticism or objection to its enforcement as it was done only under those circumstances in which the enslavement was the most appropriate of the three measures.

8- The connection between the economy and criminal legislation in Islam; thus the general reciprocal responsibility and the social guarantee in the Islamic economy throw light on the nature of punishment awarded in some crimes. The punishment of cutting off hand may be harsh to some extent in capitalistic environments in which they left it for the sake of mercy and difficulty of struggle. But in a society, which is Islamic, a congenial soil for Islamic economy and in which the members of the society line under the shelter of Islam, it is in no way cruel to deal with a thief harshly after the Islamic economy had provided him means of a free and respectable life and had eliminated all the motives which might oblige him to committing theft.

* * * * *

III — GENERAL FRAME-WORK OF THE ISLAMIC ECONOMY

The economic doctrine of Islam is distinguished from other economic doctrines by its general religious framework. Because Islam is the framework which comprehends all aspects ways of life in Islam, as while dealing with every walk of life, Islam links it with religion shaping it in the framework of man's religious relationship with his Creator and the world to come.

It is this framework which enables the Islamic system to ensure success and the materialisation of general social interests of man as these social interests cannot be provided but through religion.

In order to make this point clear, we must study human's interests in his subsistent life and the extent to which they can be provided. It is after doing this that we can realise the aforesaid fact namely, that man's social interests cannot possibly be secured but by means of a system which has a proper religious framework.

While studying man's interests in his subsistent life, we may divide them in two groups.

Firstly, those man interests which nature provides him like medicinal herbs, for instance, as man's interest lies in obtaining them from nature. This interest has nothing to do with

OUR ECONOMY: ITS MAIN SIGN-POSTS

his social relations with others. But being subject to harmful germs, man stands in need of the herbs, irrespective of whether he lives alone or amidst a mutually connected society.

Secondly, those interests which the social system provides for him, as being a social being related with others, like the one, a man derives from the social system when he is allowed to exchange his products with those of others or when assurance is given to him of livelihood in cases of invalidity and unemployment.

We would call the first group 'natural interests' and the second 'social interests'.

In order that man may be able to take possession of his natural and social interests, he must be equipped with power to know them and ways and means to bring them about as also with the incentive to make him endeavour to secure them. Thus the herbs which are prepared and used for the treatment of consumption, for instance, are found with a man when he knows that there was a drug for this disease and he discovers how to prepare it and when he also has an incentive which urges him to benefit from its discovery and the preparation (of the medicines) from those herbs. Similarly, assurance about livelihood in cases of invalidity — being a social benefit — depends on the man knowing the benefit of this assurance and how it is legislated as also on the incentive which leads to this legislation and the enforcement thereof.

There are, therefore, two basic conditions without which it is not possible for humanity to enjoy full life provided with natural and social interests. The first is that man should know how these interests are materialised, then he should have an incentive to materialise these interests after having known them.

When we look at the natural interests of man, like the

preparation of herbs for drugs for treatment of tuberculosis, we find that man has been provided with the possibilities of obtaining these needs. Thus he possesses thinking power which enables him to realise manifestations of nature and the benefits hidden therein. Although this power develops slowly with the passage of time, yet it moves in a perfect line in the light of new experiences and experiments, and the more this power develops, the more the man is able to comprehend his interests and the benefits he could derive from nature.

Besides this thinking power, man possesses personal impulse which ensures his urge for his natural interests. Because man's natural interests meet personal impulse of everyone. This procurement of medicinal herbs, for instance, is not in the interest of an individual to the exclusion of another or to the interest of a group of people to the exclusion of another. The human society, therefore, feels impelled by force of personal impulses of the individuals which are all concerned with the interests and their need, being of personal benefit to all the individuals.

We thus realise that man has been created with a special psychological and ideological constitution which enables him to have natural requirements in abundance. The perfection of this side of his (man) livelihood is acquired through his experience of life and nature.

* * * * *

As for the social interests, they also depend, in their role, on man's realisation of the social organisation that suits him as also on the personal impulse to bring about and materialise that organisation. So what is the lot of man from these two conditions in relation to the social interest and has been equipped with the thinking power to realise his social interests as also with the impulses that might make him to realise them in the same way in which he has been equipped therewith in relation to his natural

OUR ECONOMY: ITS MAIN SIGN-POSTS

requirements??

Let us now take up the first condition. It is generally said that man cannot realise a social organisation that might ensure all his social benefits and also be compatible with his nature and general constitution, because he is most incapable of comprehending the social attitude, with all his characteristics, and the human nature with all its contents. Those holding this view reach the conclusion that it is essential that the social organisation be set up for humanity and it is not possible to leave humanity to bring about the organisation itself as long as its knowledge was limited and its thinking condition unable to understand thoroughly the secrets of the entire social problem.

On the basis of this, they forward the plea for the necessity of religion in man's life and for the need of humanity for (divine) messengers and prophets, who could determine, and apprise the people, by means of revelation, of the real interests of man in his social life.

But in our opinion, the problem appears more clearly when we study the second condition.

Because the basic point in the problem is not as to how man could realise social interests.¹⁾ As a matter of fact the real problem is as to how man is made to materialise them (social interests) and organise the society in such a way as might ensure them. The crux of the problem is that social interest at times, does not agree with personal impulse because of its being inconsistent with special

-
1. We have studied, at a great length, the valuation of the possibilities of man realising, ideologically, most suitable social organisation and understanding real social interests in our book *Contemporary man and the social problem*. We have explained therein the role of social and scientific experiments and how much services they have rendered in this regard.

interest of individuals. Because the personal impulse which ensured man's plunging towards the natural interests of humanity does not adopt the same attitude vis-à-vis the social interests. Thus while the personal impulse makes man try to bring about a drug for consumption, because the manufacture of the drug is in the interest of all the individuals, we find that this personal impulse itself stands in the way of materialising many of the social interests and prevents the bringing about of an organisation which might ensure these interests or the materialisation thereof. Thus insurance of livelihood of a worker in case of having unemployed is inconsistent with the interest of the rich people who would have to meet the expenses of this insurance. Similarly nationalisation of land goes contrary to the interests of those who could monopolise the same. The same is the case with every social interest because of its being in-consistent with the personal impulses of the individuals whose interest differs from that general social interest.

In the light of this we come to know the basic difference between the natural and the social interests as the personal impulses of individuals do not clash with the humanity's natural interests but they make the individuals bring them about and exploit consciously towards that end. Thus humanity had the possibilities which ensured its natural interests, in a gradual way according to the degree of these possibilities which grow with experiment. But the social interests are contrary thereto. Because the personal impulses which spring from man's love for his ownself and make him give preference to his own interest over that of others. These impulses stand in the way of exploiting sincerely the practical advertence which man possesses, towards making social interests being available in abundance and prevent a social organisation to be found out which might ensure these interests as also its enforcement.

It thus becomes clear that the social problem which

OUR ECONOMY: ITS MAIN SIGN-POSTS

hinders social perfection of mankind lies in the inconsistency existing between the social interests and the personal impulses and as long as man is not equipped with possibilities of bringing about agreement between the social interests and the personal impulses rooted firmly in individuals, it is not possible for human race to achieve social perfection. Then what are these possibilities??

Certainly, humanity stands in need of an incentive that might agree with general social interests in the same way as the natural interests had the personal impulse as their ally.

CAN SCIENCE SOLVE THE PROBLEM?

Some people often say that science which has developed enormously ensures solution of the social problem because man — this giant — has been able to take all these great strides in the fields of thinking, life and nature and penetrate deep into its secrets and solve its most awful riddles so much that it has become possible for him to explode atom and release its gigantic power and explore the Universe and send his missiles thereto and he has ridden rockets and exploited nature's powers to communicate events taking place millions of miles away in such a way that they are seen and heard. This man who has made all these scientific achievements in a short period and who has emerged victorious in all the battles with nature is certainly capable, by dint of the knowledge and insight he has been endowed with, of building a happy and tenacious society and of bringing about a social system which may ensure social interests of humanity and therefore man was no longer in need of a source of inspiration in respect of his social attitude save science which has enabled him to achieve success in all fields.

Such a pretence, in fact, only betrays ignorance about the role of science in human life. Because however it may develop

and progress, science constitutes only a means to discover objective realities in different fields and to explain the facts in a mental way, reflecting them with the highest possible degree of precision and depth. For instance, it tells us, in the social field, that capitalism leads to the strict enforcement of iron laws about wages which are kept at a low level necessary for living just as it (science) tells us, in the natural field, that the use of a certain chemical substance leads to a dangerous disease taking birth firmly in one's body. Having shown this reality or that, science indeed fulfils its function and presents to man a new knowledge. But the fact of this disease or that awful law being existent does not end only because science had disclosed the relationship existing between that particular substance and the disease or between capitalism and the iron law. It is only by avoiding things that cause or lead to the disease that man could get rid of or prevent the disease. Similarly he could get rid of the iron law pertaining to wages only by eliminating the capitalist framework of the society. The question here arises as to what it is that ensures man getting rid of or preventing that disease or that framework. The reply in regard to the disease is quite obvious because personal impulsive the man possesses is sufficient enough to keep him away from that substance whose dangerous affects science had disclosed to us because it is contradictory to the personal interest of an individual. As for the iron law about wages and the elimination of the capitalist framework, the knowledge, obtained through science, about the relationship between that framework and that law, for instance, does not constitute an incentive to take an action to change the frame-work. The action in this regard needs an incentive but personal impulses do not always agree with one another as they differ with the difference of personal interest.

In this way we must differentiate between the scientific discovery and the action. Thus science discloses reality to some extent but it does not do something that develop it.

OUR ECONOMY: ITS MAIN SIGN-POSTS

THE HISTORICAL MATERIALISM AND THE PROBLEM

Marxism says in this regard — on the basis of historical materialism — leave the problem itself as laws of history constitute a guarantee for its solution one day. Is not this the problem that personal impulses cannot ensure society's interest and its happiness and well-being because they spring from personal interests which differ in most cases with general social interests? This is no problem. This is but a reality about human societies since the dawn of history as everything has been going on in accordance with the personal impulse which is reflected in the society in class form and so the struggle rages between the personal impulses of different classes, victory always falling to the lot of the personal impulse of the class which controls the means of production. In this way, the personal impulse gets inevitably firm so that the laws of history bring about their basic solution of the problem by creating the class-less society wherein personal impulses vanish and are replaced by collective impulses in accordance with collective ownership.

As we have seen in our study of the historical materialism, such forecasts, which the historical materialism makes, do not stand on any scientific basis and it is not possible to wait for an effective solution of the problem thereby.

* * * * *

Thus the problem remains as it is, a problem of the society in which the personal impulses are firmly rooted and as long as the upper hand was that of the personal impulse dictated to each individual by his own interest, the victory would be of the interest which commands power of enforcement. Who could, then ensure for the society, amidst the pressure of contradictory egos, to formulate its law in accordance with humanity's social

IQTISADUNA

(collective) interest, as long as this law was an expression of the power prevailing in the society?!

It is not possible for us to expect from the social set-up, like the Government one, to solve the problem by force and make the personal impulses stop within the limits as this set-up takes birth from the society itself and therefore the problem therein is the same as in the society as a whole because it is the personal impulse which is firmly rooted in it.

It is realised from all this that the crux of the social problem is but the personal impulse and that this impulse is deeply rooted in man as it springs from his love for his own self.

Is humanity, then predestined to always live facing this social problem springing from its personal impulses and its nature and to suffer because of this nature?!

And is humanity an exception to Cosmos system which has provided every existence in the world with possibilities of attaining perfection and which is led by its nature to attain its respective state of perfection, as has been proved by scientific experiments besides philosophical arguments.

Hence comes the role of religion being the only solution of the problem because religion constitutes the only framework in which the social problem could be solved. This is due to the fact that the solution depends on agreement between personal impulses and general social interests and this agreement religion could provide to humanity. Because religion is the only spiritual power which can compensate for a man's temporary pleasures which he forsakes in his worldly life in the hope of gaining perpetual comfort. It is this power which can make man sacrifice his very existence out of the belief that its sacrifice of his temporal being only means a prelude to eternal existence and endless life. It can create, in his thinking, a new point of view *vis-à-vis* his interests and a meaning about the gain and loss higher

OUR ECONOMY: ITS MAIN SIGN-POSTS

than their commercial and material meanings. Thus hardship constitutes a way to pleasure, and suffering of loss for the sake of society means gain just as to safeguard interest of others indirectly means safeguarding of one's own interest in a life more sublime and nobler than the present one. In this way are related the general social interests with the personal impulses, being beneficial for him in his religious account.

In the Holy Qur'ān we find glaring emphasis having been laid on this, at different places. All this aims at forming this new viewpoint about an individual's benefits and gains. The Holy Qur'ān, for instance, says:

...وَمَنْ عَمِلْ صَالِحًا مِنْ ذَكَرٍ أَوْ أَنْثَىٰ وَهُوَ مُؤْمِنٌ فَأُولَٰئِكَ يَدْخُلُونَ الْجَنَّةَ يُرْزَقُونَ فِيهَا بِغَيْرِ حِسَابٍ.
(المؤمن، ٤٠)

. . . but whosoever does a righteous deed, be it male or female, believing — those shall enter Paradise, therein provided without reckoning. (40:40)

مَنْ عَمِلَ صَالِحًا فَلِنَفْسِهِ وَمَنْ أَسَاءَ فَعَلَيْهَا
(فصلت، ٤٦)

Whoso does righteousness, it is to his own gain, and whoso does evil, it is to his own loss. (41:46)

يَوْمَئِذٍ يَصُدُّرُ النَّاسُ أَشْتَاتًا لِّيُرَوَّا أَعْمَالَهُمْ * فَمَنْ يَعْمَلْ مِثْقَالَ ذَرَّةٍ خَيْرًا يَرَهُ * وَ
مَنْ يَعْمَلْ مِثْقَالَ ذَرَّةٍ شَرًّا يَرَهُ.
(الزلزال، ٦-٨)

Upon that day men shall issue in scatterings to see their works, and whoso has done an atom's weight of good shall

see it, and whoso has done an atom's weight of evil shall see it.
(99:6-8)

وَلَا تَحْسَبَنَّ الَّذِينَ قُتِلُوا فِي سَبِيلِ اللَّهِ أَمْوَاتًا بَلْ أَحْيَاءُ عِنْدَ رَبِّهِمْ يُرْزَقُونَ.
(آل عمران، ١٦٩)

Reckon not those who were slain in Allāh's way as dead, but rather living with their Lord, by Him provided. (3:169)

مَا كَانَ لِأَهْلِ الْمَدِينَةِ وَمَنْ حَوْلَهُمْ مِنَ الْأَعْرَابِ أَنْ يَتَخَلَّفُوا عَنْ رَسُولِ اللَّهِ وَلَا يَرْغَبُوا بِأَنْفُسِهِمْ عَنْ نَفْسِهِ ذَلِكَ بِأَنَّهُمْ لَا يُصِيبُهُمْ ظَمَأٌ وَلَا نَصَبٌ وَلَا مَخْمَصَةٌ فِي سَبِيلِ اللَّهِ وَلَا يَطَلُونَ مَوْطِئًا يَغِيظُ الْكُفَّارَ وَلَا يَنَالُونَ مِنْ عُدُوِّهِ إِلَّا أَكْثَبَ لَهُمْ بِهِ عَمَلٌ صَالِحٌ إِنَّ اللَّهَ لَا يُضِيعُ أَجْرَ الْمُحْسِنِينَ * وَلَا يُنْفِقُونَ نَفَقَةً صَغِيرَةً وَلَا كَبِيرَةً وَلَا يَقْطَعُونَ وَادِيًا إِلَّا كُتِبَ لَهُمْ لِيَجْزِيَهُمُ اللَّهُ أَحْسَنَ مَا كَانُوا يَعْمَلُونَ.
(التوبة، ١٢٠-١٢١)

It is not for the inhabitants of Medina and for the Bedouins who dwell around them to stay behind the Messenger of Allāh, to prefer their lives to his; that is because they are smitten neither by thirst, nor fatigue, nor emptiness in the way of Allāh, neither tread they any tread enraging the unbelievers, nor gain any gain from any enemy, but a righteous deed is thereby written to their account; Allāh leaves not to waste the wage of the good-doers. Nor do they expend any sum, small or great, nor do they traverse any valley, but it is written to their account, that Allāh may recompense them the best of what

OUR ECONOMY: ITS MAIN SIGN-POSTS

they were doing. (9:120-121)

This is the brilliant picture, the Holy Qur'ān presents to connect the personal impulses with philanthropist deeds in the life and develops individual's interest in such a way to make him believe that his personal interests and humanity's real general interests as determined by Islam are interlinked.

Thus it is the religion which plays the basic role in solving the social problem by way of mobilising the personal impulse for the sake of general interest.

From this we come to know that religion constitutes a natural need for humanity. Because as long as nature forms the basis of personal impulses wherefrom springs the problem, it must have also provided possibilities for the solution of the problem so that man was not exceptional to other creatures which have all been provided by their nature with the possibilities which lead each of them to its respective state of perfection. These possibilities which human nature possesses for the solution of the problem are but an instinct of religiousness and the natural preparedness to link the life with religion and shape it in the general framework thereof.

The human nature then has two aspects, on the one hand it dictates to man his personal impulses wherefrom springs the great social problem in the life of man (the problem of inconsistency between impulses and the real general interests of human society) and on the other, it provides man with the possibility of solving the problem through the natural inclination towards religiousness and arbitration of religion in life in such a way as may bring about agreement between general interests and personal impulses. In this way, nature has fully performed its function to guide man to his perfection. If it (nature) remained creating problem

without enabling man's nature to solve it, it would have meant that humanity remained comforted with the problem, unable to solve it and continuously facing its evils complications. Thus Islam has very clearly affirmed in the Qur'ānic verse:

فَاقِمِ وَجْهَكَ لِلدِّينِ حَنِيفًا فِطْرَتَ اللَّهِ الَّتِي فَطَرَ النَّاسَ عَلَيْهَا لَا تَبْدِيلَ لِخَلْقِ اللَّهِ
 ذَٰلِكَ الدِّينُ الْقَيِّمُ وَلَكِنَّ أَكْثَرَ النَّاسِ لَا يَعْلَمُونَ. (الرُّوم، ٣٠)

So set thy face to the religion, a man of pure faith — Allāh's original upon which He originated mankind. There is no changing Allāh's creation. That is the right religion; but most know it not. (30:30)

Therefore this verse affirms:

Firstly, that religion is a part of human nature which is common to all human beings, and that there could be no change therein.

Secondly, that the religion which forms part of human nature is not but the true (*ḥanīf*) one, that is the religion of unity (of God); the pure. Because it is the religion of unity alone which can perform the great function of the religion and organise humanity practically and socially, ensuring social interests. As for the religions of idolatry or polytheism described as such by the holy Qur'ān, they are in fact an outcome of the problem and therefore they cannot possibly be a remedy for it, because, as stated by the Prophet Joseph to his two co-prisoners: *That which you serve, apart from Him, is nothing but names your-selves have named, you and your fathers; Allāh has sent down no authority touching them;* (Qur'ān, 12:40). They are the offspring of personal impulses which have dictated idolatrous religions to the people, in accordance with their various personal interests, in

OUR ECONOMY: ITS MAIN SIGN-POSTS

order to make them deviate in an unnatural way, from their natural inclination towards the true (*ḥanīf*) religion and stand in their way to properly respond to their original religious tendency, and thirdly, that the true religion which forms human nature is distinguished by its being curator of life (*ad-dīnu 'l-qayyim*) and capable of governing the same and moulding it into its general framework. But any other religion which does not undertake to guide or direct the life, cannot fully meet man's natural demand for religion nor can it possibly treat the basic problem in man's life.

* * * * *

From this we derive a number of concepts which Islam has set about religion and life.

The basic problem in man's life, therefore, springs from nature.

Because it is the problem of personal impulses, being variant from and inconsistent with the general interests.

Nature, at the same time, equips humanity with the remedy.

And this remedy is only the true (*ḥanīf*) and guiding religion. Because it alone is capable of bringing about consistency between personal impulses and unifying its interests and practical standards.

The social life, therefore, must have a perfect religion.

And, similarly, the social organisation in different walks of life must necessarily be placed in the framework of that religion which is competent to respond to the nature and is capable of treating the basic problem in man's life.

* * * * *

In the light of this we realise that the Islamic economy, being a part of social and comprehensive system of life, must be included

IQTISADUNA

in the general framework of that system which is religion. Thus the religion is the general framework of our doctrinal economy.

And the function of the religion as being a framework for the social and economic system in Islam is to bring about agreement between personal impulses and special interests, on the one hand, and the real general interests of the human society from the point of view of Islam, on the other.

* * * * *

IV — ISLAMIC ECONOMY IS NOT A SCIENCE

Each one of the economic doctrines we have put forth constitutes a part of a complete doctrine covering different fields and walks of life. The Islamic economy, thus, is a part of the religion of Islam which covers various branches of life; and the capitalist economy is a part of the capitalist democracy, which, with its system, covers all groups. Similarly, the Marxist economy is a part of Marxist doctrine which crystallizes the entire social life in its peculiar framework.

These doctrines differ from one another in their basic ideological seeds and their main roots wherefrom they derive their spirit and their entity and consequently they differ in their characters.

Thus the Marxist economy, in the opinion of Marxism, carries a scientific character as it is regarded, in the opinion of its supporters, an inevitable result of the natural laws which control and influence history.

Contrary to this is the capitalist doctrine, because, as we have seen in the earlier discussion, its exponents did not formulate it as a necessary results of the nature of the history and its law, but they had adopted it only as an expression of the social form which agrees with the practical values and the ideals they embrace.

But the religion of Islam does not claim to have the scientific character like the Marxist doctrine nor is it without a certain basis of conviction and main view about the life and existence, like capitalism.¹

When we say about the Islamic economy that it is not a science we mean to say that Islam is a religion which ensures a call for organising economic life in the same way as it deals with other aspects of life and that it is not a science of the type of the science of political economy. In other words, it means a revolution aimed at changing a corrupt facet into a sound one and not an objective explanation of the facet, so when it lays down the principle of dual ownership for instance, it does not claim thereby that it explains historical fact about a certain stage in the life of humanity or that it reflects the results of the natural laws of history as Marxism does while breaking good tidings about the principle of socialist ownership, as being an inevitable condition for a certain stage of history and the only explanation thereof.

The Islamic economy in this regard, thus, resembles the doctrinal capitalist economy in being an operation of changing the state of affairs rather than one of explaining it. Thus the doctrinal function *vis-a-vis* Islamic economy is to reveal the full picture of the economic life in accordance with the Islamic *shari'ah* (law) and to study the ideas and general understandings which radiate from behind that picture like the idea of the separation of the form of distribution from the nature of production and such like ideas.

As for the scientific function *vis-à-vis* Islamic economy, its role thereafter is that it may disclose the real course of life and

1. Vide the discussion of the difference between the religion of Islam and the capitalist doctrine in this regard in the preface of *Falsafatuna*.

OUR ECONOMY: ITS MAIN SIGN-POSTS

its laws in an Islamic society wherein the religion of Islam is enforced completely. So the scientific investigation takes the doctrinal economy in Islam as an established principle of the society and tries to explain it and link the events therein with one another. It is, thus, in this regard, like the political economy, for the capitalist scholars of economy who first laid down their doctrinal lines and then started explaining the real state of affairs within those lines, studying the nature of the laws firmly rooted in the society wherein they are enforced. This study of theirs resulted in the science of the political economy.

In this way a science may be constituted for the Islamic economy — after being studied as a comprehensive religious study — through the study of the fact in this framework. The question is this: when and how is it possible to lay down (formulate) the science of the Islamic economy, as the capitalist formulated the science of the political economy, or in other words, the science of the economy which explains the events of the capitalist society??

The answer to this question is that the scientific explanation of the events of economic life centres round over of the following two matters:

One: Collecting of economic events from the realistic experience of the life and arranging them scientifically in such a way as may reveal the laws effective in the field of that life and its special conditions.

Two: Starting a scientific research from particular admitted facts and deducing in their light, the economic direction and course of the events.

As for the scientific explanation on the basis of the first one (of the above mentioned two matters), it depends on the incarnation of the religion in the actual existing entity in order that the researcher could record events of this fact (state of affairs)

and deduce their phenomena and their general laws.

And this is what the capitalists accomplished, when they lived in a society which believed in capitalism and which enforced it. They were consequently, afforded an opportunity to put their theories on the basis of the experience of the social reality in which they lived. But anything like this is not available to the Muslim economists as long as the Islamic economy remained away from the stage of life. They cannot, thus, have experiments from their life to-day about the Islamic economy during the implementation, so that they may realise, in the light thereof, the nature of the laws that dominate a life which is based on Islam.

As for the scientific explanation on the basis of the second matter, it is possible to avail of it to explain some of the facts which are characteristic of the economic life in an Islamic society, by starting from certain religious points and deducing their affects in the field of hypothetic implementation and formulating general views about the economic aspect in an Islamic society in the light of these religious points.

For instance, it is possible for an Islamic research scholar to say that the interests of trade are in consonance, in an Islamic society, with those of the financiers and bankers because a Bank, in an Islamic society, is based on partnership rather than the interest. It therefore does business with the money of its customers and shares the profit with them with a certain percentage and ultimately its monetary fate depends on the extent of the commercial profit it earns and not on the interest it gets on loans. This phenomenon that of the agreement between the interests of the Bank and those of the trade, is by nature an objective on which the researcher starts to deduce from a point, that is, annulment of the system of the Bank interest in the Islamic society.

The research scholar can also proceed from a point like this

OUR ECONOMY: ITS MAIN SIGN-POSTS

to establish another objective phenomenon, that is, deliverance of the Islamic society from a main factor responsible for the crises from which the economic life suffers in a capitalist society. Because the production and consumption in a society based on the interest are hindered by this big part of the natural wealth, which stores up the greediness for the profit gained by means of the interest, and which withdraws, thereby, from the fields of the production and consumption and this leads to the stagnation of a large part of the social production of the capitalist and consumer goods. Therefore, when the society is based on. Islamic economy in which interest is totally banned and wherein boarding is also forbidden or it is taxed, it would result in all the people coming forward to spend their wealth.

Thus in these explanations we suppose a social and economic reality stands on certain bases and adopts the explanation of the synthetic fact and the discovery of its general characteristics in the light of those bases.

But these explanations do not constitute, for us with exactitude scientific concept of the economic life in the Islamic society, until the material for scientific study is collected from the experiments of the tangible reality. Because very often differences occur, often, in the real life of the system and the explanations, put forward, of this life on the basis of hypothesis as happened in the case of the capitalist economists who had built most of their analytic theories on a synthetic basis as the result of which they came to such results as contradicted the reality they lived in, in order to discover a number of factors in the actual field of life, not taken in the field of hypothesis.

Moreover, the spiritual and ideological element or in other words, the psychological temperament of the Islamic society, has a great influence on the course of economic life. But this temperament has no limited degree or a particular form which

IQTISADUNA

could be supposed in advance and whereon different theories could be based.

Therefore, the science of Islamic economy cannot possibly take real birth unless this economy is incarnated in the entity of the society, with all its roots, signposts and details and the economic events and experiments through which they pass are studied systematically.

* * * * *

V — RELATIONS OF DISTRIBUTION ARE SEPARATE FROM THE SHAPE OF PRODUCTION

People practise two different operations in their social life, one, the operation of production and the other, operation of distribution. Thus on the one hand they indulge in a battle with nature in order to harness it to their desires, arming themselves, in this battle, with all the tools of production obtained through their experience and experiment. On the other hand these people establish among themselves certain relations, which determine the connection of the individuals between them, in different affairs of life. These are the relations to which we give the name of social system and under this fall the relations of the distribution of the wealth produced by the society. The individuals, thus, get their gains in the operations of production, from the nature while under the social system which determines their relations, they mutually divide those gains.

Obviously, the operation of production is ever in the process of development and always remains changing basically, according to the development of science and the depth thereof. Thus while formerly man used to employ the plough for production, he has now started using electricity and atom for the purpose. Similarly the social system which determines mutual relations of the people

including the distribution relations, has also not had a stationary form in man's history but it has assumed different forms and shapes with different and changing circumstances.

The basic question in this regard is as to what is the relationship between the development of the forms of production and that of the social relations including the relations of distribution (the social system)?

This point is regarded as the centre of the main difference between the Marxist and the Islamic economies that is one of the important points of the difference between Marxism and Islam, in general.

The Marxist economy, thus, is of the opinion that every development in the operations of production and its form must necessarily be accompanied by a development in the social relations, generally, and the relations of distribution, in particular. Thus it is not possible that the form of production may undergo a change while the social relations retain their old form just as it is not possible for the social relations to precede the form of production in their development. From this Marxism infers that it is impossible for one social system to retain its existence with the passage of time or be suitable for human life in numerous stage of development because the forms of production always remain developing during human experiment, and the social relations also develop in accordance therewith. Thus the system which suits the society of electricity and atom is other than the one which suited the society of handicraft industry, so long as the form of production was different in the two societies. On this basis does Marxism present the socialist doctrine as being the necessary cure for the social problems in a certain historical stage, in accordance with the demands of the new form of production in that stage.

But Islam rejects this so-called inevitable relationship between the development of production and that of the social

OUR ECONOMY: ITS MAIN SIGN-POSTS

system. It is of the opinion that man has two fields so that in one of them he practises his work with the nature, trying by different means to exploit it and control it with a view to meeting his needs. In the other (field) he deals with his relations with other individuals in various fields of social life. The forms of production are the outcome of the first field while social systems are that of the second one. Both of the fields with their historical existence have been subjected many developments in the form of productions in the social system but Islam does not believe in that inevitable mutual link between developments of forms and those of social systems. That is why it believes that it is possible to retain one single social system, with its entity and capability despite the passage of time, however different the form of production might be.

On the basis of this principle (principle of segregation of social system and forms of production) does Islam present its social system including its economic doctrine, as being a social system suitable for the nation in all the stages of its production and as being competent enough to ensure its happiness, when it possesses the secret of atom, just as it did when it used to till the land with its hands.

* * * * *

This basic difference between the views of Marxism and Islam about the social system is — in a general — due to the explanation of the social life which the social system ensures to organise and regulate. Thus social life of man is the offspring of the productive powers, in the opinion of Marxism. Because the powers of production constitute the basic rule and the first factor in the entire history of mankind. Therefore, when the form of the productive powers changed, it was but natural that the form of the social life which is expressed by the prevailing

social system should change accordingly and a new social system should come into being, which suits the new form of production.

What we said in our previous discussion of the historical materialism and our broad criticism about its meaning from history, suffices us to make more comments in this regard. We had clearly shown that powers of production are not the basic factor in history.

But in the light of Islam's teachings, the social life with its different forms does not spring from various forms of production. But it ensures from the needs of man himself because it is the man who is the moving force for history and not the means of production and it is in him that we find the springs of the social life. Because man has been created in such a way that he loves his own self and tries to meet his needs and consequently, he exploits all the things around him to achieve that end. Naturally, he also finds himself obliged to utilise another man in this regard because he cannot satisfy his need, except through the cooperation of other individuals. This led to the social relations growing on the basis of those needs and these relations expanded with their expansion and growth during the long experience of life of man. The social life is, thus, the off-spring of the human needs, the social system being the form which organises social life in accordance with those human needs.

We can find in our study of human needs that a main part thereof remained stable with the passage of time while some points remained developing and getting new according to the circumstances and conditions. This stability which we find in man's organic constitution and his powers generally as also the apparatuses of feeding and procreation and the possibilities of realisation and feeling certainly means that the entire humanity possesses these characteristics, needs and general qualities and it is because of this that it was referred to as one single nation

OUR ECONOMY: ITS MAIN SIGN-POSTS

in God Almighty's address to His prophets as in this Qur'ānic verse:

إِنَّ هَذِهِ أُمَّتُكُمْ أُمَّةً وَاحِدَةً وَأَنَا رَبُّكُمْ فَاعْبُدُونِ. (الانبیاء، ٩٢)

Surely this community of yours is one community, and I am your Lord; so serve Me. (21:92)

On the other hand we find that there is a large number of needs which enter in the sphere of human needs gradually, growing through the experiments of life and increased experience about its characteristic and similar things. Thus the main needs are, then, stable while the secondary needs remain getting renewed and developing, in accordance with the growth of the experiment of life and the complications thereof.

If we know, besides, this, that social life springs from human needs and that social system means the form which organises the social life in accordance with those needs, as mentioned before, we come to the conclusion that a social system suitable for humanity should not necessarily develop and change in a general way, in order that it may move along the growth and development of social life, just as it is not reasonable that it should formulate general principle of life and details thereof, in a permanent way. But the social system must have main part stable and others open to development and change, as long as the basis of the social life (human needs) comprised stable parts as also the changing ones, so that the stable as well as the developing sides may be reflected in a suitable social system.

This exists fully in the social system of Islam as it includes a main stable side connected with the treatment of the basic stable needs in the life of man, like the need for the guarantee of livelihood, procreation and peace, besides the needs dealt with

IQTISADUNA

under the rules about the distribution of wealth and those relating to marriage and divorce and the laws about punishment and others laid down in the Holy Qur'ān and the *sunnah*.

The social system in Islam also contains aspects open to changes according to the new interests and needs. These are the aspects in which Islam has empowered the ruling authority (*waliyyu 'l-amr*) to decide in respect thereof to suit the interest and the need, in the light of the stable side of the system. It has also provided the stable side of the system with permanent legislative rules in their legal forms but they are conditioned, in their implementation, by circumstances. In that manner, the right way, to satisfy the stable needs, is determined although their means of satisfaction differ despite their stability such as the rule of eliminating the detriment in Islam and impediment in the religion.

* * * * *

In this way — and unlike Marxism which believes in the relations of distribution and consequently the entire social system being dependent on the forms of production — we can affirm segregation of the relations of distribution of the form of production. Thus it is possible for one social system to present to the human society distribution relations that might be suitable to it in different circumstances of production and various forms thereof. Every kind of distribution relation does not depend on certain form of production, so that it may not precede or remain behind it, as does Marxism believe.

On this basis do Islam and Marxism differ from each other in their views about other distribution systems which were enforced in history as also in their verdict with regard to those systems. Thus Marxism studies distribution system through the production circumstances in vogue in the society and thus it

OUR ECONOMY: ITS MAIN SIGN-POSTS

passed the judgement that it was a suitable one if it conveys the growth of the productive forces and that it was a bad one which must be revolted against if it was an obstacle in its ascending way. That is why we find Marxism blessing slavery to the greatest extent and in a most horrible form in a society which lives on man's handicraft production. Because a society like this cannot possibly be propelled to increasing the productive activity except when whips were held over the heads of the overwhelming majority of its members and they were forced to work at the points of bayonets. Thus anyone who resorted to terroristic operation and held the whip over the heads of the people was the programme man and the revolutionary vanguard in such a society because he was the ruthless person capable of materialising history's will. But the other person who refrains from participating in the operation of slavery and leaves this golden opportunity, he then deserves all the attributes which the socialist today ascribe to the capitalist as he is a man who. opposes the operation of human progress.

As for Islam, it passes judgement about every system in the light of its relation with various human needs the satisfaction of which must be guaranteed by the system through conditioning the life accordingly, taking these needs to be the basis for the growth of social life. Islam does regard this form of production or that as a justification for the establishment of a social system and distribution relations which do not ensure satisfaction of those needs as it rejects that so-called inevitable relationship between the forms of production and the social systems.

* * * * *

While rejecting this relationship, Islam does not assert it only theoretically but it puts forth the practical proof thereof from its historical existence. Because in its objective experiment

of life it has recorded a theoretical support and a living proof of the falsehood of the so-called relationship between the social system and the forms of production. It has further proved that humanity can condition its social existence in a new and revolutionary manner while its mode of production remains unchanged.

Because the Islamic experiment which humanity has had for a short span of its long life, during which human family has witnessed a most brilliant development — a revolutionary experiment which had created a nation and established a civilization and which had changed the course of history was not indeed the outcome of a new mode of the production or due to a change in its forms and powers. It was not possible under the logic of the socialist explanation of history — which links social system with the means of production — to bring about this universal revolution, which embraced all aspects of life, without any basic change in the conditions of production preceding it.

The Islamic reality thus challenged the historical logic of Marxism in all its calculations and in everything. Yes it challenged it in everything. Thus it challenged it in the notion of equality, because Marxism believes that the notion of equality is the out-come of industrial society which is opened by the class that bears the banner of equality that is bourgeoisie. In its opinion it is not possible to bear this banner before the historical development reaches this industrial stage. But Islam scoffs at this logic, which ascribes every consciousness and thought to the development of production. Because Islam has been able to raise the banner of equality and to create in man a right consciousness and a comprehensive awareness. It has further been able to reflect its essence in the reality of the social relations to an extent which bourgeois could not. It could stand all that before God Almighty let the bourgeois class appear and twenty centuries before its material conditions existed. It called for equality before at a time

OUR ECONOMY: ITS MAIN SIGN-POSTS

when the implement had not yet been found. It declared, "All of you belong to Adam and Adam is from dust", "All persons are equals like the teeth of the comb" and "An Arab has no superiority to a non-Arab (*'ajam*) except through piety".

Was this equality inspired in the Muslim society by means of bourgeoisie production which did not appear but after a lapse of thousand years? Or did the Muslim society get inspiration about this equality from the means of agriculture and the elementary trade for which the Ḥijāzī society lived which were found in a better and more developed form in other Arabian societies and other world societies? Then why did these means inspire the Ḥijāzī society with the notion of equality and enabled it to play a most splendid historical role for the realisation of this notion, while they did not do the like in the case of Arab societies of Yemen, al-Ḥīrah or Syria?!

Islam also challenged the calculations of the historical materialism once again by announcing the good news about the existence of a world-wide society rallying the entire humanity in one field and it worked assilously, to realise this idea in such environment as clamoured with tribal strife and which had thousands of inter-contradictory clause. It succeeded in uplifting these units into a greater humanity and made the Muslims give up the notion of a tribal society delineated by blood, relationship and neighbourhood replacing it by the notion of a society which is not limited to any of these limits but which is limited only by Islam's ideological thought. Then what was these means of production which had brought about a change in those people, who were not intelligent enough even to them of a national society, which made them leaders of the world society and its champions in a short period?!

Islam challenged the so-called historical logic for the third time, by establishing distribution relations which, under the calculation of the socialist economy, could not possibly be

established in a society before it reaches some industrial and implement stage in production. So Islam narrowed the sphere of private ownership, limited its domain and refined its meaning. It also put limits and condition it and made it incumbent on it ensure support to the poor, beside providing sufficient guarantees to ensure balance and justice in distribution preceding thereby the material conditions — in the opinion of Marxism — for this kind of relations. Thus while the eighteenth century says "No one but the fool should be ignorant that the lower classes must remain poor otherwise they would not be hard working assiduous; The nineteenth century says: "One, who is born in a world whose ownership has been completed, has no right to the food if he could not earn means of his livelihood, by means of his work or of his family. Such a person was a parasite in the society there being no need of his existence. Because he has no room on the table of nature which asks him to go, showing no leniency in the enforcement of this dictate".² So while the world was saying this even until many centuries after the advent of Islam, Islam, according, to prophetic saying, in declaring the principle of social security "He who leaves a household in a state of perishing, the responsibility of his family is on me, and he who leaves a debt, the responsibility of his debt is on me".

The Islamic economy declares in an unambiguous manner that poverty and destitution did not spring from nature itself, but it was the outcome of mal-distribution and deviation from the good relationship which must bind the rich with the poor. Thus, it (Islam) says, according to a tradition; "Nothing makes a poor person starve except that with which a rich person avails for luxury".

This consciousness of Islam about the problems of the social

1. Arthur Young, the writer of the 18th century.

2. Malthus lived in the early 19th century.

OUR ECONOMY: ITS MAIN SIGN-POSTS

justice in distribution the like of which is not to be found even in those societies which are more advanced than the Islamic one in materialistic conditions, could not have been the offsprings of plough and the elementary trade on the handicrafts and such like means of living known by all the societies.

* * * * *

They say that this consciousness or this social revolution, nay this gigantic Islamic tide which extended to the history of the whole world was the result of development of trade and of the commercial conditions in Mecca which demanded establishment of a stable state support thereto with all its social and ideological requirements compatible with the prevailing commercial situation.

Indeed it is a novel explanation which explains this historical change in life of the entire humanity by commercial conditions obtaining in one of the countries of the Arabian Peninsula.

I do not know how the commercial conditions of Mecca let this strong historical role to be played to the exclusion of other world and Arab countries which experienced greater civilizations and more programme material conditions and which were superior to Mecca in respect of political and economic conditions. Was it not inevitable under the material logic of history, that the new social development should have spread in these countries? How could certain commercial circumstances in a city like Mecca create a new human history while the circumstances similar thereto or even more developed failed to do the like?

If Mecca enjoyed a commercial situation congenial to the passage of its trade between Yemen and Syria, the Nabataeans also had important commercial circumstances when they had established Petra as a station for the trade route, wherein they

IQTISADUNA

set up most progressive Arabic civilisation so that their influence extended to the neighbouring countries and where they had set up garrisons of trade caravans and sites for the exploitation of mines and whose city became, for a long time, the main city for the caravans and an important trade centre, their commercial activity extending far and wide so much so that the traces of their trade were found in Seleucia and the ports of Syria and Alexandria. They used to trade in aromatic from Yemen, and silk from China, henna colour from Ascalon, glass and purple colour from Sidon and Tyre, pearls from the Persian Gulf and porcelain from Rome. They also produced in their countries gold, silver, tar and sesame oil. But despite this commercial and production level, which Mecca did not achieve, the Nabateans remained in their social relations as they were, awaiting Mecca's divine role in the development of history.

And there is al-Hīrah (near Kūfah) which experienced a great progress in industry and trade during the period of al-Manadhirah (Lakhmid Kingdom). They prospered in it the industries of textiles, weapons, porcelain, pottery and the people of al-Hīrah were able to have their commercial influence extended to the central, Southern and Eastern Arabian Peninsula. They used to send trade caravans to the main markets carrying their country's products.

There was Tadmor (Palmyra) civilization which continued for a number of centuries under which trade prospered so much and which established trade relations with different countries of the world like China, India, Babylonia, Phoenician cities and the Mesopotamia.

There were also civilizations celebrated by the history of Yemen since ancient times.

A study of these civilizations and their commercial and economic conditions and their comparison with Mecca no respect of its civilizational entity before Islam prove that the Islamic

OUR ECONOMY: ITS MAIN SIGN-POSTS

revolution in the social relations and the ideological life was not a question of material conditions and economics and commercial circumstances. Consequently, social relations including the distribution relations are separate from the form of production and the economic situation of the productive powers.

Is not Islam, after all this, entitled to condemn, with all certainty and confidence, that historical inevitability which links every mode of distribution with one of the modes of production and declare by dint of material tangible argument that the system was based on ideological and spiritual bases and not on the material way in earning necessities of life?!

* * * * *

VI — ECONOMIC PROBLEM IN THE SIGHT OF ISLAM AND ITS SOLUTIONS

WHAT IS THE PROBLEM?

All ideological currents in the economic field, agree that there was in the economic life a problem which must be tackled. They however differ in determining the nature of this problem and as to what is the general way to tackle it.

Thus capitalism believes that the basic economic problem is comparative shortage of natural resources in view of that fact nature is limited, as it is not possible to increase the expense of the earth on which man lives nor the amounts of various natural resources lying buried therein but the needs of human life go on increasing regularly, with the progress and prosperity of civilization, which renders nature incapable of meeting all these needs in respect of all the individuals. This leads to competition among the individuals in fulfilling their needs, which results in the economic problem.

Therefore, the economic problem, in the opinion of capitalism, is this that the natural resources of wealth cannot keep pace with the civilization and guarantee a satisfaction of all the needs and desires that remain ever growing with the development

OUR ECONOMY: ITS MAIN SIGN-POSTS

of civilization.

Marxist is of the opinion that the economic problem is always the problem of inconsistency between the form of production and the distribution relations. Therefore, when there was consistency between that form and these relations, there was stability in the economic life, irrespective of the social system resulting from the agreement between the form of production and the distribution relations.

But Islam does not agree with capitalists in believing that the problem is that of nature and paucity of natural resources as it is of the view that nature can ensure all the needs of life the failure to satisfy which leads to a real problem in the life of man.

Similarly Islam is also not of the opinion that the problem lies in the disagreement between the form of production and the relations of distribution as Marxist says. The problem, according to Islam, is but the problem of man himself, before anything else, and not the nature nor the forms of production.

And this is what Islam establishes in the following Qur'ānic verses:

اللَّهُ الَّذِي خَلَقَ السَّمَوَاتِ وَالْأَرْضَ وَأَنْزَلَ مِنَ السَّمَاءِ مَاءً فَأَخْرَجَ بِهِ مِنَ
الطِّمَرَاتِ رِزْقًا لَكُمْ وَسَخَّرَ لَكُمُ الْفَلَكَ لِتَجْرِيَ فِي الْبَحْرِ بِأَمْرِهِ وَسَخَّرَ لَكُمْ
الْأَنْهَارَ * وَسَخَّرَ لَكُمُ الشَّمْسَ وَالْقَمَرَ آيَاتٍ لَكُمْ الْيَلَّ وَالنَّهَارَ * وَ
أَنِتُّكُمْ مِنْ كُلِّ مَا سَأَلْتُمُوهُ وَإِنْ تَعُدُّوا نِعْمَتَ اللَّهِ لَا تَحْصُوهَا إِنَّ الْإِنْسَانَ لَظَلُومٌ
كَفَّارٌ.
(إبراهيم، ٣٢-٣٤)

It is Allāh who created the heavens and the earth, and sent down out of heaven water wherewith He brought forth fruits to be your sustenance, And He subjected to you the ships to run

IQTISADUNA

upon the sea at His commandment; and He subjected to you the rivers and He subjected to you the sun and moon constant upon their courses, and He subjected to you the night and day, and gave you of all you asked Him., If you count Allāh's blessing, you will never number it; surely man is sinful, unthankful! (14:32-34)

These holy verses clearly show that God Almighty has pooled in this wide universe all the needs and beneficial things for man and has provided for him resources sufficient to meet his material needs. But it was man himself who had lost this opportunity given to him by Allāh, because of his transgression and ingratitude (*surely man is sinful, unthankful*). 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.

Man's injustice in the economic field is constituted by mal-distribution while his thanklessness of Divine bounty lies in his neglecting the exploitation of the nature and in his negative attitude towards it.

So when injustice in the social relations of distribution is wiped out and powers of man are pooled, to take advantage from nature and exploit it, the real problem disappears from the economic field.

Islam has, indeed, guaranteed to wipe out injustice by means of the solutions it has put forth for the problems of the distribution and circulation. As for the thanklessness, it has tackled the issue through the meanings and rules it has given in respect of production. This is what we are going to explain in the following lines in so far as it relates to the first cause of the social problem in the eyes of Islam, and that is injustice in the domains of

OUR ECONOMY: ITS MAIN SIGN-POSTS

distribution and circulation. As for Islam's attitude towards the second cause, that is, thanklessness about the Divine blessing, we shall study it in a future discussion which we have prepared to present Islam's attitude vis-à-vis production and its rules and the concepts it has given in this respect.

SYSTEM OF DISTRIBUTION

In respect of the domains of distribution, humanity has in the course of history suffered from different forms of injustice because of the distribution being based, at one time on purely individual basis and at another on purely non-personal basis. The first one thus constituted an encroachment on the rights of the community while the second one meant harming of the rights of an individual.

But Islam has laid down such a framework of distribution for the Islamic society as ensures regard for the rights of the individual as well as those of the community. It, therefore, stood in the way of an individual and his rights and the satisfaction of his natural tendencies. Similarly, it did not deprive the community of its honour nor did it threaten its life and thereby it was distinct from different distribution systems which man had experimented in the course of history.

The distribution board in Islam comprises of two main instruments, namely, the work and the need. Each of the two instruments has its effective role in the general field of the community wealth.

We shall soon take up each of the two instruments for study to know the role they play in the field of distribution, drawing comparison between the place of the work and the need in the Islamic framework of distribution of wealth and their place in other plans and ideologies about the distribution, which are based on communism, socialism and capitalism.

Role of Work in Distribution:

In order to know the role of work in the distribution, we must study the social link between the work and the wealth it produces. Thus work is applied to different natural materials it extracts. Thus minerals are extracted from the earth, wood is cut from the trees, diving is done into the sea to take out pearls and a bird caught from the air and other kinds of wealth and substances are obtained from the nature by man by dint of work. The question with which we deal in this regard is as to what the material earns from the social character because of the work? And what is the relation of the worker to the wealth which he obtains through his work?

There exists a view that of disjunction of social relation between the work (and the worker) and his subject and therefore the work or the worker has no right but to fulfil his need whatever be his work because the work is but a social duty discharged by the individual for the society and the society pays him for it by guaranteeing the fulfilment of his needs.

This view agrees with the viewpoint of the communist economy. Because the communist economy regards the society as a big entity wherein individuals melt away, each of the individuals occupying the position of a cell in an organic entity. On the basis of this view which melts the individuals into a big social crucible, the works done by the individuals of the society do not appear to be works of the individuals because all the individuals had melted into the entity and thereby the worker's link is cut off from the results of his work and the society becomes the real worker and owner of the work of all the individuals whose only right therein being the satisfaction of their needs, according to the communist form which we have seen previously during our discussion of the historical materialism, i.e. "From everyone, in accordance with his power, and for everyone according to his need". Thus the individuals in a

OUR ECONOMY: ITS MAIN SIGN-POSTS

communist society resemble, completely, parts of a mechanical apparatus as every part in the apparatus is entitled to consume as much oil as it needs while it must perform its particular job. Thereby all the machine parts consume equal shares of the oil despite their functions being different in respect of their importance and complications. Similarly each of the individuals of a society is given a share in the communist distribution system, (according to his need,) although the extent of their practical participation in the production of wealth may differ. Thus an individual does a work but he does not own the fruit of his work nor does he enjoy the result of his work exclusively. All that he is entitled to is to have his needs fulfilled, irrespective of whether it meant more than his work or less.¹

On this basis the position of the work *vis-à-vis* distribution becomes negative. Thus in the light of the communist sense an instrument is for producing commodities and not an instrument for their distribution. It is the need alone which determines the manner in which distribution of the commodities among the individuals of the society takes place and therefore the lot of the individuals of the society in the distribution differs in accordance with their needs and not according to their works.

But as far as the Marxist socialist economy is concerned, it determines the relation of the worker with the result of his work in the light of its peculiar concept of the value. Thus it is of the opinion that it is the worker who creates this exchange value of the material on which his labour is expended and thus the material is of no value without the human labour incarnated in it. And as long as the labour was the basic source of the value, the distribution of the resultant values among different branches

1. This is so in non-Marxist communist trends. But Marxism has its own peculiar way to justify that in the light of its historical concept of the communist stage, vide pp.9-10 (of this English version).

IQTISADUNA

of the wealth must be on the basis of labour. Therefore, every worker, owns the outcome of his labour as well as the material whereon his labour has been expended. For it had become of value, due to the labour; which means that: (everyone is entitled according to his labour) rather than according to his need, because every worker has the right to have the value created by him. And since labour alone creates values, therefore it is the only means of distribution. Thus while in the communist society need constitutes means of distribution, in the socialist society labour becomes the basic means of distribution.

But Islam differs from the communist and socialist societies both.

It differs from communism in so far as the latter severs relations between the labour of an individual and the results of his labour and firmly regards the society as the only owner of the labour of all the individuals while Islam does not look at the society as being a big entity hiding behind the individuals, moving them this way or that, but the society is but a great collection of individuals. Therefore, realistically the individuals are looked at as human beings, moving about and working and therefore under no circumstance can the relation between the labourer and the result of his labour be cut off.

Islam differs also from the socialist economy which says that it is the individual who by dint of his work, lends to the material its exchange value. Thus the natural materials like wood and minerals and other natural wealth do not derive their value in the opinion of Islam — from the work but the value of every material is the result of the general social desire to obtain the same as explained by us in the course of our study of the historical materialism.

The work, in the view of Islam, is but a cause of the ownership of the worker as the result of his work. And this personal ownership which is based on work constitutes an expression of a

OUR ECONOMY: ITS MAIN SIGN-POSTS

natural tendency in man for owning the results of his work. This tendency springs from the consciousness of every individual of the domination over his work as the consciousness naturally causes the tendency to the domination over the results of the work and its gains. Thus the ownership based on work becomes man's right, emanating from his original feelings. Even those societies in which private ownership does not exist, as we are told by communism, do not suppress the right of ownership based on work as being an expression of an original tendency in man. It only means that the work in those societies had a social impression and therefore the ownership based thereon is social as well. Thus the reality is the reality and the natural tendency to the ownership on the basis of work exists in any case though the nature of the ownership may differ with the difference in the form of the work in respect of its being individual or of society.

Work, then, is the basis for the worker's ownership, according to Islam and on this basis it constitutes the main means in the Islamic distribution system. Because every worker secures by dint of the work, the natural wealth he gets hold of and he possesses the same in accordance with the rule that work is the cause of ownership.

And in this way we can derive, in the end, different doctrinal stands vis-à-vis the social relation between the individual worker and the result of his work.

Thus the communist rule in this regard is "work constitutes the cause for the ownership of the society rather of the individual".

The socialist rule is: "Work is the cause of the value of the material and consequently it constitutes a cause for the ownership of the worker thereof".

But the Islamic rule is: "Work is the cause for the workers ownership of the material and it is not a cause of its value".

Thus when a worker extracts a pearl he does not bestow its value to it with his work but he only owns it by dint of his work.

Role of Need in Distribution:

Work is the first main instrument in the distribution system, as we have seen just now, and the other instrument which largely participates in the process of distribution is the need.

And it is the common role which work and need play together in this domain that determines the first general form of distribution in the Islamic society.

To explain this common role in which need participates, we can divide the individuals of the society into three groups. Because a society generally comprises three groups; firstly one which can, with its talents and intellectual and practical powers, provide its livelihood of a luxurious and rich standard; secondly, the one which can work but which produces with its work, only as much as satisfies its needs and provides for its basic requirements, and thirdly that group which cannot work due to bodily weakness, some intellectual ailment or other such causes as paralyse man's activity and row him out of gear to work and produce.

Consequently, on the basis of the Islamic economy, the first group depends on the work in the matter of getting its share of the distribution. Thus each individual of this group gets his share from the distribution in accordance with his peculiar personal potentialities even though it might be in excess of his requirements as long as he utilised his potentialities within the limits that Islamic economy lays down for the economic activities of the individuals. Requirement, therefore, has no effect in respect of this group of people, the work being the only basis of determining its share of the distribution.

OUR ECONOMY: ITS MAIN SIGN-POSTS

While the first group depends on work alone, the third one and its economic entity in Islam depends on the basic requirement above. Because this group is unable to work and therefore it gets as much share from the distribution as may ensure its livelihood fully, on the basis of its requirements, in accordance with the principles of the general insurance and social solidarity in the Islamic society.

As for the second group which works but it does not secure from its work except the minimum amount of the livelihood, it depends, in the matter of its income, on work and requirement together. The work ensures to it its essential livelihood while the requirement, according to the principles of insurance and social solidarity, calls for increasing the income of this group by means of ways and means determined in the Islamic economy, as described in the following discussion, so that a living of a general degree of welfare be made available to the members of this group.

In this way we can realise the forms of difference between the role of the need in the Islamic economy, being an instrument of distribution and its role in other economic doctrines.

Need According to Islam and Communism:

The need in the view of Communism which says that from everyone according to his power and for everyone according to his need — is regarded the only basic criterion in the distribution of the production among the working individuals in the society and therefore it does not let the work to create ownership wider than the need of the worker. But Islam recognises work as being the instrument of the distribution besides the need and entrusts to it a positive role in this regard and thereby it opens the way in the economic life for the appearance of all the powers and talents and the development thereof somewhat on the basis of

competition and rivalry and urges the talented individuals to expend all their potentialities in the field of civics and economy. But contrary is the case with Communism because by basing the distribution on the need of the worker alone, irrespective of the nature and activity of his work, it leads to freezing of natural incentives in man which make him work hard and be active. As a matter of fact what induces one to hard work and activity is but his own interest and therefore when work is stripped of its being an instrument of distribution and the need alone is adopted as the criterion of the share of every individuals, as does Communism, it means a death blow to the most important power that pushes the economic system ahead and moves it more upward.

Need According to Islam and Marxist Socialism:

The Socialism, which believes in the 'from everyone in accordance with his power and for everyone in accordance with his work' depends on work as being the basic gear for distribution and hence every worker is entitled to the result of his work whatever be this result — small or big. In this way the role of need in the distribution is annulled and therefore the share of the worker is not confined to his need if he produces, with his work, more than his need. Similarly he does not get what might satisfy his need fully when he fails to render productive service (production) equal thereto (his need). Thus every individual gets the value of his work, whatever his need be or whatever be the value produced by the work.

This is at variance with the Islamic view-point about need as according to Islam, need plays an important positive role. Because although it was not a cause of the deprivation of a talented worker of the fruits of his work in case they exceeded his need, yet it was an active factor in the distribution in respect

OUR ECONOMY: ITS MAIN SIGN-POSTS

of the second group of the three ones existing in a society, described earlier, that is the group which does not possess intellectual and corporeal powers except to such an extent as let it obtain the minimum amidst of necessities of life as this group must, on the economic basis of the Marxist Socialism, must be content with the small fruits (results) of its work and approve the big differences between its living standard and the general living standard of the first group, which is capable of earning a luxurious living. Because under the shadow of Socialism work alone exercises the distribution and hence it is not possible for a worker to desire better living than that which is provided for him by his work. But under the shadow of the Islamic economy the matter differs because Islam does not suffice with the work alone in the matter of organising the system of distribution among the workers but it allocates thereon a share to the need. It regards the inability of the second group to secure the general standard of luxury as a sort of need and lays down certain ways and means to deal with this (kind of) need. Thus a talented fortunate worker would never be deprived of the fruits of his work exceeding his need, but a worker who grants only the minimum working power would get a share greater than his production.

There is another point of ideological difference between Islam and Marxist Socialism regarding the third one of the three groups of people in the society, which is deprived of work due to the nature of its intellectual and corporeal constitution. The difference existing between Islam and Marxist Socialism about this deprived group emanates from the inconsistency in their concepts about the distribution relations.

I do not propose to take up in this regard the attitude of the socialist world, today *vis-à-vis* the third group nor do I try to repeat the claims that an individual incapable of work is doomed to starvation in socialist societies, because I want to study the

question from theoretical point of view and not from application nor do I want to bear the, responsibility of those claims which the enemies of the socialist world repeat on behalf thereof.

Therefore, from the theoretical point of view it is not possible for the Marxist Socialist economy to explain the right of the third group in life and justify its getting a share from the general production in the process of distribution because in the opinion of Marxism distribution does not stand on any firm moral basis. It is only determined in accordance with the condition of the class struggle in the society dictated by the prevalent form of production and therefore Marxism believes that slavery and the death of slave under the whips and his deprivation of the fruits of his work was something bearable under circumstances of the class struggle between the lords and the slaves.

In the light of this Marxist basis it is necessary that the share of the third group in the distribution be studied in the light of its class centre, so long as the shares of the individuals in the distribution were determined in accordance with their class centres in the social battlefield.

But as the third group was deprived of the ownership of the means of production, and of the power of productive work, it does not come under one of the two struggling groups of the capitalist class, and the working class, and does not constitute a part of the working class in the role of the victory of the workers and establishment of the socialist society.

And since the individuals, who are incapable of work by their nature, were separated from the class struggle between the capitalists and the workers and consequently from the working class which controls the means of production in the socialist stage there is to be found a scientific explanation in the Marxist way which might justify the share of these in the distribution and their right in the life and the wealth which was controlled by the working class, as long as they remained outside the scope of the

OUR ECONOMY: ITS MAIN SIGN-POSTS

class struggle. Thus Marxism cannot justify, in its peculiar way, insurance of the life of the third group and its living in the socialist stage.

But Islam does not determine the process of distribution on the basis of the class struggle in the society. It determines it in the light of the higher ideal of a happy society and on the basis of moral established values which impose distribution of the wealth in such a form as may ensure realisation of those values and existence of that ideal and diminishing the agonies of deprivation to the greatest possible extent.

A distribution process which centres round these concepts naturally accommodates the third group, as being a part of the human society in which wealth must be distributed in such a way as reduces the pains of deprivation to the greatest extent possible in order to realise the higher ideal for a happy society and the moral values on which Islam establishes social relations. It becomes natural, then, that the need of this deprived group be regarded a sufficient reason to give it its right in life and one of the instruments of the distribution.

وَالَّذِينَ فِي أَمْوَالِهِمْ حَقٌّ مَّعْلُومٌ * لِلسَّائِلِ وَالْمَحْرُومِ. (المعارج، ٢٤-٢٥)

Those in whose wealth is a right known for the beggar and the outcast. (70:24-25)

Need According to Islam and Capitalism:

As for the capitalist economy in its obvious form, it is entirely contradictory to Islam in respect of its attitude towards need as need in the capitalist society is none of the positive instruments of distribution. It is but of a contradictory attribute and has a positive role which is contradictory to the one it plays

in an Islamic society. Thus the greater it is with the individuals the lesser becomes their share in the distribution so that decrease in the share leads ultimately to a large number of them withdrawing from work and distribution. The reason for this is that the intensity of the need and its being wide-spread mean existence of much of the working powers in the capitalist market which are in excess of the quantity needed by the owners of the works and in view of the fact that human power was a capitalist commodity whose fate was governed by the laws of supply and demand as was the case with all other commodities in the market. It was therefore but natural that the wages of work should decrease as much as the supply was greater than the demand and the decrease continues to take place in accordance with this increase and when the capitalist market refused to absorb all the supplied working manpower and a large number of the needy persons were afflicted with unemployment as a result thereof, they must do the impossible in order to survive or bear the pains of deprivation and starvation.

Thus need means nothing positive in the capitalist distribution. It only means abundance of the working powers and any commodity which is afflicted with the excess of supply over the demand must have its price reduced and its production stopped until it was consumed and the relation between the supply and demand became right.

Therefore, the need in the capitalist society means withdrawal of the individual from the field of distribution and it was not an instrument of distribution.

Private Property:

Having established that work was the cause of private ownership in accordance with the natural inclination in man to own the results of his work and having regarded work, on this

OUR ECONOMY: ITS MAIN SIGN-POSTS

basis; a main instrument for distribution, Islam conceded the two following things:

Firstly, to let private ownership appear in the economic field. Because work being the basis of ownership, the worker should naturally be allowed private ownership of the commodities which intervene in bringing that about and making of wealth, like the green crops, textile and the like.

When we assert that the ownership by a working person of the wealth he produces is an expression of a natural tendency in him we mean, thereby, that there exists in man a natural tendency to have the ownership of the results of his work, to the exclusion of others which is a thing expressed in the social concept as ownership. But nature of the rights that result from this ownership are not established in accordance with a natural tendency. It is the social system that determines it in accordance with the ideas and interests adopted by it. For instance, is it the right of the worker, who owns the commodity by dint of the work, to squander it as long as it is his private wealth? Or is it his right to exchange it for another commodity or to trade therewith and develop his wealth by means of making it a commercial or usurious commodity? The answer to these questions and the like is given by the social system which determines the rights of private ownership and is not related to nature and instinct.

Because of this Islam intervened in determining these rights of privileges, rejecting some and recognising others in accordance with the values and ideals adopted by it. For instance, it rejected the owner's entitlement to squander his wealth or be lavish in spending it but established his right to utilise it without being squanderous or extravagant. It denied the owner the right to grow the wealth which he owned by means of usury, but allowed him to increase the same through trade within special limits and conditions and in accordance with its general theories

IQTISADUNA

about the distribution which we shall soon study in the coming chapters, by Allâh's willing.

* * * * *

The other thing which is deduced from the rule, the work is the cause of ownership which is the determination (limitation) of the scope of private ownership in accordance with the demands of this rule. Because the work being the main basis of private ownership, it is necessary that the scope of private ownership be confined to wealth in the bringing about or composition of which work could intervene to the exclusion of the wealth whereupon work had no the least bearing.

On this basis property is divided, according to its nature, coming into being and preparation into private and public wealth.

Thus the private wealth is that which comes into being or is conditioned in accordance with the private human labour expended thereon like agricultural commodities (crops) and textiles and the wealth in whose extraction from the earth or sea or in whose capturing from the atmosphere labour is expended in such cases human work intervenes (has a bearing) either in bringing about the very wealth as the work of the farmers in respect of the agricultural produce or it intervenes (has a bearing on) in conditioning it and preparing it in such a form as may make it possible to benefit therefrom as the one labour expended in extracting electricity from the powers lying spread in nature, or in digging water or petrol from the earth. Thus the electric powers and the water and petrol dug out were not the creation of human work but it was the work which had conditioned them and prepared them in the form which made it possible to benefit from them.

These kinds of wealth, in whose account human work

OUR ECONOMY: ITS MAIN SIGN-POSTS

enters, constitute the scope Islam had fixed for private ownership that is the field in which Islam allows private ownership. Because work is the basis of ownership and as long as these kinds of wealth were mingled with human work, the worker was entitled to own them and take advantage of the ownership by way of enjoying and trading in them etc.

As for the public wealth, they comprise all that in which human hand is not involved like the earth as it is a wealth which has not been made by human hand. Although man sometimes intervenes by conditioning earth so as to make it suitable for cultivation and exploitation yet this conditioning was limited however long its duration be assumed since the age of the earth was longer than that and therefore it could not be anything more than conditioning for a limited period of the age of the earth. Mines and natural wealth lying hidden in earth resemble (earth) in that matter. Because the substance of these mines lying hidden in the earth was not indebted in its existence and conditioning, to human work which is involved in respect of the quantities extracted therefrom, to extract and separate which from the rest of the earthly materials effort was made.

These public wealths according to their nature — or their first form as say, the theologians — were not private properties of any individual because the basis of private ownership was work. Therefore, the wealths with which work was not mingled did not fall under the scope of the limited private ownership. They are naught but wealths open to all or public properties.

Land for instance, as being a wealth in which human work was not involved could not be owned as a private property and as the work expanded in reviving the land meant only temporary conditioning thereof for a limited period less than the age of the earth, it could not bring the land under the scope of private ownership. It only creates a right for the worker in the land

whereby he is allowed to benefit therefrom, not allowing other people to come in his way, it is because he had the distinction of expending his energy on the land. It would therefore be in-justice to equalise the hands that had worked and toiled with the others which had not worked on the lands nor toiled over it. It is for this reason that the worker was given an exclusive right in the land without being allowed it ownership. This right continues as long as the land was conditioned according to his work and when the land was neglected his special right ceased to exist.

It becomes clear that the rule is that the private ownership did not take place except in those kinds of wealth in the existence and conditioning of which human labour was involved rather than those properties and natural wealth wherein the labour was not involved. Because the cause of private ownership was the work (labour), and hence as long as the wealth did not fall under the scope of human work, it does not come under the purview of private ownership.

However, there are exceptions to the rule for considerations relating to the Islamic mission as we are going to point out in the following discussion.

Ownership is a Secondary Instrument of Distribution:

After work and need comes the role of ownership as being a secondary instrument of distribution.

While allowing private ownership to take place on the basis of work, Islam opposed Capitalism and Marxism simultaneously in respect of the rights it bestows on the owner and the fields in which he is permitted to exercise these rights.- Thus it did not allow him to utilise his wealth in developing his richness -unrestricted and in an absolute manner as did Capitalism which allowed all sorts of profits, nor did it close the opportunity of

OUR ECONOMY: ITS MAIN SIGN-POSTS

making profit ultimately as did Marxism which bans individual profit and the exploitation in all its forms. Islam took a middle stand, banning some kinds of profit like the usurious and permitting some others like the commercial profit.

By banning some kinds of profit Islam expresses its basic difference with Capitalism about economic freedom which we have criticised while discussing Capitalism, as being a basis of the thinking of the capitalist doctrine.

We shall discuss, in the coming discussions, some of the unlawful kinds of profit in Islam such as the usurious profit and the view point of Islam in annulling the same.

Similarly by permitting commercial profit Islam expresses its basic difference with Marxism about the latter's concept of the value and the surplus value and its peculiar way of explaining the capitalist profits, as we have dealt with in our study of historical materialism.

With Islam's recognition of the commercial profit, ownership itself has become an instrument for developing wealth by means of trade in accordance with the legal conditions and limits and consequently, a secondary instrument of distribution limited by spiritual values and social interests which Islam adopts.

* * * * *

This is the Islamic form of distribution which we derive from the foregoing in these lines:

Work is the main instrument of distribution as being the basis of ownership and thus he who works in nature's field, picks up the fruits of his labour and owns the same.

Need is the main instrument of distribution, being all expression of an established human right in an honourable life and thereby human needs were provided for in a Muslim society

IQTISADUNA

and their satisfaction, guaranteed.

Ownership was a secondary instrument of distribution by way of commercial activities allowed by Islam within special conditions not inconsistent with the Islamic principles of social justice, which Islam had ensured as would be seen in the course of the explanation of the details.

CIRCULATION

Circulation (exchange) is one of the basic elements in economic life and it was of no less importance than the production and the distribution, though it was chronologically behind the two. Because the historical existence of production and distribution was always connected with the social existence of man. Thus whenever a human society exists, it must necessarily have — in order to continue its life and earn its living — some form of production and distribution. of wealth produced among its members in any manner on which it agreed. Therefore, there could be social life for man without production and distribution. As for the exchange, it was not necessary that it should be found in the life of a society since the very beginning. Because the societies, during the early stage of their formation, generally lived with a sort of primitive and close economy which means every family in the society producing all that it needs without seeking the help of other people's efforts. This kind of close economy leaves no scope for the exchange as long as every one produced such quantity as sufficed his simple needs and was content with the commodities he produced. The exchange starts its effective role in the economic field only when man's needs grow and become variegated and when the commodities needed by him in his life become numerous and every individual was unable to produce, by himself, all that he needed of these commodities with all their kinds and forms. Thereupon, the society is obliged

OUR ECONOMY: ITS MAIN SIGN-POSTS

to distribute work among its members and every producer or the group of producers begins to specialise in the productions of a certain commodities from among the different ones, which could produce better than the other. As for his other requirements, he fulfils them by exchanging the surplus of the commodities produced by him with the commodities of his requirement which were produced by others. Thus the exchange begins in the economic life as a means of meeting the requirements of the producers instead of making every producer meet all his requirements by direct production.

In this way does the exchange grow as a facility in life and a response to the expansion of requirements (needs) and the tendency of production towards specialisation and development.

On the basis of this we come to know that the exchange in reality, works in the economic life of the society as a means between production and consumption or in other words, between the production and the consumers. Thus the producer always finds, by way of the exchange, the consumer who needs the commodity which he produces while this consumer in turn produces a commodity of another kind and finds, in the exchanging process, a consumer who buys the same.

But man's injustice according to Qur'ānic terminology — which had deprived humanity of the blessings of life and its bounties thereof and had entered the field of the distribution at the cost of this right or that, also affected the exchange so that it promoted it and made it an instrument of exploitation and complication and not a means of satisfying needs and facilitating the life and a link between production and hoarding rather than a means between production and consumption. The unjust situation of the exchange led to tragedies of different forms of exploitations, just like those which resulted from the unjust situations of the distribution in the societies of slavery and feudalism or in the capitalist and communist societies.

IQTISADUNA

In order that we may explain the view point of Islam *vis-à-vis* exchange we must know Islam's view about the basic factor which made the exchange an oppressive means of exploitation and the consequences that resulted therefrom and then study the solutions which Islam put forward for the problem and as to how it had lent to the exchange its just form and its laws which accompany (serve) its noble objectives in life.

* * * * *

Before anything else we must note that the exchange has two forms:

One, exchange on the basis of barter.

And the other, exchange on the basis of cash payment.

The exchange on the basis of barter thus means exchanging one commodity with another which is the oldest form of exchange, historically. Thus every producer, in the societies adopting specialisation and division of work, used to obtain the commodities not produced by him against the surplus commodity of his specialisation. Thus one who produces one hundred (100) kilos of wheat retains half the quantity, for instance, to meet his own requirements and exchanges the remaining fifty (50) kilos of wheat for a certain amount of cotton which is produced by someone else.

But this form of exchange (barter) could not facilitate circulation in the economic life. On the contrary it became more and more difficult and complicated with the passage of time as the specialisation grew and the requirements got diversified. Because the barter system obliges the wheat producer to find the cotton required by him with a person who desired to have wheat. But in case the cotton producer was in need of fruit and not wheat when the wheat producer did not have fruit, it would be difficult for the wheat producer to secure his requirement of cotton.

OUR ECONOMY: ITS MAIN SIGN-POSTS

In this way the difficulties are created because of the needs of the purchaser and the seller being different, generally.

In addition to this, there is the difficulty of the values of the bartered articles being different. Thus one who owned a horse could not obtain a hen, thereby because the value of the hen was less than that of the horse. Naturally, he was not prepared to have one hen against a whole horse nor was it divisible so that he could secure the hen against a part thereof.

Similarly, the operations of the exchange also used to face another problem that is difficulty of assessing the values of the articles prepared for exchange as it is necessary to measure the value of one thing by comparing it with the other things so that its value could be known in relation to all of them.

It was for these reasons that the societies which depend on exchange began to think of amending the exchange system in such a way as might deal with those problems and consequently the idea of using cash took birth, as being a means of exchange instead of the commodity itself. On the basis of this, therefore, became in vogue the second form of exchange, that is the exchange on the basis of cash. Thus the cash became the representative of the commodity which the purchaser used to be obliged to present to the seller, in barter. Thus instead of making the wheat producer — as in our instance — present the fruit to the owner of cotton in exchange for the cotton he purchases from him, it becomes possible for him to sell his wheat for cash and then purchase with the cash his requirement of cotton and in turn the cotton owner purchases fruit he requires, with the cash he had obtained thereby.

* * * * *

The representation by cash of commodity in the exchange operations have ensured solution of the problems that arose from

barter and overcome the difficulties thereon.

Thus the problems of disagreement between the requirement of the buyer and that of the seller disappeared as it was no longer necessary for the buyer to give to the seller commodity which he needed. He had only to give him cash whereby the latter could purchase that commodity (which he was in need of) afterwards from its producers.

The difficulty of disaccordance between the values of articles also was overcome as the value of every commodity came to be assessed in relation to the cash which was divisible.

Similarly it became easy to assess the values of the commodities because these values were now assessed in relation to one commodity, that is the cash, being a general means of measuring the value.

All these facilities took birth as the result of the cash becoming representative (agent) of the commodity in the fields of exchange.

This is the bright aspect of the cash being the representative (agent) of the commodity which explains how the agency performs its social function for which it was created, that is facilitation of the exchange operations.

Yet this agency did not stop at this, but with the passage of time began to play an important role in the economic life until it gave birth to difficulties and problems which were no less than those of the barter. But while these problems were natural, the new ones which arose from the cash becoming the agent are human problems, being an expression of kinds of in-justice and exploitation for which the way was paved by the agency of cash in the matters of exchanging.

In order to realise that we must note the developments which took place in the operations of exchange consequent upon the

OUR ECONOMY: ITS MAIN SIGN-POSTS

changing of its form and its being based on cash instead of direct barter.

Thus in the case of the exchange based on barter there used to be no difference between the seller and the buyer, as both of the dealing persons were seller and buyer at one and the same time as each one of them delivered a commodity to the other and received another one in exchange therefore. The barter therefore, satisfied the need of the two dealing persons together in a direct way, so that by means of exchanging, each of them obtained the commodity be needed for consumption or production like wheat or plough. In the light of this, we come to know that the man, in the barter age, was not afforded an opportunity to transmigrate the personality of the seller without being a buyer at the same time. So no selling without buying. And the seller gave with his one hand his commodity to the buyer, as being a seller, to receive from the latter, with the other hand, a new commodity, as being a buyer. Selling and buying were combined in one deal.

As for the exchanges based on cash the matter differs greatly because the cash draws a differentiating line between the seller and the buyer. The seller is thus the owner of the commodity while the buyer is he who spends cash against that commodity. While the seller who sells wheat to obtain cotton, could sell wheat and obtain the cotton required by him, in one exchange deal on the basis of barter, now becomes obliged to enter into two deals in order to meet his demand, in one of them playing the role of a seller by selling wheat against a certain amount of cash, and in the other, plays the role of a buyer by purchasing cotton with that cash. This means disintegration of selling from buying, which were combined in the case of barter. The separation of selling from buying in the exchange deals based on cash widened the scope for delaying the buying from the selling. Thus the seller, in order to sell his wheat was no longer obliged to buy from the other his produce of cotton, but it was possible for him (now) to

sell his wheat for a certain amount of cash and keep the cash with him, putting off the purchase of the cotton to some other time.

This new opportunity afforded to the sellers of delaying the purchase from the sale changed the general character of the sales and exchanges. Thus while the selling, in the barter age, was always resorted to in order to buy a commodity which the seller needed, in the modern age a new purpose has developed of selling, so that the seller disposes off his commodity in the exchange process not to secure another commodity but he does so in order to have more of cash, which constitutes a general agent (representative) of commodities and which enables him to buy any commodity he wanted at any time. In this way, selling for the purpose of buying changed into selling for the purpose of absorbing cash. This led to the hoarding of wealth and freezing it into cash because the cash — we mean particularly metal and silver coins commends an advantageous position over other commodities, because any other commodity could not be hoarded advantageously as most of them have their value decreased with the passage of time and moreover numerous expenditures are incurred on their preservation. On the other hand, the owner of such hoarded commodities cannot easily secure his needed commodity at the time of need and therefore hoarding of these commodities could not ensure obtainment of different requirements at all times.

The situation is quite contrary in the case of cash as it can be preserved and hoarded, and its accumulation does not entail any expenditure. Moreover, being an agent of commodities generally, cash ensures the hoarder to purchase any commodity at any time.

That is how the motives for accumulation were great in those societies in which the exchange began to have as its basis cash and particularly the gold and silver coins.

As the result of this, the exchange ceased performing its

OUR ECONOMY: ITS MAIN SIGN-POSTS

real function in the economic life as a means between production and consumption and became a means between production and hoarding. Thus the seller produces and sells and exchanges his produce with cash so that he may hoard this cash and add the same to his hoarded wealth while the buyer presents the cash to the seller to secure the commodity which he sells and then he cannot, thereafter, sell his produce in turn because the seller had hoarded the cash and withdrew it from the field of circulation.

Another result, thereof was the appearance of a great disturbance in the balance between the quantity of supply and the quantity of demand. Because between supply and demand tended towards equality in the barter age, as every producer used to produce to satisfy his needs and exchange the surplus with other commodities he needed in his life, of the kind other than what he produced. So the production always corresponded with his requirement, that is the supply. always had an equal demand and thereby market prices tend towards their natural (level) which expresses the real values of the commodities and their actual importance in life of the consumers. But when the age of cash began and cash dominated the trade, production and sale took a new direction until production and sale came to be resorted to for hoarding the cash and developing the property rather than to satisfy the need. At this stage, naturally, the balance between supply and demand is disturbed and the motives of hoarding play their grave role in deepening their inconsistency between supply and demand so much so that the hoarder sometimes creates a false demand and so he buys all the articles of the commodity from the market not because he needs it but only to raise its price or supplies the commodity at a price lower than what it costs with a view to obliging other producers and sellers to withdraw from competition and declare bankruptcy. In this way, prices adopt unnatural situation and the market comes under

the domination of hoarding and thousands of small sellers and producers throw themselves, all the time, before the big hoarders who dominate the market.

Then, what thereafter? Nothing, after that, except we see those strong in the economic field taking advantage from these opportunities afforded to them by the cash, so that they tend to hoarding with all their powers and selling for the purpose of hoarding. Thus they go on producing and selling in order to draw the cash in circulation in the society to their treasures and to suck it up gradually and stop the function of the exchange as a mean between production and consumption and make a large number of people fall into the ditches of misery and poverty as the result of which consumption stops in view of the lowering of the economic standard of the masses and their lack of purchasing power. Similarly the production movement also comes to a standstill because lack of purchasing power on the part of consumers and lowering thereof deprives production of its profits and whence economic depression prevails in the all branches of economic life.

* * * * *

The problems of the cash do not end here, but the cash has led to a problem which may be more dangerous than the problems we have just noted. Thus the cash has not only become an instrument of hoarding but it has also become a means of increasing wealth through the interest which the creditors demand from their debtors or which the owners of wealth demand from the capitalist banks in which they deposit their money. In this way, hoarding in the capitalist environment has become a cause of the growth of wealth instead of production whereby large amount of capital have withdrawn from the production field and gone to the hoarding boxes in the banks so that a trader,

OUR ECONOMY: ITS MAIN SIGN-POSTS

now, does not come forward to undertake a project of production or trade except when he was satisfied that the return which the project brought generally was greater than the interest which he could secure by lending his money or depositing it in the banks.

The money obtained on the basis of usurious profit began to sneak to the money changers ever since the capitalist age as they began to attract amounts of cash lying treasured with different individuals by way of alluring them with the annual interest which the bank customers demand on their money deposited therein. As the result of this, these different amounts of money got accumulated in the treasures of the money-changers instead of being utilised in fruitful production and because of this accumulation big banks and money-houses came to be established which controlled the reins of the wealth in the country and dealt a death blow to all phenomena of balance in the economic life.

* * * * *

This is a rapid review of the problems of circulation or the exchange, which shows clearly that all these problems sprang from the cash and its misuse in the field of circulation because it was adopted as a means of hoarding and consequently as an instrument of increasing the property.

This throws a light on the *ḥadīth* (tradition) of the Messenger of Allāh.

He said:

الدَّانِيَةُ الصُّفْرُ وَالذَّرَاهُ الْبَيْضُ مُهْلِكَاكُمْ كَمَا أَهْلَكَ مَنْ كَانَ قَبْلَكُمْ.

IQTISADUNA

Yellow dinars and white dirhams (gold and silver coins) are going to destroy you as they had done in the case of those who were before you.

Anyhow, Islam has dealt with these problems springing from the cash and it has succeeded in restoring to the circulation its natural position and the mediatory role between production and consumption.

The main points of the attitude of Islam *vis-à-vis* the problems of circulation are summed up as under:

Firstly, Islam has prohibited hoarding of the cash which has been done by means of the imposition of *zakāt* (religious tax on wealth) on the accumulated money, in a recurring manner so that the *zakāt* eats up almost all the treasured money if it remained hoarded for a number of years and that is why the holy Qur'ān regards hoarding of gold and silver as a crime which is punishable with the fire (of hell). Because the hoarding naturally means being remiss in the payment of the religiously compulsory tax as this tax, when duly paid, does not let the cash be accumulated and hoarded. No wonder than that the holy Qur'ān has warned those who hoard gold and silver and threatened them with punishment with the hell-fire. The holy Qur'ān says:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِنَّ كَثِيرًا مِنَ الْأَخْبَارِ وَالرُّهْبَانِ لَيَاْكُلُونَ أَمْوَالَ النَّاسِ
بِالْبَاطِلِ وَيَصُدُّونَ عَنْ سَبِيلِ اللَّهِ وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يَنْفِقُونَهَا
فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ * يَوْمَ يُخْمَىٰ عَلَيْهَا فِي نَارِ جَهَنَّمَ فُتُكُومُ
بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ وَظُهُورُهُمْ هَذَا مَا كُنْتُمْ لَا تُفْسِكُمْ فَلَوْ فُتِقُوا مَا كُنْتُمْ
تَكْنِزُونَ. (التوبة، ٣٤-٣٥)

OUR ECONOMY: ITS MAIN SIGN-POSTS

Those who treasure up gold and silver, and do not expend them in the way of Allāh — give them the good tidings of a painful chastisement, the day they shall be heated in the fire of Gehenna and therewith their foreheads and their sides and their backs shall be branded: "This is the thing you have treasured up for yourselves; therefore taste you now what you were treasuring!" (9:34-35)

In this way had Islam ensured the wealth to remain in the fields of production, exchange and consumption and had stood in the way of its slipping into the accumulating and hoarding boxes.

Secondly, Islam made usury absolutely illegal with no relaxation and thereby dealt a death blow to the -interest and its grave results in the field of distribution and to the disturbance it caused in the general economic balance. Similarly it had thereby stripped the cash of its role as an independent instrument of promoting the property and restored to it its natural role of being a general agent of commodities and means of assessing their value and of facilitating their circulation.

Many people, who have had experienced the capitalist life and were accustomed, to its different forms, think that banning of interest meant stoppage of banks, suspension of the apparatus of economic life and paralysing of all of its nerves and veins provided by these banks. But this belief on their part is due to their ignorance about the real role which the banks play in the economic life as also about the real Islamic economic system which ensures solution of all the problems arising from the banning of interest and this we shall discuss in detail in a coming discussion.

And thirdly, it (Islam) gave the *waliyyu 'l-amr* such powers as entitle him to completely supervise the process of exchange and control the market in order to check any action that might harm and shake the economic life, or which might pave the way for any

IQTISADUNA

illegal individual rule in the market and the fields of exchange.

We shall explain these points and discuss them in a detailed way in the coming chapters of the book in which we shall present the details of the Islamic economy.

* * * * *