

Economics in Islam

1. Economy

Allah (SWT) said:

"But seek the abode of the Hereafter in that which Allah has given thee, and neglect not your portion of the World, and be kind, as Allah was kind to you and seek not corruption in the earth, lo' Allah loves not corruptors" (The Story 77)

Thoughts in any nation are the greatest wealth the nation possesses if the nation is growing and progressing; and they are the greatest gift from the predecessor nations, provided the nation is of noble descent with enlightened thought.

With regard to materialist wealth, scientific discoveries, industrial inventions and the like, these are all of much lower status than thoughts. Even to gain these matters depends upon the thoughts, and to preserve them depends on the thoughts as well.

Productive Way of Thinking

If the materialistic wealth of the nation is destroyed it is possible to be renovated quickly as long as the nation is preserving its intellectual wealth. But if the intellectual wealth collapses and the nation continued to retain only its materialistic wealth, this wealth will soon diminish and the nation will return to poverty. Most of the scientific facts which the nation once discovered can be regained, provided it does not lose its underlying thoughts. Whereas, if it lost the productive way of thinking, it will soon regress and lose its discoveries and inventions. Therefore, it is necessary to take care of the thoughts first. Based upon these thoughts, which accords to productive thinking, the materialistic wealth is gained; and the achievement of scientific discoveries, industrial inventions and the like is sought.

What is meant by 'the thoughts' is the existence of the process of thinking within the nation of its main events of life, so that the majority of its individuals use the information they have when considering these events and in judging by them. This means that they have thoughts which they contrive to use in life; so by using these thoughts frequently and successfully, a productive way of thinking results. The most important thought is the comprehensive thought explaining man, life, the universe and its interdependencies.

The Islamic nation (ummah) today is lacking thoughts, so it is deprived of the productive way of thinking. The present generation did not receive from its preceding generation any Islamic thought and nor did it achieve any by itself, and consequently, is deprived of a productive way of thinking. So it is natural to be seen in poverty despite the availability of vast material resources in its countries. And it is natural to be seen as losing the scientific discoveries and the industrial inventions even though it studies the theory of these discoveries and inventions, and witnesses them. This situation arises as it is impossible to rush to these benefits productively unless it possesses a productive way of thinking, i.e. unless it has thoughts and contrives to use them in life. Therefore, it

is necessary for Muslims to establish for themselves thoughts and a productive way of thinking, there after the Muslim nation can proceed according to that thought to gain the material wealth, discover the scientific facts, and perform the industrial inventions. Unless they do that, they will not progress a single step; rather they will continue to revolve in an empty circle, consuming through that unyielding circle their wealth of rational and physical efforts, only then to end up where they had started.

Inclinations Towards Capitalism

The present generation of the Islamic nation has not adopted its present thoughts contradictory to the thoughts which should be established, through any productive way of thinking, i.e. it has not adopted as a result of fully comprehending two conflicting thoughts and then through close examination of the thoughts arrived at the correct one. Rather, it is empty of any thought and of any productive way of thinking. This has arisen because it inherited the Islamic thoughts as a fanciful philosophy, exactly as the Greeks inherit today the philosophy of Aristotle and Aflaton. It also inherited Islam as rituals and rites of religiousness, as the Christians inherit Christianity. At the same time, it adores the capitalistic thoughts due to its full submission in implementing the capitalist laws. But this is not due to any comprehension of the way that the capitalist solutions emanate from the capitalist viewpoint towards life. Therefore it is devoid of the capitalist thought intellectually, though it rushes in to the affairs of life according to its method. It also became void of the Islamic thoughts practically, though it professes it and studies its thoughts.

The inclination of this generation to the thoughts of capitalism have far exceeded the attempt at just reconciling Islam with the capitalist laws and solutions. The position has now been reached to the extent of feeling the impotence of Islam in finding the solutions to the new problems of life, and a feeling of the necessity to take capitalist laws and solutions as they are, without the need of reconciliation. The ummah (nation) came to see no harm or sin in giving up the rules of Islam and adopting instead other rules in order to proceed progressively with the civilised world into the affairs of life, and catch up with the convoy of the capitalist nations or with the nations which implement socialism and proceeded towards communism, considering them as elevated peoples. As for the rest who adhere to Islam, they still have the same inclination towards the capitalist thoughts, but they hope for the possibility of reconciling or in some way appeasing them with Islam. Yet those who try to reconcile Islam with other thoughts have no influence in the reality of life, and have no influence upon society, i.e. in the relationships actually occurring amongst people.

Therefore, we find that the Islamic thoughts and the divine rules for solving the affairs and problems of life clash with minds empty of the thought and empty of the productive way of thinking, and they clash with all inclinations towards the capitalist and socialist thoughts on the whole, as they contradict the actual situation of life which is governed by the capitalist system. So unless the thought is strong enough to initiate a shake-up in the hearts and minds, it would not be possible to arrive at the situation of drawing attention to it. This thought has to carry dull shallow minds to think deeply or profoundly, and to shake off deviated thoughts and sick tastes, so as to establish the true inclination towards the Islamic thoughts and the divine rules.

Thereupon, it is necessary for the Da'i (caller) to Islam to expose the bases on which the capitalist rules and treatments are established, demonstrate their falsehood and demolish them intellectually. He has to approach the various new issues of life and show the treatment of Islam to these issues in it's capacity as divine rules which

must be followed, because they are legal rules deduced from the Book (Qur'an) and the Traditions (Sunnah) or from the evidences which these two sources have indicated. They are not to be followed from the angle of whether or not they are suitable for any particular time. That means they have to be taken ideologically and not beneficially. So each rule has to be given besides demonstrating its divine evidence from which it was deduced, or through explaining the divine reason (Illa) which came associated with the rule or represents it in the divine text.

2. The Capitalist Economy

The thoughts related with the ruling system and the thoughts connected with economics are the thoughts the Muslims were most fascinated with, and the severest tribulation they suffered in their life. They are the greatest thoughts which receive much attention from Muslims, and which the West tries to implement and control practically and perseveres with in their application. The Islamic Ummah is formally governed according to the democratic system, in order to protect Western colonisation and systems, but it is governed practically with the capitalist economic system in all the economic aspects of life. Whereas, it is Islam's thoughts on economics which are the greatest thoughts that cause influence in the economic life of the Islamic world, such that they will turn it upside down; and they are the greatest thoughts that will be most opposed by the unbeliever colonialist, by colonial agents, those enchanted with the West, by those despondent, the defeatists, and the rulers.

Therefore, it is necessary to give a clear picture of the capitalist economic system, which classifies the basic thoughts on which the political economies in the West are established, so that those who follow the Western economic system touch the corruption of this system and its contradiction with Islam. Then we can examine the Islamic economic thoughts which treat the economic problems of life and present them as a particular way of life that contradicts with the capitalist life in its principles and in its details.

If we review the economic system in the capitalist ideology we find economics is that which examines man's needs and the means of satisfying those needs. It only discusses the materialistic side of man's life; and it is established on three principles:

1. The question of the relative scarcity of commodities and services in relation to the needs. That is, the insufficiency of commodities and services to meet the growing needs of man. This is society's economic problem in their viewpoint.
2. The value of the product, which is the basis of most of the economic research and study.
3. The price, and the role which it undertakes in production, consumption, and distribution. It is the cornerstone of the capitalist economic system.

Relative Scarcity

With regard to the relative scarcity of commodities and services, this condition exists because the commodities and services are the essential means which satisfy man's needs. They say man has needs that require satisfaction, so there must be means to satiate them. These needs are purely materialistic, because they are either sensed and touched by man (tangible), such as the need for food and clothing, or they are needs sensed by man but are not tangible, such as the need for the services of doctors and teachers. As for the moral or spiritual needs, such as the glorification of the Creator or worship, they are not recognised economically, and are therefore disregarded or have no place in the economic discussion.

The means of satisfaction are called commodities and services. The commodities are the means of satisfying the sensed and touched (tangible) needs. The services are the means of satisfying the sensed but intangible needs. What achieves the satisfaction in the commodities and services, in their viewpoint, is the 'benefit' in them. This benefit is an attribute which renders the thing suitable for satisfying a need. Since the need means the desire economically, then the economically beneficial thing is everything desired, whether it is essential or not, and even if some people consider it beneficial and others consider it harmful. It is considered economically beneficial as long as there is somebody who wants it. This makes them consider things as beneficial from the economical angle even if the public opinion considers them of no benefit or harmful. Thus the wine and hashish are beneficial things to the economists since some people want them.

The economist looks upon the means of satisfaction, that is, the commodities and services, from the viewpoint that they feed a need, irrespective of any other consideration. Thus he looks upon the needs and the benefits as they are, not as they should be. So he looks at the benefit considering that it feeds a need as such, without taking notice of any other matter. So he looks at the wine in its capacity of having an economic value because it feeds the needs of some people, and he looks to the maker of wine as a person who provides a service, considering this service as having an economic value, because it feeds the need of some individuals.

Capitalistic Economic Problem Defined

This is the nature of needs in the capitalist economic system, and the nature of the means of satisfying these needs. So the economist does not care about what the society should be, but cares about the economic material, as it satisfies a need. Therefore, the function of the economist is to supply the commodities and services, i.e. providing the means of feeding man's needs, irrespective of any other consideration. Therefore, the economist studies optimising the means of satisfaction of man's needs. Since the commodities and services, which are the means of satisfaction, are limited they are not sufficient to meet man's needs, because these needs in their view are unlimited, constantly growing. Therefore, there are basic needs which man as a human being must feed, and there are needs which increase in number as man proceeds to a higher level of urbanisation. These needs multiply and increase and they all need to be fed completely, a matter which can't be fulfilled no matter by how much the commodities and services increase. From here the basis of the economic problem emerged, which is an overabundance of needs and the shortage of the means of their satisfaction, i.e. the lack of commodities and services to feed all of man's needs completely.

From this basis the society faces the economic problem, which is the relative shortage of the commodities and services. The inevitable result of this shortage is that some needs stay either only partially satisfied or not satisfied at all. Since this is the situation, it is necessary that the members of society agree on rules that decide which needs have to be satisfied and which needs are deprived. In other words, it is necessary to set rules that decide the manner of distributing the limited resources amongst the unlimited needs. So the problem in their view is in the needs and resources, that is, optimising the resources to satisfy the needs, and not satisfying the needs of every individual. Therefore, it is necessary that the rules which are laid down, be rules that guarantee to achieve the highest possible level of production, so as to fulfil the highest supply of resources, i.e. to supply the commodities and services to the nation in total but not necessarily all the people as individuals. Therefore, the problem of distributing the commodities and services is closely connected to the problem of production, and the objective for economic studies and research is to work for increasing the consumption of commodities and

services by the whole of society. It is not surprising therefore, that the study of the factors which affect the size of the national production takes precedence among all the economic subjects; because the study of increasing the national production is the basis of most studies to solve the economic problem, which is the shortage of the commodities and services relevant to the needs; as they think that the treatment of poverty and deprivation can't be achieved except by increasing production. So the capitalist solution for the economic problem faced by society is only met by increasing production.

The Value of the Product

The value of the product means the degree of its importance, whether relative to a particular person or relative to another thing. In the first case it is called the 'value of the benefit'. In the second case, it is called the 'value of exchange'. The value of the benefit of a thing can be summarised as: "the value of the benefit of any unit of a thing is evaluated by its marginal benefit, i.e. by the benefit of the unit that satisfies the weakest need". They called this the theory of the final or marginal utility. This means that the benefit is not evaluated according to the viewpoint of the producer, being evaluated by the costs of its production, because to do so would mean the consideration of supply without demand; neither is it evaluated from the viewpoint of the consumer, being evaluated by what benefit it has and of its need, as well as observing the factors of relative rarity, because to do so would mean the consideration of demand without supply. But in fact it should observe the viewpoint of offer and demand together, thus its benefit is considered at the end of the limit which satisfies the need, that is at the end limit of its satisfaction. Then the value of the loaf is assessed at the end of hunger not at its beginning, and in a time of the normal availability of bread in the market not at a time of its shortage. This is in evaluating the value of benefit.

The Value of Exchange

As for the value of exchange, it is a merit which makes a thing suitable for exchange. The strength of exchange of a thing is measured relative to the other. So the value of exchange of wheat relative to the maize is estimated by the amount of the maize which should be relinquished to obtain a unit of wheat. They refer to the value of the benefit using the term "benefit" only, and refer to the value of exchange using the term "value" only.

Exchange is performed with the existence of compensation for the commodity or service which is close to or equivalent to it in value.

Therefore, the study of 'value' was necessary for the capitalist economists because:

it is the basis of exchange,

it is the property which can be measured,

it is the scale with which the commodities and services are measured, and

by which the productive actions are distinguished from the unproductive ones.

Production, in their view, is creating or increasing the benefit which is accomplished by actions. So to distinguish between these actions as being productive or non productive, and to know which is of greater productivity, there must be an accurate scale for the various products and services. This scale is the social value of the various products and services. In other words it is the collective evaluation of the work effort spent and the service performed. Such an evaluation became necessary, because in the modern communities to produce for the purpose of exchange has replaced production for consumption. The situation now arises whereby virtually all of the peoples production is exchanged with other things produced by other people. The exchange is achieved by the existence of compensation for the commodity or service, so there must be an estimation of the value of the commodity in order that it can be exchanged. Therefore, knowledge of the value, what it is, is a necessary matter for production, and a necessary matter for consumption, i.e. an inevitable matter to satisfy man's needs.

The Price

But in the present century, this value of exchange has been specified by one of its values which became dominant upon it. In the developed communities, the values of the commodities are not related to each other but related to a certain commodity called money. The ratio of a thing's exchange with the money is called "the price". So the price is the value of a thing's exchange relative to the money. Thereupon, the difference between the value of exchange is the ratio of a thing's exchange with others absolutely, whether they are money or commodities or services. While the price is the value of a thing's exchange with the money particularly. This may result in the prices of commodities all rising at one time, and all dropping at one time, whilst it is impossible that the values of exchange of all the commodities with each other rise or drop at one time. It is also possible for the prices of the commodities to change without resulting in a change in the value of their exchange. Therefore the price of a commodity is one of this commodity's values; in other words it is the value of the commodity relative to the money only. Since the price is one of the values, it is natural for price to be taken in assessing the scale of benefit for the commodity and whether the commodity is beneficial or non beneficial. So the commodity or the service is considered productive and beneficial if the society evaluates this particular commodity or service by a certain price. But the degree of benefit of this commodity or service is measured by the price which the multitude of consumers agree to pay for possessing it, whether this commodity is an agricultural or industrial product, and whether the service is a service of a trader, a transportation company, a doctor or an engineer.

The Role of Price

As for the role which the price undertakes in production, consumption and distribution, it is the price system that decides which of the producers will enter the race of production and which will stay away from the community of producers. In the same manner price decides which of the consumers will satisfy his needs and which consumers will stay unsatisfied. The production cost of the commodity is the principal factor that governs its offer in the market, while the benefit within the commodity is the principal factor which governs the demand of the market for it, and both are measured by the price. Therefore, the study of supply and demand is an essential matter in the capitalist economy. What is meant by supply is the supply of the market, and what is meant by demand is the demand of the market. As demand can't be defined without mentioning the price, the supply can't be evaluated without the price as well. But demand changes in opposition to the change of the price so if the price increased the demand decreased, and if the price decreased the demand increased. This is contrary to supply which changes as the price changes and in the same direction, that is, the level of offer increases as the price increases

and it drops as price decreases. In both cases price has the greatest effect upon supply and demand, that is, it has the greatest effect upon production and consumption.

The price system in the capitalist view is the ideal method to distribute the commodities and services amongst the members of society, since the benefits are the result of the efforts which man spends. So unless the reward is equal to the work, then, no doubt, the level of production will drop. Therefore, the ideal method to distribute the goods and services to the members of society is that which guarantees the highest possible level of production. This method is the price method which is called the price system or the mechanism of price. They consider that the mechanism of price produces economic equilibrium automatically, since it leaves to the consumers the freedom to decide by themselves the distribution of the resources owned by the society onto the different branches of economic activity, through consumer demand for some materials and consumers turning away from others, so they spend their income by buying what they need and what they like. Thus the consumer who dislikes wine will abstain from buying it and spends his income on other things. So, if the number of consumers who dislike wine increased, or all came to dislike it, then the production of wine becomes unprofitable due to the decrease in demand for it, thus production of wine would stop naturally, likewise for other materials. The consumers themselves define the quantity and quality of production by leaving them free to decide what to buy and what to leave. By the price itself, the distribution of commodities and services occurred through its availability and non-availability from the producers, and through giving it or not giving it to the consumers.

The price system is the incentive for production, being the regulator of distribution and the means of communication between the producer and the consumer, i.e. it is the means which achieves the balance between production and consumption.

Price Motivates Production

The price system is the incentive for production because the principal motive for man to undertake any productive effort or sacrifice is to reward him materially for spending the effort. The capitalist economists exclude the possibility that man spends any effort for a moral or spiritual motive. The moral motive, when they recognise it, is attributed to a materialist reward. They consider that man spends his efforts to satisfy his materialistic needs and wishes only. This satisfaction is either through the consumption of commodities which he produces directly, or through receiving a monetary reward that enables him to obtain the commodities and services produced by others. Since man depends on satisfying most of his needs, if not all of them, on exchanging his efforts with others efforts, then the satisfaction of needs is focused on obtaining a monetary reward for his efforts. Such monetary reward qualifies him to obtain the commodities and services, and accordingly he is not focused on obtaining the commodities which he produces.

Therefore, the monetary reward, which is the price, is the motive for man to produce. Hence, the price is the means which motivates the producers to offer their efforts. Thus the price is the incentive for production.

Price Regulates Distribution

The price is the means which regulates distribution because man likes to satisfy all of his needs completely and he strives to obtain the commodities and services which satisfy these needs. Had every human being been left

free to satisfy his needs he would not stop short of possessing and consuming whatever commodity he likes. Since all of mankind strives for this same aim, then everybody has to stop in satisfying his needs at the limit which he affords to exchange his efforts with others efforts, that is at the limit of the monetary reward which he receives for offering his effort, i.e. at the limit of the price. Therefore, the price is the constraint which acts naturally and makes man stop his possession and consumption at the limit which is proportional to his resources. So the existence of the price made man think, compare, and differentiate between his competing needs which require satisfaction, so he takes what he finds necessary, and leaves what he finds of less necessity. Thus the price forces the individual to be content by partially satisfying some of his needs.

So the price is the tool which regulates the distribution of needs which the individual requires, it also regulates the distribution of limited benefits to the consumers who demand these benefits. The disparity in income of the consumers makes the consumption of each individual confined to that which his revenues allow, and the consumption of some commodities became common among all the people who have the lowest limit of the price. Therefore, through increasing the price of some commodities and decreasing for others, and through the availability and non-availability of the monetary reward for respective people, the price becomes a regulator for distributing the benefits among consumers.

Price Achieves Equilibrium Between Production and Consumption

The price achieves equilibrium between production and consumption, it is the tool of communication between the producer and the consumer, because the producer who fulfils the wishes of the consumers is rewarded through profits. Whereas the producer whose products are not accepted by the consumers, would end with loss. The method through which the producer knows the wishes of the consumers is the price. So through the price he knows the wishes of the consumers. If the consumers demand more of a particular commodity its price in the market will increase, and the production of the commodity will increase in fulfilment of the consumers wishes. If consumers turn away from buying a particular commodity, its price will drop in the market, and so production of this commodity will decrease. So, the resources assigned to production increase as price increases, and then decrease as price decreases. In this way the price is the tool which achieves equilibrium between production and consumption, and it is the tool of communication between the producer and the consumer, this occurs automatically. Therefore, the price is the basis on which the economy is established in the view of the capitalists, and it is the cornerstone of the economy to them.

This is a summary of the economic system in the capitalist ideology which is called "the political economy".

3. Refutation of the Capitalist Economy

Through its study and thorough investigation, the falsehood of the capitalist economic system can be shown from many features:

Mixing the Needs and Means of Satisfaction

Economy in the capitalist view is that which considers man's needs and the means of their satisfaction; so the production of commodities and services which are the means of satisfying the needs together with the distribution

of these commodities and services are considered as one subject. The needs and the means of their satisfaction are considered interrelated such that they are one thing and one subject inseparable from each other, rather than treating one of them as being included within the other. So, the distribution of the commodities and services is included in the subject of the production of these commodities and services. Thereupon, they look at the economy from one view which includes the economic material and the method of its possession, without separation between them and without differentiating one of them from the other. Thus, they look at the economic science and the economic system as one matter with no difference between them, though there is a difference between the economic system and economic science.

Economic System and Economic Science

The economic system is that which demonstrates the distribution of wealth, its possession and its disposal. In its demonstration it follows a particular view point in life, or ideology. Therefore the economic system in Islam is different than that of socialism/communism and of capitalism, as each of these systems follows its ideological view point of life. The economic system is different from economic science which discusses production, improvement in production and in finding and improving the tools of production. The economic science is universal to all nations and not associated particularly with a certain ideology, as is the case with the other sciences. So for example, the view towards property in the capitalist system differs from that in the socialist/communist system, and differs from that in Islam. This is contrary to the improvement of production, which is a study of a reality, the view towards production is a scientific matter, which is the same for all people no matter what their view or ideology is.

This mixing of the study of the needs and the means of their satisfaction, i.e. between creating the economic material and the manner of its distribution, making them one thing and one subject, is an error. In taking this as one matter economic studies of the capitalists have been mixed and confused. Therefore the basis of establishing the economy in the capitalist ideology is wrong.

Needs are not only Materialistic

The reference to the needs which require satisfaction, as being purely materialistic is another error, and it disagrees with the reality of needs. There are moral needs, and there are spiritual needs, and each of them requires satisfaction as do the materialistic needs, and each needs commodities and services for satisfaction.

Commodities and Services are not Related to Society

As for the view of the capitalist economists to the needs and benefits as they are, not as the society should be, this view means that the capitalist economist looks at man as a purely materialistic creature, empty of spiritual inclinations, ethical thoughts, and moral aims. He also does not care of how the society should be in terms of moral elevation by making the virtues a basis for his relationships. What must dominate the society for spiritual elevation is making the realisation of man's relationship with God (realising the existence of God) the driving force for all relationships, for the sake of God's pleasure. The capitalist economist does not care with all that, his interest is purely material which satisfies the materialistic needs. So when he does not cheat in selling it is because his trade profits; and if he gained profit through cheating, then the cheating would be legal. He does not feed the poor people in response to the order of God for charity, but he feeds them so they do not steal from him, or for publicity. If their starvation increases his wealth then he would famish them.

Thus the concern of the economist is to look towards the benefit which satisfies a materialistic need only. The man that looks at man through this view of benefit, and establishes the economic life on the basis of this benefit, is of the most dangerous people in society.

This is from the side of needs and benefits, but from the position of funds and efforts which are called commodities and services, the individual strives to obtain them, so as to get benefit from them. The exchange of commodities and services among people creates relationships among the people, according to which the society is formed. So it is necessary to look at what the relationships in the society should be as a whole, and in detail when looking to the funds and means. So caring for the economic material with respect to its fulfilling a need, without caring for what the society should be, is a detachment of the economic material from the relationship, which is unnatural. This economic material is exchanged among the people thereby creating relationships among them, and the relationships form the society, so the effect on society should be perceived when considering the economic material. Therefore, it is incorrect to consider a thing as beneficial just because there is somebody who likes it, whether it is itself harmful or not, and whether it affects the relationships among people or not, and whether it is prohibited or permitted in the belief of the people in the society. But rather things should be considered beneficial if they are really beneficial in respect of what the society should be. Therefore, it is incorrect to consider hashish, alcohol, and the like as beneficial commodities and to consider them economic materials just because there is somebody that likes them. Rather, the effect of these economic materials on the relationships between people in society must be considered when considering the benefit of things, i.e. when considering the thing as an economic material or not. Things should be viewed in relation to what the society should be. It is wrong to look at a thing merely as it is, regardless of its effect on the society's relationships, i.e. of what the society should be.

Production Given Preference over Distribution

By including satisfaction of needs within the subject of the means of satisfying needs, and by viewing the means of satisfaction only as satisfying a need, economists concentrate on production of wealth more than distribution of wealth. The importance of distribution of wealth to satisfy the needs has become secondary. Therefore, the capitalist economic system has one aim, which is to increase the country's wealth as a whole, and works to arrive at the highest possible level of production. The capitalist considers that the achievement of the highest possible level of welfare for the members of society will come as a result of increasing the national income by raising the level of production in the country, and in enabling individuals to take the wealth as they are left free to work for producing and possessing it. So the economy does not exist to satisfy the needs of the individuals and to facilitate the satisfaction of every individual in the community, but it is focused on the augmentation of what satisfies the needs of the individuals, i.e. it is focused on satisfying the needs of the community by raising the level of production and increasing the national income of the country. Through the availability of the national income, the distribution of income among the members of society occurs, by means of freedom of possession and freedom of work. So it is left to the individuals to obtain what they can of the wealth, everyone according to what he has of its productive factors, whether all the individuals or only some individuals are satisfied.

This is the political economy, i.e. the capitalist economy. This is manifestly wrong, and contradicts reality, it does not lead to an improvement in the level of livelihood of all individuals, and does not fulfil the basic welfare of every

individual. The effect of this erroneous view is that the needs which require satisfaction are individual needs, they are needs of a man; so they are needs for Joe, Mary and Abdullah and not needs for a group of mankind, or a group of nations, or a group of people. The party who strives to satisfy his needs is the individual, whether he satisfies them directly such as eating, or he satisfies them through the satisfaction of the whole group such as the defence of the nation. Therefore the economic problem has focused on distributing the means of satisfaction for individuals, i.e. the distribution of the funds and benefits to the members of the nation or people, not on the needs which the nation or the people requires, irrespective of each individual or the nations individuals. In other words, the problem is the poverty which befalls the individual not the poverty which befalls the nation. The concern of the economic system must only be in satisfying the basic needs of every individual, not the study of producing economic material.

The study of factors that affect the size of the national production is different from the study for satisfying all the basic needs of the individual for every one personally and completely. The subject of study must be the basic human needs of man, and the study of distributing the wealth to the members of the society to guarantee the satisfaction of all their basic needs. This should be the subject of study, and should be undertaken in the first place. Moreover, the treatment of the poverty of a country does not solve the poverty problems of the individuals, individually. Rather, the treatment of the poverty problems of the individuals, and the distribution of the wealth of the country among them, motivates all the people of the country to work for increasing the national income. Whereas the study of factors that affect the size of production and increasing the national income, should be discussed as economic science, that is, in the discussion of the economic material and its increase, rather than in the discussion of satisfying the human needs which is the subject of the economic system.

The Relative Scarcity

We recall that the argument put forward in capitalism as the basis of the economic problem is the relative scarcity of commodities and services which faces society. It is further claimed that through the increasing individual needs and the limit of their satisfaction that there is insufficient commodities and services to satisfy all of man's needs completely. This view is erroneous and contradicts with reality. This is because the needs which must be met are the basic needs of the individual as a man (food, shelter and clothing), not the secondary or luxurious needs, though the luxurious needs are strived for. The basic needs of man are limited, and the funds and the efforts which they call the commodities and services existent in the world are certainly sufficient to satisfy man's basic needs; it is possible to satisfy all the basic needs of mankind completely. So there is no problem in the basic needs, besides considering it the economic problem that faces society. The economic problem is truly the distribution of these funds and efforts for every individual to satisfy all basic needs completely, and only then helping them to strive for satisfaction of their luxurious needs.

Basic and Luxurious Needs

With reference to the steadily increasing needs, it is not a subject related to increasing basic needs, because the basic needs of man as a human being, do not increase, while what increases and renews is his luxurious needs. The increase in needs which occurs due to the progress of man in his urbanised life is related to the luxurious rather than the basic needs. Man works to satisfy the luxurious needs, but their non-satisfaction does not cause a problem; what does cause a problem is the non-satisfaction of the basic needs. Besides, the question of the increase of the luxurious needs is a question which is related to the people who live in a certain country and not

with every individual of that country. This question is solved through the natural rush of man to satisfy his needs. The rush resulting from the increase of the luxurious needs drives man to work for increasing the satisfaction of needs, either through the exploitation of the resources of his country, working in other countries, or through expansion and merger with other countries. This question is different than the problem of complete satisfaction of the basic needs of every individual in society. This is because the problem of distributing the wealth for individuals individually to satisfy their basic needs, and enabling every individual to satisfy his luxurious needs, is a problem related to the viewpoint in life, which is particular to a certain nation carrying a particular ideology. This is contrary to the question of increasing national income through increasing production, which is related to the tangible situation of the country, from the point of view of study and practice to increase wealth. The means for such increase being by exploitation, emigration, expansion or merger. This matter of increasing wealth is the reality, and is practised by every man, being common to but not related with a particular viewpoint, and not related to a particular nation or a particular ideology.

The Economic Principles

The economic principles which have to be put are the principles which guarantee the distribution of the countries internal and external wealth to all the people of the nation individually, so that they secure the satisfaction of all basic needs for all individuals, individually and completely, and only then enable every individual to seek satisfaction of his luxurious needs. But, raising the level of production requires scientific research, and its discussion in the economic system does not solve the economic problem which is the satisfaction of all the needs of individuals, individually and completely. An increase in the level of production leads to a rise in the level of the wealth of the country and does not necessarily lead to the satisfaction of all the basic needs of all individuals completely. The country could be rich in its production such as Iraq and Saudi Arabia for example, but the basic needs of most individuals of its people are not satisfied completely. Therefore the increase of production does not solve the basic problem which must be treated first and foremost, that is the satisfaction of all the basic needs for all individuals completely, then enabling them to satisfy their luxurious needs. Thereupon, the poverty and deprivation required to be treated is the non-satisfaction of the basic needs of man as a human being (basic food, shelter and clothing), not the increasing luxurious needs resulting from urban progress. And the problem to be treated is poverty and deprivation of individual members of the society, not the poverty and deprivation of the country measured as a whole. The poverty and deprivation by this meaning (for every individual) is not treated by the national increase of production, but it is treated by the manner the wealth is distributed to the individuals in society enabling complete satisfaction of basic needs and only then enabling the individuals to satisfy luxurious needs.

Refuting the Concept of Value

Capitalist economic thinking considers value as relative and not real, so it is in their view comparative. So the value of a cubit of woollen cloth is the marginal benefit of it assuming its availability in the market. Its value is also the quantity of commodities and efforts that could be obtained for it. The value becomes a price if what is obtained for the cubit of cloth is money. These two values, in their view, are separate, and they have two names each differing from the other: one of them is the benefit and the other is the value of exchange. The meaning of value in this limitation is wrong, because the value of any commodity is the quantity of benefit in it noticing the element of scarcity. So the real view towards any commodity is to view its benefit whilst noticing its scarcity, whether it is owned by man from the start like hunting, or by exchange like selling, and whether this was related to the person

or related to the thing. Thus value is a name for a designated thing which has a specific reality, and not a name for a relative thing, which applies to it in one respect and is not applicable in another. So value is an absolute thing and not a relative thing. Therefore, the view of the economists towards value is wrong from its basis.

What is referred to as the "marginal utility value" is an estimation meant to concentrate production based on the worst possibilities of distributing the commodity. Thus the value of the commodity is estimated based on the lowest limit so that production proceeds on a guaranteed basis. The marginal utility is not really the value of the commodity, nor even the price of the commodity, because the value of the commodity is estimated by the amount of benefit in it at the time of estimation, noticing the element of scarcity at that time. Its value would not drop if its price decreases later on, nor would it rise if its price increases as well, because its value was considered at the time of its evaluation. Therefore, the marginal utility theory is a theory for the price and not a theory for value, and there is a difference between price and value, even in the view of the capitalist economists. What governs the estimation of the price is the abundance of demand, and the scarcity of offer, together; or the abundance of offer and scarcity of demand, together; a matter which is related to the increase of production, but is not related to its distribution. Whilst value is estimated by the quantity of benefit present in the commodity at the time of evaluation, bearing in mind the element of scarcity, but without considering it as the main factor of estimation; so offer and demand are not the main determinants of value.

Therefore, the subject of value is wrong from its basis, and any subject based on it is exclusively wrong as the basic concept is false. However, if the value of the commodity or service were evaluated according to the benefit or the effort expended, then such an evaluation would be correct and would lead to much greater stability. If the value was estimated by the price the evaluation would be relative not absolute, and it comes closer to changing every time according to the market. In this latter situation it is false to be referred to as a value, and the term "value" would not then apply truly. It would rather become a means to obtain money according to the market and not according to what it has of benefit.

Efforts are not the Only Source of Benefits

The capitalist economists say that the benefits are the result of the efforts which man spends. So, if the reward was not equal to the work then no doubt the level of production declines, and they conclude from this that the ideal method to distribute the wealth among the members of the society is that method which guarantees to achieve the highest possible level of production. This approach is totally wrong. The tangible reality is that the funds/resources which God has created in the universe are the basis of the benefit in the commodities. And the expenses spent in increasing the benefit of these funds or initiating a benefit in them together with the work, are that which made them in the form that produces a particular benefit. So considering the benefit a result of the efforts only, is an error disagreeing with reality, because the raw material and the expenses spent in increasing the benefit are not considered; and these expenses could be a compensation for a raw material, and not for an effort. The benefit could be a result of man's efforts and could be a result of the existence of the raw material, and could be a result of both of them, but it is not a result of man's efforts only.

As for the decline in the level of production, it does not result from the inequality of the reward to the work only, it could result from that, and it could result from the depletion of the whole wealth of the country, and it could result from war, or for other reasons. So the decline of production in England and France after the Second World War

did not result from an inequality of reward to work, but it resulted from the shrinkage in their influence over their rich colonies, and their involvement in the war. The decline in production of the U.S. during the Second World War did not result from an inequality of the reward to work, but it resulted from its involvement in the war against Germany. The decline in the Islamic world today did not result from an inequality of reward to work, but it is as a result of the intellectual decline in which the Islamic world as a whole falls in. Therefore, the inequality of reward to work is not the only reason for the decline of production, and it is false to build from this premise that the ideal method of distribution is that which secures the raising of the level of production. To arrive to the highest possible level of production has no relationship with the distribution of the wealth among the individuals.

Price is not the Only Incentive for Production

The western economists say that the price is the incentive for production, because the motive for the person to spend any effort is to reward him materially. This view is contrary to reality and incorrect. Man often spends his efforts for a moral reward such as the attainment of the reward of God, or for undertaking an ethical merit such as faithfulness. The needs of man can be materialistic such as the material profit, and they can be spiritual such as sacredness, morality or praise. So confining the needs to only materialistic needs is untrue. In fact man could spend of his funds in satisfaction of a spiritual or a moral need more generously than he spends in satisfying the materialistic needs. So, the price is not the only incentive for production. A stone mason could designate himself to work for months in cutting stones for building a mosque, and a factory may assign its production for some days of the year for distribution to poor people, the nation could allocate its efforts in preparing the facilities to defend her territories. This production is not motivated by the price. Moreover, the materialistic reward itself is not confined to the price, it could be other commodities or services. So, considering the price as the only incentive for production is incorrect.

Regulating Distribution by Price is Inhumane

A great anomaly of the capitalist economic system is its consideration of price as the only regulator for distributing wealth amongst the members of society. They say that the price is the only constraint which makes the person stop his possession and consumption at the limit which is comparable to his income, and it is the price which makes the consumption of every individual restricted to what his revenues allow. Accordingly, through the rise in price of some commodities and a drop in others, and in the availability of money with some people and its non-availability with the rest of the people, the price regulates the distribution of wealth amongst the consumers. Thus, the share for every individual from the wealth of the country is not equal to his basic needs, but is equal to the value of the services which he contributed to in producing commodities and services, i.e. equal to what he owns of land or capital, or equal to what he carried out in work.

By this rule, which makes the price a regulator for distribution, the capitalist economic system has effectively decided that man does not deserve life unless he is capable to contribute in producing commodities and services. The person who is incapable of contributing, because he was born disabled or with a physical disability, does not deserve life, because he does not deserve to take from the wealth of the country that with which he satisfies his needs. Also the person that is more capable to contribute in production because he was born strong in body or in mind, and consequently has greater possessions, would deserve greater consumption than he needs or desires, solely in accordance with his property. Also the one whose tendencies to the material are strong, will exceed the others in possessing wealth. Whereas, the one whose spiritual inclinations and his adherence to moral merits are

stronger will have less than the others in possessions or wealth, because of his observance of the spiritual or the moral constraints which control him during the earning of wealth.

This excludes the spiritual and ethical element from life and makes it a life built upon a materialistic struggle to gain the means of satisfying materialistic needs. This is what eventually occurs in the countries which adopt the capitalist system, and in the countries which apply it.

The domination of capitalist monopolies has appeared in the countries adopting the capitalist system, and the producers hold control over consumers. A small group of people such as the owners of large companies like oil, automotive, and heavy industries have come to dominate consumers, reigning over them by imposing certain prices for commodities. This has led to certain attempts to patch up the economic system. So they gave the state (government) the right to intervene in fixing the price in special circumstances to protect the national economy, to protect consumers, and to reduce the consumption of some commodities; thereby, limiting the authority of the monopolies. They also included in the regulation of production some public projects directed by the government. These measures constitute mere patches over the inequities of the system, though they contradict the basis of the economic system which is economic freedom, they are only applied in certain circumstances. Moreover, many economists who follow the individualistic school of opinion do not adopt this interventionist approach and deny it, they contend that the price system alone is sufficient to achieve harmony between the interest of the producers and the interest of the consumers without the need of any governmental interference.

These patches which are recommended by the supporters of intervention, only occur in certain circumstances and conditions, and even in these circumstances, the distribution of wealth among the individuals does not achieve the satisfaction of all basic needs for all the individuals, completely.

The poor distribution of commodities and services which has resulted from the concept of freedom of ownership, and from the concept of making the price the only system for distributing wealth, will continue to dominate every society that applies the capitalist economic system. With regard to American society, where most Americans have enough from the wealth of the country to satisfy all of their basic needs completely, and satisfy some of the luxurious needs; this has resulted from the rich wealth of that country which has reached a level by which there is the opportunity for every individual to satisfy all of his basic needs and some of his luxurious needs. However, this is not due to making the share of the individual equal to the value of the services he contributed in production. Yet, putting the price system as the constraint for distribution has made the capitalist monopolies in the West leave their countries to look for external markets to get raw materials and to sell their products. What the world suffers from in terms of colonisation, regions of influence and economic invasion, is only a result of these monopolies and making the price a tool in the distribution of wealth. Thus the wealth (resources) of the world are compiled on this basis to be put in the hands of the capitalist monopolies. All this is due to the false rules and principles established by the capitalist economic system.

4. The Socialist Economy

The socialist (of which is the communist) economic system is contradictory to the capitalist economic system. Most of the socialist ideas appeared in the Nineteenth century. Socialists fought severely against the capitalist economic system. The powerful appearance of socialism was due to the inequity which society suffered from the capitalist economic system and the many errors and inadequacies in it. By reviewing the socialist schools of thought, it appears that they share three matters which distinguish them from the other economic schools of thought.

1. Achievement of a type of actual equality;
2. Abolition of private property either completely or partially;
3. Organisation of the production and distribution of the commodities and services by means of the whole people.

But, despite their agreement in these three matters, they differ from each other fundamentally in many points, the most important of them are:

Forms of Equality

The socialist schools of thought differ in the form of the eventual equality they aim to achieve.

One group advocates arithmetic equality, which means equality in every beneficial thing, thus everybody is given what is given to the other.

A second group suggests the communist form of equality, which means observing the ability of everybody when distributing the work, and to observe the needs of every individual when distributing the products. The equality in their view is established when the following principle is applied: Everybody is asked in accordance to his strength or ability in the work which he performs. And everybody is given, according to his need. "From each according to his ability, to each according to his need", meaning distributed production.

A third group adopts equality in the means of production, since the resources are not sufficient to meet the needs of all individuals, so the basis of distribution is: "From each according to his ability, to each according to his work". They see that equality is achieved when what is facilitated for everybody of the means of production is similar for all.

Abolition of Private Property

The Socialist schools of thought differ in the quantity of private property which is to be abolished.

One group adopts the abolition of private property completely, which is communism.

A second group suggests the abolition of private property related to the productive resources which are called the capital, such as; land, factories, railways, mines and the like. Thus they prevent the possession of any commodity

which is used for production. So one can not own a house to lease, a factory, or land. But they may keep individual property of consumed fortunes. So it is proper for them to own everything they consume, thus they can own a house only to live in, and own what the land and factories produce. This is socialist capitalism.

A third group does not advocate the abolition of private property except that relevant to agricultural land. These are the agricultural socialists.

A fourth group says that every case in which public interest invites the exchange of private property with public property, has to be studied. They call for restricting the owners of private property in many areas, through putting laws for the maximum limit of interest, limits on leasing, a minimum limit for wages, and giving the labour a share in the capital. This is called state socialism of the government (state).

Means of Implementation

The socialist schools of thought differ in respect of the means they adopt to implement their objectives. Thus revolutionary socialism depends upon liberating the labour force by what it calls direct action, i.e. the efforts of labour themselves, such as disruptive strikes, destruction of machinery, and propagating the ideas of public strikes amongst the labour. Through the readiness to achieve this disruption until the time comes when they are able to implement their demands, the economic proceedings are paralysed and the present economic system is demolished. The Marxist socialists believe in the natural law of evolution in society, and they trust that it alone is sufficient to destroy the present system, and will then replace it by another system established on socialism. As for the followers of state (government) socialism their means to implement their thoughts is through legislation. So by putting the canons they warrant the preservation of public interest and improvement in the conditions of the labour force. Additionally, by levying taxes, particularly the phased taxes on capital and inheritance, there is a reduction in disparities between the properties.

Socialist Structure

The socialist schools of thought differ in respect of the structure which is needed to administer the projects in the socialist system. For example the social capitalists want to assign the organisation of production and distribution to the government (state) - While the syndicates want to ascribe management to an organised group of labour headed by their chiefs.

Marxist Economic theory

The most famous and influential among socialist theories are theories of the German, Karl Marx. His theories have dominated the socialist world, and upon them the Communist party, and the State of the Soviet Union in Russia were established. His theories still have a great impact.

One of the best known theories of Karl Marx is the theory of "the value", which he took from the thinkers of the Capitalist economy, and upon which he attacked capitalism. Adam Smith, who is considered the leader of the Free School of Thought in England and is considered the person who put the bases of the political economy, i.e. the capitalist economic system, has defined value saying: "the value of any commodity depends on the magnitude (quantity) of effort spent in its production". So the value of the commodity whose production needs two hours is

equivalent to double the value of the commodity whose production needs only one hour. Ricardo came after him and coveted Marx in explaining his theory of work when he defined the value saying: "What limits the value of the commodity is not only the quantity of the work spent directly in its production, but should include the work spent in the past in producing the tools and machines used in the production process as well". This means that Ricardo believed that the value of the commodity depends on expenses in its production. He referred these expenses to one element which is the work.

Karl Marx after this used the theory of Ricardo regarding value in the capitalist economic system as a weapon to attack the concept of private property and the capitalist economic system as a whole. He said that the only source of value is the work spent in its production, and the capitalist financier buys the energy of labour with a wage that does not exceed the limit necessary to keep him alive and able to continue working. The financier then exploits the energy by producing commodities whose value greatly exceeds that which is paid to the labour. Karl Marx called the difference between what the labour produces and what he is really paid, as "surplus value". He decided that this value represents what the proprietors and the businessmen usurp of the labourers rights by the name of revenue, profit and interest, which were not acknowledged legally.

Historic Materialism and Scientific Socialism

Karl Marx deemed that the socialist schools which came before him depended for the success of their ideas on what is natural in man of his love for justice and support for the oppressed. These schools used to adopt new methods which they had thought of, for their application upon society, and they presented these ideas to the governors, proprietors and the enlightened people and urged them to implement the ideas. But Karl Marx did not build his school of thought on this idea nor did he follow this approach. He built his school of thought on the basis of a philosophical doctrine known as "historic materialism", which is referred to as the dialectic theory. He conceived the establishment of the new system in society only through the action of the economic laws, and as a result of the law of evolution in society, without the interference of a manager, law-putter or a reformer. The socialism of Karl Marx was called "scientific socialism", to differentiate it from the socialist methods which came before it and which were called "the ideal socialism". The socialist theory of Karl Marx is summarised as follows:

The system of the society in any age is a result of the economic situation. The changes or transformations which affect this system all come as a result of the various class's struggle to improve their material situation. History tells us that this struggle concludes with the victory of the class which is greater in number and worse in condition over the wealthier class which is fewer in number. He called this the law of social evolution. It applies to the future as it applies to the past. So, in previous ages this struggle existed between the freemen and the slaves, then between the noblemen and the public, then later on between the noblemen and the fellahs (peasants), and between the leaders and experts in the system of sects. This struggle always ended with the victory of the oppressed class of the great number over the oppressor class of the smaller number. But after its victory the oppressed class turns to become a conservative oppressor class.

Since the French revolution this struggle existed between the middle class (Bourgeoisie) and the labour class. The first class became the master of the economic projects, the proprietor of the capital, and became conservative. Facing it was the labour class which owned nothing of the capital but was much greater numerically. The contradiction between the interests of these two classes, is related to economic reasons.

The system of production today does not conform to the system of proprietorship. Production ceased to be individual, that is, being performed by the person alone as it was in past ages, but became collective, that is, shared amongst the individuals, however, the system of ownership did not change accordingly. So individual ownership continued and it is still the basis of the system in current society. As a result of this the labour class which shares in production does not share in the ownership of the capital and comes under the mercy of the capitalists (the owners of the capital) who do not by themselves share in the production, while they exploit the labour, as they only pay subsistence wages and the labour is urged to accept it since they have nothing but their work to sustain them. The difference between the value of the product and the labour wage - which Marx calls the surplus value - constitutes the profit which the capitalist monopolises while justice suggests it should be shared with the labour.

So the conflict would thus continue between these two classes until the system of ownership conforms with the system of production, i.e. when ownership becomes socialist or collective. This struggle will end with the victory of the labour class according to the law of evolution in society, since it is the oppressed class and is greater in number.

Referring to the manner in which the labour class will succeed and the reasons for its success is covered by the law of evolution of society. The system of the current economic life bears within itself the seeds of the forthcoming group, and it will vanish by the effect of the economic laws to which it yields. There was the time when the middle class conquered the class of nobles and practised an important role in the economic life, as it was the owner of the capital. However, today its sole reason or function has ended and the time has come for it to leave its place to the labour class. What obliges it to do so is the law of 'concentration' and the action of free competition. By the effect of the 'law of concentration' the number of capitalists (owners of the capital) diminishes, and the numbers of the labour class increase. By the effects of 'free competition', production surpasses every limit, and the quantity of production exceeds that which the consumers of the labour class can buy with their low level of wage. This leads to crisis causing some people to lose their capital and enter the labour class. As the system progresses the intensity of crises increases, the gap between their occurrence comes closer, and the number of capitalists decreases gradually. Then it is not long before a crisis greater than all the preceding crises occurs of such major proportions that it demolishes the pillars of the capitalist economic system, with the system of socialism to be then established upon the capitalist ruins. Marx conceived the rising of communism to be the last stage in the historical evolution, because it demolishes private property, and hence no more reasons exist for the conflict of the classes in society due to the absence of differences between or amongst them.

The law of concentration

The 'law of concentration' which Karl Marx referred to is a part of the capitalist economic system. In summary, there is a migration of work and capital from some projects to others, so that some increase while the others decrease. All these are cases which indicate the occurrence of concentration in production. If you investigated the number of projects in one branch of industrial production, such as the factories of chocolate for example, you will find that the number of projects had diminished gradually over time while the average number of the production workforce increased in every project. This is an evidence that concentration occurred in this branch of production,

since the greater sized production replaces the smaller production. So if the number of factories were for example, ten, they will in time become four or five large factories, and the rest will disappear.

The 'free competition' referred to by Marx, means the principle of the freedom to work, which means that every person has the right to produce whatever he likes the way he likes.

The Economic Crisis

Regarding the economic crisis mentioned in his words, they apply to every sudden disturbance that affects the economic balance. The specific crisis includes all the kinds of crisis which befall a particular branch of production, due to the absence of balance between production and consumption. This event or incident occurs either due to overproduction or underproduction, or due to the over-consumption or less consumption.

As for the periodic general crisis, it appears in the form of a violent agitation that shakes the pillars of the whole economic system, and it becomes the point of separation between the period of boom and the times of depression. The boom times vary between three to five years, and the depression lasts for a similar period. The periodic general crises have special characteristics which distinguish them. Most characteristics are covered by three main qualities.

Firstly, the quality of generalisation, so in one country it hits all the aspects of the economic prosperity or at least most of them. It also appears at first in one country where it prevails then moves to other countries which have achieved some economic progress and which are linked together with permanent relations.

The second quality is that they are periodic, that it occurs every period of time in cycles. The period which separates two crises fluctuates between seven and eleven years, but their occurrence is not over a fixed time although it is periodical.

The third quality is that of excessive production, such that the owners of the large projects face great difficulty in disposing of their products, so the supply exceeds demand for many products and the crisis subsides.

Karl Marx considered that these crises led to some people losing their capital, the number of owners of capital decreases and the number of labourers increases, thereby preparing society for a major crisis which will demolish the old system.

This is a summary of socialism with communism as one of its forms.

5. Refutation of the Socialist Economy

Refuting the Concept of Equality

From the above summary it appears that the socialist schools of thought including the communists, strive to achieve real equality amongst the individuals, either equality in benefits, equality in the productive means, or

absolute equality. Each kind of equality is impossible to achieve and it is nothing but an imaginary or fanciful assumption. It is a practical impossibility. This is because equality in itself is unreal, so it is impractical. People by their very nature, which they were created with, are different in their physical and mental powers, and different in the satisfaction of their needs. Equality amongst them is an impossibility to achieve, even if you distributed equal shares amongst them of the commodities and services by force, it would be impossible for there to be equality in the use or benefit of this property. Nor would it be possible to equate amongst them in terms of the quantity needed for satisfying their needs. A large man usually needs to eat more than a small man, but that may not always be the case, needs for luxuries also vary widely amongst the people. So equality among them is a fanciful and theoretic matter.

Moreover equality by itself amongst people, while they are different in power, is far from the justice which the socialists claim they try to achieve. The differences among people in ownership of benefits and in the means of production is an inevitable matter and it is quite a normal or natural situation. Every trial for achieving equality is destined for failure since it is contradictory to the natural differences existent amongst human beings.

Refuting the Abolition of Ownership

Regarding the complete abolition of private property, this is contradictory to man's nature, because the need for ownership is an aspect of the survival instinct, which is definitely existent in man. Being natural in him, a part of him, and an appearance of his natural energy, it is impossible to be abolished, it is instinctive. Everything instinctive in man cannot be extracted from him as long as life continues within him. Any trial to abolish private property is nothing but a suppression of natural instincts and can only lead to worry and doubt. Therefore it is natural or normal to organise ones instincts for the good of all in society rather than trying to abolish them.

With regard to the partial abolition of property, it has to be studied. If what is meant by this is to restrict possession of commodities with an upper limit, then it would be a limitation in quantity, which is wrong, as it limits the activity of man, obstructs his efforts, and reduces his production. By preventing him from possessing that which exceeds a certain level of ownership it would effectively stop him at that limit, thereby restricting the continuation of the activity and depriving the community of the benefit of his activities. Societies which have sought to implement this restriction in ownership are inevitably characterised by a lack of motivation to work and be productive. However, if ownership is limited to certain commodities and services without a restriction on the quantity owned, this is acceptable, as it does not obstruct the activity of man. This approach organises the ownership of property among individuals, and it helps to encourage the spending of efforts and increases in activity.

If the partial abolition of ownership means that the individual is prevented from owning certain properties, whilst other properties can be owned without any limit over quantity, this should be considered. If the beneficial nature of these properties can't be enjoyed by the individual alone except by depriving the public of that property, then it is natural to prevent the individual from possessing the property alone. At issue is property with a naturally common benefit for the people, such as public roads, town parks, rivers, seas and the like. The restriction is decided by the nature of the property. There is therefore, nothing wrong in preventing the individual from owning exclusively certain properties which are of benefit to all, where that exclusive ownership would prevent others from enjoying the property.

If the nature of the property does not require prohibition of ownership the property should still be considered before allowing unrestricted ownership. If the property is supplemental to the property restricted from private ownership, such as properties whose source should not be possessed by individuals, such as water and the vast resources of minerals, then there is nothing wrong in preventing the individual from possessing them. The matter which makes them connected with these properties is their common origin. But if the property does not follow these properties, then there should be no restriction upon possession, to do so would unfairly limit ownership for no reason. This is like a limitation on possession of property by quantity or magnitude which brings the same result, i.e. it restricts the activity of man, obstructs his efforts, reduces his production and stops him from work when he reaches the set quantity of possession which he is prevented from exceeding.

The partial abolition of possession in socialism is a limitation through magnitude rather than by the manner. It prevents the possession of some properties which by their nature and by the nature of their origin should be individually possessed. Socialism either limits possession in magnitude, such as limiting ownership of land in a certain area, or it limits possession by certain properties such as the limitations over the means of production. Many of these properties, by their nature, could be possessed by individuals. Prevention of possessing these properties is a restriction upon activity, whether these properties are specified, such as the prevention of the right of inheritance, possession of mines, railways, or factories; or where it is left to the state to prevent possession wherever public interest requires it to do so. All this is a limitation upon the activity of individuals as long as these properties are prevented from being possessed, properties which are by their very nature allowed to be possessed by individuals.

With regard to the organisation of production and distribution by the public means, this is not successful as it incites worry or disturbances in the people, and it incites rancour and hatred amongst them against each other, the outcome of which is the creation of anarchy not the creation of organisation. Neither does this result naturally through leaving the labour to feel the oppression of the businessmen, since the businessmen could be so efficient that they satisfy the complete needs of the labour force - as is the case of labour in the factories of the United States. So they do not feel the oppression falling upon them through the exploitation of the fruits of their efforts. In this way the evolution which regulates or organises the production and distribution would not occur, and has not occurred. This regulation should come through proper laws and solutions which are built on a definite basis that applies to the reality of the problems. Socialism depends on the regulation of production and distribution whether in inciting tension and disturbances amongst the labour class, or in the law of evolution in society, or from man-made legislation and canons that do not depend upon a definite basis or creed. Therefore this organisation is false from its basis.

This outlines the errors of socialism per se. With regard to the errors of the socialism propounded by Karl Marx it appears in three aspects:

Refuting the Theory of Value

Firstly; His opinion on the theory of 'value' is an error that disagrees with the fact or reality. The opinion stating that the only source for the value of the commodity is the work spent in its production disagrees with reality, since

the spent work is only one of the sources of the value of the commodity and not the only source. There are other matters other than the work that enter into the value of the commodity. There is the raw material upon which the work was carried out, and there is the need for the benefit (demand) for the commodity as well. The raw material could contain a benefit that exceeds the work spent in its procurement such as in hunting for example. The benefit of the commodity could have no demand in the market, and be forbidden for export such as wine in Muslim countries. So putting work as the only source of value is untrue, and does not apply to the reality of the commodity as it is.

Refuting the Concept of Class Struggle

Secondly; His opinion states that the social system that exists at any time is a product of the economic conditions or situation, and that the various changes which befall this system are all due to one reason, which is the struggle of the classes for the objective of improving their material situation. This opinion is erroneous, disagrees with reality and is built on a doubtful theoretical assumption. The reason for its error and disagreement with reality is apparent from historical events. We see that the transformation of Soviet Russia to Socialism did not occur due to a materialistic evolution nor due to a class struggle that led to the change of the system by another system. But a group reached government through a bloody revolution and started to apply its thoughts onto the people and changed the system. The same happened in socialist China. The application of socialism upon East Germany without West Germany and upon Eastern European states without West European States also did not occur as a result of any class struggle. Rather they occurred by the occupation of a socialist state upon these countries, and it implemented upon them its system completely as happens with the capitalist system, and as happened with the system of Islam, indeed as occurs with any system.

The countries for which this law predicts change by a function of class struggle are Germany, England, and the United States, which are capitalist countries, and where the capitalists and labour class are many. They are not Czarist Russia and China which are agricultural more than industrial, and in which the numbers of the capitalist and labour classes are much less in comparison with the West. Despite the presence of the capitalist and labour classes in the West European States and in the United States, they were not transferred to socialism, and they all still apply the capitalist system. The presence of the classes of capitalists and labour did not have any effect on their system. This alone is enough to refute this theory from its basis.

Refuting the Concept of Social Evolution and the Law of Concentration

The third error of Karl Marx's theory appears in what he said about the law of social development or evolution, that the system of economic life is destined for extinction by the effect of the economic canons to which it yields. And that the middle class which dominated or won the battle against the class of the nobles, the owners of the capital, will evacuate its place for the labour class inevitably by the law of concentration. The reason for the error of this opinion is that the theory of Karl Marx concerning concentration of production - on which he builds an increase in the numbers of the labour and a decrease in the number of the owners of capital - is false.

The theory is false because there is a limit which the concentration of production cannot overstep or cross. So it arrives at a certain limit and stops, thus it refutes the theory of evolution conceived by Marx. Moreover, concentration of production does not exist at all in one of the main branches of production, namely agriculture. How then can the law of evolution occur in society? Besides, Karl Marx asserts that concentration of production is

followed by concentration of wealth (resources), which results in a reduction in the number of investors possessing or monopolising the capital, and an increase in numbers of the labour class who possess nothing. This view is erroneous, since the concentration of production could result in an increase in the number of capitalists, (owners of the capital) and could result in the labour class becoming capitalists. Share companies, in which large numbers of shareholders are from the labour class, serve as a good example in the refutation of this theory of concentration. Moreover, many of the labour class in the factories have high salaries, such as engineers, chemists and managers, thus being able to save a great part of their salaries and becoming by themselves investors without the need to establish independent projects. Therefore what Karl Marx propounds about labour and evolution does not apply to them.

This is but a brief examination of the bases or principles upon which the capitalist economic system is established, and the basis upon which the socialist including the communist economic system is built.

From this examination the falsity and error present in these bases is apparent. In comparison with Islam they are different from the method of Islam in adopting or deducing the treatments for solving economic problems and are completely contradictory to Islam.

Islamic Solutions

The difference between these ideologies and Islam in adopting solutions to solve economic problems comes in the method Islam adopts in solving the problem. This method is the same for all problems, economic or otherwise. The common approach of Islam is to study the fact or reality of the economic problem, understand it, and then deduce a solution for the problem from the shari'yah texts after studying these texts and with the assurance that they apply to that particular problem. This differs from the economic rules and treatments of capitalism and socialism. In capitalism, the solutions are taken from the reality of the problem after its study. In socialism the solutions are taken from theoretical assumptions which are imagined to be existent in the problem, and thus solutions are put according to these assumptions. In each of these two methods a difference to the method of Islam is present, so it is not allowed for a Muslim to adopt them.

The contradiction of the capitalist and socialist, including the communist economy, to Islam is that Islam adopts its treatments as legal rules (Ahkam shari'yah) deduced from the shari'yah evidences. Whilst the capitalist and socialist economic solutions are not shari'yah rules, but are of a system of disbelief in God (kufr). Judging or governing with them means ruling with other than what God has revealed, and it is not allowed for any Muslim to adopt by this means. Their adoption is an open sin (Fisq) if their adopter does not believe in them. But if he believed that they are the correct or proper rules and that Islamic rules do not suit the modern age and do not offer solutions to the particular economic problems then this is disbelief (Kufr), and may Allah protect us from it.

6. The Islamic Economy

A Definition of Economy

The word economy is derived from an old Greek term, which means "the planning of home affairs", so that its capable members share in producing the goods and performing the services. All of its members share, as well, in enjoying what they possess. Through time people extended the sense of 'home' until it meant the group of people which is governed by one state. The intended use of the word economy is not the linguistic meaning which is saving or property. What is meant is the conventional meaning of the word, i.e. the administration of property affairs, either by its increase, or by the securing of its production which is discussed in economic science, or the manner of its distribution, which is discussed in the economic system.

Though both economic science and the economic system deal with the economy, their respective meanings differ significantly. The economic system is not affected by fluctuations in wealth. The fluctuations in the level of wealth do not affect the form of the economic system. Therefore, it is a serious error to make the economy one subject and discuss it as one matter, as this leads to an error in understanding the factors that increase wealth, i.e. the wealth creation factors. The planning of the community or nations affairs in respect of creation of wealth is one matter, and planning of the peoples affairs in respect of wealth distribution is entirely another matter. Therefore, the subject of planning the production of economic material must be separated from the subject of planning its distribution. The first is connected with the means and the second is connected with the thought. The economic system must be discussed as a thought that is based upon the viewpoint of life (creed of a particular ideology), and economic science must be discussed as a science that has no relationship with the particular viewpoint in life.

The important subject is the economic system, because the economic problem revolves around mankind's needs, the means of their satisfaction, and benefiting by these means. Since the means are present in the universe, their production does not cause an essential problem in satisfying the needs, but rather the needs drive man to produce these means. The real problem present in the relationship of the people, or society, results from enabling or restricting the people from benefiting from these means. This results from the subject of man's possession of these means and is the basis of the economic problem, which must be treated. So the economic problem results from the subject of possessing the benefits not from producing the means which gives the benefit.

The Basis of the Economic System

The 'benefit' in a thing represents the suitability of that thing to satisfy a need of man. Benefit comprises two elements. One is the extent or level of desire for the particular thing felt by a man. The second is the merits existent in the thing and its suitability to satisfy man's need, not the need of only one particular person. This benefit results from either man's efforts, or of the property, or through both of them. The form of man's effort includes the intellectual and the physical effort which he spends to create a property or a benefit of a property. The word property includes everything possessed for benefit through buying, leasing or borrowing, whether by consumption, such as the apple or by usage such as a car; or through the benefit of using it like borrowing machinery, or leasing a house.

Property includes money such as gold and silver, commodities such as clothes and foodstuffs, and immovable properties such as houses and factories; all things which are possessed. Since property itself satisfies man's needs, and man's effort is a means to obtain the property or its benefit, then the property is the basis of the benefit - whilst man's effort is of the means that enables man to obtain the property. Hence, man by his nature strives to obtain or possess the property.

Thereupon man's effort and the property are the tools which are used to satisfy man's needs, they are the wealth which man strives to possess. Therefore wealth is the total of the property and the effort.

The individuals possession of the wealth occurs either from other individuals such as in possession of donated property or directly such as the possession of the raw materials. Possession of the matter or thing is either:

1. for consumption of it's benefit as in the possession of the apple or the ownership of the house, or
2. in the possession of the benefit of the thing as in leasing the house, or
3. the possession of the benefit resultant from man's efforts such as an architects' drawings and plans.

Possession in all its applications is either with compensation such as selling and leasing the property, and wages of the hired person, or it is without compensation such as donations, grants, presents, inheritance or borrowings. However, the economic problem rests in the possession of wealth not in creating wealth. The economic problem is characterised by very poor trusteeship of the wealth, giving poor disposal and distribution of wealth in society. The problem does not stem from any other matter. The treatment of this aspect is the basis of the economic system.

The basis upon which the economic system is built constitutes three principles:

1. Ownership,
2. Disposal of the ownership, and
3. The distribution of wealth amongst the people.

The Islamic View of Economy

The view of Islam towards the quantity of wealth differs from its view of the benefit of the wealth. Islam considers the means which gives matter a certain benefit different than the actual possession of the benefit. So the property and man's efforts are the substance of the wealth and the means which gives the benefit. Their position in the view of Islam regarding life's affairs and in regard of their production differs from the question of using them, and from the method of possessing this benefit. Islam interferes directly in benefiting from some forms of wealth. So it prohibits the use of some properties such as wine and dead foodstuffs. Similarly it prohibits benefiting from some of man's actions, such as, dance and prostitution. It prohibits selling properties which are forbidden for eating, and it prohibits hiring for the actions which are forbidden to be performed. This refers to the benefits of the property and man's effort. But regarding the way of owning the property and man's efforts, Islam also has put numerous laws regulating ownership such as the laws of hunting and inhabiting the land, and the laws of leasing, manufacturing, inheritance, donations and wills.

These matters cover questions of benefiting from the wealth and the method of its ownership. In regard to the quantity of wealth and its production, Islam encourages production by encouraging interest in earnings in general. Islam does not interfere in determining the way of increasing production and the quantity of production, leaving that to the people to achieve as they like. Turning to the existence of the wealth, property is existent in this world naturally, Allah the glorified The Supreme has created it, and subjugated it to man.

"He Who created for you all that is existent on Earth" [2:29]

And said:

"Allah is He Who subjugated to you the sea so as the ships flow by His command and so as you seek His favour" [45:12]

And said:

"He subjugated for you that which is in the heavens and that which is in the earth, all from Him" [45:13]

And said:

"Let man consider his food. How we pour water in showers: Then split the earth in clefts. And cause the grains to grow therein. And grapes and green fodder. And olive-trees and palm-trees and garden closes of thick foliage. And fruits and grasses. Provision for you and your cattle" [80:24-32]

And said:

"And we taught him the art of making garments (of mail) to protect you in your daring" [21:80]

And said:

"And we brought iron down, wherein is mighty power and (many) uses for mankind." [57:25]

Allah (SWT) manifested in these verses and the like that He created the property and created man's efforts, and He did not expose to things other than that related with it, which indicates that He did not interfere in the property or in man's efforts except that He showed He created them so as people will use them. He also did not interfere in the production of wealth, there is no shari'yah text (Divine legal text) which denotes that Islam interferes in the production of wealth. On the contrary, we find the shari'yah texts indicate that shari'yah has left to the people the matter of withdrawing the property and improving man's effort as it was narrated that the Prophet (pbuh) said in the question of dusting palm-trees "You are more aware of your life matters". It is narrated also that the Prophet (pbuh) sent two of the Muslims to Jurash of Yemen, to learn the manufacture of weapons; and this indicates that

shari'yah has left the matter of production of property to the people, so as to produce according to their experience and knowledge.

It appears from this, that Islam looks at the economic system not at economic science, and it makes the use of the wealth and the way of owning this benefit its subject; it does not limit the production of the wealth or the means of benefit at all.

The Policy of Economics in Islam

The policy of economics is to meet goals through the laws which treat the management of man's affairs. The policy of economics in Islam is to secure the satisfaction of all basic needs for every individual completely, enabling him to satisfy the luxurious needs as much as he can. Mankind is referred to in his capacity as a man living in a particular society which has a special way of life. So Islam looks at every individual by him/herself rather than the total of individuals who live in the country. It looks at him as a human being first, who needs to satisfy all of his basic needs completely, then to him in his capacity as a specific individual to enable him to satisfy his luxurious needs as much as possible. Islam looks to him at the same time, considering him a person connected with others by certain relationships that proceed in a certain way according to a particular law. The policy of economics in Islam is not to raise the standard of living in the country without looking to secure the rights of life for every individual completely; it is rather the treatment of the basic problems of everybody as a being who lives according to particular relationships, and enables him to raise his standard of living and achieve well being for himself in a particular way of life; as such it is different from the other economic policies.

Islam, whilst putting the laws of economy for man through legislation and working to secure the basic rights of life and welfare, also verifies that a particular society lives according to a special way of life. So, it looks at what the society should be at the same time that it looks to secure life and consolidate the people's welfare. It makes its view towards what the society ought to be a basis for its view towards life and welfare. Therefore, you find the divine rules (Ahkam shari'yah) have secured the satisfaction of all of the basic needs (food, clothing and housing) completely, for every citizen of the Islamic State. This is achieved by imposing the duty to work upon all capable people, so as to achieve the basic needs for himself and those whom he is charged to support. Islam imposes upon the parents or the inheritor the duty of support when the person is not able to work, or upon the State Treasury (Beit al Mal) if there is nobody on whom support can be depended. By such, Islam requires that the individual secures for himself and his dependants the satisfaction of those needs which by necessity should be met, i.e. adequate foodstuffs, clothing and housing. Islam then encourages the individual to enjoy the good things, and to achieve attainment of life's luxuries as he can.

Limits on Taxation

Islam also prevents the government from taking property through taxation (which is a matter for all Muslims), except from that which exceeds his needs of satisfaction in his normal life, even his luxurious needs. As such, it achieves the rights of life for everyone individually and facilitates for everyone their basic welfare. At the same time that Islam assigns certain limits for the individual to satisfy his basic and luxurious needs, it restricts his relationships in a particular manner. So Islam prohibits the production of wine and its consumption for every Muslim, and it does not consider it as an economic material. Islam prohibits the taking of usury and dealing with it for everyone that holds Islamic citizenship, it does not consider usury as an economic material, whether for

Muslims or non-Muslims. So Islam considers the situation of society and how society should be as an essential matter when considering any property as an economic material.

The Individual and Society

From this it can be seen that Islam does not detach the individual from being a part of the community nor does it detach him from his individuality. Islam does not separate what the society should be when securing the satisfaction of the basic needs for every individual, or in enabling him to satisfy his luxurious needs. Rather Islam makes the satisfaction of the needs and what the society should be, as two matters which are inseparable from each other by considering what the society should be as a basis for satisfying the needs. For the sake of satisfying all the basic needs completely and to enable the satisfaction of the luxurious needs, the economic material should be available to the people, and the material should not come to them unless they strive to attain, or earn it. Therefore Islam encourages people to earn and to seek the provision and to work in life; and it made working for earning the provision compulsory.

Allah the Supreme said:

"So walk in the paths of the earth and eat of His providence". [67:15]

However, this does not mean that Islam interfered in the production of the wealth or demonstrated the manner of increasing production, or the amount of production, having no relation with that; it rather only encourages the work and the earning of property. Many traditions (ahadith) came to encourage the earning of property. In tradition Muhammad (pbuh) shook the hand of Sa'd bin Mu'adh (whom Allah satisfied) and found his hands stifled, the prophet (pbuh) asked about it, Sa'ad said: I dig with the shovel (mishah) to spend on my family; so Mohammed (pbuh) kissed his hands and said: (They are) two hands who Allah The Supreme loves." The Prophet also said: "Some of the sins are not forgiven by the fasting or the prayer; He was asked: What will forgive them O messenger of Allah? He said: The concern in seeking the provisions".

It was also narrated that Omar ibn Al Khattab passed by some people of the readers (who read Qur'an); he saw them sitting and bending their heads down; he said: Who are they? He was answered: They are the dependants (who depend on Allah). He said: No, they are the eaters who eat the peoples properties. Do you want me to inform you about the dependers? He was answered yes. He said: He is the person who throws the seeds in the earth and then depends on His Lord The Almighty, The Exalted" Thus we find the verses and the traditions (Hadiths) encourage the striving to seek provision, and working to earn property, just as they encourage the enjoyment of the property and eating of the good things.

The Supreme said:

"Say: who has forbidden the adornment of Allah which He has brought forth for his bondmen, and the good things of the provision?" [7:32]

And:

"And let not those who hoard up that which Allah has bestowed upon them of His bounty think that it is better for them. No, it is worse for them. That which they hoard will be their collar on the Day of Resurrection. Allah's is the heritage of the heavens and the earth, and Allah is informed of what you do. " [3:180]

And:

"O you who believe! Spend of the good things which you have earned and of that which We bring forth from the earth for you. And let not those who hoard up that which Allah has bestowed on them of His bounty" [2:267]

And:

"O you who believe! don't prohibit the good things which Allah made halal for you" [5:87]

And:

"And eat of that which Allah provided you, Halal and good." [5:88]

These verses and the like denote clearly that the divine rules (Ahkam Shari'yah) connected with the economy aim at earning the property and enjoying the good things. So Islam obliged individuals to earn, and ordered them to enjoy the wealth that they earned, to achieve progress in the economy of the country, to satisfy the basic needs for every person, and to enable the satisfaction of luxurious needs.

To take care of the gaining of property we find that Islam when giving rules related to the manner of owning property, did not over complicate the manner of ownership, Islam made possession of wealth easy. Thus Islam defined the causes of possession and defined the contracts through which property is exchanged, and left man free to develop the styles and means by which he earns, while Islam did not interfere in the production of the wealth.

Islam puts the causes and contracts of ownership in general guidelines that include divine principles and divine rules, under which numerous questions belong, and upon which many rules are measured.

Thus it legislated the work, demonstrated its rules and left the person to work as a carpenter, manufacturer, technician, trader or others. Gifts, donations or grants are measured as a cause of possession. Hiring, like deputising for someone, is measured by the entitlement of the deputy to a wage. Thus we find the causes of possession and the contracts manifested by the Shari'yah and defined in general meanings, making them inclusive for all new events, they are not renewed by new dealings or transactions, since it is obligatory that people restrict themselves to the transactions that are defined by the shari'yah, it is the shari'yah that is applied to new events, regardless of the type and regularity of new events.

Responsibility of the State

By such man proceeds quickly in earning property, without being faced by obstacles that prevent him from earning, with the intention to make his earning good and allowed for him (halal), by such the satisfaction of all basic needs is possible for every person. Islam does not only encourage the individual in earning, it also requires the house of treasury (Beit Al Mal) to be responsible for supporting all the citizens, for example support of the disabled is a duty of the state, and the provision of the basic needs of the nation (ummah) is one of its duties, it is charged with the right of caring.

The Prophet (pbuh) said: "The Imam is in charge and he is responsible for his citizens". In order that the state performs that which the shari'ayah made a duty on it, the shari'ayah gave the state the authority to collect certain funds such as the head tax (jizya) and the land tax (ushri and Kharaz), and made the funds of alms (zakat) to be collected by the state treasury (Beit Al Mal). The state is obliged to collect that which is a duty upon the whole nation, such as the repair of roads, building hospitals, feeding hungry people, and the like.

Management of Public Property

It also is responsible for the management of public property, which is controlled by the State. The shari'ayah prevents the individuals from holding public property, because the general responsibility is for the man in charge, and no one of the citizens is entitled to take this responsibility except by command of the person in charge. The public properties of water, oil, iron, copper and the like, are properties which must be utilised to achieve economic progress for the nation (ummah), because these properties belong to the ummah, and the state merely takes charge of them, by administering them. When the state fulfils its duty of trusteeship over the public property, carries the burden of caring for the affairs of the people, and every individual carries out work of earning for their provision, then abundant wealth is available for the satisfaction of the individual basic needs completely and luxurious needs.

The Objective of Earning the Property

However, the economic progress through enhancement of earning property by every individual, assigning public property for the state, and utilising the public property; are only as a means to satisfy the needs, not for the sake of the property of itself, nor for boasting, nor to spend it in a sinful (ma'assi) manner, or for arrogance and oppression. Therefore the messenger of Allah (pbuh) said: "Whosoever sought the life (matters) legitimately (halal) and decently he will meet Allah The Supreme with his face as a full moon; and whosoever sought it boastingly and excessively he will meet while He is angry of him".

The Prophet said also: "You don't have of your property except that which you ate and consumed, and wore out and decomposed, and donated and preserved".

The Supreme said:

"Don't be wasteful, surely He does not like the wasteful (extravagant)." [7:31]

Philosophy of Economy in Islam

Islam did not only make the aim of earning property as a means for satisfying the needs rather than for boasting, but it also made the direction of the economy as a whole, through the commands and prohibitions of Allah, a necessary matter. It ordered the Muslim to seek the Hereafter through what he earns, and not forget his share of this life.

The Supreme said: "But seek the abode of the Hereafter in that which Allah has given you, and neglect not your portion of the world, and be kind even as Allah has been kind to you, and seek not corruption in the earth".

Therefore Islam made the philosophy of economy to be directing all economic actions by the commands and prohibitions of Allah based on the full awareness of the relationship with Allah. So, the idea upon which the management of the Muslim's affairs in society is built, is directing the economic actions according to what the divine rules (Ahkam Shari'ya) require in their capacity as a complete way of life. Similarly management of the affairs of the citizens of the state is restricted by their economic action with the divine rules in their capacity as legislation, so permitted to them is that which Islam has permitted, and all are restricted by that which Islam restricts.

The Supreme said:

"And whatsoever the messenger gives you take it, and whatsoever he forbids you abstain from it" [59:7]

And He said:

"O mankind! There has come unto you an exhortation from your Lord, a balm for that which is in the breasts." [10:57]

And He said:

"And let those who conspire to evade orders beware lest grief or painful punishment befall them" [24:63]

And He said:

"And govern among them with that which Allah revealed" [5:48]

Islam secured the observance of these rules through making the Muslim fulfil his duties, by the motive of the fear of Allah and through legislation which is applied on the people by the state.

The Supreme said:

"O you who believe, observe your duty to Allah and give up what remains (due to you) from usury, if you are (in truth) believers" [2:278]

And He said:

"O you who believe! When you contract a debt for a fixed term, record it in writing"

till He says:

"save in the case when it is actual merchandise which you transfer among yourselves from hand to hand in that case it is no sin for you if you write it not" [2:282]

Thus Islam manifested the manner in which these rules are implemented and the way which secures their limitation with these rules.

The basis of the policy of economics in Islam is built on the basis of satisfying the needs for every individual as a human being who lives in a particular society, and on the earning of the wealth to achieve and augment that which satisfies the needs. Economy in Islam is established on one idea, which is the direction of all actions by the divine rules and is implemented by every individual through the incentive of the fear of Allah, and by the state through direction and legislation.