

# Economic Laws of Islam

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The meticulous care with which Islam has distinguished between right and wrong in respect of the means of earning wealth is not to be found in any other legal or social system existing in the world.

It condemns as illegal all those means of livelihood, which injure, morally or materially, the interest of another individual or of the society as a whole.

Islamic law categorically rejects as illegal the manufacture and sale of liquor and other intoxicants; adultery, professional dancing and obscenity; gambling; speculation; races and lotteries; transactions of speculative, imaginary, fraudulent or controversial nature; business transactions in which the gain of one party is absolutely guaranteed and assured while that of the other party is left uncertain and doubtful; price manipulation by withholding the sale of necessities of life; and many other similar transactions which are detrimental to the interest of the community.

If we examine this aspect of the economic laws of Islam, we will find a long list of practices declared illegal and most of which can make and are making people millionaires in the capitalistic system. Islam forbids all these unfair means and allows freedom of earning wealth only by those means through which a person renders some real and useful service to the community and thereby entitles himself to a fair and just compensation for it.

Islam accepts the rights of ownership of an individual over the wealth earned by him by legitimate means but even these rights are not unqualified. A man can spend his legitimate wealth, only in legitimate avenues and by legitimate means.

Islam has imposed restrictions on expenditure so that while one can lead a decent life, one cannot waste one's riches on luxurious pursuits.

A person cannot transgress the prescribed limits of exhibiting his status and affluence and behave as a super being vis-à-vis other people.

Certain forms of illegal wasteful expenditure have been clearly and unequivocally prohibited while some others, though not expressly banned, may be prohibited at the discretion of the Islamic state.

One is permitted to accumulate wealth that is left over after meeting his legitimate and reasonable requirements and these savings can also be used in producing more wealth but there are some restrictions on both of these activities. In the event of accumulation of wealth he will, of course, have to pay Zakat at the rate of two and a half per cent per annum on the accumulation exceeding the specified minimum.

If he desires to invest it in business he can only do so in what is declared as legitimate business himself or to make his capital available to others on profit-loss sharing basis. It is not at all objectionable in Islam if, working within these limits, a man becomes even a millionaire; rather this will constitute a divine favour.

But in the interest of the community as a whole Islam imposes two conditions on the individual: first, that he should pay Zakat on his commercial goods and Ushr (1-10) of the value of agricultural produce; secondly, that he should deal fairly and honestly with those whom he brings into his partnership in trade, industry or agriculture, with those whom he takes in his employment and with the state and the community at large.

If one does not do justice to others, particularly his employees, of his own accord, the Islamic state will compel him to do so.

Then again, even wealth that is accumulated within these legal limits is not allowed by Islam to be concentrated at one point or place for a long time.

By means of its law of inheritance Islam spreads it over a large number of people from generation to generation.

Islam has made a law under which the wealth accumulated by a person in his lifetime is distributed among all his near relatives soon after his death.

If there are no near relatives then distant relatives are to benefit from it in the proportion laid down by the law for each one of them.

Under this law the creation or continuance of any big family of capitalists or landlords becomes impossible.

If in spite of all the restrictions and conditions stated above, any shred of evil subsists along such accumulation of wealth in one's lifetime then, this last stroke brings an end to that and the society flourishes under a system which allows private property and freedom of enterprise but safeguards collective interests and establishes social justice.

