

The Economic Behavior about Acquisition and Consumption of Wealth: Comparison of Islamic and Secular Viewpoints

*Dr. Naeem ur Rahman Muhammad Yahya

Abstract

Economics is the study of human behavior which deals with economic activities such as how the human beings earn income and how they spend it on fulfillment of their basic materialistic needs. This behavior is concerned with acquisition, production, exchange and distribution of wealth. The research paper explores the comparative economic behaviors in various ideologies such as secular economic organism; capitalism and communism versus Islamic economic system. Although, secular economic structure has inconsistency in certain aspects like ownership and economic freedom; however, they coincide on materialism and satisfaction of basic economic wants. The unrestricted acquisition of wealth and absolute freedom of consumption created many economic problems; concentration of wealth, inequalities, poverty etc. The Islamic economic system is based on different ideology. The economic behavior in Islamic system is not only important from economic perspective but it also has religious significance. It endorses economic freedom and private ownership but in the profound parameters of Halal and Haram, prohibition of interest, obligation of Zakat and principle of moderation in consumption (against extravagance and stinginess) which lead to social justice, poverty eradication, equitable distribution of wealth and propagation of humanitarianism rather than materialism.

Key Words: Economic behavior, Economic freedom, Islamic economic system

Introduction

The economic behavior is one of the most significant aspects of human life. Human beings are always dependent on the satisfaction of certain needs which are called economic needs or more realistically material needs. The economic well-being and fulfillment of basic human needs are related with economic behavior. Economics is the study of human behavior how someone attempts to satisfy the economic needs utilizing the available economic resources. The scarcity of the resources and multiplicity of the wants create the economic problem.

*Assistant Professor, College of Islamic Economics and Finance, Umm Al-Qura University, Makkah Al-Mukarramah (KSA)

Various economic systems endeavor to solve the economic problem. There are three fundamental questions related with the economic problem; what to produce, how to produce and for whom to produce. The capitalism or ‘market economic system’, the Socialism or ‘centrally planned economy’ are the traditional economic systems. The ultimate objective of all the economic systems is to achieve the economic well-being for each and every person in human society. The allocation of resources and equitable distribution of wealth are essentially required for the assurance of sufficient level of subsistence for all the masses. The concept of economic and material wellbeing is different in various economic systems. The traditional viewpoint is that the achievement of certain level of goods and services will ensure the realization of economic wellbeing. The Islamic concept of wellbeing is related with *falah* which is much wider and more comprehensive and not dependent merely on the material goods and services. The goal of economic objective, even in material terms, however has not been achieved. These material goals include poverty alleviation and fulfillment of basic needs for all the humans in any society. ‘No country around the world, irrespective of whether it is rich or poor, has been able to realize even these material goals’.¹ The demise of Socialism in the Soviet Union in 1991 as an economic system, gave a booster to the supporters of the market economic system or capitalism. The system not only failed in securing the material needs, yet it also faced huge crisis and the failure of the system became a reality. The market economic system has showed comparatively better performance and particularly after 1991 when the central planned system collapsed, the promoters of the market system were boosting the relative superiority of their ideas and discourse. However, the market economic system has always been under discussion whenever any big macroeconomic imbalances or huge fluctuations occurred like Great Crash 1930s, South Asian financial crisis in 1997 or global financial crisis in 2008. So the world is still in the pursuit of any system which materializes the dreams of the people in terms of sustained economic development, satisfaction of basic economic needs and alleviation of poverty.

The Islamic economic system is an alternative and it is based on the revelation, revealed knowledge of *Qur’ān* and *Sunnah*. The Islamic tenets comprise all the spheres of human life, the *Qur’ānic* teachings and the prophetic guidance covers every aspect of human behavior. The economic behavior is related with the economic activities; selling and buying, and how to earn money for living and how to spend it. The Islamic system ensures the spiritual and material wellbeing side by side. Ibn al-Qayyim (d- 751 A.H.) a great scholar in Islamic history, states that the basis of *Shari’ah* is wisdom and welfare of the people in this world as

¹ Chapra, M. Umer, (1991), ‘*Islam and the Economic Challenge*’. The Islamic Foundation, Leister, UK

well as in the hereafter. This welfare lies in complete justice, mercy, wellbeing and wisdom. Anything that departs from justice to oppression, from mercy to harshness, from welfare to misery, and from wisdom to folly, has got nothing to do with the *Shari'ah*.²

The achievement of objectives like realization of the material wellbeing and the attainment of sufficiency and equity in the society is the real concern of economics. In the words of Dr. Chapra, (1991), ‘An economy may be said to have attained optimum equity if the goods and services produced are distributed in such a way that the needs of all individuals are adequately satisfied and there is an equitable distribution of income and wealth, without adversely affecting the motivation for work, saving, investment and enterprise’.³ In this article, using critical and comparative analysis of capitalism and socialism, the author has attempted to explore how Islamic doctrines provide the guidance to shape the economic behavior. The validity and comprehensiveness of Islamic principles are for all ages and all aspects of human society. The article explores how these Islamic tenets covers the economic sphere of human life and how these doctrines have an advantageous edge on other philosophies and ideologies. Furthermore, the comparative study of Islamic teachings with its counterparts in the domain of economics also provides an overview to identify the drawbacks of traditional systems and how Islamic economic system can overwhelmingly improve the deteriorating situation of the economic world.

Economics and the Economic Behavior: Secular Viewpoint

The economic behavior is that part of human life which is related with the fulfillment of material needs and satisfaction of economic wants. The economists have defined economics in different ways. Broadly speaking, there are three different types of definitions of economics in conventional economic literature. Adam Smith (1776)⁴ the Scottish economist, known as a pioneer of political economy and Father of Economics in the west, has defined economics in his famous book, ‘*An Inquiry into the Nature and Causes of the Wealth of Nations*’ shortly known as ‘*The Wealth of Nations*’ published in 1776, defined political economy as: a branch of the science of a statesman or legislator [with the twofold objectives of providing] a plentiful revenue or subsistence for the people... [and] to supply the state or commonwealth with a revenue for the public services.⁵

² Ibid

³ Ibid (p. 3)

⁴ Smith, Adam (1776), ‘*An Inquiry into the Nature and Causes of the Wealth of Nations*’ Oxford: Oxford University Press, 1976

⁵ Groenwegen, Peter (2008), “*Political Economy*” in the ‘*The New Palgrave Dictionary of Economics*’ (pp. 476-480)

Alfred Marshall (1890), an English economist who transformed the term political economy to economics, in his famous book *Principles of Economics* published in 1890, defined the term economics; Economics is a study of man in the ordinary business of life. It enquires how he gets his income and how he uses it. Thus, it is on the one side, the study of wealth and on the other and more important side, a part of the study of man.⁶

Robbins' (1932) definition is the most commonly accepted definition of the subject; Economics is a science which studies human behavior as relationship between ends and scarce means which have alternative uses'.⁷

We also have some modern definitions of economics in the dictionaries which are more comprehensive and more sophisticated in terms of economic activities. It states that economics is 'the science that deals with the production, distribution and consumption of goods and services or the material welfare of humankind'. (Dictionary.com). Oxford Dictionary defined economics as 'A social science that studies individual and group decisions on how to use scarce resources to satisfy their wants and needs'.⁸

If we look precisely at the given definitions, we can understand easily that all the definitions majorly and essentially focus on two components; the material wellbeing and satisfaction of economic needs of human kind. Primarily, the definition of Adam Smith seems to be not man-oriented, as it is related with the abundance of the wealth of nations and how to increase the revenue of the country; however, the ultimate objective was to provide goods and services to the public. So, in other words we can say that the material well-being was also the subject matter of this definition. The other definition by Marshall is more man-oriented as compared to Adam Smith's definition. Although, this definition looks to be materialistic as it is related with earning and spending of income and it gives more significance to the income and makes as a major part of the study as a subject matter of the newly established social science. Nevertheless, the definition apparently puts uncompromising emphasis on the most important aspect of this study and that is the material wellbeing of Man, because income is the source of material wellbeing and it is not possible without income. The third definition which is more commonly accepted given by Robbins mainly focused on the behavior of human beings as a relationship between scarce means and multiple ends. It shows that economics is a study of choices and trade-offs between certain economic objectives.

⁶ Marshall, Alfred (1890), '*Principles of Economics*'. Macmillan and Company (pp. 1-2)

⁷ Robbins, Lionel (1932), [2007] '*An Essay on the Nature and Significance of Economic Science*' Ludwig von Mises Institute. (p. 15)

⁸ Dictionary.com available at <https://www.dictionary.com/browse/economis>

Obviously, it is the human behavior that makes these choices and consequently, the basic wants and fundamental needs are given priority and they have to be satisfied before the other needs which are relatively less significant and not much essential, the economists divide them into necessities and luxuries. The modern definition is more comprehensive as it includes major aspects of economic activities like production, distribution and consumption of goods and services and more significantly it is related with material welfare of mankind.

The economic behavior based on these definitions constitutes the economic activities and the interaction of economic agents in the markets like sellers and buyers, producers and consumers, employers and laborers; they all participate in these economic activities. But economic behavior is not something isolated from human values, undoubtedly it is a value-laden concept and many internal and external factors have vigorous impact in the construction of economic behavior; for instance, the philosophy of religions, the ideologies of life, the worldview and the origin of man in this world. The traditional economic systems; capitalism and socialism do not attach due importance to the human values based on faith and religiosity in personification of economic behavior, but the Islamic economic system has its foundations on the components of faith; like *tawhid*, *risalḥ*, and hereafter etc. It is important to note that the concept of wellbeing is also different in Islamic perspective, the perception of *falah* and *hayate tayyibah* is more appropriate and more comprehensive in terms of both materialistic and spiritual aspects of economic welfare. The materialistic view of wellbeing is different from Islamic view because of the philosophical understanding of worldview and place of man in this universe as it is endorsed in Western ideology, namely the Enlightenment movement.

In Europe, the Enlightenment movement started in the 17th century and continued until 19th century and it had profound impact on all the aspects of human life. Almost, all the human values were affected by new ideology which was regarded as ‘Age of Reason’ and religion and religious thoughts including cultural values were made insignificant and irrelevant to the human society. The anti-clerical sentiment was so vigorous in the Christian church that revealed manuscripts became useless and obsolete.⁹ The accumulated experience became the basis of scientific knowledge. There was rigorous confrontation between religion and proponents of faith and materialists and advocates of scientific reasoning. The materialists argued that the universe seemed to determine its own course without God’s intervention. The idea of separation of Church and state was endorsed overwhelmingly. The knowledge based on scientific research gained authenticity and popularity whereas revelation became tales of the past. The philosophers and

⁹ Chapra, M. Umer, (1991), ‘*Islam and the Economic Challenge*’. The Islamic Foundation, Leister, UK

thinkers in Europe began to emphasize the importance of science and reason, rather than religion and tradition. Immanuel Kant (1784) defines enlightenment as humankind’s release from its self-incurred immaturity, “immaturity is the inability to use one’s own understanding without the guidance of another”.¹⁰ He identifies enlightenment with the process of undertaking to think for oneself, to employ and rely on one’s own intellectual capacities in determining what to believe and how to act.¹¹ So, the rational foundation and scientific research became the basis of human knowledge. Max Weber (1932)¹² argued that the scientific knowledge had to be value-free, because values could not be established empirically. David Hume (1748)¹³ suggested burning all the books which do not deal with the observable and quantifiable phenomena.¹⁴

Materialism and Utilitarianism obtained a lot of significance like gravity in the universal system and the mechanical concept of the universe also treated human beings like mechanical units. Rationality and self-interest became the driving force for all human activities and particularly in economic activities. Although, the rationale and even the self-interest is not well-defined and thought provoked concepts in this new ideology. Social Darwinism was major determinant and pivotal force in building the social concepts of the society. Dr. Chapra (1991) wrote ‘Capitalism thus became a system which gave highest value to unfettered freedom to enable the individual to pursue his self-interest and to maximize his wealth and want satisfaction’.¹⁵ He pointed out that Social Darwinism emphasized that the unrestricted free competition between individuals in an open market economy would be the best guarantee of general welfare. The proponent of Enlightenment movement in Scotland, the classical economist Adam Smith (1776)¹⁶ argues that all the human beings are rational and everyone is acting to pursue the self-interest in materializing economic wellbeing. According to Max

¹⁰ Kant, I. (1784), ‘*What is Enlightenment?*’ in *Foundations of Metaphysics of Morals and What is Enlightenment*, tr. By L.W. Beck, New York: Liberal Arts Press, 1959

¹¹ Bristow, Williams. (2017), “*Enlightenment*”, *The Stanford Encyclopedia of Philosophy* (Fall 2017 Edition), Edward N. Zalta (ed.) URL <https://plato.stanford.edu/archives/fall2017/entries/enlightenment>

¹² As mentioned by Robbins, Lionel (1932), [2007] ‘*An Essay on the Nature and Significance of Economic Science*’ Ludwig von Mises Institute. Also, by Lowith, Karl, (1932), ‘Max Weber and Karl Marx’ Routledge, 1993

¹³ Hume, David. (1748), ‘*An Enquiry Concerning Human Understanding*’, London: A.Millar, Retrieved 28th June 2014. via Google Books

¹⁴ Khan, Dilawar, (2014) ‘*Ethics and Morality in Education*’, Available <https://azprojects.wordpress.com/2020/02/04/ethics-and-morality-in-education>

¹⁵ Chapra, M. Umer, (1991), ‘*Islam and the Economic Challenge*’. The Islamic Foundation, Leister, UK p. 32

¹⁶ Smith, Adam (1776), ‘*An Inquiry into the Nature and Causes of the Wealth of Nations*’ Oxford: Oxford University Press, 1976

Weber 1930,¹⁷ the spirit of capitalism is the pursuit of wealth, the making of money. The capitalistic perspective pays more emphasis on the accumulation of wealth and self-interest of every human being which is supposed to be rational and the economists are not concerned with human values like socio-economic justice, equitable distribution of wealth and moral economy etc. Because to them Economics is a positive social science and value judgments are not in the jurisdiction of economists to introduce changes in the society which are concerned with human values. Asad Zaman (2008)¹⁸ argues that ‘The transition from religious to secular thought in Europe deeply influenced the development of social science Secular thought emphasized the diversity of human goals and the primacy of freedom to choose. Wealth was seen as an essential component of freedom as it allows the individuals to do whatever they desire. Thus the pursuit of wealth became a social goal and a means of obtaining maximum freedom in secular society.¹⁹ The absolute freedom in the capitalist society created all those problems for which the Great Crash 1930s caused vigorous macro imbalances and the Keynesian revolution emerged in the economic discipline. Consequently, the capitalistic society based on this materialism and self-interest and absolute freedom became a means of exploitation of those who were less-advantaged. Therefore, the principal argument in the analysis of Carl Marx was the exploitation of the proletariat by the bourgeoisie as discussed by Dr Chapra (1991).²⁰ He says that ‘The proletariats are the industrial workers who lack their own means become subject to wage slavery, selling their labor to live. The bourgeoisie are the capitalists, the owners of the means of production. While the economic value comes from the proletariat, they do not more than a subsistence wage, a wage which is just enough to keep them alive and reproducing themselves’.²¹

Of course, capitalism and socialism are two extremes and opposing to each other, the both systems are not prevailing in their purest form anywhere in the world. However, planned capitalism and democratic socialism are new versions of these economic systems and despite these amendments and modifications; the economic wellbeing has not been ensured yet. The accumulation of wealth is the

¹⁷ Weber, Max (1930) *The Protestant Ethic and the Spirit of Capitalism*, Transl. Parsons, Talcott, London: Allen and Unwin.

¹⁸ Zaman, Asad. (2008), *Islamic Economics: A Survey of the Literature*. Available at <https://mpra.ub.uni.muenchen.de/11024/>

¹⁹ Zaman, Asad. (2008), *Islamic Economics: A Survey of the Literature*. Available at <https://mpra.ub.uni.muenchen.de/11024/>

²⁰ Chapra, M. Umer, (1991), ‘*Islam and the Economic Challenge*’. The Islamic Foundation, Leister, UK

²¹ Ibid p72-73

focal point of capitalistic society whereas the central to Islamic economics is the spirit of the service, and spending on others.²²

In the western secular thought, the concept of religion, the sense of self-accountability, the supreme power of God and the continuity of the life in the hereafter, tranquility and spirituality, brotherhood and fraternity, equitable distribution of wealth and social justice were outdated and old fashioned aspects of human life. Because these perceptions are not directly concerned with material welfare and self-interest so they don't have much importance in economic activity.

The Islamic concept of social welfare and economic wellbeing is completely different, and it is based on Islamic viewpoint of the world, the origin of this universe, the role of man in the world as vicegerent of God, the sense of self-accountability, the life in the hereafter and the concept of remuneration and retribution for the deeds in this world.

In the following section we discuss that how Islamic concept of economic behavior differs from its counterpart in capitalistic system which has not been able to solve the economic and financial problems despite all the modifications and alterations in the fundamental philosophy of capitalism, particularly after the occurrence of several financial and economic crisis.

The Islamic Economic Behavior

The economic behavior in Islam is that aspect of human life which is concerned with how a human earns money and how he spends it for the accomplishment of economic wellbeing and satisfaction of basic human needs. More sophisticatedly it is related with production, consumption and distribution of wealth. It is noteworthy that Islamic economic behavior is not based merely on self-interest or materialistic concept of wellbeing as in capitalism. It is not confined only to the worldly benefit or physical sensations and material wellbeing. The economic behavior of a Muslim has a greater concern and a stronger link with human values, moral economy, social justice, efficiency and equity are some of the significant ideals which have profound affiliation with economic behavior. Accumulation and concentration of wealth is the focal point of capitalistic society whereas the spirit of Islamic economic system is spending on others and rather than concentration of wealth it emphasizes on distribution of wealth so all the members in the society can attain the socio-economic wellbeing and ensure the satisfaction of basic human needs.

The concept of earning income and spending in Islamic perception is not only important from economic perspective but it has a great significance in someone's life from religious point of view. The Messenger of Allah (pbuh) said that on the

²² Zaman, Asad (2015), *Building Genuine Islamic Financial Institutions*, in Journal of Islamic Economics, Banking and Finance, Volume 11, Number 2 (April-June, 2015) pp 13-32

Day of Judgment, the four most important and fundamental questions which would be asked, one of them is concerned with money;

لا تزول قدما عبد يوم القيامة حتى يسأل عن أربع ، عن عمره فيما أفناه ، وعن علمه ما عمل به ، وعن ماله من أين اكتسبه وفيما أنفقه وعن شبابه فيما أبلاه . (الترمذي - رقم الحديث - 2417)²³

“The feet of a servant will not move on the Day of Judgment until he is questioned about four things; about how he spent his life, about how he practiced according to his knowledge, about where his money was earned from and where he spent it and about how his youth was spent.”

Islam is a complete code of life, it is not confined to only *Salah, Sawm, Hajj* and other acts of worship, but it also comprises of all the spheres of human life. The economic activities and socioeconomic behavior, if they are in compliance with Islamic *Shari’ah* they are also regarded as acts of worship. The pursuit of sustenance and earning of provisions of life in accordance with the principles of Islamic *Shari’ah* and in seeking the pleasure of Allah then it is considered an act of *Iba’dah*. The human life is a combination of material and spiritual aspects and Islamic ideology in terms of guidance takes care of both aspects.

The capitalistic economic behavior puts emphasis only on the materialistic aspect which is purely a worldly aspect, while Islamic behavior concerns both spiritual and materialistic aspects. The concept of *Halal* and *Haram* has great significance in Islamic economic system, and so is its impact on economic behavior. In the capitalistic and western secular system there is not any concept of *Halal* and *Haram* and moral values don’t have any significance in terms of economic activity. The only objective is maximization of self-interest in terms of material wellbeing; wealth accumulation and personal consumption, and ultimately satisfaction of materialistic human wants. In Islam, you have complete freedom to satisfy your genuine desires but in a *Halal* way. Allah, the Exalted has revealed in *Qur’ān*;

"يا أيها الناس كلوا مما في الأرض حلالا طيبا و لا تتبعوا خطوات الشيطان، إنه لكم عدو مبين". (البقرة-²⁴168)

O mankind, eat from whatever on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy.

Also Allah, the Almighty, said in the same *Surah* as following;

"يا أيها الذين آمنوا كلوا من طيبات ما رزقناكم واشكروا لله إن كنتم إياه تعبدون". (البقرة- 172)²⁵

O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship.

²³ Al-Tirmadhi, Mohammad Bin Esa’ (d.279), ‘*Sunan Al-Tirmadhi*’ Maktaba Mustafa Al-ba’bi, Egypt, 1975

²⁴ Al-*Qur’ān* (2:168)

²⁵ Al-*Qur’ān* (2: 172)

In *Qur’ān*, Allah, the Exalted mentioning the features and functions of the Prophet Mohammad (pbuh) described as following;

...يأمرهم بالمعروف وينهاهم عن المنكر ويحل لهم الطيبات ويحرم عليهم الخبائث ويضع عنهم إصرهم والأغلال التي كانت عليهم. (الأعراف- 157)²⁶

Who enjoins upon them what is right and forbids them what is wrong and makes lawful for them the good things and prohibits for them the evil and relieves them of their burden and the shackles which were upon them.

These are some of the characteristics of the Prophet Mohammad (pbuh) mentioned in *Qur’ān* and also in Torah and Bible. The Messenger of Allah permits only those things which are good and they are *Halal* things. Imam *Ibn Kathir* in his well-known book of *Tafseer* (commentary) of *Qur’ān* described that the scholars had the unanimous opinion that ‘all which Allah has made *Halal* from edible things is good and useful for nourishment and spiritual development, and everything which Allah has declared as *Haram* is malicious and harmful to human body and spiritual development (Ibn Kathir, 2, 349).²⁷ The concept of *Halal* and *Haram* is much wider and it has more comprehensive and sophisticated implications both on individual and society. Formerly, it has already been discussed that any harmful thing is *Haram* because it causes harm to the individual, but any activity or transaction that could be beneficial for the individual but harmful to the society it is regarded as *Haram*. The Messenger of Allah (pbuh) said;

لا ضرر ولا ضرار في الاسلام. (الباني- أرواء الغليل 3\411)²⁸

There is no harm to oneself and no harm to others in Islam.

The same concept has also been mentioned in *Qur’ān* when the prohibition of interest was revealed in *Surah Al-Baqra* ;

وإن تبتم فلکم رءوس أموالکم لا تظلمون ولا تظلمون. (البقرة- 279)²⁹

But if you repent, you may have your principal-[thus} you do no wrong, nor are you wronged.

So all the rulings about unlawful and *Haram* are either related with malicious and harmful things to human body or if there is any injustice to anyone in the society then it is also declared as illegitimate and unlawful. The economic activity regarding earning and eating *Halal* has great significance in Islam and the acceptance of *Ibadah* is conditional with this activity. The Messenger of Allah (pbuh) said as narrated by Abu Huraira in *Sahih Muslim*;

²⁶ Al *Qur’ān* 7:157

²⁷ Ibn Kathir, Abul Fida’ Ismail (774 A.H.) *Tafseer Al Qur’ān Al Azeem*, Dar Tayyiba Li Nashr Wa Tawzie 1999

²⁸ Al-Ba’ni, Mohammad Nasir ud Din, ‘*Irwa’u al-Ghalil Fi Takhreej Ahadith Manar al-Sabeel*,’ al-Maktab al-Islami, Beirut, 1985

²⁹ Al *Qur’ān* 2: 279

يا أيها الناس إن الله طيب لا يقبل إلا طيبا و إن الله أمر المؤمنين بما أمر به المرسلين، ... ثم ذكر: الرجل يطيل السفر أشعث أغبر، يمد يديه إلى السماء : يا رب ! يا رب ! ومطعمه حرام، ومشربه حرام، وغذي بالحرام فأنى يستجاب له؟ (صحيح مسلم- رقم الحديث 1015)³⁰

O people, indeed Allah is Clean and Pure and does not accept anything except if it is pure and clean. And Allah has commanded the believers for what He has commanded the prophets... then [The Prophet (pbuh)] mentioned a man who travels long distance, shaggy and dusty, stretches his hands towards the heaven calling upon Allah , “Oh my Lord Oh my Lord”, and his food is Haram, his drink is Haram, his body was nourished with Haram, so how his supplication would be responded.

This *Hadith* lays a great significance on earning *Halal* sustenance as the acceptance of *Ibadah* and also supplications depend on eating *Halal* food. The commodities which have been declared *Haram* in *Shari’ah*, their eating is *Haram* and furthermore dealing with them in trade or manufacturing or even in carriage and transportation is also *Haram*. Islam has taken this step to close all the possible opportunities of acquisition of any worldly benefit or materialistic gain from illegal or unlawful ways. Abdullah Bin Abba’s narrates from the Messenger of Allah (pbuh);

لعن الله اليهود – ثلاثا – إن الله حرم عليهم الشحوم فباعوها ، وأكلوا أثمانها ، إن الله إذا حرم على قوم أكل شيء ، حرم عليهم ثمنه. (سنن أبي داود- رقم الحديث 3488)³¹

The curse of Allah be upon the Jews – thrice – indeed Allah declared fats of the animals Haram upon them, they sold it and ate its money value. When Allah declares eating of anything Haram upon the people then sale of it is also Haram.

On numerous occasions the sanctity of wealth and blood has been prescribed in *Qur’ān* and *Hadith*, so the people do not take anyone’s money but in a *Halal* way, complete legality and legitimacy from moral and *Shari’ah* perspectives. The permissibility of trading activities based on mutual consent and giving benefit to each other is the desirable goal of *Shari’ah* so that people can gain the benefits from each other in terms of economic perspective. Allah, the Exalted, mentioned in *Qur’ān* how the trading activities ought to be accomplished;

يا أيها الذين آمنوا لا تأكلوا أموالكم بينكم بالباطل إلا أن تكون تجارة عن تراض منكم ، ولا تقتلوا أنفسكم ، إن الله كان بكم رحيمًا . ومن يفعل ذلك عدوانا وظلما فسوف نصليه نارا ، وكان ذلك على الله يسيرا. (النساء – 29،30)³²

O you who have believed, do no consume one another’s wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one

³⁰ Muslim bin Al-Hajjaj, Abul Hasan (d. 261 A.H.) *Al Musnad Al Sahih*, Dar Ihya Al Turath Al Arabi

³¹ Abu Daud, Suleman Bin Al Asha’th , (d. 275 A.H.) *Sunan Abi Daud*, Al Maktaba Al Asariyyah Beirut

³² Al *Qur’ān* 4:29,30

another. Indeed, Allah is to you ever Merciful. And whoever does that in aggression and injustice- then we will drive him into a Fire. And that, for Allah is [always] easy.

So, giving benefit and taking advantage from each other is the essential foundation business and trade. The Messenger of Allah (pbuh) declared it *Haram* to take money without offering any goods or services to anyone in terms of economic benefit. Also, swearing by Allah to deceive the people, or telling lies in trading for attainment of any money, or by selling anything faulty from the commodities and products without describing its fault is also *Haram*.

لا يحل لامرئ أن يأخذ مال أخيه بغير حقه ، وذلك لما حرم الله مال المسلم على المسلم . (المسند- 23605)³³

It is not lawful for anyone to take money of his brother without justification, and that is because Allah has declared the wealth of a Muslim upon another Muslim, Haram.

ومن حلف على يمين كاذبا ليقتطع مال أخيه ، لقي الله عز وجل وهو عليه غضبان. (البخاري- 5240)³⁴

If anyone swears falsely to get wealth of his brother, he will face the anger of Allah upon meeting Him.

The above mentioned *Aha'dith* explicitly reiterate that taking and earning money or wealth of anyone else without offering any service or commodity or by swearing falsely or telling lies, or deceiving or cheating is completely *Haram*. These are the tenets of Islam and teachings of the Messenger of Allah (pbuh) related with lawful and unlawful economic activities concerned with economic behavior and acquisition of wealth. On the contrary, in western secular economic activities we don't find any concept of *Halal* and *Haram* and moreover, there is not any example of such minute details of economic behavior. The acquisition of wealth and its accumulation is very popular economic behavior in the secular conventional economics, and the attainment of wealth does not require any consideration of others; whether the source of acquisition is beneficial for others or harmful from social perspective. As it has already been mentioned in the discussion of the Enlightenment project of Europe, the rational man is curious and interested only for self-interest in the material sense, whereas, human values or moral aspects of human life have got nothing to do with the discipline of economics as it is a positive science and not normative one.

Another important aspect of the economic behavior is concerned with the nature of ownership of wealth. In the prevailing secular economic systems; capitalism and socialism, there are two concepts of ownership; private and state ownership.

³³ Ahmad , Abu Abdullah A. Bin Hambal (d. 241), *Musnad Al Imam Ahmad Bin Hambal*, Muasasah Al Risalah 2001

³⁴ Al Bukhari, Mohammad Bin Ismail (d. 256 A.H.), *Sahih Al Bukhari*, Dar Ibn Kathir, Beirut 2002

The capitalism as it is also called market economic system or laissez fair economy allows private ownership without any restrictions and conditions, whereas socialism emphasizes only on state ownership and does not allow private ownership at all. In pure capitalism, the state ownership is not acceptable as the role of state is passive and not active. As it is apparent, the pure capitalistic system does not exist anywhere in the world economies, numerous modifications and several amendments have taken place in the contemporary market economic system which is another name of capitalism. Based on these alterations, sometimes it is referred to 'mixed market economy' or 'democratic socialism'. However, the Islamic concept of ownership is completely different from both of these secular economic behaviors. The fundamental and the crucial difference is about the nature of ownership; the real ownership and absolute ownership. Apart from the nature of ownership, the Islamic economic system endorses both private and state ownership. But the absolute and ultimate ownership belongs to Allah because He is the Creator of the wealth.

Allah the Exalted, revealed in *Qur'ān* that everything belongs to him, He is the Owner;

³⁵ولله ما في السموات وما في الأرض (البقرة- 284)

To Allah belongs whatever is in the heavens and whatever is in the earth.

Also He mentioned in *Surah al-Ina'm*,

³⁶قل لمن ما في السموات والأرض، قل لله (الأنعام- 12)

Say, "To whom belongs whatever is in the heavens and earth?" Say, "To Allah".

³⁷وله ما سكن في الليل والنهار (الأنعام- 13)

And to Him belongs that which reposes by night and by day.

In these verses and many other verses like them, in general, it has been mentioned that whatsoever is on the face of earth it belongs to Allah, the Exalted, because he is the only Creator. Allah the Exalted mentioned in *Qur'ān* on numerous occasions that everything has been created by Allah in this universe. The Conventional and secular economic systems have got nothing to do with the creation of Allah, and they have no concern with this basic and fundamental part of belief in Islamic economic system and even if there is any concept of the origin and creation of this universe, Social Darwinism and Big Bang theories are the foundations of their conjecture.³⁸ So the absolute ownership either belongs to the individuals or group of individuals as private ownership or to the government as a state ownership. The Islamic concept that all that exists belongs to Allah as He is

³⁵ Al *Qur'ān* 2: 284

³⁶ Al *Qur'ān* 6: 12

³⁷ Al *Qur'ān* 6: 13

³⁸ Chapra, M. Umer, (1991), '*Islam and the Economic Challenge*'. The Islamic Foundation, Leister, UK

the creator and human being is also a creation of Allah on the earth and is acting as a trustee does not align with conventional economic systems. There is manifest declaration about the creation of this universe and whatsoever is in it in *Qur'ān*. Allah, the Exalted said;

إن ربكم الله الذي خلق السماوات والأرض في ستة أيام، ثم استوى على العرش، (الأعراف-54، يونس-39)³⁹

Indeed, your lord is Allah, who created the heavens and earth in six days and then established Himself above the Throne.

الله الذي خلق السماوات والأرض وما بينهما في ستة أيام، ثم استوى على العرش (السجدة-4)⁴⁰

It is Allah who created the heavens and the earth and whatever is between in them in six days, then He established Himself above the Throne.

الله الذي خلق سبع سماوات ومن الأرض مثلهن، ينزل الأمر بينهن (الطلاق-12)⁴¹

It is Allah who created seven heavens and of the earth, the like of them.

ذلكم الله ربكم خالق كل شيء، لا إله الا هو (غافر-62)⁴²

That is Allah, your Lord, Creator of all things, there is no deity (worthy of worship) except Him.

The concept of ownership specifically related with the wealth has also been mentioned in *Qur'ān*;

وآتوهم من مال الله الذي آتاكم (النور-33)⁴³

And give them from the wealth of Allah which he has given you.

So, according to this verse, the wealth also belongs to Allah, and Allah has granted this to the people to utilize it and get the benefit out of it. The position of 'Man' on the earth is as vicegerent of Allah; therefore he is a trustee of the wealth and is supposed to use it in accordance with the rulings of *Shari'ah*. The acquisition of wealth is permissible and encouraged but it has to be in compliance with *Shari'ah*. Moreover, the accumulation of wealth is also permissible and lawful if it has been acquired by implementing the rules of Islamic law. The provision of life and sustenance is regarded as bounty of Allah if Islamic procedures have been followed in the attainment of this wealth. Allah the Exalted, revealed in *Qur'ān* permitting business and trade activities while performing the rituals of Hajj;

ليس عليكم جناح أن تبتغوا فضلا من ربكم، فإذا أفضت من عرفات فاذكروا الله عند المشعر الحرام. (البقرة-198)⁴⁴

³⁹ Al *Qur'ān* 7: 54, 10: 3

⁴⁰ Al *Qur'ān* 32: 4

⁴¹ Al *Qur'ān* 65: 12

⁴² Al *Qur'ān* 40: 62

⁴³ Al *Qur'ān* 24: 33

⁴⁴ Al *Qur'ān* 2: 198

There is no blame upon you for seeking bounty from your Lord [during Hajj]. But when you depart from Arafat, remember Allah at al-Mash'ar al-Haram.

The ruling about Friday prayer is that when the call for Friday prayer has been said then don't get involved in trade or business transactions and come to the prayer. But when the Friday prayer has been completed then disperse in the land to seek the provisions of life. Allah the Exalted mentioned in *Qur'ān*;

فإذا قضيت الصلوة فانتشروا في الأرض وابتغوا من فضل الله واذكروا الله كثيرا لعلكم تفلحون. (الجمعة – 10)⁴⁵

And when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed.

So, in these verses seeking sustenance in a lawful and justifiable conduct is a blessing of Allah. The economic behavior about earning money and wealth has great significance in Islamic economic system. In conventional secular economics the engagement in economic activity is a matter of worldly gains and material wellbeing only. But in Islamic economic system, it is not only a means of fulfillment of material and economic needs and satisfaction of physical wants but it is an obligation from Allah to earn wealth and money so that one can feed himself and his family members and spend on the basic needs of the family. Allah the Exalted mentioned in another *Surah* in the following words;

هو الذي جعل لكم الأرض ذلولا فامشوا في مناكبها وكلوا من رزقه وإليه النشور. (الملك: 15)⁴⁶

It is He who made the earth tame for you- so walk among its slopes and eat of His provision- and to him is the resurrection.

It is a commandment from Allah the Exalted to strive hard for seeking provision and sustenance of life. In Islam *Jihad* is an act of *Ibadah* which has great excellence and reward. It constitutes any effort to raise the Word of Allah including fighting with disbelievers. But the economic behavior based on economic activity where somebody is working to earn *Halal* money to feed his family is also regarded as being in state of *Jihad*. Abu Hurairah narrates from the Messenger of Allah;

من سعى على والديه ففي سبيل الله ، ومن سعى على عياله ففي سبيل الله ، [ومن سعى على نفسه ليعفيها فهو في سبيل الله] ، ومن سعى مكثارا ففي سبيل الطاغوت ، وفي رواية : سبيل الشيطان. (أخرجه البيهقي- 18280 ، السلسلة الصحيحة- 2232)⁴⁷

If anyone is striving to feed his parents he is in the cause of Allah, if someone is striving to feed his family he is in the cause of Allah, if someone is striving to protect himself from begging he is in the cause of Allah, and if someone is striving to earn money for showoff and pride then he is the cause of Satan.

⁴⁵ Al *Qur'ān* 62: 10

⁴⁶ Al *Qur'ān* 67: 15

⁴⁷ Al Bani, Mohammad Nasir u Din (d.1420 A.H.) 'Silsalatu Al Aha'dith Al Sahiha,' Maktaba Al Ma'araf Li Nashr Wa Tawzie, Riyadh 1415

The *Hadith* of the Prophet (pbuh) describes great significance of engaging in economic activities and earning livelihood for your families; your parents and your children and other dependents. The context of the *Hadith* tells that a young man with very strong physique was passing by and the companions of Prophet (pbuh) were surprised to see the physical strength and they said to the Prophet (pbuh) how good and useful it would be if this man was fighting in Jihad for the cause of Allah to raise the word of Allah. So, the Prophet (pbuh) replied that if he was striving for earning *Halal* livelihood and provision of life for the family then he was in the cause of Allah. It is apparent from the rulings of *Qur’ān* and *Sunnah* that the Islamic economic behavior is inclusive of both aspects; not only material satisfaction but also spiritual tranquility which is much more than just physical satisfaction, sensual pleasure or material wellbeing.

The acquisition of wealth in secular economic behavior does not have any spiritual aspect. It is satisfaction of economic needs and gratification of sensual desires. Furthermore, this accumulation of wealth is human greed which can never be accomplished despite somebody has got huge amount of money as the statistics show some ridiculous figures of concentration of wealth in capitalistic societies. The enormous concentration of wealth in few hands and inequitable distribution of income have become an alarming situation and a threat to the system in the capitalistic world. Despite the fact that the Islamic economic system has many remedial measures to prevent unhealthy and unjust concentration of wealth in few hands and lays profound emphasis on the equitable distribution of income, the situation in the Muslim world does not seem to be different in terms of unequal distribution of wealth. In Muslim societies, the social disparities and huge class differences from economic perspective are as common as in capitalistic economies. The disbursement of *Zakat* and prohibition of *Riba* although being a religious obligation have not been implemented upon passionately and meticulously in the Muslim countries.

In secular capitalistic economic system, the concentration of wealth in few hands has become a major economic problem which has drawn the attention of many in the discipline of economics. In a report published in the Guardian UK, Mark Goldring (2017)⁴⁸ wrote about the inequality in the economic system which is getting worse and it is alarming for the smooth functioning of any economic system. According the report the inequality is the biggest threat to the global economy. The report says that 800 million people- one in nine- across the world go to bed hungry or undernourished. The overwhelming poverty is still the major

⁴⁸ Goldring, Mark 2017, *Eight men own more than 3.6 billion people do: our economics is broken*. The Gaurdian 16th Jan 2017. Available at <https://theguardian.com/commentisfree/2017/jan/16/eight-people-earn-more-billion-economics-broken>

trepidation of the world economy. One aspect of this unjust system is that so many people are forced to go to bed hungry and they don't have proper food to eat and on the other hand, only 8 men own the same wealth as the poorest half of the world's population. Undoubtedly, among these eight billionaires include some of the world's largest philanthropists and they have outspokenly addressed the shocking scale of inequality. It is not the fault of these eight men, who have attained this much wealth and accumulated it in huge amount, they are not the cause of poverty, but it is the broken and unjust system which has caused this injudicious and inequitable distribution of wealth. A proper and just economic system requires the companies to be contributors to society rather than extract wealth from it.

Although, a proponent of capitalism and critic of Islamic economic system, Prof. Hans Visser (2019),⁴⁹ tried to defend the capitalistic system in terms of human values and inequitable distribution of wealth. He acknowledges that capitalism has an orientation to the accumulation of wealth. But he argues that the greed for gain is not the exclusive province of capitalists. He believes that the political power corrupts at least to the same degree, if not more. To his suggestion, the important and effective way of countervailing power is the creation of civil society and role of NGOs in the human society. He does not see any difference between Islamic economic system and capitalism in reality from practical perspective. He suggests that decentralization of power, ownership and decision making can help to achieve the desired objectives in a civil society. To him, there are two issues where Islamic economic system still has a lot of catching up to do (a) ESG (Environmental, Social and Governance), (b) income distribution. In ESG it includes CSR (Corporate Social Responsibility) and SRI (Socially Responsible Investment). He argues that the ethical basis of Islamic economic system do not make a big difference, because the ethical values are prevailing in other systems as well and not necessarily they have to be extracted from the foundation of any religion.

The role of charitable organizations and non-profit NGOs is extremely crucial in disbursement of resources and fulfillment of basic economic needs in some capitalistic countries. For instance, only in the UK, the charity organizations registered with the Charity Commission of England and Wales in the year 2017 were 168,237. These charities provide different kind of social services mainly in food, health, education and housing sectors. In the United Kingdom, in the year

⁴⁹ Visser, Hans 2019, The Islamic Economy: its origin, its worldview and its claims, Central European Review of Economics and Management Vol. 3, No. 4, 53-89, December 2019. ISSN 2543-9472

2019 approximately 1.6 million used a food bank by Trussell Trust.⁵⁰ In a report published by David Craig (2014), in the Daily Mail UK it was stated that more than 195,289 charities in the UK were raising close to 80 billion sterling pounds. The number of charities expanded enormously in the last two decades. In Ethiopia two decades ago only 70 international charities were operating and in the year 2014 the figure was close to 5000.⁵¹ Yet the expansion of all this charity work which has been developed as an industry all over the world, unfortunately the poverty still has not been eradicated in the most parts of the world. As it has already been mentioned 800 million people go to the bed either hungry or undernourished every day.

The undeniable fact is that the Islamic economic system is not merely comprised of ethical values and social norms as in case of NGOs and charity organizations in the capitalistic world. The nature of charity work is volunteer and not an obligation. The obligatory aspect and legality of any social and economic activity in an economic system makes it more significant and efficient. In the Islamic economic system, the ethical values concerned with economic behavior are religious obligations, the *Shari'ah* law is there to ensure that these obligations are enacted. The synthesis of *Shari'ah* law with inherent force of *Iman* in a believer will make sure that there are not violations or breach of the Islamic economic system and *Iman* and *Shari'ah* law both endorse these socio-economic principles of morality and ethical values of Islamic economic system. The motivational force of *Iman* is a big encouragement which is a kind of internal stimulus for the economic behavior in Islamic economic system. Furthermore, the law of *Shari'ah* and the dynamic role of the state based on the principle of enjoining the good and prohibition of evil and enforcement of social justice in terms of disbursement of *Zakat* and prohibition of interest can rectify the ailing circumstances of any broken economy. The role of government in capitalism is not very active, rather it is passive and without any intervention. The invisible hand of Adam Smith's theory plays important role in rectifying imbalances in the economic system. The absolute economic freedom and the rationale of self-interest in the theory of Utilitarianism are more important than the role of the state. The role of state is supposed to be the maintenance of law and order and ensuring the sanctity of life and property.⁵²

⁵⁰ Charity Commission of England and Wales, also available

<https://www.statista.com/statistics/283464/nu>

⁵¹ Craig, David (2014), *The Great British rake-off...what really happens to the billions YOU donate to charity*: The Daily Mail, 15th Nov 2014 Available at

<https://www.dailymail.co.uk/news/artcle-2835>

⁵² Smith, Adam (1776), *An Inquiry into the Nature and Causes of the Wealth of Nations* Oxford: Oxford University Press, 1976

The Keynesian revolution in the wake of the Great Crash of 1930s in economic history was also confined to the fiscal role of the government.⁵³ To him the major topic of discussion in the economic theory was the macroeconomic imbalances. The classical economists argued that in the long run all the problems would be solved if we provide economic freedom and the government does not intervene in the economic activities. Keynes refutes this argument saying that in the long run all of us would be dead, so no point of any reforms and rectification in the system. Lord Keynes (1936) advocated the use of fiscal and monetary policies to moderate the adverse impact of economic recessions and depressions. The poverty alleviation, social justice, and equitable distribution of wealth were not in main the discourse of the subject matter of the book.⁵⁴

The concept of absolute economic freedom without any moral and legal restrictions is not a modern concept of contemporary capitalism; it was mentioned in *Qur'ān* among the people of Prophet *Shu'ayb* (pbuh) in *Surah Hud* as following;

قالوا يا شعيب أصلوئك تأمرك أن نترك ما يعبد آباؤنا أو أن نفعل في أموالنا ما نشاء ، إنك لأنت الحليم الرشيد. (هود-87)⁵⁵

They said, "O Shu'ayb, does your prayer command you we should leave what our fathers worship or not do with our wealth we please? Indeed, you are the forbearing, discerning.

The verse reveals that absolute freedom in economic activity and dealing with wealth according to their wishes and desires and not accepting any guidance or instruction from the revealed knowledge of the Prophet *Shu'ayb* and worshiping idols was the main behavior of the people of *Shu'ayb* (pbuh) which has been condemned here. Specifically, apart from polytheism, their major mischief in the land was to do economic injustice to other people. The mind set behind this economic behavior is that it is my money so I can do whatever I want. In the similar context, another story mentioned in *Qur'ān* is that of *Qa'run* from the people of Prophet *Musa* (pbuh). He was blessed with abundance of wealth and good fortunes. As mentioned in *Qur'ān* the keys of the treasures were carried by number of people. The fellow men asked him as Allah had done good to you, you also do good to other fellow brethren and give them their rights from your wealth. Allah the Exalted, revealed in *Qur'ān* as stated in the following verses;

وابتغ فيما آتاك الله الدار الآخرة ، ولا تنس نصيبك من الدنيا، وأحسن كما أحسن الله إليك، ولا تبغ الفساد في الأرض، إن الله لا يحب المفسدين. قال إنما أوتيته على علم عندي، أولم يعلم أن الله قد أهلك من قبله من القرون من هو أشد منه قوة وأكثر جمعا، ولا يسئل عن ذنوبهم المجرمون. (القصص- 77،78)⁵⁶

⁵³ Keynes J.M. (1936), 'The General Theory of Employment, Interest and Money', Macmillan London

⁵⁴ Ibid

⁵⁵ Al *Qur'ān* 11: 87

But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done good to you. And desire not corruption in the land. Indeed, Allah does not like corruptors. He said, “I was only given it because of knowledge I have.” Did he not know that Allah had destroyed before him of generations those who were greater than him in power and greater in accumulation [of wealth]? But the criminals, about their sins, will not be asked.

The absolute freedom in economic activity is a salient feature and a prominent distinction of capitalistic economic system. The history of economic crisis and major macro economic imbalances that created huge economic problems in different parts and in various eras of history show that absolute economic freedom without intervention by the government caused many problems. The invisible hand of Adam Smith⁵⁷ was not able to solve the problems in the economic system. The passive role of the state was not enough to solve the problems based on economic freedom. The Keynesian⁵⁸ revolution in economic thought in the wake of Great Depression was a remarkable development but mainly it was not more than the use of monetary and fiscal policies in the capitalistic economic system and the role of the state.

The Islamic economic system emphasizes on the ultimate ownership of God and considers human being as a vicegerent of God on the earth. The role of state is quite significant in the Islamic system and enjoining the good and forbidding the evil are major responsibilities of the state as mentioned in *Qur’ān*.⁵⁹ The restrictions of *Halal* and *Haram* on earning and acquisition of wealth and obligation of *Zakat* on accumulation of wealth and prohibition of interest and certain other important teachings concerning with unlawful transactions are some of the sophisticated remedial measures which can easily promote social justice, equitable distribution of wealth and alleviate poverty and deprivation of a considerable proportion of human population.

The Economic Behavior in Consumption

The second part of economic activity is related with spending or more sophisticatedly what is called consumption in economics. The restriction of *Halal* and *Haram* has also to be endorsed in spending money in the Islamic economic system. There are certain parameters make the boundaries of legitimate and

⁵⁶ Al *Qur’ān* 28 : 77,78

⁵⁷ Smith, Adam (1776), ‘*An Inquiry into the Nature and Causes of the Wealth of Nations*’ Oxford: Oxford University Press, 1976

⁵⁸ Keynes, J.M. (1936), ‘*The General Theory of Employment, Interest and Money*’, Macmillan, London

⁵⁹ Al *Qur’ān* 22: 41

permissible spending and apart from this the spending would be considered as *Haram*.

"يا أيها الناس كلوا مما في الأرض حلالا طيبا و لا تتبعوا خطوات الشيطان، إنه لكم عدو مبين". (البقرة- 168)⁶⁰

O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear.

There is clear commandment to eat only *Halal* goods which are pure and lawful. In other verse, Allah the Exalted states as following;

"يا أيها الذين آمنوا كلوا من طيبات ما رزقناكم واشكروا لله إن كنتم إياه تعبدون". (البقرة- 172)⁶¹

O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship.

As we have already mentioned in the context of *Halal* in *Tafseer Ibn Kathir*,⁶² the scholars say that *Halal* things are *Tayyibat* which are lawful and beneficial for eating. If there is anything which has adverse impact like intoxication, blood, poke and dead animals and anything which has been slaughtered for any partners with Allah (وما أهل به لغير الله)⁶³ or those animals which have not been slaughter properly and the name of Allah has not been mentioned on them at the time of slaughtering;

ولا تأكلوا مما لم يذكر اسم الله عليه ، وإنه لفسق (الأنعام – 121)⁶⁴

And do not eat of that upon which the name of Allah has not been mentioned, for indeed, it is grave disobedience.

It implies that anything not slaughtered properly and the name of Allah has not been mentioned then it is *Haram*. The medical research has proven that the remainder of blood in the meat causes many diseases if not taken out through proper slaughtering.⁶⁵ Those things which are *Haram* they are small in number and could be counted on fingers and the rest of things are *Halal* and lawful. So, the first and the most fundamental restriction on spending is that it must be on *Halal* things and not *Haram* things. If the spending is on *Haram* things then it is declared as a sinful act of spending which obviously somebody could be held accountable for on the Day of Judgment.

⁶⁰ Al *Qur'ān* 2: 168

⁶¹ Al *Qur'ān* 2: 172

⁶² Ibn Kathir, Abul Fida' Ismail (774 A.H.) *Tafseer Al Qur'ān Al Azeem*, Dar Tayyiba Li Nashr Wa Tawzie 1999

⁶³ Al *Qur'ān* 2: 173

⁶⁴ Al *Qur'ān* 6: 121

⁶⁵ Troeger, K. (2003), 'MEAT | Slaughter' in *Encyclopedia of Food Sciences and Nutrition* (Second Edition), 2003

Available at <https://www.sciencedirect.com/topics/agricultural-and-biological-sciences/animal-slaughtter>

The second restriction is about extravagance and lavish spending. Allah the Almighty has mentioned in *Qur’ān* in the following verse of *Surah Al-Aa’raf*;

وكلوا واشربوا ولا تسرفوا ، إنه لا يحب المسرفين- (الأعراف- 31)⁶⁶

And eat and drink, but be not excessive. Indeed, He likes not those who commit excess.

In the same context, there is another verse in *Surah Al-Isra’* where Allah, the Exalted mentioned the same commandment in another way stating that the wasteful spenders of colleagues of Satan;

ولا تبذر تبذيرا- إن المبذرين كانوا إخوان الشيطان، وكان الشيطان لربه كفورا- (الإسراء- 27، 26)⁶⁷

And do not spend wastefully. Indeed, the wasteful are brothers of the devils, and ever has Satan been to his Lord ungrateful.

The wasteful and lavish spending has adverse impact on the economy. The high-net-worth individuals spend lavishly and raise the prices by this act of lavishness and extravagance. On the other hand, miserliness also has an adverse impact on the economy. The wheel of the economy moves when there is demand for goods and services. It creates economic activities for all the people; the consumers, the producers, the traders, the sellers and the buyers. Therefore, in Islamic economic system there is balance between both extremes; extravagance and Miserliness. Allah the Almighty, praising the characteristics of His obedient and beloved servants among others, He also mentioned this characteristic and balanced behavior in spending thoughtfully in the following verse of *Surah Al-Furqan*;

والذين إذا أنفقوا لم يسرفوا ولم يقتروا ، وكان بين ذلك قواما- (الفرقان – 67)⁶⁸

And [they are] those who, when they spend, do so not excessively or sparingly, but are ever, between that, [justly] moderate.

Considering these restrictions on consumption and spending money from Islamic economic behavior, it does not mean that from Islamic perspective a Muslim is not allowed to enjoy the pleasures and joys of life. The things of decor and beauty and comfort are equally Halal and consumable. Rather it is recommended to get benefit of these things as mentioned in the verse of *Surah Al-Aa’raf* as following;

قل من حرم زينة الله التي أخرج لعباده من الطيبات من الرزق – (الإعراف – 32)⁶⁹

Say, “Who has forbidden the adornment of Allah which He has produced for His servants and the good [lawful] things of provision”.

Also, the Messenger of Allah (pbuh) said

إن الله يحب أن يرى أثر نعمته على عبده. (الترمذي- رقم الحديث 2819)⁷⁰

⁶⁶ Al *Qur’ān* 7: 31

⁶⁷ Al *Qur’ān* 17: 26, 27

⁶⁸ Al *Qur’ān* 25: 67

⁶⁹ Al *Qur’ān* 7: 32

⁷⁰ Al-Tirmadhi, Mohammad Bin Esa’ (d.279), ‘*Sunan Al-Tirmadhi*’ Maktaba Mustafa Al-ba’bi, Egypt, 1975

Indeed, Allah loves to see the influence of His adornment and blessings upon His servant.

So, a Muslim can enjoy the adornment and prettification but by spending on Halal and lawful things in a moderate way. The secular system does not have any restriction of spending on Halal things and also there is not any problem if somebody spends lavishly or wastefully. In the capitalistic system high-net-worth individuals spend huge amounts on normal things either for the sake of social status to show off arrogance and pride or for the purpose of heavy expenditures on normal things just to avoid taxes. The actions of antiques and spending on status symbol commodities show how much money is wasted on these small or normal things and this money could be used to feed thousands of people. For instance, “Salvator Mundi”, the world’s most expensive painting by Leonardo Da Vinci was sold at New York auction for \$450.3 million in 2017 by an anonymous bidder.⁷¹ Later it was discovered it was one of the princes of an Arab state. In the past, this painting was sold for \$60 million. More surprisingly, in April, 2019 it was found that the painting disappeared and lost as reported by the New York Times.⁷²

It is only one example and in the secular and capitalistic system we have many examples like this lavish and wasteful spending either for money whitening, or tax evasion or just showing off social status. The tax evasion and money whitening are big problems in the modern economic system. The tax evasion in the UK in 2019, according to George Turner⁷³ is 35 bn Sterling Pounds which is triple of police budgeting in the same financial year. The tax gap has increased by 17 per cent from 2016 when it was 30 bn Sterling Pounds. The multinational companies shift their profits from those countries where the corporate tax is high to those where it is low. The Islamic system provides logical and natural teachings to guide the economic behavior of a man.

Conclusion

The above discussion clearly suggests that there is fundamental and significant difference between the economic behavior in Islamic economic system and the one in secular system. The Muslim economic behavior takes into consideration the concept of Halal and Haram both in acquisition and consumption of wealth.

⁷¹ The Daily Mail, 16th November 2017, available at <https://www.dailymail.co.uk/news/article-5087481/Da-Vinci-portrait-Christ-sells-record-450-3-min-New-York.html>

⁷² Middle East Monitor, April 1, 2019 Available at <https://www.middleeastmonitor.com/20190401-saudi-bought-worlds-most-expensive-painting-is-lost/amp/>

⁷³ Turner, George, (2019), ‘Billions are being lost due to tax avoidance-’ Independent, UK, 21 June 2019
Available at <https://www.independent.co.uk/voices/hmrc-tax-gap-avoidance-billions-pounds-a8968591.html>

The capitalistic or secular economic behavior is based on absolute economic freedom and does not accept any restrictions. The result is it creates concentration of wealth which leads to unequal distribution of wealth and immense poverty in the society. The parameters of Halal and Haram, prohibition of interest, forbidden transactions based on *Gharar*, *Mayser* (gambling) and injustice, do not allow the Muslims to acquire the wealth through unlawful means. The secular viewpoint about the wealth is that the human intellect, skills and wisdom make money, so, Man has the absolute right to use this wealth and money with complete freedom according to his wishes and desires. The Islamic system has also placed restrictions on consumption. The Muslim economic behavior does not spend on Haram goods and services and also it considers the principle of moderation which is against extravagance and miserliness. The Islamic way is the middle way it endorses the lawful wishes of human beings to keep money and wealth and at the same time it controls these with certain restrictions so they don't go wild and don't harm the fellow brethren in the society. The Islamic economic system can solve the issues like inequalities in income, poverty eradication, concentration of wealth, social injustice, macro-economic imbalances and other economic problems based on the economic behavior concerned with earning and spending money according to the teaching of *Qur'ān* and Sunnah.