

Islamic Teachings on Government Intervention in Economic Affairs (Study of Islamic Injunctions)

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Abstract

Islam is a Religion in line with nature. It introduced its own economic system that up to the man's needs and requirements. It contradicts the communism and capitalism and claims that Islamic economic structure guarantees the welfare of humanity. In this setup, the buyers and sellers are free to make their deals and every person has the equal opportunities to be a wealthy and prosperous trader. Muslims had implemented this system in their golden era and showed the benefits of this setup to world The basic question has been raised either state has authority to interfere the economic deals, why state is interested to involve or what would be the limits of their involvement. In this paper, Descriptive Method and Comparative Study are used to study the concept of interference of state in economic matters. This research paper is an effort to understand the Islamic point of view that to what extent the Islamic State can interfere in economic policies, according to the Islamic injunction. In this article, it has been elaborated that the State has the legal and ethical right to intervene the economic matters when hoarding usury and gambling is rampant

Keywords: Economic System, Islam, Communism, Socialism, Islamic Finance, Capitalism, State

Introduction

The Department of Economics is the most important branch of the collective system of life. Economics is the backbone of any state. Economic growth is the guarantee of development and prosperity of any state Since Islam provides a complete code of conduct, it includes the political, economic, collective and military spheres and there is complete guidance about them. The economic system of Islam is applicable to all times and in all places. In an Islamic state, the state and its rulers are accountable to Allah and His servants for establishing justice for their subordinates and for the betterment of economic affairs.

Allah Almighty blessed Hazrat Dawood (as) with the prophethood as well as the earthly

caliphate and addressing him said:

((يَا دَاوُدُ إِنَّا جَعَلْنَاكَ خَلِيفَةً فِي الْأَرْضِ فَاحْكُم بَيْنَ النَّاسِ بِالْحَقِّ وَلَا تَتَّبِعِ الْهَوَىٰ فَيُضِلَّكَ عَن سَبِيلِ اللَّهِ))¹

“O David, We have made you the caliph of the earth, so your decisions for the people should be on the basis of pure truth. Do not follow the wishes and demands of the people, otherwise they will turn you away from the truth.”

The meaning of economics:

The word economy is a very old usage. it is Explain in simple words.

Professor Alfred Marshall defines economics as

“Economics is the study of human actions as a matter of daily life. It examines how a person earns and uses their income. And the other side is more important. It is part of human study.

According to economists

the definition of economics is as follows. The definition of economics by economists is Economics is the name of the specialty of humanities whose subject is wealth The purpose this is to find out what are the principles, means and methods of creation, distribution, exchange and use of wealth Different economic systems have worked in the world Some of them have completely disappeared and some of them have continued this system like capitalist system of communist system etc;

Capitalism:

Adam Smith (1723-1790) founded capitalism In the capitalist system, everyone is completely free to own personal gain, personal wealth and property. There is no restriction on it by the government and the state but this capitalist system could not be fully established anywhere in the world because The state and government have to intervene in economic affairs in some way. The basic principle of capitalism is called unrestricted labor Which means that all methods of industry and commerce and business and the whole system of economics should be completely free from all kinds of government laws and religious restrictions.

“Capitalism also called free market economy or free enterprise economic system”²

“Capital is a system of economic organization in which individual person singly in groups privately owned production resources, including land and possess the rights to use these resources generally in whatever manner the choose .”³

The government and religion do not have the right to interfere in the economic system of the individual. This freedom is based on the premise that everyone has their own understanding of good and bad, so there is no need for state intervention. Capitalism is not at all convinced of state intervention and government patronage

The communist system came into being as opposed to the capitalist system because when the capitalist system saw class conflicts and internecine warfare, which resulted in widening the gap between the rich and the poor, then I came and said that the main problem is that the

1 Surah Saad:26

2 The New Encyclopedia of Britanica, vol:2, page:832, 5th edition USA2007

3 Comparative Economic System by William N.Loucks

resources have been declared as individual ownership. Distribution), then development will come automatically because of them.

SOCIALISM AND ITS PRINCIPLES

"A system of social organization in which private property and the distribution of income are subject to social control" ⁴

The founder and inventor of this system is Karl Marx.

It is basically the name of a combination of the three systems of communism, philosophy, economics and politics.

- Materialistic interpretation of history has the status of philosophy.
- Theory of surplus value. This is the economic aspect.
- Class war. This is the politics of Karl Marx, from which private property has been abolished and communism has come into existence. One of its branches is also socialism⁵
- Karl Marx laid down the principles for the equitable distribution of wealth and the elimination of class strife, but they were based on religious animosity and considered the image of God to be a delusion. He writes:

"Ethics, religion, metaphysics and other such concepts have no independent existence. They have no history and no development except that when man develops his economic means he changes his thoughts and ideas along with reality. Remains (their name is religion). Consciousness does not judge man, human life determines consciousness." ⁶

In another place he writes:

"The concept of God is an illusion. There is no place for a king or God in the evolutionary existence of this world to this day." ⁷

Basic principles of collaboration:

The four basic principles of communion are:

1. Collective Property
2. Planning
3. Collective interest
4. Equitable distribution of income.

Islamic economic system:

Islam is a complete code of conduct and it takes into account all aspects of economic affairs Unlike the above two systems, Islam presents the idea of a moderate and just society Establishes a moderate system between two conflicting economic systems The principle of which is that the individual will be given his full personal and natural rights And with that, the balance of wealth distribution will not be allowed to deteriorate On the one hand, he gives himself the right to personal property and the right to dispose of his property On the other hand, it imposes Shariah moral restrictions on all these rights and powers through the

4The New Encyclopedia of Britannica, vol: 10, page:962,

5Ghulam Rasool Cheema, The Economic System of Islam, p.41

6Ibid

7Ibid

government and the state and such less restrictions. The purpose of which is to prevent the extraordinary accumulation of resources in any place. The resources of wealth are always circulating so that every member of the society can get his due share.

The purpose of the Islamic economic system:

Its purpose is to ensure that state and government-sponsored intervention in economic affairs is essential. So that economic justice can be established but such a system does not consider it right to deprive the individual of his rights by giving the means of livelihood and economic resources into the custody of the government. In the face of modern economic and financial problems, the world is confined to geographical boundaries and restrictions.

Interference in economic affairs is more difficult than in the past. The economic responsibilities of society are very important in politics. The state itself should monitor economic activities and make legitimate interventions where necessary. For example, forbidding *haram*. In the light of Islamic teachings, here are some commands regarding state intervention in economic affairs. Shari'a teachings on economic matters as below.

Islamic economic system and Quranic injunctions:

The existence of individuals and the state in the Islamic economic system is a natural consequence of human socialism. Peace and order are the basic needs of every society. These basic needs cannot be met without adopting a collective system. Therefore, the Quran has imposed some special responsibilities on the Islamic State. These are the believers who will be given power in this land, then they will arrange the prayers, pay the zakat, enjoin what is right and forbid what is wrong. With this guidance, the Quran makes it clear that in the Islamic state, the principle of paying trusts to those who are entitled to perform their rights and duties will be preserved. The order to settle disputes with justice will be fundamental. It is as if an Islamic state is not only responsible for maintaining the religion inside it but also for carrying it out in the light of Islamic teachings. The law of the Islamic state is binding on God. When Allah Almighty commanded obedience to Allah and His Messenger in the Holy Quran. At the same time, he made it clear that along with the obedience of the Prophet, obedience to the Holy Prophet is also very important so that the laws of the people are followed in order to run the system and administration of the state.

Allah says (interpretation of the meaning);

يَا أَيُّهَا الَّذِينَ ءَامَنُوا أَطِيعُوا اللَّهَ وَأَطِيعُوا الرَّسُولَ وَأُولِي الْأَمْرِ مِنْكُمْ 8

“O believer ! Obey Allah, and obey the Messenger, and those of you who possess authority.”

The state is responsible for the welfare of individuals and society. Therefore, the state can force rich and affluent people to provide for the welfare of the rare and sincere people. If it does not meet the needs of the rich and the needy then it is the responsibility of the state. Otherwise, the state has practically committed abuse and exploitation.

Allah Almighty has instructed;

وَالَّذِينَ يَأْمُرُوا لَهُمْ حَقَّهُمْ عَلَوْا مَلْسَاتِلُوا الْحَرُومَ

“ one of the possessions of these people is a special right for the poor and the deprived “

In Wealth also a special right for the needy It is the responsibility of the state to help such people through special powers if they fail to pay their dues.

State intervention in the Islamic economic system and the behavior of the Holy Prophet(PBUH).

The Prophet (peace and blessings of Allah be upon him) made special arrangements for economic justice in the welfare state of Madina, so that there would be equal justice for the rich, the poor, the powerful and the weak. Because in Madina, when a person violated the rights of worshipers under the guise of economic freedom, the Prophet (peace and blessings of Allah be upon him) as the ruler explained the economic problem and offered a solution to the problem. As was the case after Samra bin Jundab and Ansari Sahabi because the tree was a cause of trouble, the Prophet (peace and blessings of Allah be upon him) used his authority and ordered the tree to be uprooted. And pay the price. It is clear that the Holy Prophet, as the head of state, used his powers to interfere in economic affairs. There is a special provision for equal economic rights for Shara. The state is obliged to take steps according to sharee to meet the economic needs of the needy by over-utilizing the wealthy. The intervention of the state in this regard is also supported by this hadith of the Holy Prophet.

The Holy Prophet (peace be upon him) said;

فقال رسول الله ﷺ: من كان معه فضل ظهر فليعد به على من لا ظهر له، ومن كان له فضل من زاد فليعد به على من لا زاد له، فذكر من أصناف المال ما ذكر، حتى رأينا أنه لا حق لأحد منا في فضل،

“Whoever does not have a ride, whoever has more than enough, let him return to the one who does not have a ride.”

- Abu Saeed Al-Khudri says

That you mentioned a kind of wealth in such a way that we understand that none of us has any right in our surplus wealth.

State intervention in the caliphate and the conduct of the Rightly Guided Caliphs:

- Interference in economic affairs during the caliphate of Hazrat Abu Bakr Sidiq(RA)
- Hazrat Abu Bakr Siddiq fought against those who did not pay Zakat during his tenure.
- Hazrat Abu Bakr Siddiq had declared war on those who did not pay Zakat during his tenure It is about state interference in government spending and writing According to one of the teachings of the Islamic State, the status of ruler, amir and caliph is that of a guardian and a responsible person. And the sense of responsibility is a trust given by Allah Almighty. That is why no government or individual in the Islamic State can do anything to the national treasury. People in government positions are not entitled to receive benefits other than salaries. As you said We will hire this person for a job and we will pay him a fixed fee for that job. Even so, owning one is still beyond the reach of the average person.
- Interference in economic affairs during the caliphate of Hazrat Umar (RA)
- Hazrat Umar (RA) had taken back the uncultivated land from Hazrat Bilal bin Harith Mazni during his caliphate which was given by the Holy Prophet (PBUH) even though he did not agree to it. It can also intervene directly for emergencies and national defense expenditures. The state is responsible for protecting the property and lives of its citizens. Therefore, in an emergency, if the state does not have money in the treasury to spend on the resources of the army preparation department and the people. So it is permissible for the state to take possession of the wealth of the rich and spend it on necessities.

- Establishment of Bait-ul-Mal in the time of Syedna Umar Farooq(RA)
- Omar Farooq (may Allah bless him and grant him peace) during his caliphate strictly enforced the expenses of the treasury at the government level and forbade all kinds of extravagance as narrated in Sahih Bukhari.
- In Umar ibn al-Khattab, he instructed his officials and officials in writing not to close their residences, as such an act is a sign of the worst of times.

Caliphate of Hazrat Ali (RA)

Hazrat Ali (RA) clarified the policy of Ameer Jamaat during his caliphate. The summary of this is as follows:

I will be your caliph on the condition that I will have the key to your treasury, but I will not take a single dirham without your consent. The head of state has the responsibility to look after the welfare of the people and to monitor the economic activities of the people. Because he is responsible for the economy of the ruling party, he also has the right to interfere in economic activities. According to his teachings, interference in freedom means monitoring people financial affairs, providing economic justice, protecting collective economic interests, binding the people to Islamic rules and regulations so that economic development can lead to a prosperous society.

The above definition indicates that the state may seek financial assistance from the rich and wealthy in case of emergency and war. In the modern context, a deadly epidemic like Corona has created an economic and financial crisis, but the state alone is not able to bear the economic deficit. Even if the state wants justice for any individual in this regard, the state can get angry and force it for justice. Dear country, if the legislation on state intervention for women inheritance last year is a welcome step in this regard for justice in Pakistan. Qari The western economic system is of special importance in the capitalist system but the Islamic economic system has limited it. Jurists related to state intervention

Here are some statements of jurists regarding state intervention. The jurists have quoted various fatwas in their books regarding the state interference in current economic affairs, especially the jurists are not convinced of undue interference in state affairs.

However, the jurists justify the interference in the special powers of the state in order to meet the basic needs of the society, economic measures in case of emergency, achievement of collective social goals, illegal means of livelihood and hoarding. They consider interference in special powers to be permissible and in some cases even obligatory,

Allama Al-Mawardi

There is a view in the context of Allama Al-Mawardi that if a person sees a person asking for charity, he knows that he is rich or has the power to earn. So he should take disciplinary action against him. Similarly, it deals with the establishment of economic justice in dealings with society. Mentioning the powers of the caliph, he writes If an imam sees people committing fraud, forgery and misrepresentation in an economic affair, then arrest them, stop them and punish them as needed

.Abu Ubaid Qasim bin Salam

Abu Ubaid Qasim ibn Salam is of the opinion that of the things that are common and permissible to all Muslims, no one has the right to occupy them. Or settle them and become their masters and it is incumbent upon the rulers not to monopolize all these things.

Maulana Maududi

Maulana Maududi, one of the latter, writes about state intervention In Islam, it is permissible only to acquire something which is not done in a haraam way. It is haraam to gain by stealing, weight loss, betrayal, embezzlement, hoarding, usury, usury and gambling. Therefore, the Islamic government is the guardian of the market and is obliged to intervene in all matters and prevent them A study of the sayings and ideologies of Muslim jurists and non-Muslim thinkers makes it clear that the jurists are also convinced of state interference in economic affairs.

Department of State Intervention

Because the economy is closely related to the state, the state is in charge of all affairs Therefore, it is also the responsibility of the state to oversee all related economic and financial affairs and to intervene in case of violation.

There are several areas of state economic intervention,

Muslim economists have pointed out interference in the economic affairs of the state in the light of the fatwas and ijthads of the Quran and Sunnah sayings of the Companions. It is the responsibility of the state to bring the national economic sectors into full-fledged form All rights reserved in the light of Islamic teachings and the views of Muslim economic thinkers And for supply, states can use any kind of force and coercion This is t he Shariah ruling on state intervention in important sectors.

Privatization of resources and state intervention

In the Islamic economic system, public and private institutions cannot be privatized It is narrated on the authority of Hazrat Abdullah bin Abbas that the Prophet (peace and blessings of Allaah be upon him) said:

"الناس شركاء في ثلاث: في الماء والكأ والنار"

“All Muslims share in three things: water, pasture and fire”

In the light of this hadith, privatization of river water, dams, canals, pastures and forests is forbidden. Privatization of oil, gas, sulfur and coal reserves and mines cannot be done. Nor can the sources of power generation be privatized Another narration is that of Sahabi Rasool Awais bin Hanbal The Messenger of Allaah (peace and blessings of Allaah be upon him) went to the Prophet (peace and blessings of Allaah be upon him) and asked him to give him the salt mines in Marib. He did so when he left. One of the men in the assembly said: Do you know what you have given It is clear from the above hadith that the state can intervene exclusively in matters when privatization of such institutions and resources is required.

Anti-hoarding:

State intervention in counter-hoarding is one of the primary responsibilities of the Islamic State to establish economic justice. Economic justice requires state action and legislation Which promotes the court of circulation and free trade in society, although hoarding without

participation in the Islamic State The state can intervene to eradicate such cankers if there is any malice The Holy Prophet PBUH took several steps in the state of Madina Which will eliminate hoarding and artificial shortage of goods as stated by Salma bin Aqeel One year people are in financial difficulties on the occasion of sacrifice The Prophet (peace and blessings of Allaah be upon him) said.

None of you should wake up after the third night with even a single plant left This is what the Companions did, they distributed all the meat. The following year, the Companions did nothing but save for themselves.⁹

Establishment of Zakat and Sadaqat:

system Regarding the establishment of Zakat the Zakat system is an important part of the economy In Islam, the system of Salat has been given priority over the system of Zakat. That is why when Allah Almighty mentioned the government of the rich, he also mentioned the system of economy

(أَلَدِينِ إِنْ مَكَّنَّهُمْ فِي الْأَرْضِ أَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ وَأَمَرُوا بِالْمَعْرُوفِ وَنَهَوْا عَنِ الْمُنْكَرِ، وَلِلَّهِ عَاقِبَةُ الْأُمُورِ 10)

“if We give them power in the land, they will arrange the prayer and pay the obligatory charity and enjoin what is right and forbid what is wrong.”

The Quran makes it clear that in an Islamic state, if it is their responsibility to amass wealth and reach the deserving by amara. And in this regard, according to Islamic teachings, the state has the characteristics that the person who has the syllabus is obliged to pay Zakat. If he does not pay, the state may force him to do so The state can not only take action against such persons under its special powers in this regard, but can also demand additional money in addition to forcible collection of Zakat.

End of discussion

Islam is a complete system of life to raise all aspects of human life and the guiding thought and action, which offers a system according to the changing conditions of human actions that, affect. Up until then, it will not be possible to regulate the texts should not be considered deeply profound to contemplate the Holy Quran "jurisprudence" word is used. Islamic Finance in respect of any individual earning a living is not completely confined (like communism) or full independent (like capitalism), but the income in the struggle meant that the economy was bound by the rules the life of the individual and the protection of irregular economic Charities (Rifāhy) also adhere with religious and moral exaltation, is always in the pursuit of individual economic will be tow rule: First, they get the "halal" is. Secondly, the ways they acquire "Tayyab"

9Osmani, Muhammad Taqi, Mufti, Islam and Modern Economy and Trade: Page 2, Maktab Ma'arif-ul-Quran, Karachi
10Al-Hajj:42