

The Philosophy of Islamic Political Economy: Introductory Remarks

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Abstract

When we say that political economy means a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of wellbeing. A question may arise how we could approach it with a philosophical study? For the philosophy is how to justify your believe then we may ask what, how, and why political economy. The matter will be more complicated when we add to the study a religiosity of philosophy of political economy to Islamic teaching in which to some scholars it is not a philosophy but it is religion. The declared purpose of Islamic economics is to identify and establish an economic order that conforms to Islamic scripture and traditions. On the other side, the first task of the Islamic political system is to eliminate all forms of oppression within economic relationships and to lay the ground for the establishment of a just system of distribution of economic resources. However, the source of the injustice is neither social settings nor the means of production, but rather human nature itself, the inner instincts of self-love that drive man to secure survival for himself only. Such an instinct is essential for the survival of human life on earth. How could we philosophize these two disciplines by relating the both to Islam? This paper intends to focus on remarking the philosophy of Islamic political economy as an introduction to its huge implementation in the real life of human beings especially Muslims.

Keywords: philosophy, political economy, islam, objectives, fields

Introduction

Philosophy is as old as humanity. With the progress and change of time and of place new concepts have developed in an attempt to interpret human life in relation to ethical, moral, spiritual, intellectual and scientific problems. Therefore, "the history of philosophy," Jeffry Olen said in his *Persons and Their World*, "reads like a long family saga. In the beginning there were the great patriarch and matriarch, the searches for knowledge and wisdom, who bore a large number of children. Mathematics, physics, ethics, psychology, logic, political thought, metaphysics, and epistemology – all belonged to the same family. Philosophers were not just philosophers, but mathematicians and physicists and psychologists as well. Indeed, in the beginning of the family's history, no distinction was made between philosophy and these other disciplines."² Concepts considered fundamental in one age have been attacked in subsequent periods of human history and efforts have been made to substitute new concepts for all ideas. This speaks of the eternal human search for truth in an attempt at correlating concepts with realities. Consequently, "it is frequently the case that philosophers understand their own positions, especially in relation to others, in terms of metaphors on inversion, reversal, or transformation. The points of this kind of self-description is to suggest that one's later view acknowledges, on occasion builds upon and certainty avoids the weakness of its predecessors."³ Philosophy is an analytical and reflective refinement of what we know by common sense in the light of common experience. Our common sense knowledge is deepened, illuminated, and elaborated by philosophical thought. That is why philosophy, unlike the investigative sciences, historical research, or mathematics, is every body's business.

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² See Louis P. Pojman. (1991). Introduction to Philosophy: Classical & Contemporary Readings. California: Wadsworth Publishing Company, p. 4.

³ Tom Rockmore. (1986). "Realisme, Idealisme, and Speculative Philosophy", in George R. Lucas, Jr (edt.), (1986). Hegel and Whitehead – Contemporary Perspective on Systemic Philosophy. New York: State University of New York Press. P. 29.

All the later are fields that tend toward greater and greater specialization and become the province of a wide variety of specialist experts. Philosophy alone, because of its intimate connection with the common sense knowledge of ordinary individual, remains unspecialized - the province of generalist, the business of everybody. The present day political economy as a framework of political analysis looks at production, distribution and consumption system (economic system) as a means of determining the political system of a society or state. Its foundation is traced to the writings of Adams Smith as an inquiry into the wealth of nations; popularly referred to as 'classical political economy'. Smith was interested in how production, distribution, exchange and consumption was organized in the society. Other classical political economists include David Hume, Thomas Malthus, David Ricardo, John Stuart Mills etc. Karl Marx, whose works were influenced greatly by the writings of Hegel, later came up with a modification to the classical political economy. Marx, basing his political economy on the theory of surplus value, focused on the relations that exist between the classes and groups in the process of production and went ahead to identify the contradictions that exist between these classes. He strongly maintains that the economic condition of a man determines every other aspect of his life. He identified three fundamental foundations of political economy which include: historical materialism, the primacy of the economic structure, class contradictions and conflict.⁴ The study of Islamic political economy invokes an epistemological examination of socio-scientific phenomena in the light of the pervasively interactive and unitary evolutionary learning worldview presented in the *Qur'an*. The social rules and actions in accordance with the *Qur'anic* holistic worldview of unity of knowledge and its induction of the world-system are then directed by the teaching of the Prophet Muhammad (*sunnah*) into worldly issues under investigation, big and small.⁵ This paper's thesis is that Islamic political economy aims at eliminating injustice and promoting brotherhood and cooperation between capital and labour; it promotes productive enterprises as a means of raising productivity and employment' and it instigates Islamic economics principles on the macro and micro level through coherent efforts and a well planned strategy in Islamic finance. On remarking the above introduction, the writer will highlight appropriately the discussion on philosophy of religion; Islamic political economy; philosophy of Islamic political economy in selected issues of productivity; then a conclusion will appear.

Philosophy of Religion

The philosophy has eight meanings as all dictionaries have ascertained but the common part of such meanings is element of doubt that they contain and imply. Philosophy is an awareness that caused by reason, or it a compilation of researches and studies, or it is a liberal logical position of the philosopher, or it is a concise of an aspect of knowledge or awareness, or it is style and method, or it is notion, or means which differ from one researcher to the other.⁶ Nevertheless, to describe philosophy, let's try at least one plausible suggestion which covers most if not all what people who are engaged in thinking and writing about the subject constantly doing. The suggestion is that philosophy is the study of justification.⁷ People have many beliefs, but many of them are not justified – that is, they have no good reason for holding them. Philosophy asks, of even the most ordinary, every day statements "What are your reasons for believing this?" and "How will you prove to me that what you said was true?" and "If someone denied what you claim, what could you say in defense of your claim against your opponent?" Philosophy is a study of "How do you know?" questions, applied to lots of different kinds of issues, but especially to very general question about the physical world, the mind, and scientific, religions, and ethical theories."⁸ Bacon has been quoted to have said: "*Religiopraecipumhumanaesocietates vinculum*" (Religion is the most substantial bond of humanity)⁹. Thus, we suggest that philosophy of religion means the study of the concepts and arguments surrounding the idea of a Supreme Being, a God.¹⁰

⁴Okeke VOS, Ph. D & OjukwuUche Grace. (2012). "The Political Economy Of The Proposed Islamic Banking And Finance In Nigeria: Prospects And Challenges" in Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 1, No.7; March 2012, p. 20-21.

⁵Choudhury, MasudulAlam. "Islamic Political Economy: An Epistemological Approach." *Social Epistemology Review and Reply Collective* 3, no. 11 (2014): 53-103.

⁶Ahmad Majid Binjulun. (1985). "Al-Mabadi al-Ammah fi al-Qanunwa 'Alaqtuhu bi al-Usul fi al-Tashri' al-Islami" in *Falsafah al-Tashri' al-Islami*. Rabat: Royal Academy of Morocco, p. 52.

⁷ Martin Heidegger. (1984). *The Metaphysical Foundations of Logic* – trans. By Micheal Heim from Germany to English. Bloomington: Indiana University Press, p. 8.

⁸Hosper, p. 6.

⁹ Joachim Wach. (1944). *Sociology of Religion*. Chicago: The University Press, p. 6.

¹⁰ Abdurrahman RadenAjiHaqqi. (1994.) "The Philosophy of Islamic Law of Transactions", Ph. D thesis submitted to Kulliyah of Law, International Islamic University. (First draft), p. 38.

Islam as monotheistic religion “remains exogenous as the primal ontology. We consider this primal ontology as the super-cardinal topology. Super-cardinal topology denotes the unbounded and open domain of the origin of knowledge under the principle of the monotheistic law characterizing organic inter-causal unity of knowledge and its induction of and by the generality and particulars of studies. From this primal origin emanate worldly knowledge-flows of the nature of organic unity of being and becoming. In every round of the evolutionary learning in unity of knowledge, the same primal ontology of monotheistic law is recalled and activated in the self-same discursive manner as of *ijtihad* and *shura* processes. By virtue of its completeness in the state of the unbounded and open nature of the super-cardinal domain, we also refer to the primal ontology as Stock of Knowledge because of its completeness.”¹¹ According to Muhammad Syukri and Mohd Syakir, Ghosh outlines three important characters of Qur`anic Epistemology. Firstly, it is an absolutist divine epistemology; secondly, it is a holistic system giving out not only the unicity of knowledge but also its continuity; and thirdly, it can be conceived of as a dialectical evolutionary process where Qura`nic-*Sunnat* normative premise may appear as the thesis, followed by *Shuratic-Ijtihad* antithesis, and finally giving rise to a synthesis at *Ijma`-Ahkam* stage.¹² The Quranic Epistemology is also referred to by Masudul Alam Choudhury (1997b) as Tawhid, the Unicity Precept and Unifying Epistemology. It is embedded in the universally interactive-integrative process embracing behavior and institutions, termed by Masudul Alam Choudhury (1997b) as Shuratic Process. To him, the Shuratic Process is also alternatively referred to as the circular causation and continuity model of unified reality. In simpler words, the epistemological underpinning of the Islamic political economy is Tawhid, the process is the interaction and integration of the behavior and institutions, and the methodology is based on consensus attained through *shura*.¹³

Islamic Political Economy

The economy of the Islamic State, according to Sadr, is divided between that of the individual as the vicar of God (*khalifah*), and the ruler as the witness (*shahid*) who presides over the application of the laws of God. The economic structure of the Islamic State thus consist of private property and public property. However, one should not think that the economic structure of the Islamic State is some sort of combination of capitalism and socialism. Sadr strongly rejects this misconception.¹⁴ About the characteristics of Islamic political economy, Choudhury writes: “Certain fundamental precepts of methodology lead the way to the characterization of Islamic political economy. These are as follows: First, there is a simple formalization of the discursive *shuratic* process (IIE-learning process). This constitutes an overview of the methodology of Islamic political economy. Second, as in different terminology of the classical economic school, Marxism, and neoclassical economics, we must first address the problem of ‘value’, which Joseph Stigler (1960) said, ‘elicited the supreme efforts of the greatest theorists’. The concept of ‘value’ and associated economic concepts emerge in an altogether different way in Islamic political economy. Third, we must explain the principle of universal pervasive complementarities and show how this concept of pervasive *inter-linkages* and endogeneity of knowledge-induced variables emerge from and reinforce the evolutionary learning process of unity of knowledge and its induction of the unifying world-system in generality and particulars. Fourth, we must show how analysis and inference are organized and derived in this pervasively endogenous system of complementarities (IIE-learning process). We must invoke a knowledge-induced simulative design of systems and study them as embedded domains. With these precepts acting in concert with each other, Islamic political economy becomes the study of the *shuratic* process or the discursive IIE-learning process interlinking the economy with institutions, polity, society and science with endogenous moral intones. The agency of decision-making at all levels is taken up in the light of knowledge-induced *inter-linkages*. Islamic political economy is thus a study of systems of socio-scientific complementary (participatory) *inter-relationships* governed by the principle of universal (pervasive) complementarities as the representation of systemic unification of knowledge.

¹¹ Choudhury, “Islamic Political Economy...”

¹² Muhammad Syukri Salleh & Mohd Syakir Bin Mohd Rosdi, “Islamic Political Economy: A Special Reference to the Use of *Tahaluf Siyasi* in the State of Kelantan, Malaysia” in *American International Journal of Contemporary Research* Vol. 4, No. 5; May 2014. 119-20

¹³ See: Choudhury, “Islamic Political Economy...”

¹⁴ “An Islamic Perspective of Political Economy: The Views of (late) Muhammad Baqir al-Sadr”

While this definition attenuates specifically to issues of economy, society, and science with moral intones; yet the imminent methodology of organic unity of knowledge and the unification dynamics of the knowledge-induced socio-scientific world-system is universal in nature.¹⁵ Islamic political economy comes into existence quite recently, though political economy itself is already an established discipline. To some scholars,¹⁶ Islamic political economy was born into academic discourse just in late 1990s, while political economy was developed in the 18th century, well before the term 'political economy' was replaced by the term 'economics' in late 19th century.⁹ According to Kuruma, the first to introduce ascientific system into political economy was Francois Quesnay, the founder of the physiocratic school in the mid-18th century. This was followed by Adam Smith, David Ricardo, Karl Marx, Thorstein Veblen, John Maynard Keynes, Joseph Schumpeter, Joan Robinson, Gunnar Myrdal and John Kenneth Galbraith. In their opinion, originally, political economy refers to the study of the economies of states and polities. It was used to study production, buying and selling, and their relations with law, custom, and government, as well as with the distribution of national income and wealth. Today, political economy most commonly refers to interdisciplinary studies drawing upon economics, law, and political science in explaining how political institutions, the political environment, and the economic system—capitalist, socialist, or mixed—influence each other. The term political economy now encompasses a wide range of disciplines, from politics and economy to sociology, culture, law, psychology, philosophy, *et cetera*. In some cases, the application of the principles of political economy on the combination of these disciplines has been studied, for instance sociology and philosophy to become social philosophy as has been done by Mill. The study revolves around the production, distribution, and exchange of wealth and the influences of the progress of the society and the government on them.¹⁷

Accordingly, the both scholars have a conclusion that is "all the above definitions of political economy could be simply encapsulated by the definition put forward by *Encyclopedia Britannica* (2013). It defines political economy as a branch of social science that studies the relationships between individuals and society and between markets and the state, using a diverse set of tools and methods drawn largely from economics, political science, and sociology. The elements of such a definition have been reflected in almost all writings on political economy. Amongst them are Caporaso & Levine that refers political economy to the method of proposing to state the management of economic problems; Deliarnov(2006:8-10) to the political process of analyzing economics; Jevons to the responsibility of state intrating the wealth of nation; Widjaja to guided economy meant to strengthen state's political ideology; Bascom to 'the science of wealth' and 'science of value'; Devas to the study of the relationship between science and economic laws; Staniland to the study of social theory and underdevelopment; and Shively to how the state and economy interact. All in all, political economy could be concluded to simply mean an analysis of the interaction between economic and politics (state) in ensuring an increase of the wealth of nation to fulfill social needs, using a trans-disciplinary approach.¹⁸ From the limited numbers of literatures, one can sense that the definition of Islamic political economy too revolves around the economic-state interaction such as those of the conventional political economy. As argued by Mohammad A. Muqtedar Khan, the economic-state interaction is possible as Islam does not segregate politics from economics. Masudul Alam Choudhury emphasizes on the economic-state interaction by arguing that the application of Islamic political economy is measured through the knowledge on the state (*shura*) and the sub-systems of the market. In fact, to some, Islamic political economy is basically viewed as a study of the economic impact of political actions and political impact of economic actions in Islamic state. It was stressed that the micro and macro social and political environment must facilitate the functionality of an Islamic economics system.¹⁹

Philosophy of Islamic Political Economy

As an introductory remark to the philosophy of Islamic political economy, this part of the research is only devoted to an aspect of Islamic political economy relating to productivity. The Islamic economics paradigm aimed at the creation of an Islamic system of economics with its distinct values, norms, rules and institutions with a politically oriented systemic understanding as ordained in Islamic order. In other words, Islamic economics aims at determine the framework of the economic value system, the operational dimension of the economy and the economic and financial behavioral norms of the individual Muslims.

¹⁵ Choudhury, "Islamic Political Economy..."

¹⁶ Muhammad SyukriSalleh&MohdSyakir Bin MohdRosdi, "Islamic Political Economy..."

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹Ibid; see also: Choudhury, "Islamic Political Economy..."

The axioms and foundational principles of Islamic economics define the framework in which economic activity takes place within intra-and inter-generational social justice, that, in turn, reveals itself in the methodological framework of the Islamic economic system. Therefore it is based on a constructivist ideology, with the aim of forming an authentic Muslim identity as opposed to the global dominance of capitalism, which has in reality failed in the economic development process.²⁰ In searching rationale for a distinct discipline and system of Islamic economics, the values and the sources of Islam provides the rationale. It is, indeed, a fact that no human endeavour is value-free, which implies that reality including economic reality is socially constructed. Despite the modernist projection of universal values, in the everyday life of an ordinary individual, each action is produced and acted through a socially constructed manner, which explains the differences in each realm of life. Leading Islamic economists as pointed out by Asutay, have developed an axiomatic approach that forms the conceptual foundations of Islamic economics. These conceptual foundations define an Islamic moral economy and its corresponding ethics as an ideal through which economic and social policies dealing with every aspect of human life are assessed. They are as follow: First, the axiom of *Tawhid* (God's unity and sovereignty): The Islamic worldview is based on *tawhid*, or the Oneness of God. Second, the axiom of *Al-'adlwa'l-ihsan* (Equilibrium and Beneficence or Socio-Economic Justice): Individuals are expected to establish justice (*'adl*) and promote beneficence (*ihsan*), which, consequently denote a state of social equilibrium. Third, the axiom of *Ikhtiyar* (Free-will): In the Islamic economic systemic understanding, humans are believed to be endowed with free-will. Fourth, the axiom of *Fard*(Responsibility): This axiom states that although 'responsibility' is voluntary, individuals and society must recognize their mutual obligations for public good, which stems from the principle of *Tawhid*and, hence, of humanity's vicegerency on earth.

Fifth, the axiom of *Rububiyah*: This as an important axiom in the Islamic economic system that refers to divine arrangements for nourishment, sustenance and directing things towards their perfection. Sixth, the axiom of *Tazkiyah*, in the Islamic economics axiom, is concerned with growth towards perfection through purification of attitudes and relationships. Seventh, the axiom of *Khilafah*and human accountability before God: Allah created human beings with the role of being His vicegerent on earth. Lastly, the *Maqasid al-Shari'ah* the objectives of *Shari'ah*provides the legal-rationale framework within which Islamic economic activities should be conducted. Consequently, each of the aforementioned axioms and foundational principles constitute the micro-foundations or the foundational principles of the Islamic economic system, which are entirely different than the axioms and foundational principles of any other economic system. The universal ethical system, based on these axioms, is [therefore] believed to produce policies aimed at enhancing motivation to seek knowledge and work, enhance productivity, and enhance transparency in government. They should also enhance intra-and intergenerational equity.²¹

Man's behaviour, according to Sadr,²² is categorized into three types of relationships: social, economic and religious. They stem from man's basic relationship to other men, to the environment, and to God. The economic relations, however, are outcome of his inner instinct of self-love that "always drives him to seek good thins for himself, to secure his interest, and satisfy his needs. Accordingly, man, in his relationship with the environment, was predisposed to utilize all possible resources to satisfy his needs and increase his pleasure. In due time, he was willing to use animals and plant to help him in his struggle against the environment. Islamic economic system does not deny the existence of private interest as an important motivation for human action. However, an Islamic moral economy suggests that not only private interest but public interest is to be accommodated as well. For Islam recognizes bot interests. Thus, the guidelines regulated by the Islamic economic system is constraining so that conflict between private interest and public interest is removed. These guidelines also draw the line between what is permissible or not as an economic activity; and therefore lawful (*halal*) and unlawful (*haram*) ways of earnings have been defined by the *Shari'ah*. For instance, *riba*, uncertainty, gambling, speculation, fraud, exploitation and extortion are all banned by Islam, as they are not the result of productive economic activity.

²⁰ Mehmet Asutay, "A Political Economy Approach to Islamic Economics: Systemic Understanding for an Alternative Economic System" in *Kyoto Bulletin of Islamic Area Studies*, 1-2 (2007), pp. 3-18

²¹Asutay, "A Political Economy Approach..."

²² "An Islamic Perspective of Political Economy: The Views of (late) Muhammad Baqir al-Sadr"

To accommodate private interest, the Islamic economic system gives private property and private enterprise as the core of economic life as well as the legal foundation of society. However, private ownership is filtered through the value codes contained in the *Shari'ah* dimension so that individuals understand private enterprise and private property. In the Islamic economic system, the market provides the institutional framework in which economic activity, from production, exchange and division of labour, takes place. In addition, the market provides the legal framework for contract to be fulfilled (Al-Maidah: 1), which is an essential part of private enterprise enshrined in the Islamic economic system. The philosophy behind the market system in Islamic political economy might be summarized as "competition does not allow for the creation of conflict between self-interest and social interest but rather is arranged to work in co-operation so that various individual and social claims to resources can, economically and socially efficient manner, be fulfilled. The regulation of market mechanisms to produce social and economic efficiency simultaneously through the institution of *hisbahis* suggested by Ibn Taymiya. Thus, a moral filter is suggested to regulate the market. In addition, an Islamic economic system is content with governmental regulatory role to prevent excesses of the market mechanism. Furthermore, to overcome the market and government failure, an Islamic economic system developed *waqf* (voluntary organisations, pious foundations) system as a third sector to serve towards welfare needs of society. Moreover, the Islamic ethical system instituted voluntary instruments such as charity and legal obligations, e.g. *zakah*, to respond to the failures in both the mechanisms so that the needy are provided for. Importantly, filter mechanisms are endowed with systemic instruments that provide sustainable development through preventing "waste, over-utilization and the excessive exploitation of non-renewable natural resources and the ecological and environmental aspects of moral activity". This is precisely so, because natural resources and the environment is perceived to be an *amanah*, or trust from Allah to humanity. Furthermore, to facilitate the efficient working of the market mechanism, "Islam lays down an elaborate code of business ethics to ensure honesty, transparency and equity in business and financial dealings".²³

The philosophy behind the legality of sale as a core activity in the market is that Islam permits it and ordains its rules and terms. Such permission is as "a kindness for the people and a cooperation amongst them in order to maintain the continuity of their life."²⁴ By means of sale people could satisfy their needs from each other for "the satisfaction of needs of people depends on the possessions of his brother and the latter may not release such unless there is a compensation, thus, in the permission of sale is a means for each of them to reach whatever he wants and satisfies his needs."²⁵ Sale is permitted in order to "maintain the manner of living because Allah has created the world in the most complete form and controlled its manner of living by the best control. Such system and control do not exist unless by the operation of sale for a person cannot be able to get all his need by doing such himself because if he worked in cultivation of the soil and seedling wheat then he services, keeps, harvests, threshes, fans, cleans, pulverizes and kneads such wheat he will not be able to produce what he needs such as the equipments for cultivation, harvest and the like as well as his busy for looking for his need about clothing and accommodation. Then he needs to buy such things. If the sale is not permitted, he will take such things by coercion or begging if he can. Otherwise he will fight his brother. Consequently, the existence of world is destroyed."²⁶

The permission of sale affects the exchange of advantages among the people and the realization of cooperation between them. By which they might organize their manner of living and everyone of them sets out whatever he could gain from the means of life. Then, one of them plants the earth by means of powerful which is bestowed on him by Allah and of knowledge about agriculture situations which is given also by Allah. He sells his yields to whom who is not able to plant but he can get the price from another way. One of them supplies a good from the far places then he sells it to whom who takes benefit from it. One of them manufactures an item then he sells it. Thus, the sale is of the biggest benefit means in this worldly life and the most honor reasons for the civilization and prosperity.²⁷ Many business transactions failed because of non-fulfillment of legal conditions which are stipulated by the Lawgiver which guarantee the affectualisation of the transaction.²⁸ In order to protect the weak person, for instance, Islam has allowed a form of sale called "*murabahah*" (cost-plus-profit contract). It is permitted because "the needs of people. An ignorant person who is not aware of trade needs to depend on him who does.

²³Asutay, "A Political Economy Approach..."

²⁴ Al-Hattab, Mawahib al-Jalil..., vol. IV, p. 227.

²⁵ Ibn Qudama, al-Mughni, vol. IV, p. 3; al-Bahuti, Kashshaf al-Qina'..., vol. III, p. 145.

²⁶ Ibn 'Abidin, Radd al-Muhtar..., vol. IV, pp. 6-7; Ibn al-Humam, Fath al-Qadir, vol. VI, pp. 247-8.

²⁷Fikri, al-Mu'amalat..., vol. I, p. 28.

²⁸ Ali Ahmad al-Jarjawi, Hikmah al-Tashri' waFalsafatuh (Jakarta: Nur al-Thaqafah al-Islamiyah, n.d.), vol. II, p. 137.

Thus, he is pleased with the price which the latter has paid and increases a known profit."²⁹ In other words, *murabahah* is legalized because "it facilitates the people to seek livelihood. It calls to the obligation of performing the truth. For the people might be in a condition of stupidity or ignorance or simplicity in which he does not know the price of good which he wishes to buy from the other. When he bought it with an increase the other will take benefit for his manner of living."³⁰ In the case of *salam* contract, the rationale is "the consideration of public benefit and alleviation of difficulty for the seller so that he might gain his present needs if he cannot find a person who will give him a loan and he has not something that he can sell it at that time, but he can get and deliver later. Thus, his current need is realized by a *salam* contract. On the other hand, the buyer will also take benefit in the sense of his need to get profit as the contract price may be lower than the market price."³¹ Regarding *ihya' al-mawat*, the philosophy behind it as mentioned by Al-Babarti (d. 789H): "One of its (*ihya' al-mawat*) merits is that it creates productivity and nourishments for the people,"³² for, agriculture is of the biggest sources of sustenance and wealth.³³ The wisdom behind the legality of *ihya' al-mawat* applies to three advantages: First, reclamation of a land which was virgin; Second, increasing the means of seeking sustenance among the people; Third, the Head of State will benefit from such land in the term of payments of land tax which accrue to the Bait al-Mal and then distributes to deserving persons. It is obvious that the person who reclaims the land with the permission of Head of the state will own such land so that if he is poor, he will become rich and save himself from the noose of poverty.³⁴

If the people practice the principle of Islam concerning the reclamation of virgin land by following whatever is regulated by *ahadith*, no part of the world which is cultivable will remain uncultivated. "If Muslims and their children know what rewards have been prepared by Allah for reclaiming virgin land they will not leave any piece of virgin land. Such reclamation is an obligation on those who are able to do it and the land is not owned by anyone, if it is so the owner must reclaim it otherwise he will lose it and it shall be given to another who is able to reclaim it. For, Islam recognizes the right of a person to life and bestows him the benefit of the heaven and earth. The Holy Quran states to the effect "And He has subjected to you, as from Him, all that is in the heavens and on earth."³⁵ Then, these ample natural sources on earth are available to man to be used for their benefit according to their capacity.³⁶ The wisdom behind the legalization of *ihya' al-mawat* is "as a bounty and encouragement to develop the earth."³⁷ *Ijarah* is a contract involving use of a subject-matter by the lessee of the hired object. Thus, *ijarah* is a tolerated exception to the requirement that the subject-matter should be in existence at the time the contract is concluded. That requirement cannot be met when work or use is the subject-matter. The work and use are necessarily non-existent at the time the contract is concluded but comes progressively into being by the gradual implementation of the contract. It is tolerated by Islamic law on the ground of *Istihsan* and necessity. This is the view of most of the jurists in the literatures of Islamic law.³⁸ But the writer's opinion is that it is not an exception because it is mentioned in the Quran and practiced by the Prophet (PBUH) himself as we have seen in the evidences of *ijarah* legality. *Ijarah* stands by itself with its own constitution as another specie of transaction and it is not an exception to achieving certainty in contractual obligations because it might achieve the precise definition of the term or modes of user or the nature and quality of services. Regarding the merits of *ijarah*, al-Babarti (d. 789H) said : "It is for pushing the need with a few of compensation for not everyone can get his own house for his staying, or watering place for washing/bathing, or camel which carries his items to a place which cannot be reached unless by a hardship."³⁹

²⁹ Ibn al-Humam, Fath al-Qadir, vol. VI, p. 497.

³⁰ Fikri, al-Mu'amalat..., vol. I, p. 17.

³¹ Fikri, al-Mu'amalat..., vol. I, p. 16.

³² Sharh al-'Inayah 'ala al-Hidayah, in margin with QadiZadah, TakmilahFath al-Qadir, vol. IX, p. 2.

³³ Al-Jarjawi, Hikmah al-Tashri'..., vol. II, p. 193.

³⁴ Al-Jarjawi, Hikmah al-Tashri'..., vol. II, p. 193.

³⁵ The Quran, Surah Al-Jathiyah, (45) : 13.

³⁶ Zaghulul, al-Mal walstithmaruhu, pp. 156-7.

³⁷ Al-Hattab, Mawahib al-Jalil..., vol. VI, p. 3.

³⁸ See Al-Marghinani, al-Hidayah..., vol. VIII, p. 4; Ibn Rushd, Bidayah al-Mujtahid..., vol. II, p. 166; Al-Bahuti, Kashshaf al-Qina'..., vol. III, p. 547.

³⁹ Al-'InayahSharh al-Hidayah, vol. VIII, p. 3.

The merit of the legality of *ijarah* is great. For, in which the exchange of benefits among the people is materialized; and a work which is done by an individual is not the same with a collective work; and Allah has permitted contracts for the benefit of man while their need of *ijarah* is great for not everyone has property as house for his living, land for his agriculture, animal for his riding and the other manner for living. It might be that he cannot possess the ownership of such by means of buying for he has not enough money, or by gift and borrow because the soul of man does not desire it, then he needs to hire it.⁴⁰ In short *ijarah* is legalized by Islamic law for "the need of people required it because not everyone has place for staying, animals for riding and servant. Then it is permitted as sale."⁴¹ The need to this legalization of hire is materialized by Islam because "the masters of such things (house, animals and work) do not give them freely, thus, it is permitted as a kind of kindness."⁴² The philosophy behind *waqf* as a pure Islamic institution of charity. Before the emergence of Islam in the Arabian peninsula, the Arabs did not recognize such institutions. Imam al-Shafii (d. 204H) said -as quoted by al-Hattab (d. 954H): "The people of pre-Islamic days have not endowed - as I knew - their house or land but Muslims who have done it. Therefore, al-Nawawi (d. 676H) said: "It (endowment) is a special phenomenon of Muslims."⁴³ The wisdom behind the legality of *waqf* is "the intention to achieve what one desires in this world, in the way of doing good to his friends and which may be conducive of good in the next world; in other words it arises out of an institution to earn good in the next world, by one who is competent to do the same."⁴⁴

It is a reality that there are many people whose Allah has bestowed them with enormous property and wealth but they are afraid when they died their heir will dispose arbitrarily such wealth. In order to prevent their benefit and the benefit of their heirs and relatives they endow some of their wealth as a means of remaining their source of sustenance in one side. On the other side, it is a prevention from the free play of irresponsible persons who might sell and gift it and the like. Hence, the benefit will be in continuation and the endower will receive two rewards. Reward for his good action in order to exclude his heirs from the property, and reward for the prevention of the source of wealth from becoming less.⁴⁵ The wisdom behind the legalization of *waqf* is of the greatest wisdom. Its grace accrues to the endowed party. There are the poor who are incapable to get a job caused by whether minority or weakness or the like. Or those poor people were rich but then they became poor. Thus, these people have a priority to be blessed, concerned about and compassionated. When some properties are endowed and the benefit of it is given to them, they will find rest from the difficulty of poverty and release themselves from the tie of hardship. Consequently, the problems which they have faced become easy. The endower, on the other hand, will receive great reward from Allah (SWT) and He will reward him in the Hereafter.⁴⁶ By legalizing the institution of *waqf*, Islam has directed the Muslim community to take care of the lowest class in society, the helpless, the poor, and recommended the appointment of religious persons to administer their affairs taking care and giving attention and, moreover, the philosophy and policy behind the *waqf* show the implication of the concept operating in Islam.

The Islamic protection of society has made the concept which said that the individual must contribute a part of his income to become eligible for social security as a right of all the subjects. The role played by public treasury is vital in this regard. The revenue derived from *zakat*, donations, levies, *awqaf* and other methods religious and secular go to finance the social security fund for the treasury. The Holy Quran states to the effect "...And do good that you may prosper."⁴⁷ In agricultural aspect the philosophy behind its productivity is very important. In the Holy Quran, Allah attracts our mind to the external nature around us, which should be evidence to us; of His loving care of us, and of its being due to causes other than those which we produce and control. He said to the effect "See you the seed that you sow in the ground? Is it you that cause it to grow, or are we the cause? Were it our will, we could crumble it to dry powder, and ye would be left in wonderment. (Saying), "We are indeed left with debts (for nothing). Indeed are we shut out (of the fruits of our labour)."⁴⁸

⁴⁰Fikri, al-Mu'amalat..., vol. I, p. 92; Al-Jarjawi, Hikmah al-Tashri'..., vol. II, p. 189.

⁴¹ Al-Shirbini, Mughni al-Muhtaj..., vol. II, p. 332.

⁴² Al-Bahuti, Kashshaf al-Qina'..., vol. III, p. 546.

⁴³Mawahib al-Jalil, vol. VI, p. 18.

⁴⁴Haskafi, Durr al-Mukhtar, vol. II, pp. 332-3.

⁴⁵Haskafi, Durr al-Mukhtar, vol. II, p. 324.

⁴⁶ Cf. Haskafi, Durr al-Mukhtar, vol. II, pp. 325-6; Al-Jarjawi, Hikmah al-Tashri'..., vol. II, pp. 199-200.

⁴⁷ The Quran, Surah Al-Hajj, (22) : 77.

⁴⁸ The Quran, Surah al-Waqi'ah, (56) : 63-7.

Based on these Quranic ayat, it is a kind of His blessing that we can cultivate our land whether by ourselves or by hiring the others. To manage the transaction pertaining to such cultivation, Allah - through His Messenger - has regulated and permitted it. Thus, the legalization of *musaqah*, *muzara'ah* and *mugharasah* is to fulfill the need of people. "The need (of the people)," al-Bahuti (d. 1051H) wrote, "requests such legalization."⁴⁹ It is well-known that many people have no land to cultivate, or money to let it but he has animals and is able to cultivate the land and develop it. Many people, on the other hand, have the land which might be cultivated but he has no animals and is not able to work. Thus, when these two persons concluded a contract in which one of them gave his land and the seed while the other agreed to work by his animals and the two will have an agreed share of the produce. This is a wisdom behind the legalization of *muzara'ah*. In addition, in *muzara'ah* there is a meaning of restoring the earth and widening the area of agriculture which they are the most important source of wealth. Furthermore, in the legalization of *muzara'ah* there is an exchange of interests between the two parties which produces the unity and love among the people as well as truth and integrity.⁵⁰ Regarding *musaqah*, the wisdom behind its legality is a fact that some people are rich. They have land with many trees therein but they are not able to cultivate and maintain them by themselves because of any hindrance. The Lawgiver allowed them to conclude a contract with another person who will cultivate such land and they will have a fixed share of the produce. In this manner, two benefits are realized. First, releasing the difficulty of poverty from the poor. Second, exchanging the benefits among the people. Another benefit is that the master of the trees has increase his property for without such cultivation his land will suffer.⁵¹ The need of the people necessitates the legality of *musaqah*, *muzara'ah* and *mugharasah* for "the master of trees (land) might not be able to maintain and work on them. On the other hand, there is a person who is able to maintain and work on them. Thus, the former needs to cultivate such trees and the latter needs the work. If the master hired a worker he should pay the wages immediately, but he might not get any produce because the worker is lazy. Due to this reason *musaqah* [*muzara'ah* and *mugharasah*] are legalized."⁵²

Conclusion

Islam provides humanity with solutions to problems created by imperfect man-made political systems and moral values. Islam is a divinely ordained social framework that should guide humanity to peace and tranquility in all aspects of life, physical and metaphysical. Through its teachings including political economy, Islam recognizes the need of man as one of its innovative tool in order to fulfill their need. Accordingly, man, in his relationship with the environment in view of political economy, was predisposed to utilize all possible resources to satisfy his needs and increase his pleasure. Cooperation with others made the effort to satisfy his needs manageable. And cooperation with others result in a sharing of benefit with all participant in the community.

⁴⁹Kashshaf al-Qina', vol. III, p. 532; Cf. al-Shirbini, Mughni al-Muhtaj..., vol. II, p. 322.

⁵⁰ See Fikri, al-Mu'amalat..., vol. II, p. 143; al-Jarjawi, Hikmah al-Tashri', vol. II, p. 190.

⁵¹See Fikri, al-Mu'amalat..., vol. II, p. 157-8; al-Jarjawi, Hikmah al-Tashri'..., vol. II, p. 191.

⁵²al-Shirbini, Mughni al-Muhtaj..., vol. II, p. 322-3.

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