

Islamic Economic Distributing Wealth Among the People in Islam

Abstract

All over the world, a major part of human population suffers with lack of basic necessities. The statistics show the rate of poverty is increasing continuously over the last few decades. Many economies have failed like the recent case of Greece. The present economic system lacks an inclusive approach of development where everybody can be benefitted from the economical growth in all the parts of the world. The present work discusses the Islamic economy with its benefits and advantages. This system appears capable of addressing many economical issues of the present world and it can be adopted to look for the solutions of poverty and inflation.

Keywords : Islamic Economy, Poverty, Shairah, Economic Equilibrium

Introduction

Islam allows individual ownership, but has determined the manner of ownership. It has permitted the individual to freely dispose of what he or she owns, but it has also determined the manner of disposal. Islam has taken into account the disparity in the physical and mental abilities among the humans; therefore it has made provision to help the weak and the needy, by commanding the wealthy to give to the poor and needy. Islam has also made the utilities, which are in their nature indispensable to the community, a public property for all Muslims, and has forbidden any person from privately owning or protecting for himself or for others such utilities. It has also delegated the responsibility of providing the wealth, either as commodities or as services, to the State, and it has also permitted the State to exclusively acquire certain properties.

Islam has therefore guaranteed the livelihood for each citizen of the State, and ensured that the community does not fragment but rather remains cohesive. Islam has also protected the interests of the individuals and guaranteed the management of the community affairs, and the preserving of the entity of the State, which has been delegated with the necessary mandatory powers to carry out her economic responsibilities. This, however, could only be achievable if the society maintained a pattern which enables the wealth to reach each individual within the society, and if in turn the individuals within the society were collectively adherent to all of the *Shari'ah* rules. However, if the society were based on flagrant disparities, as is the case nowadays in the Islamic world, then a balance through a new process of distribution must be struck between the citizens in order to bring about a rapprochement in the provision of basic needs. Furthermore, if people's minds were to suffer deviation in the implementation of the *Shari'ah* rules, due to misconception or an incidental corruption; or if the State were to neglect its duties or abuse its powers, then they would go astray and society would deviate from the right course. This would lead to egoism, selfishness and mismanagement of the individual ownership, and it would in turn lead to the mal distribution of wealth among people. That is why a balance between individuals must be maintained, and were it to be lacking, it must then be generated. Two matters could lead to the mal distribution of wealth among people. The first would be to allow the circulation of wealth exclusively among the rich; and the second would be to deprive people from that wealth, and to prevent them from acquiring the means of circulation of that wealth.

Islam has solved these two matters by decreeing a host of *Shari'ah* rules designed to ensure that the wealth is circulated among all people with no exception. Islam has also decreed some *Shari'ah* rules which prevent the hoarding of gold and silver, for they represent the means of exchange, and which ensure their circulation within the society among all individuals. This would redress the corrupted society, and the deviated or the society likely to deviate and it would aim at providing the wealth to all the citizens, one by one until each individual has his basic needs fully satisfied, and each individual has been enabled to acquire as much of the luxuries as he can.



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Economic Equilibrium in Society

Islam has made the circulation of currency between all citizens an obligation, and it has forbidden the restriction of such circulation to a certain group of people to the exclusion of others. Allah _ says:

“Lest it circulates solely among the wealthy from amongst you.” [Al-Hashr: 7]

If there were an excessive disparity between individuals within society in terms of securing the needs, and if society needed to be rebuilt anew, or if this disparity was caused by neglect of or the indifference in the implementation of the Islamic rules, the State would be under obligation to redress the situation by handing out financial assistance to those in need, until these basic needs were satisfied, and until a balance in distribution was struck. The State should endeavor to provide both movable and immovable commodities, for its aim should not only be to temporarily fulfil one's needs, but also to provide the means which would assist the individual in his quest to fulfil his own needs over the long term. If the State were short of funds, and if its revenues were insufficient to generate such a balance within society, it would be wrong for it to impose taxes on its citizens for the sake of bringing about such balance, for this matter is not the duty of all the Muslims; it should rather endeavor to generate funds from sources other than taxes, such as the war booties and public properties in order to bring about the balance. Therefore, whenever the State feels that there is a disparity in the economic balance within society, it should address this disparity by handing out financial assistance from the treasury to those in need, provided funds gained from booties and public properties were available. When the Messenger of Allah _ realised that there had been a disparity in wealth between the Muhajireen and the Ansar, he _ divided the booty gained from Bani Nadheer exclusively among the Muhajireen, in order to generate an economic balance. It has been reported 'that when the Messenger of Allah _ peacefully conquered Bani Nadheer and then expelled the Jews from it, the Muslims asked the Messenger of Allah _ to divide the booty among them; so Allah _ revealed the following verses:

“What Allah has bestowed on His Messenger from them, for this you have madeno expedition” [Al-Hashr: 6]

So Allah _ had placed the wealth gained from Bani Nadheer exclusively at the disposal of the Messenger of Allah _, to spend in whichever way he deemed fit. The Messenger of Allah _ divided it among the *Muhajireen* and did not give any of it to the Ansar except to Abu Dajana Sammak ibn Kharsha and Sahl ibn Haneef who both were at that time poor just like the *Muhajireen*. It has been reported on the authority of Ibn Abbas that the Messenger of Allah _ said to the Ansar:

“If you wish I could ask you to share your homes and your wealth with the Muhajireen and divide among you this booty, or if you a remedy for a specific situation from specific funds The Prohibition of Hoarding Gold and Silver

The phenomenon of mal distribution of wealth among individuals all over the world is one of the realities reflected clearly in all aspects of daily life, to the extent that this does not require an evidence to be proven, and what people suffer due to the flagrant disparity in meeting their needs cannot be over-emphasised. Capitalism had made several attempts at tackling this phenomenon but to no avail. When the capitalist economists study the theory of income distribution, they completely ignore the mal distribution of individual income, and become contented with the publication of figures and statistics without offering a solution and without any comment. Apart from the quantitative restriction of ownership, the Socialists have not been able to conjure up a solution to this phenomenon. As for the communists, their solution was the prohibition of ownership. Islam on the other hand has ensured the effective and efficient distribution by determining the means of ownership and the method of disposal, and also by offering the needy financial assistance which secures for them a relative parity in meeting their needs with other members of society.

Islam has therefore provided a solution to the phenomenon of maldistribution. However, despite the relative parity among people as far as the basic needs are concerned, there may be some very wealthy individuals in the society; Islam has not imposed the parity on ownership, but rather obliged that every individual is independent from others in his ordinary needs. Bukhari reported that the Messenger of Allah _ said:

“The best sadaqa is that which is given out of one's wealth after sufficiency.”

These large amounts of wealth prepare the ground for their owners to save, and help them acquire large incomes. Therefore the wealth remains intact, for wealth generates wealth, although personal effort plays a part in gaining such wealth and in generating the opportunities to invest the wealth. This does not pose a danger to the economy, on the contrary, it helps increase the economic wealth of the community as well as the individual. The danger lies in the hoarding of monies by some individuals with very large fortunes, leading to the fall in the standard of income and causing wide unemployment thus pushing people into poverty. It is therefore essential to tackle the hoarding of monies. Money is the medium of exchange between two properties, or between a property and a service, or between two services, hence it acts as a measure to this exchange. Therefore, when money becomes scarce and people are unable to obtain it, the exchange vanishes and the economic wheel comes to a grinding halt. The more that money changes hands, the more economic activity proceeds. This is because every person's or company's income must originate from another person or company. Funds levied by the State are regarded as income to the State and an expense to the individuals, and the monies spent by the State on employees, projects and servicemen's salaries etc. are in fact incomes to those people and an expense to the State; the monies spent by the employee, the serviceman, among others are

incomes to those who sell their goods and services to those people, such as butchers, grocers, landlords, traders etc. Therefore, people's incomes and their overall spending would be constantly circulating. If a person were to hoard a sum of money, he would in fact be withdrawing it from the market, and this would lead to a decrease in spending and to a decrease in the income of persons who would have had dealings with that person had he not hoarded that money. This in turn would lead to a decrease in their production, for the demand for goods decreases, thus leading to unemployment and an overall economic decline. Therefore, the hoarding of money leads definitely to unemployment and to economic decline due to the decline in people's incomes. It should however be made clear that this damage to the economy emanates from money hoarding and not from saving; saving does not halt the employment cycle whereas hoarding money does. The difference between hoarding money and saving is that the former means accumulating money without purpose. It means taking money away from the market, whereas, the latter i.e. saving, means accumulating money for a purpose, such as saving to build a house, or for a wedding, or to set up a business etc. This type of money accumulation does not affect the market nor does it affect the employment cycle, for it does not lead to taking money from the market, rather it means saving a sum in order to spend it at a given time, thus the money will circulate again once it is invested, there is therefore no harm in saving, unlike hoarding the money for no real purpose. Islam has made it lawful to save gold and silver, for it means the accumulation of money for a purpose. Islam has permitted the **"Mukatib"**

(contracting slave) to work and save money in order to pay for his freedom; Islam has also permitted a man to save money in order to accumulate a dowry for a woman he wishes to marry, or to save money in order to go to *Hajj* etc. The saver would only have to pay the *Zakat* due on the accumulated money if it reached the *Nisab* and remained in his possession for a full year. When the verse was revealed prohibiting the hoarding of gold and silver, these two metals represented at the time the units of exchange and measure of the effort spent (in work) and the units of value put on goods, services and properties, whether these were minted or not; the prohibition was therefore directly linked to the fact that they represented the unit of exchange. The hoarding of gold and silver was prohibited explicitly in the Qur'an. Allah _ says:

"And let those who hoard gold and silver and do not spend them in the way of Allah know that a severe and painful punishment is awaiting them."

[At-Tauba: 34]

This warning of severe punishment for those who hoard gold and silver serves as a clear evidence that the Law Giver has decisively ordered us to refrain from doing so; it is therefore forbidden to hoard gold and silver. Evidence of the fact that the verse has conclusively forbidden the hoarding of gold and silver is reflected in the following:

The generality of the verse: The text of the verse in *Mantuq* (words) and in *Mafhum* (meaning)

serves as evidence about the clear-cut prohibition of hoarding gold and silver. To say that the hoarding of gold and silver is permitted once the *Zakat* has been paid would mean abandoning the rule of the verse, which is clearly indicated. This cannot be deduced from the verse unless there were another evidence, independent from this verse, leading to such an understanding or abrogating the rule of the verse. And there is no such sound text to lead us to understand other than what the verse clearly indicated, nor is it likely that such an evidence exists to avert its meaning, for the verse is conclusive in meaning. The other possibility would be that the verse has been abrogated, and there is no evidence to suggest that it has been abrogated. As for the verse where Allah _ says:

"Take from their wealth a Sadaqah that would purify them" [At-Tauba: 103]

This verse was revealed in the second year of Hijra when the *Zakat* was made compulsory, whereas the verse of the *Kanz* (hoarding) was revealed in the ninth year of Hijra; and the earlier revelation does not abrogate the later revelation. As for the *Ahadith* relating that the wealth whose *Zakat* has been paid is not regarded as a hoarded wealth, these *Ahadith* have not been proven sound (*Sahih*) except the *Hadith* reported by Al-Daraqutni and Abu Dawud on the authority of Umm Salama; as for the other *Ahadith* in relation to this matter, they are fabricated and refuted in narration and in meaning i.e. in *Sanad* (chain) and in *Matn* (content). As for the *Hadith* of Umm Salama, it cannot abrogate the verse even if it were *Mutawatir*, for the prophetic *Ahadith* cannot abrogate the Holy Qur'an, even if these were *Mutawatir*, for the Qur'an is definite in text, and we worship Allah _ with the Qur'an in words and in meaning, whereas the *Mutawatir Hadith* is only definite in meaning, and we do not worship Allah _ in the words of the *Hadith*, so the Qur'an cannot be abrogated by the *Ahadith* even if these were *Mutawatir*. So how could the individual report, such as that of Umm Salama, abrogate a verse that is definite in text and definite in meaning? At-Tabari extracted in his commentary on the authority of Abu Umama Al-Bahili who said: **"A man from the people of the Suffa**

Distributing Wealth among the People 241 spend it at a given time, thus the money will circulate again once it is invested, there is therefore no harm in saving, unlike hoarding the money for no real purpose. Islam has made it lawful to save gold and silver, for it means the accumulation of money for a purpose. Islam has permitted the **"Mukatib"** (contracting slave) to work and save money in order to pay for his freedom; Islam has also permitted a man to save money in order to accumulate a dowry for a woman he wishes to marry, or to save money in order to go to *Hajj* etc. The saver would only have to pay the *Zakat* due on the accumulated money if it reached the *Nisab* and remained in his possession for a full year. When the verse was revealed prohibiting the hoarding of gold and silver, these two metals represented at the time the units of exchange and measure of the effort spent (in work) and the units of value put on goods, services

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(poor) died and a dinar was later found in his garment, upon this the Messenger of Allah _ said: ‘That is a branding (burn).’ Then another man died and two dinars were found in his garment, and upon this the Messenger of Allah _ said: ‘That is two brands.’”

This was because the two men were living off the Sadaqah while they had gold. One *Dinar* or two do not reach the *Nisab* in order to say that *Zakat* is taken out of them. So when the Messenger of Allah _ said about them **“a branding and two brandings”**, he _ was referring to them as hoarding, even though the amount is not liable for *Zakat*. He _ was referring to the verse of the hoarding where Allah _ says:

“On the day their wealth will be heated in hell fire, and with which their foreheads, flanks and backs will be branded” [At-Tauba: 35]

The text of the verse contains a warning against two matters: The first is against the hoarding of money, and the second is against not spending in the way of Allah i.e. those who hoard gold and silver and do not spend them in the way of Allah, a punishment would be awaiting them. This clearly indicates that he who does not hoard money and does not spend in the way of Allah is sinful, and he who hoards and does

spend in the way of Allah is also sinful. Al-Qurtubi said: “He who does not hoard and does not spend must be like that (sinful) as well.” What Allah _ means by *“in the way of Allah”* is *Jihad*, for it is linked to spending. The phrase *“in the way of Allah”* means *Jihad* if it is linked to spending. It came in the Qur'an with this meaning alone, and nothing else; this phrase does not appear in the Qur'an linked with spending without it meaning *Jihad*.

Bukhari reported on the authority of Zayd Ibn Wahab who said: “I passed by Abu Dharr in Al-Rabtha so I asked him: ‘What brought you here?’ He replied: ‘We were in Ash-Sham where I recited:

And those who hoard gold and silver and do not spend it in the way of Allah, then tell them that a painful punishment is awaiting them.” [At-Tauba: 34]

Mu'awyya said: “This does not concern us, it only concerns the people of the book.” Abu Dharr said: “It does indeed include us and them.” This was

also reported by Ibn Jarir on the authority of Ubaydullah ibn Qasim from Hassam from Zayd Ibn Wahab from Abu Dharr: “The incident was mentioned and it was added: The argument about the matter between Mu'awyya and myself became heated so he wrote to Uthman complaining about me. Then Uthman wrote to me and summoned me to him, so I went to him. When I reached Madinah people overwhelmed me as if they hadn't see me before, so I complained about the matter to Uthman, he said to me: “Distance yourselves slightly (away from Madinah)”, so I said: “By Allah I shall never abandon what I have been saying.” Therefore, the argument between Abu Dharr and Mu'awyya was regarding whom the verse referred to, and not regarding its meaning. Besides, had there been a *Hadith* at the time stating that the money for which its *Zakat* has been taken out would not be considered as hoarded wealth, then surely Mu'awyya would have used it to argue his case and refute Abu Dharr. It is likely that such *Ahadith* have been fabricated after the Abu Dharr incident, and it has also been confirmed that such *Ahadith* are not classified as *Sahih*.

Linguistically, Al-Kanz (hoarding) means piling up money, and hoarded money means accumulated money. *Kanz* also means anything piled up and hidden underground or overground. The words of the Qur'an can only be explained with the linguistic meaning, unless a *Shari'ah* meaning to such words is mentioned, in which case they would then be explained with the *Shari'ah* meaning. It has not been established that the word *Kanz* has had a *Shari'ah* meaning, therefore it must be explained with its linguistic meaning only, which is to hoard money and pile it up without purpose. This hoarding is abhorred and it is the one which Allah _ warned against and for which He promised the perpetrator a severe punishment.

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