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Distributive Justice: A Perspective from Islamic Economics Literature

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Abstract

This conceptual research paper intends to provide a summative introductory to an important economic concept; distributive justice from a purely Islamic perspective. Despite its relevance to the prevailing socio-economic problems and role in our daily economic activities both at micro and macro levels, most discussions related to distributive justice are often rooted to works of western scholars. The efforts available are normally cursory in nature relative to processes of production and consumption. Justice being central to Islam in general and distribution an aspect that affects the wellbeing of people collectively awards the notion of distributive justice an interesting and significant place as an independent subject matter of analysis.

Keywords: Distribution, Justice, Islamic Economics

1. Introduction

In recent years, distributive justice has emerged as an important topic among Muslim scholars of Islamic Economics. Underlying these discussions is the strong Islamic ethics of providing basic subsistence, for the most disadvantaged members of society. This involves individual obligation and personal piety as well as a state responsibility for social welfare. The ethical principle is formalized as one of the five pillars of faith in the form of tax of surplus wealth known as zakat.

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To date, to the best of our knowledge, no official definition of distributive justice is available in Islamic Economics, though there are plentiful of meanings given to the concept of social justice, the broader concept of distributive justice. Hence, one is expected to find most Islamic literature elaborating on distributive justice under the broader concept of social justice. The Modernists (scholars who received their education in the West or institutions modeled after Western patterns, advocating the adoption of secular standards under the influence of Western ideals without regard to their relevance to Islamic traditions) refer to distributive justice as the fair allocation of resources, ranging from rights, privileges, liabilities, rewards and punishments based on the principles agreed by the society as a whole and approved by the State.

2. Brief Historical Evidences

In terms of religious liturgy, this period witness, the revival of judicial thinking, economic and otherwise. The Economic fiqh was necessitated by the need to find answers to new compelling socio-economic questions that either did not exist during the time of the Prophet (pbuh) or existed but not on the same scale. Nonetheless, the Caliphs, the de facto economists and jurists of the day, carried out the responsibility and provided the ummah with the most needed self-exerted judgment based on the Quran and Sunnah.

The debate over the caliphate started on the day of the Prophet's death, when two groups of Muslims disputed the right to the succession; the Medinese Supporters and the Makkahn Emigrants.

"The disagreement ended by the swearing the oath of allegiance by the immigrant Qurayshite, Abu-Bakar. Being the tender hearted and approachable person he was, Caliph Abu Bakar was the first man to have embraced Islam. Nicknamed, Al-Siddiq (the believing) due to his unconditional faith in the Prophet and his messages, Abu Bakar spent his wealth in the cause of God generously, by setting Muslim slaves

free and preparing for the Holy War to his full extent. So much so that, his answer to the Prophet when asked about what he had left for his family, was "I left them with God and His Messenger."

Despite the short caliphate before his assassination, Caliph Abu Bakar fought the apostasy revolt "al-Riddah" and established the Islamic taxation. He viewed the refusal to pay Zakah as an illegitimate attempt to divide the essential values of Islam. Furthermore it was a clear breach of a prior commitment the rebelling tribes made to the Prophet. When his decision to fight the believers was opposed by Umar, Abu Bakar justified it as crucial act to unite the Arabian Peninsula and inevitable, given the State's limited financial resources and the allocative role of Zakah.

The biography of Umar R. A. is significantly different from that of his predecessor, as he was both a source of fear and respect. Yet, he was an exemplary for his piety, high regard for justice and fairness and intellectual ability. The main factor that seemed to have influenced his state policies, was his late conversion to Islam. Umar was found to use the criterion of precedence in Islam and the degree of closeness to the Prophet as the bases in allocating stipends to Muslims.

By contrast, Abu Bakar's approach to distribution was to give equally, because to him, stipends are to do with this life and meant to help people whereas precedence in Islam is to do with God to reward. The Islamic conquests reached its peak at the time of Umar, bringing in changes that called for a fresh outlook in dealing with economic issues. Caliph Umar's policies were a reflection of his remarkable mind, sometimes coinciding with those of the Prophet and Abu Bakar while other times deviating, but never diverging from the Islamic principles.

His economic thinking can be summarized into six distinct subcategories:

(i) The Ownership of Economic Resources – opined that the land conquered in wars should be kept in the hands of the state, or nationalized and a tax imposed (Kharaj)on the original owners, from which Muslims would be paid stipends. Since the Quran treats the types of spoils of war; Anfal, Ghanimah and Fai differently, he insisted on manage the spoils on the basis of their mobility. Land he argued, if assigned to Muslim soldiers might turn Islamic society into a feudalistic one, bound to create class distinctions and eventually affect the welfare of the future generations adversely. Instead, transferring land ownership to the State would generate a permanent booty for the Muslim cause.

(ii) Economic development – placed high importance in the efficiency of using economic resources, namely land and labour. Umar introduced the legitimacy of owning a barren land upon revival, even if it

belonged to another, provided it was abandoned for three years. He also saw labour as the right of the individual by the state and rationalized moderate consumption for the promotion of saving and investment.

(iii) Wealth distribution – stressed an important concept in distributing zakah revenues to the poor; to enrich and not merely to meet their basic needs. In addition, Kharaj revenues was divided into monetary allowances and payments in kind, but discriminated the recipients upon their relationship with the Prophet.

(iv) Tax Structure – the initiation of Ushur or custom tax at a rate of one tenth, following the practice of foreign countries against Muslim merchants. Caliph Umar demonstrated the purpose of revealing the Quran by questioning the wisdom of the law through his economic reformation.

(v) State Expenditure – was known for his conscientiousness about the need for public facilities, besides the social-caring and stipend spending.

(vi) State Administration – Introduced state registration, Diwaan and the principle of questioning governors for any extra wealth accumulated while in position.

Caliph Uthman was known for his tolerance, approachability, gentle nature and modesty. He was one of few people chosen by the Prophet to write Qur"ànic verses when they were revealed. Wealth to Uthmàn the Muslim was a blessing but to him as caliph it was, nevertheless, otherwise. When the Islamic movement was poor, Uthmàn spent on the Islamic cause generously, so much so that he is reported to have financed as much as one third of the cost of an Islamic expedition on his own (Al-Tabarì). When comparing his style of living with that of Caliph Umar whose food and dress were scanty, the Muslim community had many questions and objections. However, his general economic policies were a continuation of those of his immediate predecessor, except for a marked development in the ownership of agricultural land. Caliph Uthmàn was of the view that the land could be transferred from the state to individuals to look after on a rental basis, which led later on to the appearance of Islamic feudalism.

Although his economic argument for the change found support from the substantial increase in the state revenue from this source which increased from a range between 4,000,000 and 9,000,000 to 50,000,000 dirhams during the reign of the third caliph, it had adverse consequences: (a) it opened the door to what could be viewed as nepotism on a large scale, (b) what started as giving away only the right of utilization ended in giving up the full right of ownership, (c) as the policy gradually transferred a considerable *amount of the state revenue and ownership to individuals the policy led to widening the base of the private sector and reducing the base of the public sector, and (d) with the burning of the registers of those lands during the civil disturbance that took place during the Umayyads in 82 H an important source of information to the state was lost, which led to false claims of ownership.*

Caliph Ali's economic thought is best summarized in a comprehensive document that took the form of instructions to his newly appointed governor of Egypt, Màlik al-Ashtar. There were four main issues in his general guidance: the moral issue, justice, peace and security, and economic prosperity. The economic development for the fourth caliph, and indeed for caliphs in general, was not confined to the development of production but it would also extend to cover the distribution of the value of production among the population. To him, the optimally just distribution of income in the process of economic development was the one in which the increase in an individual's wealth was not accompanied by a decrease in another's. Such a concept of optimal distribution is very near, if not identical, to Pareto's concept of efficient distribution."

3. Literature Reviews According to Phases of Production

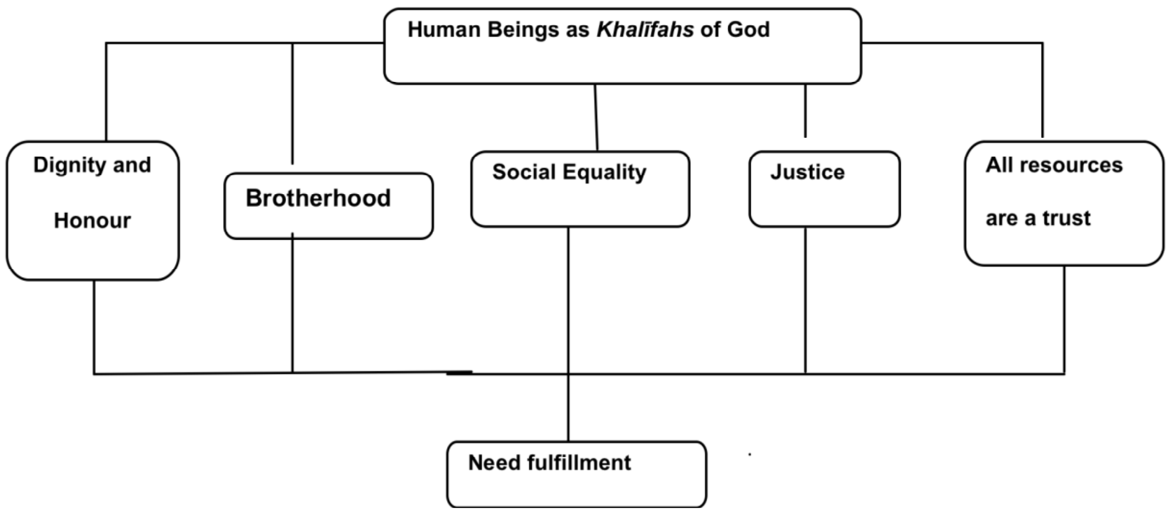
Iqbal (1988) in his book, Distributive Justice and Need Fulfillment in an Islamic Economy summarizes distributive justice in Islam to include the guarantee of the fulfillment of the basic needs of all, equitable not equality in personal incomes and the elimination of extreme inequalities in personal income and wealth. Although, there is a total agreement among the Islamic economists that fulfillment of basic needs of all humans is an essential part of the Islamic vision and a primary objective of organized Islamic living, differences of opinion as to what these needs are and how they should be met remain. It is then reasonable to make a claim for the guaranteeing of the basic needs of all to be the goal for the initial distribution phase.

3.1 Studies related to the Pre-production Phase

Siddiqui (1996) in his discussion on the guaranteeing of a minimum level of living in an Islamic State, begins with Syariah's requirement for every individual to strive to fulfill their lives basic needs. He emphasizes living for a purpose, which inevitably demands efficiency and dignity. The only criterion for eligibility is need, without sufficient means to fulfill it. The guarantee of need fulfillment or the right to livelihood follows logically from the Islamic view of life as a test (67:1-2), the status of men and women as vicegerents (17:70) and their being distinguished from other creatures by a special dignity (7:10); from the fact that the universe has been well provisioned to sustain human life ; and from the cooperative nature of the Islamic society (9:71). However, the eventual responsibility of implementing it rests with an Islamic State. Due to the religious nature of the principle, it can neither be abrogated nor suspended under any circumstances. Evidently, it is ranked highly in the objectives of Syariah.

According to the scholar, the list of needs and the extent to which each need should be fulfilled is a matter of economic conditions of a particular society. Another factor that would have a decisive influence in setting a standard is the economic resources of the country concerned. Like other important issues in the polity of Islam, the details are to be decided through a process of consultation (shura). Since it is characterized as fard' kifayah (a socially-obligatory duty), the voluntary action of well-to-do individuals is expected to play a substantial role in this connection. The first source of an individual's need fulfillment is his own income, followed by support from his near relatives. Private charity and support from philanthropic organizations and voluntary associations can also be a substantial source of support for the needy. State-administered schemes of social insurance and other comprehensive programs can be helpful to meet temporary and accidental needs of the ill, elderly and involuntarily unemployed. To conclude, he outlines direct transfers of income to the poor, public provision of consumption goods and services, intervention in the commodity and factor markets and ownership and control of assets by the State as policies to effectively guarantee the minimum level of basic needs of all.*

Chapra (2007) in his Guarantee of Satisfaction of Fundamental Needs restates that one of the essential goals of Islam is to be a blessing for mankind (21:107) and an indispensable requisite for being a blessing is to ensure the wellbeing of all people. This emphasis on need fulfillment raises a number of crucial questions including the rationale that Islam provides for this guarantee, what these fundamental needs are, and the difference in the nature of these needs as discussed in mainstream Development Economics and Islam. His response to first issue is that the Islamic rationale for guaranteeing the satisfaction of fundamental needs is based on three fundamental principles of the Shari‘ah; khalifah, justice (adl') and amanah. He sums this with a simple diagram as follows:



* Role of the State of the Economy: An Islamic Perspective: Chap. 1

emphasized. The Holy Prophet, in many instances, recommended paying special attention to ones property, to the point He said “He who dies in protection of his property is a martyr,” and “Your blood, your property and your honor are sacred to you like the sacredness of this day of yours, in this city of yours and in this month of yours…” (Khan, 1989, pp. 8-13).
According to Amir (2007), private ownership in Islam creates a kind of externality (economy) where an increase of consumption, e.g., of an individual leads to more consumption for other individuals in the society. Hence its respected but more importantly increased ownership meant greater responsibility towards the society. Besides the accumulation or ownership of wealth in Islam is not a goal, but a means of production and satisfying needs (Sader, 1349, p. 181).

Taqiuddin and Hizb (1997) in their comprehensive work related to the key aspects of the Islamic economic system, point out that the real aim of the ownership in Islam is to utilize the asset in a manner enjoined by the *Shar'a*. The right of ownership is thus determined within the limits of the commands and prohibitions of Allah. Their examination of the divine rules (*Ahkam Shari'ah*) reduced the means of property possession to work (amal), inheritance, obtaining of property for the sake of life, the State granting of its properties to the citizens and properties, which the individuals take without exchange of property or work. Unmistakably, there is allowance for some to receive sustenance due to their inability to earn sufficient living, in wherein the duty falls upon the Baitulmal (9:24-25; 70: 60).

Rad and Ahsan (2000) provided a model of ownership in Syariah that to them best reflects the uniqueness of an Islamic politico-economic model relative other nationalistic, pro- Western models which aimed at creating an environment of human well-being through the fulfillment of ever-increasing basic material needs, the provision of opportunities to everyone to earn an honest living, the elimination of poverty and the equitable distribution of income and wealth. The circular mode diagram was based on their conviction of the continuous God-human relationship that leads to the pursuit of integrated human development that depends on roles of ownerships in an economy.

Salasal (1998) in her concise work on The Concept of Land Ownership: Islamic Perspective states that ownership pertains to or denotes a multitude of claims, which refer more to the content rather than ownership itself. It signifies the rights to exploit and utilize the wealth and resources provided by Allah s.w.t. and such right is transferable only through legitimate methods. The basic principle envisaged in Islam relating to land ownership is the concept that land vests solely in Allah s.w.t. That is, land, as a free and universal gift from Allah must be utilized to the fullest. It was also given to men for their common use as well as for the general welfare of the society (4:126, 134; 5:120; 16:52; 63:85; 67:15). She explains that Islam has not only acknowledged and recognized private ownership but also provides for its protection (4:21; 5:38; 26:183).

Kahf (2002) asserts that the Islamic approach to income distribution is comprehensive, detailed and realistic. He defends it as beginning from an earlier point of distribution (ownership and rights) and recognizes the limitedness of the market in producing the ‘desired’ outcomes by leaving room for redistribution and government intervention. He makes references to Sadr’s work, in which the functional distribution is argued to begin with the distribution of the means of production, i.e. wealth. Accordingly, the basic rules of distribution of wealth suggested are as follows:

- While property rights make a cornerstone of the Islamic legal system, ownership in Syariah is a grant by God. Thus, the right to personal ownership is not granted by nor through societies.
- The implication being, its limitation to the life spans of the owners. Upon death, the ownership is rightfully redistributed as clarified in the Quran and Sunnah, instead of the man-made laws.
- In addition private ownership in Islam extends beyond personal and consumer goods, covering land, capital goods and means of production.

Wilson (2011) in his commentary of The Islamic Economic Doctrine: A Comparative Study Muhammad Baqir Al-Sadr, summarizes that Islamic economics is viewed as comprising three elements, multiple ownership, economic freedom within constrained limits and social justice. Although ownership in Islamic society is neither private nor public, Al-Sadr stresses that it would be incorrect to depict such ownership as capitalistic or socialist. The ideal Islamic system needs neither, as ownership is constrained by moral values and beliefs that ensure that it is not abused, yet functions efficiently.

3.2 Studies related to the Post-Production Phase

According to Fahim Khan (1990), the conventional economic theory uses a particular classification of factors of production, which is arbitrary and has no scientific sanctity attached to it. Consequently, attempts are being made to review and reformulate the theories of production and distribution in Islamic framework, in order to have our own directions to develop the theories of production and distribution. In the Islamic framework, all productive inputs can be grouped into two categories; one comprising those inputs that do not get 'consumed' while used in the production process (factor inputs) and the other includes those inputs which get "consumed" during the production process and lose their original nature and shape (consumed inputs). Thus, money is said to belong to the latter category. He adds that factors of production also can be identified according to their functions to provide a definite productive service for which they are entitled to receive definite reward (hired factors of production) or choice to bear the entrepreneurial risks of a project rather than having a fixed reward referred to as Entrepreneurial Factors of Production. Yet another convenient way to define the factors of production is by the method of determining their reward or price.

Kahf (2002) notices that the Syariah distinguishes between skilled/unskilled and managerial labor in deciding their rewards. He cautions that managerial labor as with land and capital cannot receive a fixed reward while sharing the risk of an enterprise. Hence the rental of capital goods, land and wage of labor is determined in the factor market whereas the partners to the enterprise itself decide the profit-risk sharing ratio only. In the Islamic approach, money does not share any contribution to the production process, rather acts through the principles of continuation of ownership and turn over as a risk-sharing factor of the production. They create an entitlement to the owner of the money on the factors that actually contribute to the production, and consequently a claim on the output. In contrast, if the money owner were to lend it out, his claim is limited to the borrower and not on the assets or inputs of the production.

Sadeq (1989) states that there are generally two normative principles of factor pricing in Islam; justice and scarcity. It is ordained that a person's receives what he works for or that the price for his labor corresponds with his contribution (53:39, 4:32, 83:1-3). Scarcity refers to the relative supply to the demand conditions/market forces. The interplay should however be maintained within the acceptable range of justice.

Hassan (1988) stands firm on the idea of distributive justice from an Islamic perspective is a matter of integrated implementation of the inter-related mechanisms available in the system. So much so that, he claims that one of the reasons for the world to be torn between different economic systems is because of the problem of having to decide whether economic freedom or distributional equity should be given the highest priority in the social scheme of things. Islam, he says, provides a balanced approach in meeting both needs. Seemingly, the differences in opinion on the appropriateness of a variable as an action, base, the view of an appropriate equitable distribution and the extent of combining equity with the pursuit of other policy goals remains a challenge.

Kamali (1989) in his Principles of Islamic Jurisprudence draws an obvious parallel between equity and *istihsan* although the two are not identical. 'Equity' he claims is a Western legal concept which is grounded in the idea of fairness and conscience, and derives legitimacy from a belief in natural rights or justice beyond positive law[†] whereas *'Istihsan'* literally means `to approve, or to deem something preferable in Islamic law inspired by the Quran and Sunnah, both authorizing departure from a rule of positive law when its enforcement leads to unfair results. The main difference between them is, however, to be sought in the overall reliance of equity on the concept of natural law, and of *istihsan* on the underlying values and principles of the *Shari'ah*.

Mannan (1982) in discussing the solution for possible conflicts between efficiency and equity emphasizes the crucial need to first identify these economic concepts from an Islamic worldview. Given the ultimate aim of an Islamic economic system to ensure economic justice to all, he insists that the objective of efficient utilization of resources should be to have them distributed equitably. He is of the view that, at the initial stage of economic development, when poverty is widespread equity consideration is to take

[†] Osborn's *Concise Law Dictionary*, p. 124.

precedence of the efficiency criteria. Upon achieving the minimum provisions, efficiency can be taken into account in sustaining an equitable distribution of income.

Anjum (1995) in describing equitable distribution of income and wealth in an Islamic framework observes several principles derived by Muslim jurists meant to minimize potential conflicts between individual and societal interests. First and foremost, the rights and responsibilities placed on every economic unit necessitates that each has ownership rights. Secondly, no entity has the right to interfere in the rights of another, except in the case of the State, which is obligated towards the greater good of the society. Third, the State as the symbol of God's vicegerency and people's representative has to ensure that all the resources are used according to the socioeconomic objectives of an Islamic system. Fourthly, fiscal decisions ought to be made through mutual consultations (*shura*) and lastly certain resources are to be accessible to all.

3.3 Studies related to the Redistributive Phase

The ultimate objective of the Islamic ideology cannot be resting on a concept of "maximization" of any sort, utility, profit or wealth, as that might be, but on the concept of the preservation of the universe. Three main principles, have been well-established in Islam, could be said to have laid down the basic philosophy of Islamic economic thought include the principle of moderation, the principle of economic efficiency, and the principle of social justice (*adàlah ijtima"iyy).* Social justice is embedded in Islam. People are equal in front of God, fear the day "when you come unto us alone (powerless, without wealth, companions or anything else), as We first created you, having left behind you what We have entrusted in you (on earth)", the Qur"anic verse warns (6:94), and "People are as equal as the comb's teeth", and, "The noblest of you are the best in character"(Shahih al-Bukhari, and Sahih Muslim).

What Islam advocates is the equitable distribution of wealth and income so as to reduce the gap between the rich and the poor. Three main approaches to wealth reallocation are adopted: the encouragement of voluntary alms giving, the enforcement of Zakah and the inheritance law. Besides the exercise of zakah and faraid, Muslims are encouraged to redistribute through public goods, favoring the relatively poor in educational and enterprising opportunities. Informal types of redistributive schemes starting with one's immediate family members and neighbors are also mentioned. The suggestions, indicate two effects:

a. No predominance of behavior of any particular class to the determination of either factor shares, or profit rate,
b. An Islamic economy is expected to have higher, growth, return on capital and a more equitable distribution of wealth than a Western economy of the Kaldor-Pasinetti type.

Islamic Distributive Justice: A Concise Statement by Islahi (1992) was an attempt to provide a comprehensive list of provisions in regard to institutional arrangement of Islam for distributive justice. As compared to production and functional distribution, which are left to the mutual agreement of the producing agents with the emphasis on justice, fair play and honesty in deciding the remunerations, Islam's focus of attention is personal distribution or the re-distributional aspect of our economy. He notes that Islam does not consider market mechanism as sacrosanct, although it encourages it in general.

Below is the summary of his findings:

Mandatory	***Auxiliary***	***Protective***
Zakat (Fitrah & Wealth)	*Recommended or voluntary charity (al-sadaqat al-nafilah)*	*Prohibition of Riba*
Sacrifice (Eid-Adha)	*Gift (hibah or hadiyah)*	*Prohibition of hoarding*
Tax or Additional Demand for Finance	*Grant system (nizam al-ataya)*	*Prohibition of monopoly*
Ushur or custom duties	*Bequest (al-wasiyah):*	*Prohibition of private 'hima'*
Kaffarat or financial penalties on certain offences	*Lending (al-`ariyah or al-qard):*	*Prohibition of games of chance and lotteries*
System of inheritance	*Endowment or dedication* (*waqf)*	*Bribery and kickback*
Obligatory expenditure by relatives (al-nafaqat al-wajibah)	*Expenditure of the surplus (infaq al`-afwa)*	*Prohibition of stealing property and embezzlement of funds:*
Right to Acquire the Necessities of life	*Benevolence and sacrifice*	*Curb on demonstration effect*
Coercive sale at the just price	*Vow to Allah (nadhr)*	
Ghanimah & Fai		

3.4 Islamic Instruments of Redistributive Justice

Zakat is an important institution in the socio-economic frame of Islam. It comes second to the prayers and is one of the five pillars of Islam (Sadeq, 2002, Siddiqi, 2005b). As per Islamic Law, Zakat is that part of the wealth that the rich possessing above a prescribed level are ordered to spend on the deserving recipients specified in Islamic sources (Sadeq, 2002). Being one among the five pillars, Zakat is a form of worship and becomes an inevitable part of obeying God; it therefore has spiritual significance. This objective is supplemented by moral, social, humanistic and economic objectives (Qardawi, 1999). The Arabic word Zakat means ‘purity’ and ‘cleanliness’. Giving away a portion of the wealth purifies one’s wealth and heart (Sadeq, 2002). The institution of Zakat purifies one’s heart from the love of wealth and prepares people to make sacrifices in the cause of God (Shad, 1986). Another literal meaning of Zakat is growth. Zakat renders the spiritual growth of individuals (Zaman, 1980). Thus, Zakat is seen as an act of purification leading to self-improvement. Some scholars emphasize the link to the literal meaning of the verbs 'to grow' and 'to increase', and have interpreted the giving of Zakat as leading to a significant increase in both material and spiritual blessings (Esposito, 1980).

While Qardhawi's, Fiqh Al-Zakah remains to be the most comprehensive text, one is recommended to review the works of Chalikuzhi (2009) to better understand the contemporary practice of zakat around the globe. In order to stay on course with the original task of establishing the principles of distributive justice derived from zakat as a principal mechanism of Islamic Economics, we shall devote the rest to the evidences directing towards its distributive criteria.

The system of inheritance (Faraid) set by Islam is distinguished from all modern human laws of inheritance in that Islam adopts a moderate attitude. Consequently, inheritance is obligatory for both the owner of the property and the heir as well. The owner has no right to prevent any of his heirs from receiving his inheritance; and the heir gets his share, with no need for a court judgment.

The law of inheritance in Islam is based upon five main considerations:

1. To break up the concentration of wealth in individuals and spread it out in society.

2. To respect the property right of ownership of an individual earned through honest means.

3. To hammer in the consciousness of man the fact that man is not the absolute master of wealth he produces but he is its trustee and is not, therefore, authorized to pass it on to others as he likes.

4. To consolidate the family system, which is the social unit of an Islamic society.

5. To give incentive to work and encourage economic activity as sanctioned by Islam.

Evidence from Quran and Sunnah reiterates that the distribution of inheritance should be based on one's entitlement as prescribed by the Book of Allah, followed by the nearest male heir.[‡]

The divine justness and equitability of the Islamic laws of inheritance was correctly appreciated and eloquently portrayed by Sir William Hay MacNaghten who commented, "In these provisions we find ample attention paid to the interest of all whom nature places in the first rank of our affections; and indeed it is difficult to conceive any system containing more rules more strictly just and equitable."[§]

Sir William Jones, the original translator of Sirajiyyah, an authoritative Arabic text on the Muslim law of inheritance stated, 'I am strongly disposed to believe that no possible question could occur on the Muslim law of succession which might not be quickly and rapidly answered.

Professor Almaric Rumsey was not exaggerating when he said, "The Muslim law of inheritance comprised beyond question the most refined and elaborate system of rules for the devolution of property that is known to the civilized world."[**]

Ahmed (2004), in his lengthy occasional paper on the Role of Zakat and Awqaf in Poverty Alleviation reaffirms the significance of these traditional Islamic institutions in promoting social welfare. He recommends capacity building, wealth creation an income support to mitigate poverty of various types in Muslim countries with massive poverty.

[‡] Kitab Al-Faraid: Translation of Sahih Muslim: Book 11
[§] Islamic law of Succession; Introduction, Abid Hussain and abdul Ahad (2008)
[**] Preface of Moohummudan Law of Inheritance

His comparative assessment among Malaysia, Pakistan and South Africa showed that their experiences of awqaf were similar in the sense that it was not utilized to its fullest potential in meeting the needs of the society. Apparently, there is a need to reform the organizational structure of awqaf at the national level so as to enhance its efficiency and renewing the confidence of the people on their role in general.

Obaidullah (2008) is confident that micro financing is a way out of the habitual growth in the degree of inequitable quality of lives between the richest and the downtrodden globally. The present system of commercial banking based on minimization of risk and maximization of profits, he says forsakes the sectors like agriculture and small-scale industries requiring substantial investments.

The Islamic prohibition of usury is largely on the grounds of negative distributive justice and equity effects. Out of this prohibition has developed perhaps the most sophisticated and complete theoretical system of interest-free political economy in the world. The specific methods have centered on equity financing, notably the Mudharabah – a joint venture between the bank and the entrepreneur, both contributing to the capital and sharing the profit or loss. In a Musyarakah partnership, the bank technically provides all the liquid capital in return of a predetermined share profit or loss from the business undertaking.[††]

Although there are criticisms advanced against an ideal Musyarakah in which the bank finances the full capital, and therefore is expected to absorb the entire loss if any, Mufti Muhammad Taqi Usman has clarified ways to counter such possibilities in his complete text.[‡‡]

[††] The A to Z of Corporate Social Responsibility by Visser, Matten, Pohl & Tolhurst.
[‡‡] An Introduction to Islamic Finance (1998)

4. Concluding Remarks

Islam lays great emphasis on justice in everything one does, so to apportion more profits than losses to either party in contract is deemed as unlawful, i.e. sinful. Hence, the combination of money capital and labor must be rewarded according to the principle of justice above all, given the difficulty to compare the value of labor in relations to money capital. The principle of equity (contribution in the form of effort, risk-taking and capital) is the only basis of distribution of returns applied in the Islamic modes of financing.

The selective socio-economic and financial tools described above are indicative for three key aspects important to the understanding of the concept of distributive justice in Islamic Economics.

Firstly, in distributing assets that has the potential to generate income or wealth especially land and other natural resources, one is reminded time and again in the Qur'an that Allah S.W.T is the Creator-Owner and Lord Sovereign of "all that is in the heavens and on the earth." Land like everything belongs to Him. Like water, air and sunshine, land is meant for the common use and benefit of the community[§§]. Secondly, He has delegated to man the power and authority to utilize and exploit the resources He has kindly bestowed upon them. Ownership in Islam signifies the rights to exploit and utilize the wealth and resources provided by Allah s.w.t. and such right is transferable only through legitimate methods. The owner deserves the right of ownership as long as he utilizes the gift endowed to him properly. Finally, in the event that he ceases to do

[§§] Afzal-ur-Rahman, Economic Doctrines oflslam, Vol.II, Islamic Publications Ltd., Lahore (1980), p.20; See also Ahmad Ibrahim, "Islamic Concepts and Land Law in Malaysia," The Centenary of the Torrens ~em in Malaysia, ed.by Ahmad Ibrahim & Judith Sihombing, M~layan Law Journal Pte. Ltd.(1989), p. 189.

so, and exploits and does not put the wealth into proper and productive utilization, he will be induced or even forced to give up that right of possession.[***]

To assume absolute rights have been the cause of harm and has ruined some groups of people. They arrogated themselves and likewise claimed absolute rights to discharge their property forgetting and transgressing, the limits set forth to them. They equate themselves to the position exclusively reserved to Allah s.w.t. The Holy Qur'an spoke of this on many occasions. A clear example is the People of Prophet Shuaib who have gone astray as they incurred the wrath of Allah S.W.T. (11:87). Another aspect that is shunned in Islam is monopolization of the gift Allah has bestowed upon for everyone. Islam neither tolerates nor approves of any property which breeds poverty because it would violate the very essence of the principle that Muslim are like brothers to one another and they constitute a harmoniously integrated jamaah (49:9). The State being the guardian of Allah's defined laws as well as the individual's right is obliged to act and rectify any wrongs by diverting that wealth from where it stagnates to where it fructifies into social well-being.[†††]

Choudhury (1986) claims that ethical goals play a primordial role in an Islamic economy in determining the structure of consumption, production, and distribution. He adds that, these ethical goals and the instruments that mobilize them are based on well-defined principles and policy instruments that guide an Islamic politico-economic order.

The crux of the matter in relation to the current work is that Islam has designed a unique ownership system, whereby each right to use and benefit from natural resources is

[***] D.S.M. Yusuf, Economic Justice in Islam, Lahore, (1977), p. 19.
[†††] Al Haj Adeleke D. Ajijola, supra n. 5, p. 161. It is to be noted that capitalism and socialism are alien and indeed very much condemned in Islam due to the fact that both are inimical to social wealth.

balanced by an equivalent amount of responsibility. We are expected to preserve and protect our resources so as to not suffer what the mainstream calls scarcity due to unlimited needs against limited resources. Islam is strict about wastage and misuse of any sort of asset that can be of value to others. The underlying purpose is always provision and full employment. In situations of conflicts with lawful acquisition or transfer of ownership, the verdict ought to be based upon how the entitlement can maximize the benefits derived and for whom. Logically, the power to use a certain natural resource should be vested on those who are able and willing to cultivate the resource to the best of his capacity and shares the produce in an equitable way with the rest of the community.

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