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**Ethical Crisis in Capitalism: Filling the Ethical Void with Islamic Economic Teachings in Economic Practices**

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# **Ethical Crisis in Capitalism: Filling the Ethical Void with Islamic Economic Teachings in Economic Practices**

## **Abstract**

*This paper discusses the ethical void in Capitalism which does not look prominent in welfare societies and states. But, its effects become more eminent in tough economic conditions and more so in developed regions where economic relationships by themselves will not result in win-win situation for all parties concerned in a Capitalist economy. Unbridled pursuit of self interest, moral relativism, inventive-led economic choices and apathy to communal responsibilities would lead to a society where economic interests become the sole basis of maintaining and sustaining relationships. This inner void of identity and purpose at individual level and social void in the form of a stratified society bound together only for economic interests can be better filled with incorporating religion. Humans are much more than utility driven species, they are capable of using both instrumental and critical reasons to differentiate right from wrong and need reinforcement to adopt virtues influenced by an inner urge other than material interests as in Capitalism. This inner urge can be rekindled by looking beyond utility maximization to re-acknowledge the fundamental identity that humans are moral being than just an instrument for material advancement.*

**Keywords:** *Interest free economy, Interest free finance, Capitalism, Business Ethics, Islamic Ethics, Morality, Idealism, Moral Relativism.*

## **1. Introduction: The Thesis of Religion**

Morality is very eloquently discussed by Kant. He said that intentions define actions and not the consequences and not even compassion. He said it because compassion is temporary, a particular state and is not absolute. However, intentions best define the existence of morality in actions.

But, Kant did not give the method by which we could prioritize Maxims. For instance, truth and justice both are important moral values. But, what should we do if there is a conflict between the two? For illustration, if a murderer is known to us as murderer, but if we do not have witnesses to prove him as murderer in the court of law, should we give false testimony to convict him?

Islam helps us to prioritize Maxims. Islam shows us that this world is not fair in all respects. A morally upright man is not necessarily the most honorable man in the world. A morally upright trader is not necessarily the richest in the world. Not all murderers have been or will be convicted in this world. Even if all murderers were convicted, it will not be 'naturally' possible to give equitable punishment to the murderers who have killed more than one human being.

Even if it was possible, it will not be possible to reverse the immoral actions. What happened has happened and cannot be reversed. Death is the plainest truth and if justice cannot be provided in the life of a person and that being too not equitable; then, is it not rational if we believe in life after death where everyone would be given equal rewards and equal punishment for his acts and God by his infinite wisdom would be able to judge without any doubt the intentions behind the actions and justice will be provided to each and every one?

Furthermore, only with the knowledge of life after death and the belief in God, can one decide to act morally as an end in itself and not merely as means to a material end. Moral act in Islam also is a means to an end i.e. to achieve eternal success and blessings of God. But, it is not a material end confined to this life only. In this way, the utilitarian mind is also satisfied as happiness is a relative term not achieved only by material things. The fact that moral actions even if they are not rewarded in this world will be rewarded in life hereafter satisfies the utilitarian mind.

We know what is right and what is wrong through our conscience. In matters where our conscience does not guide us, God intervenes and guides us through His prophets. Therefore, Prophets guide us in matters where we might not have reached the right decision about right and wrong through our conscience, for instance, interest, gambling, liquor etc. They might seem useful and right. But, God tells us in Holy Quran that there is more harm in these things than good.

Today, we are seeing interest based system and gambling (speculative financial instruments) causing severe disorder in the economy. Similarly, the greatest asset of a human is his power to reason, his intellect, his use of wisdom and his ability to think. When we take liquor, we lose our greatest asset i.e. conscience and often do bad things which harm other also, besides us. For instance, we see people having accidents, people misbehaving with other women after taking liquor etc.

If one believes in this life only; then, he will be more selfish as he would like to get everything in this life. If we restrict our existence confined to this world alone with no accountability in afterlife; then, I am "just" as long as I am "just" in front of the society even though there could be sins that society never saw me doing. I am "unjust" in front of the society since it saw me convicted based on an evidence which in itself was untrue. Life hereafter gives all our actions the meaning by giving each and every soul the equal reward and punishment.

People can take justice in their own hands if they are allowed absolute freedom. So, we need institutions that will impose certain restrictions on all of us so that we can enjoy our freedom without denying anyone else's.

Islam is also such an institution which though puts restriction on one's absolute freedom (as do all other systems), but Islam not only safeguards the rights of the people, but, more importantly and fundamentally, gives meaning to life and our own existence.

We can use both reason and experience to believe in God. By way of reasoning, if we are creatures, then we are created by someone and that creator is God. The question that who created God is not valid as God is the creator and not the creature. Ultimate Creator needs not be created.

By way of experience, we can use empirical knowledge obtained from science to learn how the galaxies, planets, stars, rotation of the moon, rotation of the sun, rotation of the earth around sun, millions of living beings sustaining themselves in a universe that is so perfect by its design that even a tiny unusual interference can make life impossible on this earth, but it does not happen and it continues to exist. All this cannot be possible without it being created and managed by a single God. If there was more than one God, then there would not have been such 'uniformity' in the way we see universe and the way our planet earth works.

Furthermore, no meaning to life, world, man, his role and purpose can be explained without believing in God. Islam explains this by outlining our role as being created by Allah and being sent in this world to be judged for our actions and will be rewarded in life hereafter if we follow the teachings of God which principally mean to be just, kind, truthful, faithful, obedient and morally upright.

The fundamental value is freedom. Happiness results from it. Justice comes in to protect it. Men, we see become unjust using that freedom as speculated by Angels as well. Can we provide justice, happiness in a paradigm of absolute freedom? Even when men have little freedom in this world, we have seen they becoming unjust and then depriving the mission of providing maximum collective happiness for all.

The fundamental question is that can we provide perfect justice in this world. Can we have maximum happiness as we envision in this world. Are we or can we be absolutely free in this world?

What is of fundamental importance is the fact that this test has to be 'just'. According to Islam, everyone would be judged based on his intentions, general attitude, general behavior, general tendencies and most importantly in matters in which one has choice clarifies that this test is just.

How can a creation like this universe, having millions of stars, unreachable even at the light of speed, all so perfectly interwoven to make life exist and that too for some time as we do not grow to be immortal by way of evolution, be explained? Not only us, none of the species can escape from natural constraints and become immortal.

Everything in this world has been created in pairs. If there is thirst, there is water. If there is moon, it needs a sun to have its light reach us. If there is man, then there is a woman. Each one alone cannot live in isolation. They are all interdependent. Similarly, this world is incomplete without a belief in life hereafter.

This world alone shows that few people get good they do not deserve, few people do not get any good when they deserve more, some go through severe illness, some live a very healthy life, some are unjust and yet they are not given punishment, some are honest and they do not get rewarded. All these incomplete events suddenly end when we die. Then, if no one will get equitable reward and punishment, then there will be no reason why they should wait for an afterlife. They can do all the evils if they can avoid the law. But, even if they can, they do not always do that, they have the ability to differentiate between right and wrong inbuilt into their souls. They would like to do good and avoid bad.

Are we our own creators? Millions of species cannot just exist in such beautiful contrast without there being someone responsible for it.

For someone to be an ultimate creator, the Supreme Being, He has to be someone beyond the constraint of this world and nature. If the premise is that God created everything and nothing exist independent of His will. Then, logical conclusion would be that This Supreme Being, God, has to be an independent personality having no constraints of nature. This is a logically consistent view.

If God is powerful in one thing and not in other, then He is not a supreme being. If God is omnipotent, then humans cannot predict the behavior of God using examples of themselves because their frame of reference is limited and they are creatures and not ultimate creators and they have constraints.

The question arises, if God is omnipotent, can He be unjust. The God knows everything, but it has nothing to do with us having a freedom to choose our way. A teacher sometimes knows the fate of the students, but it is the student who makes his destiny provided the teacher is just. God's knowledge about a person has nothing to do with the trial in question. I can, by way of my expertise, predict the result of a cricket match, but it was not me who decided the cricket match in the end.

If someone is my teacher, he has the power to fail me. But, if he is just, he will do justice and will not fail me; however, it does not mean that he could not do so because of his inability, but it is because he can not contradict his own attributes and values if he was a consistent individual (as God is).

God is just as it will only hold us accountable for our actions in which we had choice. We will not be held accountable for color, race, creed etc. Therefore, everyone has an equal chance to succeed in life hereafter.

Religion provides the answer that it was created by a supreme being who created it for a purpose. Science also confirms that because it has not at all provided and answers to "Why it is". Infact, science has shown that life cannot mathematically and statistically exist by chance. It is like saying that if you throw alphabets in the air, there is a slight chance that it would come down to the earth and become one of Shakespeare's poem.

It is not like we humans have just come to this world today and are now looking for answers. We have history behind us that tell that Prophets came with the message of God and the nations that were "direct recipients" who disbelieved were punished in this world. Christians, Muslims and Jews, all believe in that history and it is our common heritage.

Shops, factories, computer programs, machines etc, are systems and they run and are operated by someone. Universe is also a system and is the most complex and grand system. How can it just 'be the only system' that does not require a creator. All the systems mentioned above have some purpose. How can only this most grand system have no purpose?

Why is there present so much contrast in species? Why not some species just by way of chance found nothing that they could eat? Found to have body structure that is suitable in land, but they exist in sea or vice versa. The limited knowledge we have about each and every living thing and how they live and exist is just fascinating.

How could all exist in circumstances which suit them with respect to geography, climate, body structure etc? Why then still they die and not evolve into immortality. We could not do it. None of the million of species could do it. The extinction of species and our death signifies that someone who created us, took our lives, will indeed be able to bring us to life again and that life would justify the purpose of existence and give meaning to this worldly life.

None of the species became selfish enough to evolve differently so as to become a little bit superior to others etc. They would want to if they were all different kind of animals because we as animals (if we take the evolutionists' stance) know that we are selfish to some extent, and want freedom from natural constraints.

If humans were little smarter animals, then they would have at least made some arrangement to get out of the natural constraints and succeed in a millions of years of history of evolution that evolutionists support.

If I am standing aside to another person, if I am hit with a stick, why would only I feel the stick and not the other? If we cannot sense each other, cannot get through our independent existence (considering we are the same types of animals), how can distinct species, one existing and one not, make way for one and other in such a magnificent and perfect way and in every detail that life is made possible by way of this evolutionary process without there being a ultimate creator.

Can we avoid the question 'why' in any other matter of life? If we think that evolution defines a why or even if does not define it, it defines the material dispensation in this world and the human struggle and evolution in this world intellectually and physically, then we ought to believe that all the bodies of knowledge are also one way or the other biological processes.

How do we differentiate between right and wrong? It has not gone through any evolution. Speaking truth is considered (I am not saying acted upon) a right thing throughout history.

If we are not creatures, just a manifestation of nature, then, there needs to be no way to believe anything right or anything wrong, if we will just die without being accountable for our actions, then, if we can avoid the court of law, we can kill, steal, hurt, rape as long etc as no one can hold us accountable. But, we do not think and act like that. It is because we have conscience, ability to differentiate between right and wrong. Then, we have feelings and values, and in some cases, absolute feelings and values.

It makes this belief and argument very weak that this world and universe came out just other than by way of a creator creating it. Just like everything is created by a creator as we see it and observe it, this world and universe also has to be created.

It would be normal to believe like that as it will make us consistent. But, believing that every small thing, though insignificant, needs to be created by someone, but this universe came out naturally, species came out living naturally, co-exist naturally, fulfill their needs naturally and all of a sudden die. What for?

A biological process cannot describe this complex set of choices we make through our conscience which can uniformly identify right and wrong in all humans alike without being dependent upon any process or going through evolution

If evolution is taken as a main thesis for describing the whole of this material dispensation, then we ought to believe that all the bodies of knowledge are also one way or the other biological processes. If we restrict the scope of evolution to some aspects; then, it cannot claim to take a place of religion which is a set of comprehensive doctrine i.e. a holistic system of beliefs and practices.

If evolution is restricted to just describing how, then any description of 'how' (either correct or incorrect) does not in principle contradict with the thesis of religion. One cannot avoid the question 'why'.

Social learning theory can also not provide the wholesome answer because social learning requires for its acceptance and relevance a history behind some of the values which gradually need to become sacred so that the society could force it on others to believe it. In the start of life, nothing could be described as such.

Birds fly in winter to avoid cold. They have built-in map and take the best route to avoid flying over sea for most time. Birds few days old doing it for the first time in life without access to books, journals and experience can never do that as perfectly as they do neither by way of evolution nor by way of social learning. The process, any process, may it be evolution or a sudden big bang, or whatever, does not give any answer to 'why'.

A question arises as to why we cannot just able to see God and avoid having to solve this puzzle. We cannot see God, because God has sent us here for a purpose. That purpose would be meaningless if we could see God through our own eyes. But, we can observe, learn within ourselves and using our intellect to search for God and we will find the answer, but we have to be moral and unbiased in our search.

## **2. Evidence of Muhammad's Prophet Hood in Christian and Jewish Religious Scriptures**

Saleem (1995) from the study of the Qur'an and the Taurāt showed the evidence of Muhammad's (PBUH) Prophet Hood. Moses (PBUH) declared the arrival of Prophet Muhammad among the Ishmaelites in the following words:

"The Lord your God will raise up for you a prophet like me from among your brothers. You must listen to him... The Lord said to me: What they say is good. I will raise up from them a Prophet like you from among their brothers; I will put my words in his mouth, and he will tell everything I will command him. If anyone does not listen to my words that the Prophet speaks in my name, I myself will call him to account." (Deuteronomy, 18:15-19)

Jesus (PBUH) declared the arrival of Muhammad in the most clearest of words.

"Jesus said to them: Have you never read in the scriptures that the stone the builders rejected has become the capstone; the Lord has done this and it is marvelous in our eyes. Therefore, I tell you that the kingdom of God will be taken away from you and given to a people who will produce its fruit. He who falls on this stone will be broken to pieces but on whom it falls will be crushed." (Matthew, 21:42-44)

"And I will ask the Father and He will give you another Counselor to be with you forever -- the Spirit of Truth." (John, 14:16-17)

"But the Counselor, the Holy Spirit the Father will send in my name will teach you all things and will remind you of everything I have said to you." (John, 14:26)

"I will not speak with you much longer, for the prince of this world is coming. He has no hold on me." (John, 14:30)

"But I tell you the truth: It is for your good that I am going away. Unless I go away the Counselor will not come to you; but if I go away, I will send him to you. When he comes, he will convict the world with regard to sin and righteousness and judgment; in regard to sin because men do not believe in me; in regard to righteousness because I am going to the Father, where you can see me no longer; and in regard to judgment because the prince of this world now stands condemned. I have much more to say to you, more than you can now bear. But when he, the Spirit of Truth comes, he will guide you into all truth. He will not speak on his own; he will speak only what he hears, and he will tell you what is yet to come." (John, 14:7-13)

### **3. Where Abrahamic Religions Disagree?**

As discussed before, the sign of a Prophet coming from Ishmaelite with attributes similar to Moses (Peace Be Upon Him) was mentioned in Deuteronomy. Muslims believe in all prophets including Jesus (Peace Be Upon Him) and Moses (Peace Be Upon Him) and the books sent to them and to other prophets. Muhammad (Peace Be Upon Him) is the last of all the Prophets and His arrival was well documented mentioned in Torah and Injeel as mentioned above. The book sent to Prophet Muhammad (Peace Be Upon Him) has not gone through any adulteration and thus remains a more authentic text than other books for divine guidance in a post Muhammad (Peace Be Upon Him) period. Jesus (Peace Be Upon Him) was a prophet of God, as per Islamic faith, He was neither God nor a son of God. He was sent as a messenger of God to remind people of their duty to follow the guidance of God and was not sent to take on sins of others and sacrifice His life for Adam's sin. Adam (Peace Be Upon Him) was forgiven upon repentance by God as told by Quran and as believed by Muslims.

To the Christian friends, a humble question is that how can it be explained that a boy steals and is not punished and could not be forgiven either. After centuries, the judge considered all the siblings of that boy as sinners and committed suicide himself or sacrificed his son for that sin. This analogy is not meant to disrespect any faith nor mentioned to lead to any conclusion.

### **4. Character of Muhammad in the eyes of non-Muslims**

Now, when we have understood the basic premise of religion, it would be worthwhile to understand the character of Muhammad (PBUH) Who is the Best Role Model in the faith of Islam.

Writing on Muhammad's (PBUH) prophecy, Scott (, p.126) wrote:

"If the object of religion be the inculcation of morals, the diminution of evil, the promotion of human happiness, the expansion of the human intellect, if the performance of good works will avail in the great day when mankind shall be summoned to its final reckoning it is neither irreverent nor unreasonable to admit that Muhammad was indeed an Apostle of God."

Describing His upright character and personality attributes, Muir (1912) wrote:

"If he turned in a conversation towards a friend, he turned not partially, but with his full face and his whole body. In shaking hands, he was not the first to withdraw his own; nor was he the first to break off in converse with a stranger, nor to turn away his ear. A patriarchal simplicity pervaded his life. His custom was to do everything for himself. If he gave alms he would place it with his own hands in that of the petitioner. He aided his wives in their household duties, mended his clothes, tied up the goats, and even cobbled his sandals. His ordinary dress was of plain white cotton stuff, made like his neighbors'. He never reclined at meals. Muhammad, with his wives, lived, as we have seen, in a row of low and homely cottages built of unbaked bricks, the



apartments separated by walls of palm branches rudely daubed with mud, while curtains of leather, or of black haircloth, supplied the place of doors and windows. He was to all of easy access even as the river's bank to him that draweth water from it. Embassies and deputations were received with the utmost courtesy and consideration. In the issue of rescripts bearing on their representations, or in other matters of state, Muhammad displayed all the qualifications of an able and experienced ruler. What renders this the more strange is that he was never known himself to write.

A remarkable feature was the urbanity and consideration with which Muhammad treated even the most insignificant of his followers. Modesty and kindness, patience, self denial, and generosity, pervaded his conduct, and riveted the affections of all around him. He disliked saying No. If unable to answer a petitioner in the affirmative, he preferred silence. He was not known ever to refuse an invitation to the house even of the meanest, nor to decline a proffered present however small. He possessed the rare faculty of making each individual in a company think that he was the favored guest. If he met anyone rejoicing at success he would seize him eagerly and cordially by the hand. With the bereaved and afflicted he sympathized tenderly. Gentle and unbending towards little children, he would not disdain to accost a group of them at play with the salutation of peace. He shared his food, even in times of scarcity, with others, and was sedulously solicitous for the personal comfort of everyone about him. A kindly and benevolent disposition pervaded all those illustrations of his character. Muhammad was a faithful friend. He loved Abu Bakr with the close affection of a brother; Ali, with the fond partiality of a father. Zaid, the freedman, was so strongly attached by the kindness of the Prophet, that he preferred to remain at Makkah rather than return home with his own father. 'I will not leave thee,' he said, clinging to his patron, 'for thou hast been a father and mother to me.'

Leonard (1909, p. 09) describing the purity and of His message and mission wrote"

"If ever any man on this earth has found God; if ever any man has devoted his life for the sake of God with a pure and holy zeal then, without doubt, and most certainly that man was the Holy Prophet of Arabia."

## **5. Some Misconceptions about Faith of Islam**

History does not give us a regular pattern of human struggle towards a just and fair political, social and economic setup as described by Marx in his discussion on historical epochs i.e. historical materialism. Kant also did not tell when we will be able to say that we are living in an enlightened age. These views of Marx and Kant were more relevant to Europe only. Muslim world provided a socially, economically and politically just system to the world for at least 50 years in the rule of Caliphates. Religion complimented justice, fairness, development and tolerance in the society as against the Marx's view that religion is opium.

However, one clear difference has to be appreciated between Muslims and Islam. Most of the laws in Christianity were mainly developed by humans themselves like St. Paul. Therefore, when thinkers of 15th century and afterwards criticized the church and the clergy, their criticism was also on religion and it was justified as the Christianity and the Clergy were the one and the same thing.

This is not the case with Islam and Muslims. Islam was not invented or created by Muhammad (P.B.U.H). It was the message of God as was Christianity with the difference that the divinity of Christianity was obscured and later modified by Christians. Islam as a message of God remained pure. However, Muslims as all other human beings have not been and are not perfect in their acts and systems. But, the acts of Muslims cannot be regarded as representative of what Islam is as Islam was not invented by Muslims.

Therefore, a distinction is to be made between the Muslims and Islam. Muslims may or may not be acting truly on Islam and hence their actions do not determine what Islam is. When we study the 'Pure Islam', we will find that there is nothing irrational or unjust in its philosophy and teachings.

In the following lines, some of the most controversial and misunderstood issues relating to Islam are briefly clarified:

## **5.1 Rights of Women in Islam**

Muslim women like men must educate themselves. They have a right to choose an occupation and earn their livelihood. They can own property and wealth. They have the right to choose their husbands and the right to separate from their husbands.

They are entitled to have 'Mehr' (wealth at the start of marriage), 'wirasat' (wealth at the death of husband, children and father etc). Islam does not make it obligatory on women to earn for their family. However, they can earn for the family and yet they are not obliged to spend their earnings on the family. However, men are obliged to spend their earnings on the family and they are made responsible for earning the livelihood for their children and wives. A Mother must be respected three times more than the father by the children. A husband is not a man in isolation; he is also a son of his mother and must obey and respect his mother.

No man is allowed to have extra-marital relationships with other women. Adultery is a severe crime in Islam. People who have indulged in adultery cease to have a right to marry a chaste partner in a Muslim society. Rapists are given capital punishment in Islam.

## **5.2 Rights of Non-Muslims in Islam**

Non-Muslims can worship at their worship places. Government is responsible to safeguard their worship places. No non-Muslim can be forcibly converted to Islam. Muslims believe in all Prophets sent by God including Moses and Christ. Hence, people believing in other Prophets do not face the risk of blasphemy in Islam.

## **5.3 Jihad in Islam**

Holy Quran says that Jihad can only be for the sake of eliminating injustice. It is not a fight against non-Muslims. It is fight against injustice. It can only be undertaken as a last resort to eliminating injustice. It can only be undertaken by the government and not by the community on its own.

In all great battles of Badr, Uhud, Ihzab etc., Muslims in the leadership of Prophet Muhammad (P.B.U.H) fought a defensive war as the war was imposed upon Muslims.

Jihad cannot be undertaken for the expansion of the state, against innocents, against non-combatants, against the contract of peace if it has been signed and it cannot be sudden and unannounced. So, suicide bombing against civilians is unislamic.

## **5.4 Islamic Concept of Equality**

All men are equal. No white has superiority over a black. Only Piety and Righteousness are the attributes that will distinguish us before God in life hereafter. No rich has superiority over a poor.

All men should have equal chance to earn their livelihood. Interest which result in concentration of wealth is prohibited in Islam. No discrimination is permitted based on ethnic, religious, racial or gender basis in all walks of life.

## **5.5 Does Islam have Bloody Borders?**

Huntington (1997) raised the debate of clash of civilizations and argued that Islam has bloody borders. It must be clarified once again that Muslim history does not determine what Islam is. The message of Islam comes from the Holy Quran and the Way of Prophet Muhammad (Peace Be Upon Him). For this reason, Huntington may classify Democracy as an exclusive feature of western civilization. However, Islam, instead of discouraging democracy, directed Muslims to instigate democracy as a recurrent process and guiding principle for collective decision making in their systems [Al-Shura: 38].

Furthermore, Islam directs Muslims to uphold justice even enmity of a nation must not digress them from the path of justice. [Al-Maida: 8].

Injustice is one of the main hurdles in bringing about peace. Injustice in politics, in economics and in every sphere of life must be avoided as per Islam. Islam favors democracy, though it does not permit Secularism. Ghamidi (2007) analyzing the consultative decision making principle in Islam as taken from the Holy Quran (Shura: 38) deduced that democracy as a principle of decision making is not alien to Islam; rather it is most desirable as per the Islamic principles.

Secularism as a philosophy or comprehensive doctrine is not entirely democratic and does not allow religion to prevail in public sphere of life even if democracy allows it. It confines religion to one's private life only and does not permit democracy to expand religion into the public sphere of life. Hence, Islam favors democracy yet it also permits individual freedom in choice and practice of one's religion or comprehensive doctrine unlike in France and Turkey who claim to be secular and yet depriving Muslims and people from other religions to practice their religion and uphold their values and culture symbols.

## **6. Islamic Economic Teachings**

Now, when we have understood the basic thesis of religion, we can embark upon discussing the economic teachings of Islam specifically.

### **6.1 Sovereignty of God**

The fundamental philosophy of Islam is based on this concept that all powers belong to God. All the authority rests with one and only God. We must only worship him. We must follow His guidance to succeed in the life hereafter.

### **6.2 A Man's Purpose of Existence**

The purpose of man's existence as defined by Quran is:

*"We have created you so as to judge who among you are the best followers of our words." (Al-Mulk: 2)*

### **6.3 Scope of Life**

A Muslim's scope of life should be broader. His principal goal should be to seek God's pleasure and succeed in the life hereafter. So, he is supposed to make every decision in a way to seek God's pleasure.

### **6.4 Islamic & Capitalism Philosophy**

Chapra (2003) viewed secular societies continuing to belittle the need for moral development; though all of them now profess commitment to development with justice. He emphasized that even material development with justice is not possible without moral development. The rationale for this contention is that development with justice requires an 'efficient' and equitable use of all resources and both 'efficiency' and 'equity' can neither be defined nor actualized without the injection of a moral dimension into economic pursuits. In post modernism literature, Marcuse (1964) has described this phenomenon as 'One Dimensional Man' in his book with the same title.

#### **6.4.1 Islamic Model**

<b>Scarce Resources</b>	<u>Seeking God's pleasure</u> Differentiate between right and wrong	<b>Unlimited Wants</b>
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#### **6.4.2 Capitalism Model**

**Scarce Resources**

Seeking self benefit  
Neutral between right and wrong

**Unlimited Wants**

## 6.5 Sources of Income Permissible In Islam

Every source of income in which benefits are enjoyed by all the concerning parties on the just basis.

## 6.6 Sources of Income Prohibited In Islam

- a) Bribery (Al-Baqarah: 188).
- b) Usurping others' property (Al-Baqarah: 188).
- c) Fraud (Al-Imran: 161).
- d) Stealing and Robbery (Al-Maida: 38).
- e) Income from sources of vulgarity (Al-Noor: 19).
- f) Gambling (Al-Maida: 90).
- g) Wine and its business (Al-Maida: 90).
- h) Interest (Al-Baqarah: 275).

## 7. Moral Directives of Islam In Conducting Business

### 7.1 Moral Conduct in Entrepreneurship

"And measure full when you measure. And weigh with an even balance. This is better and its end is good." [Al-Bani-Israel: 35].

"They who hoard up gold and silver and spend it not in the way of God, unto them give tidings (O Muhammad) of a painful doom." [Al-Tauba: 34].

"You resort to oaths as instruments of mutual deceit, so that a person might take greater advantage than another; although, Allah puts you to the test through this. Surely, on the Day of Resurrection, He will make clear the truth concerning the matters over which you differed." [Al-Nahl: 92].

"Who so desires the reward of the world, then with Allah is the reward both of the world and of the Hereafter. And Allah is Hearing, Seeing." [Al-Nisa:134].

"And that the man will not get but what he endeavors. And that his endeavor shall soon be seen." [An-Najm: 39-40].

"O Believers! Whenever you lend money for a particular period, write and someone among you must write it justly. And the one who can write must not refuse." [Al-Baqara: 282].

Prophet Muhammad (Peace Be Upon Him) has said that "Almighty Allah's mercy descends on one who is gentle at the time of buying, selling, and requesting payment." (Tirmizi).

Prophet Muhammad (Peace Be Upon Him) said: "whosoever sells a defective product without disclosing its defect to the purchaser, shall earn the permanent anger of Almighty Allah and the angels continuously curse such a person." (Ibn-e-Maja).

Prophet Muhammad (Peace Be Upon Him) has exhorted that we should refrain from taking oaths unnecessarily; for although, it helps in the sale of one's products, it reduces the blessings. (Bukhari; also in Muslim).

Abu Qatadah related that the Prophet said: "If anyone would like Allah to save him from the hardships of the Day of Resurrection, he should give more time to his debtor who is short of money, or remit his debt altogether." (Muslim)

Abu Huraira narrated that the Prophet said: "A time will come upon the people when one will not care how one gains one's money, legally or illegally." (Bukhari).

It is reported by Jabir that the Prophet said: "The flesh and body that is raised on unlawful sustenance shall not enter Paradise. Hell is more deserving to the flesh that grows on one's body out of unlawful sustenance." (Ahmad).

Abu Said related that the Prophet said: "The truthful and trustworthy businessman will be in the company of Prophets, saints and martyrs on the Day of Judgment." (Darimi, Tirmidhi).

Abu Huraira reported that the Prophet of Allah (saaws) said, "And what is most likely to send people to Paradise? Being conscious of Allah and good manners." (Bukhari, Tirmidhi & Ahmed).

## **7.2 Islamic Teachings and Unethical Trade Practices**

"Allah will deprive usury of all blessing, but will give increase for deeds of charity" [Al-Baqara: 276]. Keeping the commodities of general use in possession and not supplying them in the market for the sake of increasing the price is prohibited (Ahmed-Bin-Hanbal: 19802).

Narrated Jabir ibn Abdullah: Allah's Messenger cursed the acceptor of interest and its payer, and one who records it, and the two witnesses; and he said: They are all equal (Muslim).

"Woe to those that deal in fraud, those who, when they have to receive by measure from men, exact full measure, but, when they have to give by measure or weight to men, give less than due. Do they not think that they will be called to account?" [Al-Mutaffifin:1-4].

The Apostle of Allah (peace be upon him) cursed the one who pays bribes and the one who takes bribes. (Abu Dawud, Hadith no 3573).

Bidding more and more only for deceiving is prohibited (Bukhari: 2167). Trying to buy commodities before they reach market is prohibited because market will decide the price (Muslim: 1517).

## **7.3 Futures & Forward Trading: Islamic View**

Ibn Abbas (Allah be pleased with them) reported Allah's Messenger (may peace be upon him) as saying: "He who buys food grain should not sell it until he has taken possession of it." (Muslim).

## **7.4 Analogical Deduction in Matters: Islamic View**

Nu'man b. Bashir (Allah be pleased with him) reported: "I heard Allah's Messenger (may peace be upon him) as having said this (and Nu'man) pointed towards his ears with his fingers): What is lawful is evident and what is unlawful is evident, and in between them are the things doubtful which many people do not know. So he who guards against doubtful things keeps his religion and honor blameless, and he who indulges in doubtful things indulges in fact in unlawful things, just as a shepherd who pastures his animals round a preserve will soon pasture them in it. Beware, every king has a preserve, and the things God his declared unlawful are His preserves. Beware, in the body there is a piece of flesh ; if it is sound, the whole body is sound and if it is corrupt the whole body is corrupt, and hearken it is the heart." (Bukhari; also in Muslim).

## **7.5 Benefits of Honest Conduct in Partnership**

Prophet Muhammad (Peace Be Upon Him) has said that Almighty Allah proclaims: "I am a one third partner of a two man partnership until one of them acts dishonestly to his partner, and, in such event, I then leave them." (Abu Daud).

## **7.6 The importance of Paying One's Liability**

It is narrated by Abu Musa Ashari that the Prophet said: "After the major sins which must be avoided, the greatest sin is that someone dies in a state of debt and leaves behind no asset to pay it off." (Darimi)

## **7.7 Job Responsibility of Employee: Islamic View**

Narrated Abu Musa Al-Ashari: The Prophet said, "The honest treasurer who gives willingly what he is ordered to give, is one of the two charitable persons, (the second being the owner)." (Mishka'at)

## **7.8 Responsibility of Employer: Islamic View**

Prophet Muhammad (Peace Be Upon Him) said: "Give the labor his wage before his sweat dries". (Ibn-e-Majah)

## **7.9 Justice and Honesty: Islamic View**

"O believers! Stand firmly for justice, giving witness for Allah, may be therein your own loss, or of your parents or of your relations. Against whom you be a witness, he be a rich or be a poor, in any case Allah has more power than anyone over them, therefore follow not passion lest you may be far away from justice; and if you distort or turn your face, then Allah is aware of your doings." [Al-Nisa: 135]

"O believers! Stand-up firmly by the Commandments of Allah, bearing witness with justice and let not the enmity of any people incite you that you should not do justice. Do justice that is nearer to piety and fear Allah, undoubtedly, Allah is aware of your doings." [Al-Maida: 8]

## **7.9 Gender & Ethnic Discrimination: Islamic View**

'O people! We created you from one man and one woman and made you branches and tribes that you may recognize one another. Undoubtedly, the most respected among you in the sight of Allah is he who is more pious, verily, Allah is knowing, Aware. [Al-Hujurat:13].

## **8. Directives of Islam to an Earning Individual**

### **8.1 Encouragement for Welfare Spending**

...Remember, the example of those who spend in the way of God is like that of a grain, which sprouts into seven ears, producing a hundred grains in each ear. God [by His mercy] increases manifold [the rewards of such deeds] for whom He wills. And Indeed, God is extremely bountiful [in rewarding His servants], fully aware [of your circumstances and deeds]. [Al-Baqara: 261].

"Those needy ones who are wholly wrapped up in the cause of Allah, and who are hindered from moving about the earth in search of their livelihood especially deserve help. He who is unaware of their circumstances supposes them to be wealthy because of their dignified bearing, but you will know them by their countenance, although they do not go about begging of people with importunity. And whatever wealth you will spend on helping them, Allah will know of it." [Al-Baqara: 273]

“Look, you are being called upon to expend in Allah's Way, yet some of you are being niggardly, whereas the one who is niggardly is, in fact, being niggardly only to himself. Allah is Self-Sufficient: it is you who are the needy. If you turn away, Allah will replace you by another people, and they will not be like you.” [Muhammad: 38]

“(O Prophet!) Tell those of My servants who believe that they should establish Prayer and spend out of what We have provided them with, both secretly and openly, before there arrives the Day when there will be no bargaining, nor any mutual befriending.” [Ibrahim: 31]

“Have you seen him who belies the rewards and punishments of the Hereafter? He it is, who drives away the orphan and does not urge giving away the food of the poor.” (Al-Ma'un: 1 - 3)

Those who blame those Muslims who give charity willingly and those who get not but with their hard labor, so they laugh at them. Allah will punish them for their laughing and for them, is the painful. [Al-Tauba: 79]

Asmah related that the Prophet said: “Spend, and do not count, lest Allah counts against you. Do not withhold your money, lest Allah withholds from you. Spend what you can.” (Bukhari; also in Muslim). Abu Huraira related that the Prophet said: The Lord's commandment for every one of His slaves is, ‘Spend on others, and I will spend on you’. (Bukhari; also in Muslim).

## **8.2 Attitude of the giver of charity**

“Those who spend their wealth in the way of Allah and do not follow up their spending by stressing their benevolence and causing hurt, will find their reward secure with their Lord. They have no cause for fear and grief.

To speak a kind word and to forgive people's faults is better than charity followed by hurt. Allah is All-Sufficient, All-Forbearing.

Believers! Do not nullify your acts of charity by stressing your benevolence and causing hurt as does he who spends his wealth only to be seen by men and does not believe in Allah and the Last Day. The example of his spending is that of a rock with a thin coating of earth upon it: when a heavy rain smites it, the earth is washed away, leaving the rock bare; such people derive no gain from their acts of charity. Allah does not set the deniers of the Truth on the right way.” (Al-Baqara: 262 - 264)

## **8.3 Islamic View on Unscrupulous Consumption**

“Give to the near of kin his due, and also to the needy and the wayfarers. Do not squander your wealth wastefully; for those who squander wastefully are Satan's brothers, and Satan is ever ungrateful to his Lord.” (Al-Bani-Israel: 26 - 27)

“Do not keep your hand fastened to your neck nor outspread it, altogether widespread, for you will be left sitting rebuked, destitute.” (Al-Bani-Israel: 29)

“Who, when they spend, are neither extravagant nor miserly but keep the golden mean between the two (extremes)” (Al-Furqan: 67)

Amr ibn Shuaib, on his father's authority said that his grandfather related that the Prophet said: "When you eat, drink, give charity and wear clothes, let no extravagance or pride be mixed up with what you do." (Ibn Maja; also in Nasai).

#### **8.4 Stinginess & Wealth Accumulation: Islamic View**

"Those who do not spend their wealth that has been given to them by Allah must not think that it is good for them; indeed it is bad for them (Al-Imran: 180)".

... "Allah does not love the arrogant and the boastful, who are niggardly and bid others to be niggardly and conceal the bounty which Allah has bestowed upon them. We have kept in readiness a humiliating chastisement for such deniers (of Allah's bounty)" Al-[Al-Nisa: 36-37]

Jabir reported that the Prophet said: "Avoid doing injustice to others, for on the Day of Judgment, it will turn into manifold darkness, and safeguard yourself against miserliness, for it ruined those who were before you. It incited them to murder and treating the unlawful as lawful." (Muslim)

Abu Said Khudri related that the Prophet said: "There are two habits which are never present together in a believer: miserliness and bad manners." (Tirmidhi).

Abu Huraira related that the Prophet said: "When someone is made rich but he does not pay Zakat for his wealth, then on the Day of Judgment his money will be turned into a poisonous snake with two black spots on its head. It will coil around his neck and bite his cheeks and say: 'I am your wealth, I am your treasure'. Then the Prophet recited verse 3:180 of the Quran." (Bukhari)

#### **8.5 Paying Zakah**

"Say your prayers (Namaaz) and pay Zakah [Al-Muzammil: 20]".

Establish Prayer and dispense the Purifying Alms (Zakat) and bow in worship with those who bow [Al-Baqara: 43]

#### **8.6 Entrepreneurship Vs Dependency**

Narrated Hakim bin Hizam that the Prophet Muhammad (peace and blessings be upon him) said: "The upper hand is better than the lower hand (i.e. he who gives in charity is better than him who takes it). One should start giving first to his dependents. And the best object of charity is that which is given by a wealthy person (from the money which is left after his expenses)." (Bukhari)

#### **8.7 Social Responsibility: Islamic View**

Anas related that the Prophet said: "If any Muslim plants something or sows seed from which a man, a bird or an animal eats, it counts as a charity for him." (Bukhari; also in Muslim)

#### **8.8 Communal Development: Islamic View**

Abu Huraira narrated that the Prophet said: "The best charity is that which is practiced by a wealthy person. And start giving first to your dependents." (Bukhari)



Salman ibn Amer reported that the Prophet said: "To give something to a poor man brings one reward, while giving the same to a needy relation brings two: one for charity and the other for respecting the family ties." (Ahmad, Ibn Majah, Nasai, Tirmidhi)

### **8.9 Utility and Satisfaction: Islamic View**

Abu Huraira narrated that the Prophet said: "Wealth is not in having vast riches, it is in contentment." (Bukhari; also in Muslim).

### **Conclusion**

This paper discussed the ethical void in Capitalism manifested in unbridled pursuit of self interest, moral relativism, incentive-led economic choices and apathy to communal responsibilities. This has led to a society where economic interests have become the sole basis of maintaining and sustaining relationships. This inner void of identity and purpose at individual level and social void in the form of a stratified society bound together only for economic interests can be better filled with incorporating religion. Humans are much more than utility driven species, they are capable of using both instrumental and critical reasons to differentiate right from wrong and need reinforcement to adopt virtues influenced by an inner urge other than material interests as in Capitalism. This inner urge can be rekindled by looking beyond utility maximization to re-acknowledge the fundamental identity that humans are moral being than just an instrument for material advancement.

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