

**ISC 103**

**Islamic Economic System**

**By  
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## **In the Name of Allah, Most Merciful, Most Gracious**

### **The Concept of Economy:**

Linguistically, it comes from the word (قصد) which means the straightness of the road and the rationing of something. It is between immoderacy and scrimping.

### **Definition of Islamic Economy:**

It refers to the knowledge of the practical religious legislations through the detailed proofs that regulates earning, spending and investing money.

What is the difference between Islamic economy and the postural economy?

### **The Subject of Economy:**

#### **1- The ideological aspect:**

It means the values and rules which are the bases of economic activity. Some of the Islamic controlling regulations and values include the following:

a- **Money belongs to Allah and all people are guardians of it.** Allah says ((سپند اوٲقوا مما جعلكم مستخلفين فيه) (spend out of that in which He has made you successors) ) and as a result of that he will count all people for how they deal with money he gave them Messenger of Allah (ﷺ) said, "Man's feet will not move on the Day of Resurrection before he is asked about his life, how did he consume it, his knowledge, what did he do with it, his wealth, how did he earn it and how did he dispose of it, and about his body, how did he wear it out."

b- **The rule of maintaining the economic balance between the people of the Islamic community.**

Although Islam allows variety in wealth and income, it obliges social justice and maintaining a balance and provide good living standards for everyone.

## **c\_The rule of maintaining both kinds of property, public and private**

**Allah's Messenger (ﷺ) said:**

"Do not go out to meet riders (to conduct business with them), and a city-dweller must not sell for a man from the desert." I asked Ibn 'Abbas (RA), "What did he mean by 'A city-dweller must not sell for a man from the desert.'" He replied, "He should not act as a broker for him."

The Prophet (ﷺ) forbade buying from foreign merchants before knowing the market price, to protect private property. He also forbade selling for Bedouins on their behalf, lest prices increase for the people, for protecting public property.

### **2-The theoretical \ analytical aspect:**

It means analyzing the economic phenomenon and eliciting the latent relations, according to the general bases and rules could be established in the science of economics.

Example: In the non- Islamic background, we could find that when one's income increased, he consumes more and when the commodity is discounted the demand over it increases.

**But these practices adverse what was mentioned in the Quran where Allah**

**says (And do not make your hand [as] chained to your neck or extend it completely and [thereby] become blamed and insolvent.)** prophet Mohamed may peace and grace be upon him said: ("May he be miserable, the worshipper of the dinar and dirham, and the worshipper of the striped silk cloak. If he is given anything, he is satisfied; but if not, he is unsatisfied").

### **3- The applied aspect (The Economic Policy):**

It is the study of the policies and applications which accord with the prevailing rules, meanwhile handles and deals with the community's economic problems at every place and time.

### **The relationship between Economics, Islamic Legislation (Shari'a) and other Sciences**

#### **The relationship between economics and Islamic jurisprudence:**

Writing in Islam passes through two stages:

- 1- The stage of identifying the jurisprudential verdict; the study in this stage is called "Jurisprudence"
- 2- The stage of identifying the phenomenon or the economic event, and this stage is called "economy"

For instance: usury and its verdict and proof are a case discussed by jurisprudence, however the effects that resulted from usury prohibition regarding money and investment are related economics.

#### **The relationship between Islam and History:**

History includes events, phenomena and economic ideas of Islamic scholars throughout the different ages, which are considered important resource for the economic researcher, because it provided scientific data and concrete proofs concerning the different economic systems in the history, the issue which enables studying and analyzing the economic phenomena, either the present or the past.

Some Prophets stories in the Quran has examples to clarify that

### **The relationship between economics and mathematics and statistics:**

The relationship between those sciences was strengthened, so that mathematics and statistics became important tools for the economic researchers in their analysis of the different transactions and designing different programs and plans needed to achieve society's economic goals.