

# Money in the Holy Quran

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## I. Introduction

Man, a creature like no other, known for his uniqueness, is and always has been a central focus in human thought, philosophical currents and monotheistic religions, which all sought to discover man's essence, nature, capabilities, limitations and integrity, as well as the secret to his happiness. The techniques and methods of human communication have long been a major topic of research that has driven thinkers and scholars. Many ideas and theories have been elaborated on human communication, given that it is an essential tool for war, love, fighting, peace, prosperity and safety. "Compensation," in the form of money, is one of the most important techniques in human communication. Many a scholar has written on how to regulate and legalize money: Almost all social reformers, philosophers and holy books have delved into this topic and proposed principles, rules and legislations that regulate this vital aspect of human life.

Holy books include innumerable verses that redefine the concept of money, specify its purposes and objectives, regulate its accumulation and spending and forbid man from worshipping money and considering it divine. The stories of prophets, saints and the righteous always show their disdain for money, their disinterest in gathering it and their refusal to compete in the race to accumulate money or to use it as compensation to their followers. They always stressed that money increases by modest, non-extravagant giving and that humans are merely entrusted with money, which is no doubt perishable. Therefore, people will be asked, in the afterlife, where they gathered their money from and what they spent it on during their life on Earth.

Money cannot be regarded as an independent component that is separate from the economy. It is rather a key manifestation and driver of economy. Money, whether movable or immovable, is neither valuable nor effective except when it exists within a framework of ownership and when used properly. Perhaps divine legislation is necessary in order to determine "proper use" and distinguish right from wrong in monetary practices. However, in our current day and age, it is also necessary to abide by economic, financial and monetary positive laws drafted by legislators to regulate economic and financial systems and transactions.

The Arab Mashriq has immeasurable financial wealth, and its developing economies are witnessing significant changes. Despite the fact that these economies are stifled by political polarisations, they are nonetheless based on a national economic output and performance that couples natural resources with human creativity. The daily behavior, earnings and production of our people still reflect the religious teachings that they inherited from their predecessors in terms of all the different commercial, financial, inheritance-related and volunteer practices they adopt.

The Holy Quran is considered to be the constitution of the Islamic nation. It is a source of divine guidance on all aspects of life and the afterlife: "And We have sent down to you the Book as clarification for all things and as guidance and mercy and good tidings for the Muslims." (An-Nahl, 16:89); "By which Allah<sub>(SW)</sub> guides those who pursue His pleasure to the ways of peace and brings them out from

darknesses into the light, by His permission, and guides them to a straight path.” (Al-Ma’idah, 5:16). Legislations inspired by the Holy Quran, the Sunnah and the sayings of the People of the House – Ahl El Bayt<sub>(AS)</sub> – are all-inclusive, as they touch upon worship, transactions, rituals, divine laws, concepts, doctrines and the spiritual and material aspects of life. The Quran frames and regulates all aspects of life in broad or specific terms. It is characterized by both firmness and flexibility, heritage and contemporaneity, theory and practice, thought and action.

What Islam prescribes is a comprehensive and coherent system, which branches out into a series of systems that are based on complementary and integral rules and foundations that guide believers on their faith and humanity, as well as their actions and purpose, and make them worthy of being entrusted with the Earth:

- **In Islam, doctrines are systems:** Monotheism, Justice, Prophethood and the Day of Resurrection are all doctrinal systems.
- **Worship in Islam is a system:** Prayer, fasting, Zakat (alms-giving), Hajj (pilgrimage) and many others are all systems of worship.
- **Transactions in Islam are systems:** Selling, buying, marriage, divorce, inheritance are all systems of transactions.
- **Manners in Islam are systems:** Manners in eating, travelling, speaking and remaining silent... are all systems.
- **Ethics in Islam are systems:** Relationships between neighbours, family members, merchants, preachers, educators, doctors, makers, farmers and learners are all governed by systemic ethics in Islam.
- **Governance in Islam is a system:** Shura (consultation), selection, rulers, authority and elections are all political systems in Islam.
- **Justice in Islam is a system:** Testimony, *Hudud* (sanctions) and punishment are all systems.
- **Solidarity in Islam is a system:** Endowments, grants, donations and charity in Islam are all systems.

This does not mean that Islam dictates every aspect and every detail of our lives. Rather, it sets frameworks, limits and margins within which people are free to act as they deem fit for their lives, circumstances and conditions. In other words, it defines what is “permissible,” within the limits of what is ethical, and determines people’s faculties and will to act (Sabri, 2017).

Many Quranic verses tackle the rules of economic and monetary transactions: Money, ownership, livelihood, earning, spending, Zakat, charity, usury, commerce, farming, planting, eating and drinking, reform, corruption, building, seeking the favor of Allah, inheritance and will, sponsorship, mortgage, the poor, the wealthy, selling, buying, various crops, water, industry, encouragement to document debt in writing and through witnesses, the need to abide by undertakings and contracts, preserving entrusted items and returning them to their rightful owners, the need to manage, preserve and increase the funds of orphans, in addition to the verses forbidding usury, gambling and embezzling people’s funds, whether through bribery, deception or other means.

These rules, principles and guidelines are truly considered to be advanced forms of social justice. While we cannot delve into their details in our present study, I must seize the opportunity to focus on the rules and principles laid out in certain Quranic verses that describe financial transactions and practices from a Sharia perspective, given the crucial role of money and economy in the stability of nations and societies.

Our theme, Money in the Holy Quran, covers the five main pillars that form the structure of finance, which are as follows:

- 1) The Quran's Views on Money;**
- 2) The Islamic Economic System – the Centrality of Money;**
- 3) The Governance of Money in the Holy Quran;**
- 4) Endowment and Development in the Islamic Sharia; and**
- 5) Financial Oversight in Islam.**

In this study, I will tackle the abovementioned topics, first from the viewpoint of Quranic verses, and, second, in terms of their contemporary practical applications and their relationship to development. I will also discuss some related issues from a Sharia perspective, for the purpose of clarification or inference, without diving into the different opinions of the various schools of Islamic jurisprudence.

## **II. The Quran's Views on Money**

Etymologically, "money" in Arabic (al-māl) means all the different possessions that a person owns. Lisan al-Arab defines money as: possessions of all kinds (Ibn Manzur, 1997, Volume III, p. 550). It is an entitlement of financial value. This entitlement may be in-kind, personal, literary, artistic or industrial. In Islamic jurisprudence, money refers to any and all assets from which a person can benefit, with the exception of those excluded by the Divine Legislator.

In light of the above, the economic and financial term that best reflects the meaning of money in the Islamic Sharia is "asset," which includes movable, immovable and intangible assets, provided that their use is legitimate and permissible in accordance with the rules set by the Divine Legislator.

The Holy Quran accords a great deal of importance to money, albeit within a broader context, which is that of livelihood. The latter includes assets, gains, benefits, scientific faculties and spiritual tranquillity. It also includes money, which is a central aspect of people's economic and social system. The Quran does not urge people to isolate and seclude themselves; on the contrary, it urges them to work, to gain their livelihoods and to walk among the slopes of the Earth: "It is He who made the earth tame for you - so walk among its slopes and eat of His provision - and to Him is the resurrection." (Al-Mulk, 67:15).

Despite the fact that the Holy Quran includes many verses that urge people to gain their livelihoods and secure their living, it does not leave people to do so as they see fit, as it regulates this process through well-defined rules, ethics, principles, laws and legislations. For instance, the Quran prohibits the unlawful

use of other people's money: "And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful]." (Al-Baqarah, 2:188). Similarly, the Quran does not leave economic activity unregulated, as it imposes controls, such as the prohibition of usury: "But Allah has permitted trade and has forbidden interest" (Al-Baqarah, 2:275) and the requirement to distribute wealth among all people to protect the poor and ensure a full economic cycle: "And what Allah restored to His Messenger from the people of the towns - it is for Allah and for the Messenger and for [his] near relatives and orphans and the [stranded] traveler - so that it will not be a perpetual distribution among the rich from among you." (Al-Hashr, 59:7) and to preserve the balance and stability of society.

The Quran focusses heavily on economic and financial practices and behaviors. Almost no Sura (chapter) in the Quran, whether revealed in Mecca or Medina, fails to address the different dimensions of this issue.

Therefore, well-guided financial behavior is a key pillar of Islam and a measure of human happiness, both on Earth and in the afterlife: "(1) This is the Book about which there is no doubt, a guidance for those conscious of Allah - (2) Who believe in the unseen, establish prayer, and spend out of what We have provided for them (3)" (Al-Baqarah, 2:1-3).

Legitimate gain is a means for Muslims to care for themselves, their families, their relatives and the poor, as well as to practice charity and perform their religious obligations. In this sense, gain no longer means accumulation of wealth and reluctance to give. Rather, it is a way to transcend the enticements of money. History books and biographies tell the stories of innumerable Muslims who have let go of their money by donating it to come one step closer to Allah, and others who have practiced asceticism to the fullest and steered clear of the joys and pleasures of life in order not to fall into the trap of Shirk (polytheism) and seeking material gain, which would prevent them from pursuing the primary aim of mankind – i.e. to worship Allah The Almighty. Islam is a moderate religion, and Muslims strive to live their lives in moderation. They neither accumulate nor squander their money: "And [they are] those who, when they spend, do so not excessively or sparingly but are ever, between that, [justly] moderate" (Al-Furqan, 25:67); "Indeed, the righteous will be among gardens and springs (15), Accepting what their Lord has given them. Indeed, they were before that doers of good (16). They used to sleep but little of the night (17), And in the hours before dawn they would ask forgiveness (18), And from their properties was [given] the right of the [needy] petitioner and the deprived (19)" (Ad-Dharyat, 51:15-19).

Likewise, the Quran considers detestable financial behavior as a deadly sin: "[And asking them], 'What put you into Saqar?' (42) They will say, 'We were not of those who prayed (43), Nor did we used to feed the poor (44). And we used to enter into vain discourse with those who engaged [in it] (45), And we used to deny the Day of Recompense (46)' (Al-Muddaththir, 74:42-46); 'Have you seen the one who denies the Recompense? (1) For that is the one who drives away the orphan (2) And does not encourage the feeding of the poor (3). So woe to those who pray (4)

[But] who are heedless of their prayer (5) - Those who make show [of their deeds] (6) And withhold [simple] assistance (7)." (Al-Ma'un, 107:1-7).

Forethought in the verses of the Holy Quran indicates that divine reward and punishment for Man during his life on Earth are often a result of his financial performance and behavior: "And if only the people of the cities had believed and feared Allah, We would have opened upon them blessings from the heaven and the earth; but they denied [the messengers], so We seized them for what they were earning." (Al-A'raf, 7:96); "And Allah presents an example: a city which was safe and secure, its provision coming to it in abundance from every location, but it denied the favors of Allah. So Allah made it taste the envelopment of hunger and fear for what they had been doing." (An-Nahl, 16:112); "And We certainly seized the people of Pharaoh with years of famine and a deficiency in fruits that perhaps they would be reminded." (Al-A'raf, 7:130); Allah The Almighty also gives social and individual examples whereby people received worldly punishment for poor financial behavior. In Surat al-Kahf, He tells the story of the owners of the two vineyards, one of whom was punished for his unfairness and arrogance due to the fact that he had money in abundance and many children: "And he had fruit, so he said to his companion while he was conversing with him, 'I am greater than you in wealth and mightier in [numbers of] men.'" (Al-Kahf, 18:34). An entire Sura of the Quran is also named after a group of people, Saba, who accumulated money and wealth and deprived the poor and vulnerable of the same, which led to their demise: "But [insolently] they said, 'Our Lord, lengthen the distance between our journeys,' and wronged themselves, so We made them narrations and dispersed them in total dispersion. Indeed in that are signs for everyone patient and grateful." (Saba, 34:19).

Quranic verses have made it clear that money is a necessity of life and that people should adopt proper financial practices by working, earning their living legitimately and not relying on others if they have the means and capacity to do so. The Quran also advises people to manage their spending by order of priority, while benefitting from worldly fortunes and seeking to build, plant and develop, so long as they have the ability to produce. It also advises them to avoid vanity, luxury, extravagance and the squandering of money, by giving the example of Qarun, who used to force his servants to carry the keys to the vaults where he stored his money and treasures. Indeed, the Quran did not forbid Qarun (Karooon or Korah) from enjoying his great wealth, but it warned him against using his money for fornication, oppression and arrogance: "But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done good to you. And desire not corruption in the land. Indeed, Allah does not like corrupters." (Al-Qasas, 28:77).

Allah The Almighty says: "And do not give the weak-minded your property, which Allah has made a means of sustenance for you" (An-Nisa, 4:5). This sets the basic rules and practical uses of money: It must be used to secure one's sustenance and as a means to develop the land, ensure social solidarity, advocate for what is right and do charitable deeds. It must not become a shackle that restricts Man and prevents him from showing solidarity and pursuing success.

While the Quran stresses the importance of financial behavior, it does not give any value to money itself. According to the Quran, money does not give those who own it any advantage over those who do not, regardless of how they manage it. People are only valued and judged positively or negatively based on their Taqwa (piety), of which financial behavior is merely one aspect. Money, on the other hand, is a tool. If it is managed well, it can become a grace and play a positive role in people's worldly lives and in the afterlife. If managed poorly, however, it becomes a source of woes and affliction, in people's worldly lives as well as in the afterlife: "And it is not your wealth or your children that bring you nearer to Us in position" (Saba, 34:37); "And as for man, when his Lord tries him and [thus] is generous to him and favors him, he says, 'My Lord has honored me.' (15) But when He tries him and restricts his provision, he says, 'My Lord has humiliated me.' (16) No! But you do not honor the orphan (17) And you do not encourage one another to feed the poor (18)" (Al-Fajr, 89:15-18).

The Quran thus gives money its adequate place in people's lives: It does not disregard money, as it encourages people to earn their living legitimately, nor does it consider money to be the central concern of people, since it describes money as a perishable resource. Nothing remains of money except the good deeds for which it was spent. Therefore, when this equation is disrupted, whether due to the lack of money or the exaltation and worship of money, people lead a life of toil. Today, we are witnessing the harshest manifestations of this toil and hardship.

### **III. The Islamic Economic System and its Principles**

A system is a set of rules and principles that regulate a certain aspect of human life and that are respected and implemented by society. Economy is a broad concept that includes the system of production, its nature, the type of market in which it operates and the level of State intervention therein. It also includes the political, fiscal and social systems. The Islamic economic system is the set of general economic rules derived from the Quran, the Sunnah and the *sayings* of the People of the House. The economic structure is, therefore, the set of Sharia rules and policies based on which money is regulated and managed by people.

When referring to Islamic economy in the present research, we do not mean Islamic economic science, but rather the economic orientation of Islam. This is best explained by Sayed Mohamad Baqir Sadr: "Islam, as a religion, does not tackle economics as a science, nor astrology or mathematics. Its purpose is to organize economic life, rather than study the various economic schools existing in a certain epoch and their outcomes, as economists do." (Sadr, 1982).

Given that the economic aspect of life impacts all segments of society, monotheistic religions have sought to organize and regulate it. Human societies have elaborated concepts and traditions whose purpose is to achieve social justice and to distribute wealth. The Islamic Sharia did so as well, by setting general and detailed rules and principles that describe how financial relationships between people should be.

Moreover, the Holy Quran and the Sunnah laid down a detailed framework for the economic and financial behavior of individuals, based on the fundamental principle that everything belongs to Allah, and therefore the possessions of Man are only entrusted to him by Allah, and Man should dispose of them as a successor would: "And [mention, O Muhammad], when your Lord said to the angels, "Indeed, I will make upon the earth a successive authority." (Al-Baqarah, 2:30). Man is entrusted with the resources of the world: "We did indeed offer the trust (freedom of choice) to the heavens and the earth and the mountains, but they refused to bear it, and were afraid of it. But the human being accepted it; surely he is unjust, ignorant." (Al-Ahzab, 33:72). The Creator put the wealth and resources of this world at our disposition and in the service of humanity. With these inexhaustible resources at his disposal, Man has the responsibility to work and strive to make money legitimately and use his earnings to do good, at the individual, family and social levels, in order to achieve justice in the distribution of wealth, even if at a minimum, thus ensuring social balance, which is a main pillar in the Islamic economic and financial structure.

It must be noted that the central environment in which Islamic finance operates is the jurisprudence of transactions, which consists of the Sharia rules on worldly affairs, such as selling, buying, rent, partnership and competition. Transactions, in this context, refer to financial transactions such as mortgage, trade-offs such as selling and rent, donations such as charity and grants, loans, endowments, partnership, competition, exchanges, sharecropping, share-tenancy, authentication of documents such as wills and sponsorships, and many others.

Below are the major financial principles that we have mentioned, including trusteeship, the fact that money is a means to obey Allah, and the availability of sufficient resources to meet the needs of humans.

### **Principle 1: Ownership from an Islamic Perspective**

There are two, closely-related dimensions to ownership in Islam: First, there is the Quranic guidance on ownership itself, and, second, there is the Quranic guidance on production and earning processes. Ownership is a central issue in economics, at both the philosophical and empirical levels, and it is well-known that views on ownership are a key factor that distinguishes between various economic systems.

Readers of the Holy Quran will notice the many verses that explicitly and unequivocally state that the ownership of money or other possessions is to Allah alone, as everything in the universe belongs to Him: "To Allah belongs the dominion of the heavens and the earth and whatever is within them" (Al-Ma'idah, 5:120). Therefore, there is an original, individual, all-inclusive and absolute ownership of everything that the term money (assets) refers to, and it is to Allah The Almighty alone. The belief in this principle is key in the Islamic doctrine. Money is not the true property of Man; the latter is only authorized to manage and dispose of this money: "And you have certainly come to Us alone as We created you the first time, and you have left whatever We bestowed upon you behind you" (Al-An'am, 6:94). The verse does not include the word "ownership," but rather "bestowed upon you." To bestow something upon someone does not



mean to transfer ownership to them, but rather to empower them to dispose of it without owning it.

### **Principle 2: Trusteeship**

The universe and all money belongs to Allah The Almighty, and Allah has entrusted man to manage the resources of the universe. Trusteeship means that Allah has empowered humanity to rule and lead the universe and develop it socially and naturally. Under this trust-based arrangement, the trustee should feel obligated and responsible for properly managing the assets at his disposal (Sadr, 2003). The Trustor has ordered us not to spend money unlawfully or to spend excessively on what is permissible. Allah The Almighty has also ordered us to spend a portion of our money on charity and good deeds. Several Quranic verses stress the fact that man is entrusted with managing the resources that Allah put at his disposal: "And give them from the wealth of Allah which He has given you" (An-Nur, 24:33); "And spend out of that in which He has made you successors" (Al-Hadid, 57:7).

### **Principle 3: Money is a Means to Obey Allah**

In Islam, money is means to secure one's place in heaven, as life on Earth is perishable, while life in heaven is eternal. If our worldly lives are a passageway to our eternal life in heaven, then money is a means to achieve that goal: "Righteousness is not that you turn your faces toward the east or the west, but [true] righteousness is [in] one who believes in Allah, the Last Day, the angels, the Book, and the prophets and gives wealth, in spite of love for it, to relatives, orphans, the needy, the traveler, those who ask [for help], and for freeing slaves; [and who] establishes prayer and gives zakah; [those who] fulfill their promise when they promise; and [those who] are patient in poverty and hardship and during battle. Those are the ones who have been true, and it is those who are the righteous." (Al-Baqarah, 2:177).

The true believer in Allah owns money and does not allow money to own him; he holds money in his hand and not in his heart; he strives to earn and invest money in what Allah has permitted, not according to his whims. Therefore, man should consider money to be a means and a passageway, as man's purpose in life is much more noble and sublime: It is to obey Allah The Almighty.

The Quran includes several verses that clearly forbid people from being lured by the desire to accumulate money and becoming a hostage of material and worldly things: "Woe to every scorner and mocker (1) Who collects wealth and [continuously] counts it. (2) He thinks that his wealth will make him immortal. (3) No! He will surely be thrown into the Crusher. (4) And what can make you know what is the Crusher? (5) It is the fire of Allah, [eternally] fueled, (6) Which mounts directed at the hearts. (7) Indeed, Hellfire will be closed down upon them (8) In extended columns. (9)" (Al-Humazah); "Never will you attain the good [reward] until you spend [in the way of Allah] from that which you love. And whatever you spend - indeed, Allah is Knowing of it" (Al-Imran, 3:92).

The Quran forbids man from becoming attached to money and believing that the latter is the ultimate goal because this damages and impairs man, the successor and trustee of Allah, for money leads to the following:

- **First:** The worship of money causes stinginess and parsimoniousness: "Say [to them], 'If you possessed the depositories of the mercy of my Lord, then you would withhold out of fear of spending.' And ever has man been stingy." (Al-Isra, 17:100).
- **Second:** Excessive attachment to money causes man to become oppressive and to cross all boundaries to earn it, even if it were at the expense of people's safety and the best interest of society: "No! [But] indeed, man transgresses (6) Because he sees himself self-sufficient. " (Al-'Alaq, 96:6-7).

**Principle 4:** The Availability of Sufficient Resources to Meet the Needs of Humans

The resources that Allah has made available on Earth and that He will make available in the future are sufficient to meet the needs of humans, in terms of food and all other necessities, as well as all animals that roam the Earth. Allah the Gracious and Beneficent has estimated the needs of all creatures and made available sufficient resources, such as water, minerals and fertile soil, among others. Islamic economy is based on the belief that the resources that have been and that will be created by Allah The Almighty on Earth are sufficient to meet the needs of humans, provided that they exploit them wisely. These resources exist neither in scarcity nor in excess, but rather in known measure: "And there is not a thing but that with Us are its depositories, and We do not send it down except according to a known measure" (Al-Hijr, 15:21).

## IV. The Governance of Money in the Holy Quran

### 1. Financial Planning in the Holy Quran

The Holy Quran includes the first estimative or planning budget developed based on scientific criteria, which is the approach elaborated by Prophet Yusuf (Joseph) to strike a balance between the production and consumption of wheat in Egypt in the years of prosperity and drought that he predicted in his interpretation of the vision of the King of Egypt. In the Quran, Prophet Yusuf is quoted as saying: "And [subsequently] the king said, 'Indeed, I have seen [in a dream] seven fat cows being eaten by seven [that were] lean, and seven green spikes [of grain] and others [that were] dry. O eminent ones, explain to me my vision, if you should interpret visions.' (43) They said, '[It is but] a mixture of false dreams, and we are not learned in the interpretation of dreams.' (44) But the one who was freed and remembered after a time said, 'I will inform you of its interpretation, so send me forth.' (45) [He said], 'Yusuf, O man of truth, explain to us about seven fat cows eaten by seven [that were] lean, and seven green spikes [of grain] and others [that were] dry - that I may return to the people; perhaps they will know [about you].' (46) [Yusuf] said, 'You will plant for seven years consecutively; and what you harvest leave in its spikes, except a little from which you will eat. (47) Then will

come after that seven difficult [years] which will consume what you saved for them, except a little from which you will store. (48) Then will come after that a year in which the people will be given rain and in which they will press [olives and grapes].’ (49)” (Yusuf, 12:43-49).

In order to elucidate the historical event described in the abovementioned holy verses, and to explain their meaning and reach a better understanding of the concept of planning as defined in the Quran, we must elaborate on the vision of the king of Egypt and its interpretation by Prophet Yusuf: The king of Egypt said, “I dreamt of seven heavy cows being eaten by seven thin and scraggy cows. I also saw seven green wheat spikes, and seven dry spikes. Gentlemen, nobles lords, explain this vision to me,” to which they replied: “Your vision is mere snippets that cannot be explained, and we do not know how to interpret dreams.” The man who had escaped death at the hands of Yusuf’s two friends in prison earlier remembered that Yusuf had once interpreted his dream and said: “Send me to Yusuf and I shall return with an interpretation of this vision.” When the man met Yusuf, he said: “My friend, the king dreamt of seven heavy cows being eaten by seven thin and scraggy cows, and he saw seven green wheat spikes, and seven dry spikes. Would you be so kind as to interpret this vision, so I can return to my king and his companions and convey it to them? They shall not forget your favor and your kindness.” Yusuf then replied: “You shall plant and harvest for seven consecutive years and have crops in abundance. Save the grains that you harvest every year, store them well to preserve them, and consume only what is necessary. You shall then endure seven years of severe drought, and your people shall eat from what you have stored. Save a few seeds to plant again in the following year, during which the skies will rain in abundance, and Allah will save you from the hardship of the years prior. In that year, your people shall press the fruits, of which they shall have plenty.” (Al-Tabatiba’i, 2010).

The holy verses above make it clear that Prophet Yusuf not only interpreted the king’s vision, but also developed a budget based on scientific criteria. That, of course, is no surprise, as Prophet Yusuf was chosen and instructed by Allah The Almighty. In his budget, Prophet Yusuf balanced between the production and consumption of wheat, by storing sufficient quantities for the years of drought. It must be noted, in this regard, that many theorists on administration, especially those who are interested in finance, have identified a set of criteria to be met in any estimative budget, most notably:

- A) The budget must strike a balance between income and expenditure, while seeking to achieve a surplus and rationalize spending in such a way as to avoid the squandering or misuse of natural, human and material resources used to implement the budget, and in order to avoid extravagance;
- B) The budget must be a clear tool that reflects quantities, amounts and time periods numerically;
- C) The largest possible number of parties must take part in implementing the budget.

The Quran thus gives us a practical and educational example on the need to optimize our use of the wealth and resources that Allah has granted us, drawing

inspiration from Prophet Yusuf's good governance and from the divine providence that spared Egypt and the surrounding region the woes of famine. Indeed, Allah saved them, as He would save all other people, from the monopoly of the wealthy and powerful over the country's finite and scant natural resources, and protected the vulnerable against those who would otherwise have denied them their rightful share. The people of Egypt were saved from monopoly and tyranny in the use of money and power, especially during dark times.

It must also be noted that Surat Yusuf in the Holy Quran provided, in addition to the above, numerous scientific and administrative lessons that we cannot possibly cover in our present research. These lessons focus on the principle of risk management through two clear dimensions that are closely related to financial planning: 1) Avoiding future risk by saving current surpluses for use at a later stage when the risk does occur, as shown above; and 2) what is known nowadays as hedging, to compensate for possible losses in the future. The distribution of risks to minimize their chances of occurring can be seen when Allah's Prophet Yacub (Jacob) ordered his sons to enter Egypt from many gates, in order to avoid exposing them to the same risks when together: "And he said, 'O my sons, do not enter from one gate but enter from different gates; and I cannot avail you against [the decree of] Allah at all. The decision is only for Allah; upon Him I have relied, and upon Him let those who would rely [indeed] rely.'"

## **2. Individual and Communal Income in the Holy Quran**

In this section, we will discuss income from the perspective of the Quran, the Sunnah and the *sayings* of the People of the House. The section will be split into the two following parts:

- **Part 1:** Individual income and the Sharia rules that regulate it;
- **Part 2:** Communal income according to the provisions of the Islamic Sharia.

### **2.1. Individual Income**

The Holy Quran, revealed by Allah to mankind, and the *sayings* attributed to Prophet Mohamad<sub>(PBUH)</sub> both urge people to strive and work hard to earn money legitimately using the resources granted by Allah to all creatures, most notably mankind. Indeed, hard work, legitimate earning, securing one's livelihood and needs without extravagance and making a decent living without having to lose face by asking for assistance are all forms of worship in Islam. The same goes for striving to ensure that one's source of income is lawful and avoiding the enticements of illegitimate earning.

The Quran includes many verses that tackle work, by setting specific rules relating thereto and determining the worker's responsibility, sanctions and rewards. Below are some verses that urge people to strive and work hard to secure their livelihoods. The Holy Quran explicitly calls upon people to work and save no effort to earn their living: "And when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed." (Al-Jumu'ah, 62:10).

Thus, the Islamic doctrine strikes a perfect balance between working to meet one's worldly needs, striving towards personal edification, coming closer to Allah and seeking His blessing: "But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world." (Al-Qasas, 28:77). The true Muslim does not invest all his power and energy to seek after life's pleasures and bask in its delights, as that would drive them away from Allah. The true Muslim not only seeks rewards; they must also work for their life on Earth, which is a passageway, and for the afterlife, which is their eternal home. Imam Ali<sub>(AS)</sub> says: "Work for this world as if you will live forever and work for the hereafter as if you will die tomorrow."

The Holy Quran calls upon people to work hard, adopt a positive attitude and be industrious and active, in order to benefit themselves and others. The Quran warns against living a negative life, being secluded and refraining from working: "so walk among its slopes and eat of His provision - and to Him is the resurrection." (Al-Mulk, 67:15).

Allah The Almighty created the Earth and filled it with wealth and resources so that man can lead a satisfied life: "And a sign for them is the dead earth. We have brought it to life and brought forth from it grain, and from it they eat. And We placed therein gardens of palm trees and grapevines and caused to burst forth therefrom some springs - That they may eat of His fruit. And their hands have not produced it, so will they not be grateful?" (Ya-Sin, 36:33-35).

Man can only enjoy these blessings by working hard to truly earn them, without turning away from worshipping Allah or seeking to accumulate wealth. Just like the Quran urges people to work (Al-Qurashi, 1998) in several verses, the Sunnah, which, in essence, explains, interprets and details the stipulations of the Quran, also stresses the importance of work and encourages Muslims to secure their livelihoods and continue to perform legitimate work until their last breath. The Prophet is quoted as saying in a *saying*: "David would never eat but from the work of his own hands" (Treasures of the Doers of Good Deeds "*Kanz al-Ummal*", 9223). In this *saying*, the Prophet clearly indicates that work is commendable and desirable, that Muslims should eat from the work of their own hands and that they are better off doing so than asking people for help or soliciting their sympathy. All prophets worked hard, earned their own living and ate from the work of their own hands. Abraham was a builder, Noah was a carpenter, Moses was a shepherd, Elijah was a tailor, David was a blacksmith, Zechariah was a carpenter and Mohamad herded sheep and worked in commerce, and the same goes for many other prophets and messengers. Work is considered a form of obeying Allah's will, through which man secures his and his family's daily bread without resorting to others.

Moreover, man is obligated and tasked with perfecting his work. Islam urges him to do so and orders workers to strive for precision and perfection in their work. Those who do not perform their work to the standard required by their employer are considered dishonest and do not deserve the wage paid to them, as the Prophet said: "Verily, God loves if any of you does a job, he does it with perfection" (Al-Rishahri, 2001). Islam also recommends the payment of wages without delay:

“Pay the worker his dues before his sweat has dried up.” People must earn their living legitimately by exerting their best efforts and perfecting the work or service there are providing in order to avoid suspicion or unlawful earning, such as by performing low-quality work.

## 2.2. Communal Income and its Sources

In this section, we will discuss the second type of financial income, which is State income in the Islamic sense. This income consists of direct and indirect taxes: Taxes, according to Islamic economy, are a type of financial income determined by the State and collected for the purpose of social spending. These include *kharaj* (tax on agricultural land), tithe (import tax, such as customs fees, usually amounting to 10%), *fay'* and *khums*, among others. In addition to these taxes, communal income also includes other revenue sources, such as the possessions left behind by people with no heirs and the revenues generated by public properties that can be sold, rented or otherwise exploited.

The Islamic economic system includes several means to achieve solidarity within the Muslim community besides taxes, which are all primarily driven by faith. The State's role consists of finding ways through which these means can be practiced. Therefore, the means of achieving solidarity under the Islamic economic system represent a safety net that supports both the State and society. This cannot be found in any other economic system. As such, the weaker a society's faith is, the less effective its means of achieving solidarity become, as the latter are the fruit of proper Islamic upbringing. Examples of such means include: Zakat, charity, volunteering, endowment, interest-free loans, child support, alimony, relatives support, atonement, State-guaranteed subsistence, sacrifices and others.

It must be noted that spending has two main objectives: The first is private (or individual) and aims at helping people purify themselves, overcome their lust for money, strengthen bonds between members of society and come closer to Allah The Almighty; the second is public and aims at establishing a comprehensive system for financial transactions, managing income and expenditure and setting proper rules for production, exchange and the distribution of wealth.

Thus, spending is split into two separate dimensions:

- **The first dimension:** Man, by nature, is predisposed to hold on to money and be reluctant to spend it;
- **The second dimension:** Spending, regardless of its various aspects, is itself a highly important act at a human level in general and at an economic level more specifically.

The Quran takes into consideration this fact when addressing the issue of spending: “Say [to them], ‘If you possessed the depositories of the mercy of my Lord, then you would withhold out of fear of spending.’ And ever has man been stingy.” (Al-Isra, 17:100).

In light of the above, the Muslim believer overcomes human challenges when he decides to spend his money on others. However, powerful external factors must

also be sufficiently favorable in order for him to conquer his innate instinct of holding on to money, including the fact that he must be content.

I must mention, in this context, a lecture by Imam Moussa Sadr, in which he says: "When we read Islamic guidance, we notice that the issue of spending occupies a central position. Spending is a comprehensive foundation. One cannot say, 'I do not have money, and therefore I am not obligated to offer Zakat.' If you do not have money, then you must certainly have health, physical strength, experience, culture, the ability to offer guidance or to contribute in some shape or form. Therefore, spending, which is a comprehensive foundation, must be interpreted in profound terms. Islam discourages people from being avaricious and greedy and not sharing with others. I urge you to reflect upon this verse, "and spend out of what We have provided for them" (Al-Baqarah, 2:3). This means that the money, health or knowledge that Allah has granted you must be shared with others. The first rule that we must learn from Islamic teachings is that man's ambition should not be to accumulate wealth, whether in the form of money or influence, but to earn and distribute, "and spend out of what We have provided for them." That should be our ultimate ambition and goal; it is a rudimentary principle." (Sadr, 2016).

The Quran stresses the importance of social solidarity and the need to help the poor and vulnerable, and it praises those who spend in order to please Allah and out of piety and righteousness: "Who is it that would loan Allah a goodly loan so He may multiply it for him many times over? And it is Allah who withholds and grants abundance, and to Him you will be returned." (Al-Baqarah, 2:245). Allah encourages social spending and promises to repay such kindness many times over: "The example of those who spend their wealth in the way of Allah is like a seed [of grain] which grows seven spikes; in each spike is a hundred grains. And Allah multiplies [His reward] for whom He wills. And Allah is all-Encompassing and Knowing." (Al-Baqarah, 2:261).

Therefore, what awaits believers is a great reward if they support their fellow men regardless of their origins, color, race or religion, and if they show sympathy towards one another to achieve justice among all members of society. The Quran includes many verses that revolve around this idea: "But whatever thing you spend [in His cause] - He will compensate it; and He is the best of providers." (Saba, 34:39); "And give the relative his right, and [also] the poor and the traveler, and do not spend wastefully." (Al-Isra, 17:26).

In addition to the above, the Quran urges people to help their fellow humans and is keen on preserving the dignity of those in need and protecting them against disrespect and harm: "Kind speech and forgiveness are better than charity followed by injury. And Allah is Free of need and Forbearing. (63) O you who have believed, do not invalidate your charities with reminders or injury as does one who spends his wealth [only] to be seen by the people (64)." (Al-Baqarah, 2:263-264).

Below are some main forms of spending and their impacts:

## a) Zakat

**Linguistically:** Zakat has several meanings that all revolve around growth and purity, as it allows money to grow and increase and purifies it.

**In the Islamic Sharia:** It is the obligation of giving a specific amount of money to a (specific) group of people who need it at a specific time. It is calculated based on a specific and well-known percentage of non-productive wealth – that is to say, it is not the same as a profit tax. It is a mandatory duty for all Muslims who meet the conditions of Zakat payment, and it shall be given to the beneficiaries specified in the Sharia.

Zakat was imposed in Media in the second year of the Prophet's *hijra*. The Quran also mentions the obligation to give Zakat numerous times: "And establish prayer and give zakah." (Al-Baqarah, 2:43). It is also said in the *saying* that Islam was built upon five pillars, one of which is Zakat.

Zakat is a pillar of Islam and a financial aspect of worship. Just as Muslims pray to Allah The Almighty or fast, they shall also give Zakat, provided that they meet the related conditions, to be spent by the State as specified in the Sharia.

The Quran includes many verses on the need to give Zakat, such as: "Indeed, those who believe and do righteous deeds and establish prayer and give zakah will have their reward with their Lord, and there will be no fear concerning them, nor will they grieve." (Al-Baqarah, 2:277); and "Righteousness is not that you turn your faces toward the east or the west, but [true] righteousness is [in] one who believes in Allah, the Last Day, the angels, the Book, and the prophets and gives wealth, in spite of love for it, to relatives, orphans, the needy, the traveler, those who ask [for help], and for freeing slaves; [and who] establishes prayer and gives zakah; [those who] fulfill their promise when they promise; and [those who] are patient in poverty and hardship and during battle. Those are the ones who have been true, and it is those who are the righteous." (Al-Baqarah, 2:177).

In light of the above, we can say that:

- Financial Zakat is an obligation towards Allah The Almighty;
- Zakat, voluntary charity and *khums* are all forms of financial worship.

According to Imam Moussa Sadr, Zakat, which also includes the concept of spending, in broad terms, is not restricted to the financial dimension. Craftsmen, artists and scientists must also give Zakat in the form of their human knowledge and capacities: "The knowledgeable gives Zakat by spreading knowledge." In one of his lectures on Islamic economy, Imam Sadr recalled one of the Prophet's *sayings*: "I shall guide you to the path of paradise: Teach the unskilled how to produce."

Based on the above, Zakat encourages those who receive it to invest and produce:

- No wealthy or well-to-do person may benefit from Zakat, as most areas in which Zakat is spent do not include the wealthy or those who have sufficient resources: "Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts



together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise." (At-Tawbah, 9:60).

- Zakat is given for the following objectives:
  - o As a means to increase purchasing power: Zakat increases the purchasing power of the poor and the needy, such as the elderly, those unable to work, children and women. By receiving Zakat in the form of cash, they can buy the necessities of life. Therefore, increasing the purchasing power of these segments of society leads to more consumer spending, which in turn increases production.
  - o As a means to promote production: By providing production capital to those who need it, in order to enable them to rely on themselves. If the person benefiting from Zakat is a craftsman, give them enough to enable them to practice their craft or buy the tools they need, regardless of whether the amount you give is low or high, as the purpose is to enable that person to secure their own livelihood. The specific amount varies per craft, country, era and person.

#### **b) Zakat al-Fitr**

It is a type of Zakat that every Muslim man or woman must give, if they are able to, in cash or in kind, before the end of the holy month of Ramadan or directly before the Eid prayer at the latest. It is said in the Quran: "He has certainly succeeded who purifies himself (14) And mentions the name of his Lord and prays. (15)" (Al-A'la, 87:14-15). According to Imam Jaafar al-Sadiq, this verse refers to Zakat al-Fitr.

There are two dimensions to the obligation of giving Zakat al-Fitr:

- **Social dimension:** The social aim is to spread joy, in order not to leave anyone in need on Eid day, whether they are vulnerable, poor or destitute. That is why it is said in the *saying*: "Spare them the need to ask for assistance on this day."
- **Religious dimension:** Zakat al-Fitr also serves to forgive sins, if any have been committed, or make amends for any wrongdoing, such as breaking fast, telling falsehoods, committing obscenities, causing trouble or cursing, among other things.

Zakat is estimated based on the measure of daily sustenance, which is a *Sā* (ancient measurement unit) of flour, rice, barley, corn, lentils, beans, chickpeas, dates, raisins, yoghurt or cheese. A *Sā* is equal to approximately three kilogrammes. Some jurists believe that it is permissible to pay the value of the *Sā* in cash. The Muslim who is obligated to give Zakat shall do so on behalf of himself and his dependents, including children, parents, spouses and guests, regardless of their age. This type of Zakat is also called Zakat al-Abdan, because it is given based on the number of individuals, not on the amount of money. The purpose of financial Zakat is to purify money, while the purpose of Zakat al-Fitr is to purify the body and soul: "Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase" (At-Tawbah, 9:103).

### c) Charity

The Sharia, the Prophet's *sayings* and the sayings of the Imams all stress the importance of charity for social solidarity. It is said in the Quran: "Do they not know that it is Allah who accepts repentance from His servants and receives charities and that it is Allah who is the Accepting of repentance, the Merciful?" (At-Tawbah, 9:104). Imam al-Sadiq also says: "Allah says, 'I have entrusted others to receive everything on my behalf except charity. I receive charity with my own hands.'" (Al-Bihar, 68/134/96 and 2/329/80).

Many *sayings* urge people to practice charity, as Allah grants the charitable more blessings, answers their prayers quicker, extends their life, heals their illnesses and postpones their dues without the need to pay any money, even if the charitable deed is as simple as slicing a date open. Any good deed is a charity according to the holy *saying*: "Muslims are required to be charitable every day. Some say, 'who can bear to do so?' Verily, lifting harmful things from the road is charity. Showing a lost person the way is charity. Caring for the ill is charity. Enjoining good and forbidding evil is charity. Returning a salutation is charity." (Al-Bihar, 68/134/96 and 2/329/80). There are also numerous *sayings* that encourage people to show high morals as a form of charity, such as reconciling people should conflicts arise between them, bringing them closer should they drift apart, allowing the deaf to hear without complaint, smiling at others, sparing people evil, being honest, being of use to people and forgiving when possible.

It must be noted that, ethically, charity should be done confidentially, but Allah has not banned public charity: "If you disclose your charitable expenditures, they are good; but if you conceal them and give them to the poor, it is better for you, and He will remove from you some of your misdeeds [thereby]. And Allah, with what you do, is [fully] Acquainted." (Al-Baqarah, 2:271). The Prophet also said in a *saying*: "There are seven whom Allah will shade on the Day of Judgement... [Among them is the] man who gives in charity and hides it, such that his left hand does not know what his right hand gives in charity." (Al-Bihar, 5/177/96). Nonetheless, there are specific rules to how charity should be given, as the Prophet said: "Charity is halal neither for the rich nor for the able-bodied. It must only be given to the destitute or the severely indebted." (*Kanz al-Ummal*, 16548). However, those who do charity must not publicize their actions, as ostentatiousness ruins their good deed and revokes their recompense. There is also no harm in being charitable towards the guilty in order to immunize them against sin, as the Prophet says: "As for your charity to the thief, perhaps it will cause him to give up stealing. As for the adulteress, perhaps it will cause her to give up adultery." (*Kanz al-Ummal*, 16193).

### d) Al-Kaffarah (Atonement)

Linguistically, *Al-Kaffarah* in Arabic is derived from the root *Kafar*, which means "covering," because it covers sins. It can be in the form of financial or physical worship permitted by Allah. It is usually practiced by people when they disobey Allah's will. *Al-Kaffarah* either exempts people from their punishment or reduces

it, whether the sin they committed was due to something that was said or done or to a sum of money paid unlawfully.

As such, there are several types of Kaffarah, including mandatory, optional and a combination of both. These include: Fasting from three consecutive days to two consecutive months; feeding 10 to 60 disenfranchised people; and manumission, depending on the type of sin committed (some jurisprudence schools consider these sanctions as Zakat, rather than Kaffarah).

It is said in the Quran: "Allah will not impose blame upon you for what is meaningless in your oaths, but He will impose blame upon you for [breaking] what you intended of oaths. So its expiation is the feeding of ten needy people from the average of that which you feed your [own] families or clothing them or the freeing of a slave. But whoever cannot find [or afford it] - then a fast of three days [is required]. That is the expiation for oaths when you have sworn. But guard your oaths. Thus does Allah make clear to you His verses that you may be grateful." (Al-Ma'idah, 5:89).

Despite the fact that the meaning of atonement through fasting, feeding or clothing is clear, the meaning of manumission is problematic in this day and age, as there are no slaves to free. The common interpretation is that the contemporary human being may be enslaved by poverty, hunger or tyranny, and their release from the throes of want and oppression are a type of manumission and emancipation from humiliation, deprivation and destitution (Humayyid, 2019). The Holy Quran considers Zakat and al-Kaffarah as means of forgiveness and lays down a social solidarity system based on generosity and giving.

It is also said in the Quran: "But he has not broken through the difficult pass. (11) And what can make you know what is [breaking through] the difficult pass? (12) It is the freeing of a slave (13) Or feeding on a day of severe hunger (14) An orphan of near relationship (15) Or a needy person in misery (16)." (Al-Balad, 90:11-16). According to Sharia, manumission is the most prominent deed that would allow man to enter the highest level of *Firdaws*: "Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise." (Al-Tawbah, 9:60).

The verse above urges people to feed on a day of severe hunger an orphan of near relationship. This "near relationship" can be between blood relatives, neighbours or humans in general. It can also mean feeding a person in need at the height of their vulnerability and helplessness, who is living in misery and cannot even clean the dirt off of himself; a person who is destitute and humiliated.

It is worth noting that Quran mentions the terms "orphan" and "needy" after urging people to "free a slave," using the indefinite article, rather than the definite article ("the"). This serves to broaden the meaning to include everyone, regardless of their faith or religion. The Quran does not specify whether the orphan or needy is a Muslim or not; it uses the indefinite article so that the verse may apply to any orphan or person in need. It also uses broad terms to describe the orphan and the

needy in the following verse: "And they give food in spite of love for it to the needy, the orphan, and the captive." (Al-Insan, 76:8).

### **e) *Khums* (One-fifth)**

*Khums* is accorded a great deal of importance in Islamic jurisprudence, and particularly Imami jurisprudence. It is a sum of money to be deducted from the annual profit surplus of an individual (whether male or female), amounting to one-fifth (20%) of the said profit, to be spent on charity and basic social needs. It is said in the Quran: "And know that anything you obtain of war booty - then indeed, for Allah is one fifth of it and for the Messenger and for [his] near relatives and the orphans, the needy, and the [stranded] traveler." (Al-Anfal, 8:41). *Khums*, therefore, shall be given to those named by Allah in the holy verse above. It is a jurisprudential term referring to one-fifth of the annual surplus and other assets, such as metals, under certain conditions. *Khums* is a religious obligation derived by jurists from the abovementioned verse from Surat al-Anfal and from the sayings of the People of the House.

*Khums* is a duty imposed on every adult and cognisant Muslim (whether male or female) working in commerce, industry or agriculture or in any freelance work or occupation, who is referred to as the "mandatee." *Khums* is due at the end of every fiscal year adopted by the mandatee and is deducted from their profit surplus. The latter refers to the amount remaining from the individual's total income after meeting their needs and those of their family, thereby maintaining their social status in terms of accommodation, clothing, food, drink, furniture, healthcare, education and personal and family travel (including for leisure purposes).

The party empowered to receive *khums* and offer an acquittance is the delegated authority in the mandatee's country or their proxy, or the party authorized to receive and dispose of the Sharia obligation. These include any individual, association, institution or other party whose services and work for the public good are well-known and which has a written *fatwa* from the delegated authority. As for the importance of *khums* for the individual and society, it can be summed up as follows:

- Acquitting the mandatee before Allah;
- Granting the delegated authority financial independence and enabling them to provide services that are necessary for society and that no other party provides. The delegated authority also has distinguished status and enjoys popular support from people who delegated them to assume their position around the world, in full awareness of the holy saying: "He who is not concerned with the affairs of Muslims is not a true Muslim." (Al-Amili, 1414 A.H.). This arrangement thus ensures that society assumes its responsibility towards those who are in need.

## **f) *Kharaj* (Tax on Agricultural Land)**

*Kharaj* is levied on agricultural land belonging to the State and the *ummah* and placed at the disposal of people, on which different taxes are imposed. In his letter to Malik al-Ashtar after the latter's appointment as ruler of Egypt, Imam Ali bin Abi Talib says the following on the *Kharaj* tax:

"Look after the revenue (*kharaj* or land tax) affairs in such a way that those engaged in it remain prosperous because in their prosperity lies the prosperity of all others. The others cannot prosper without them, because all people are dependent on revenue and its payers. You should also keep an eye on the cultivation of the land more than on the collection of revenue because revenue cannot be had without cultivation, and whoever asks for revenue without cultivation, ruins the area and brings death to the people. His rule will not last only a moment." This is considered an advanced lesson on fairness in tax collection, on the one hand, and the need to develop the land, on the other.

### **2.3. Sharia Rules on Individual Income and Expenditure**

The Islamic Sharia lays down regulatory frameworks for money and income in order for the latter not to exceed what the Divine Legislator has decreed in terms of legitimate earning and forbidding evil. Below are some of the most prominent rules in this regard:

#### **2.3.1. Halal (Lawful) Dealings**

Allah The Almighty says:

- "O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful." (An-Nisa, 4:29)
- "And eat of what Allah has provided for you [which is] lawful and good. And fear Allah, in whom you are believers." (Al-Ma'idah, 5:88)
- "O mankind, eat from whatever is on earth [that is] lawful and good" (Al-Baqarah, 2:168)

The verses above clearly urge people to deal lawfully with one another, in accordance with what Allah has permitted, and to avoid evil.

#### **2.3.2. Dealing in Good Things**

Allah The Almighty says: "Say, 'Who has forbidden the adornment of Allah which He has produced for His servants and the good [lawful] things of provision?' Say, 'They are for those who believe during the worldly life [but] exclusively for them on the Day of Resurrection.'" (Al-A'raf, 7:32); "O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth." (Al-Baqarah, 2:267).

The verses above encourage people to deal in good things, as that is considered a form of worship, for Allah is good and accepts nothing but good. Allah has also forbidden evil things, no matter how enticing or attractive they may seem: "Say,

'Not equal are the evil and the good, although the abundance of evil might impress you.'" (Al-Ma'idah, 5:100).

### **2.3.3. Moderation in Spending and Avoiding Extravagance and Stinginess**

When listing the qualities of his loyal servants, Allah says the following: "And [they are] those who, when they spend, do so not excessively or sparingly but are ever, between that, [justly] moderate." (Al-Furqan, 25:67); "And do not make your hand [as] chained to your neck or extend it completely and [thereby] become blamed and insolvent." (Al-Isra, 17:29).

In light of the abovementioned verses, the following can be deduced:

- People should spend with moderation and reason;
- People should avoid spending with extravagance – i.e. exceeding the limits of moderation – or spending sparingly – i.e. below the limits of moderation.

### **2.3.4. Avoiding Wasteful Spending**

Allah The Almighty forbids spending wastefully: "And give the relative his right, and [also] the poor and the traveler, and do not spend wastefully. (26) Indeed, the wasteful are brothers of the devils, and ever has Satan been to his Lord ungrateful. (27) And if you [must] turn away from the needy awaiting mercy from your Lord which you expect, then speak to them a gentle word. (28)" (Al-Isra, 17:26-28).

In light of the abovementioned verses, the following can be deduced:

- a) Wastefulness – i.e. disobeying Allah's rules and laws in relation to spending – is forbidden;
- b) Wastefulness brings people closer to the devil;
- c) Wastefulness is a severe sin that requires repentance and asking for forgiveness.

### **2.3.5. Avoiding Infringement upon People's Money**

- Allah The Almighty says: "O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful." (An-Nisa, 4:29).
- Allah The Almighty says: "And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful]." (Al-Baqarah, 2:188).
- Allah The Almighty says: "Indeed, those who devour the property of orphans unjustly are only consuming into their bellies fire. And they will be burned in a Blaze." (An-Nisa, 4:10).

In light of the abovementioned verses, the following can be deduced:

- a) Infringement upon other people's money is forbidden;
- b) Infringement upon other people's money is similar to killing oneself;

- c) Infringement upon orphans' money is forbidden.

### **2.3.6. Prohibition of Hoarding**

Allah The Almighty says: "And those who hoard gold and silver and spend it not in the way of Allah - give them tidings of a painful punishment." (At-Tawbah, 9:34).

In light of the abovementioned verse, the following can be deduced:

- a) Those who refrain from spending shall receive severe punishment;
- b) There is a relationship between the worldly and eschatological dimensions of money;
- c) People must not hoard money or refrain from giving Zakat and other dues, as that would obstruct the use of money for its primary purpose (social spending), leading to severe damage.

In this context, it might be of use to recall the story of Qarun, who was known for flaunting his wealth and denying Allah's favors and blessings to him. He claimed that his enormous wealth was only due to his personal knowledge, and he vainly and ostentatiously displayed his fortunes (a caravan of camels could barely carry the keys to his vaults of treasures, not to mention the treasures themselves) before the public. The poor and destitute saw this enormous wealth, but Qarun refused to give them anything, until Allah's wrath fell upon him. The Earth swallowed him at the height of his vanity, and his story became a lesson to all those who believe that the accumulation of wealth is the ultimate goal of mankind.

Allah The Almighty says: "Indeed, Qarun was from the people of Moses, but he tyrannized them. And We gave him of treasures whose keys would burden a band of strong men; thereupon his people said to him, 'Do not exult. Indeed, Allah does not like the exultant. (76) But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done good to you. And desire not corruption in the land. Indeed, Allah does not like corrupters.' (77) He said, 'I was only given it because of knowledge I have.' Did he not know that Allah had destroyed before him of generations those who were greater than him in power and greater in accumulation [of wealth]? But the criminals, about their sins, will not be asked. (78) So he came out before his people in his adornment. Those who desired the worldly life said, 'Oh, would that we had like what was given to Qarun. Indeed, he is one of great fortune.' (79) But those who had been given knowledge said, 'Woe to you! The reward of Allah is better for he who believes and does righteousness. And none are granted it except the patient.' (80) And We caused the earth to swallow him and his home. And there was for him no company to aid him other than Allah, nor was he of those who [could] defend themselves. (81) And those who had wished for his position the previous day began to say, 'Oh, how Allah extends provision to whom He wills of His servants and restricts it! If not that Allah had conferred favor on us, He would have caused it to swallow us. Oh, how the disbelievers do not succeed!' (82)." (Al-Qasas, 28:76-82).

### **2.3.7. Preserving Money and the Prohibition of Squandering**

Allah The Almighty says: "And do not give the weak-minded your property, which Allah has made a means of sustenance for you." (An-Nisa, 4:5); on the preservation of the money of orphans, Allah says: "And test the orphans [in their abilities] until they reach marriageable age. Then if you perceive in them sound judgement, release their property to them. And do not consume it excessively and quickly, [anticipating] that they will grow up. And whoever, [when acting as guardian], is self-sufficient should refrain [from taking a fee]; and whoever is poor - let him take according to what is acceptable. Then when you release their property to them, bring witnesses upon them. And sufficient is Allah as Accountant." (An-Nisa, 4:6).

In light of the abovementioned verses, the following can be deduced:

- a) The need to preserve money because it is sustenance for life;
- b) The need to manage money wisely and avoid giving it to the weak-minded who cannot preserve it;
- c) The need to manage the funds of orphans, avoid squandering them and rationalize their use.

### **2.3.8. Prohibition of Exorbitant and Vain Spending**

Allah The Almighty says: "And when We intend to destroy a city, We command its affluent but they defiantly disobey therein; so the word comes into effect upon it, and We destroy it with [complete] destruction." (Al-Isra, 17:16).

In light of the abovementioned verse, we can deduce that exorbitant spending is prohibited, as it encourages sin, immorality and the like because it leads to corruption and destruction.

### **2.3.9. Spending from One's Wealth**

- Allah The Almighty says: "Let a man of wealth spend from his wealth, and he whose provision is restricted - let him spend from what Allah has given him. Allah does not charge a soul except [according to] what He has given it. Allah will bring about, after hardship, ease." (At-Talaq, 65:7).
- Allah The Almighty says: "Allah does not charge a soul except [with that within] its capacity. It will have [the consequence of] what [good] it has gained, and it will bear [the consequence of] what [evil] it has earned." (Al-Baqarah, 2:286).
- Allah The Almighty says: "But give them [a gift of] compensation - the wealthy according to his capability and the poor according to his capability - a provision according to what is acceptable, a duty upon the doers of good." (Al-Baqarah, 2:236).

In light of the abovementioned verses, the following can be deduced:

- a) Spending should be consistent with one's capacity; no soul shall be charged except within its capacity;
- b) There should be balance between earnings (resources) and spending (expenses) to the extent possible;



- c) The husband shall spend on his wife according to his capacity and to what is acceptable.

### **2.3.10. Keeping Promises and Committing to Contracts**

- Allah The Almighty says: "And they who are to their trusts and their promises attentive." (Al-Mu'minun, 23:8).
- Allah The Almighty says: "O you who have believed, fulfill [all] contracts." (Al-Ma'idah, 5:1).

In light of the abovementioned verses, we notice that the Quran urges people to respect their promises and contracts and not to delay the performance of their obligations.

### **2.3.11. Documenting and Authenticating Transactions**

- Allah The Almighty says: "O you who have believed, when you contract a debt for a specified term, write it down. And let a scribe write [it] between you in justice. Let no scribe refuse to write as Allah has taught him. So let him write and let the one who has the obligation dictate. And let him fear Allah, his Lord, and not leave anything out of it." (Al-Baqarah, 2:282).
- With regard to the reason for documentation and authentication, Allah The Almighty says: "And do not be [too] weary to write it, whether it is small or large, for its [specified] term. That is more just in the sight of Allah and stronger as evidence and more likely to prevent doubt between you." (Al-Baqarah, 2:282).

In light of the abovementioned verses, the following can be deduced:

- a) Transactions between people must be written and documented;
- b) Transactions must be authenticated by a witness;
- c) Agreements must be documented in written contracts, whether the transaction is small or large, and their provisions must be respected, as that ensures the integrity of transactions, guarantees the just performance of obligations, prevents disputes and preserves good relationships between people.

### **2.3.12. Prohibition of Interest**

- Allah The Almighty says: "Those who consume interest cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like interest." But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah . But whoever returns to [dealing in interest or usury] - those are the companions of the Fire; they will abide eternally therein. (275) Allah destroys interest and gives increase for charities. And Allah does not like every sinning disbeliever. (276) Indeed, those who believe and do righteous deeds and establish prayer and give zakah will have their reward with their Lord, and there will be no fear concerning them, nor will they grieve. (277) O you who have believed, fear Allah and give up what remains [due to you] of interest, if you should be believers.

(278) And if you do not, then be informed of a war [against you] from Allah and His Messenger. But if you repent, you may have your principal - [thus] you do no wrong, nor are you wronged. (279) And if someone is in hardship, then [let there be] postponement until [a time of] ease. But if you give [from your right as] charity, then it is better for you, if you only knew. (280) And fear a Day when you will be returned to Allah . Then every soul will be compensated for what it earned, and they will not be treated unjustly. (281)" (Al-Baqarah, 2:275-281).

- Allah The Almighty says: "And whatever you give for interest to increase within the wealth of people will not increase with Allah. But what you give in zakah, desiring the countenance of Allah - those are the multipliers." (Ar-Rum, 30:39).

In light of the abovementioned verses, the following can be deduced:

- a) Allah has permitted profit, growth and surplus derived from commercial transactions and has banned interest derived from substituting a sum of money for a larger sum;
- b) Allah The Almighty destroys everything obtained from interest;
- c) Allah blesses money whose owner gives mandatory and voluntary charity and the like;
- d) Allah considers that those who abstain from charging interest faithful and pious;
- e) Those who charge interest must immediately repent and ask for forgiveness, and creditors must only take back the original amount they lent;
- f) The insolvent must be given time to repay their debts;
- g) It is preferable, more pious and more devout to forgive the debts of those who are unable to repay them.

### **2.3.13. Prohibition of Monopoly**

The Noble Sunnah has banned monopoly, deception and sales that lead to disputes between people. Monopoly is defined as buying materials and goods, storing them until their prices increase, monitoring markets in anticipation of price hikes, buying food products and holding on to them in the hope of selling them at a higher price, and any hoarding activity that harms people. The Prophet banned monopoly in the following *saying*: "He who buys food and piles it up for forty days to sell it at a higher price, then sells it and gives charity from what he has earned, shall not be forgiven." (Wasa'il al-Shia, 425:17, Chapter 27 of the Rules of Commerce, sixth *saying*). The Prophet also stressed the importance of not restricting people's access to their daily bread: "He who piles up food for forty nights has abandoned Allah, and Allah shall abandon him." (Al-Bihar, 292/62). In one of his *sayings*, the Prophet also urges people to give, which is the opposite of monopoly: "He who gives shall be given in return, and he who monopolizes shall be damned." (Al-Tahzib, 708/160:7 – Al-Istibsar 411/115:3).

In his letter to Malik al-Ashtar after the latter's appointment as ruler of Egypt, Imam Ali bin Abi Talib addresses the topic of monopoly: "Know, along with this,

that most of them are very narrow-minded, and awfully avaricious. They hoard goods for profiteering and fix high prices for goods. This is a source of harm to the people and a blot on the officers in charge. Stop people from hoarding, because the Messenger of Allah has prohibited it.”

### **2.3.14. World of Exchange: Consent between People**

Consent is a key principle in exchange. The Holy Quran has made consent a necessary condition in transactions: “O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful.” (An-Nisa, 4:29).

In light of the verse above, it is clear that consent is a key pillar of any exchange. No transaction is valid if tainted by coercion or constraint, as it must be made between two people out of their own free will. Coercion impedes free will and prevents at least one party to the contract from practicing it.

### **2.4. Muslims' Bayt al-Mal (Public Treasury)**

The first government-owned financial institution in the history of Islam was Bayt al-Mal (Public Treasury). We will not delve into its details in this paper, as it requires a research of its own, particularly with the varying opinions and perspectives of the several jurisprudential schools on certain aspects of this institution. However, we must point out that the various sources and uses of money mentioned above were all incorporated into Bayt al-Mal.

Bayt al-Mal's resources consisted of state-owned lands, *kharaj*, shared lands, *jizya* (tax imposed on non-Muslims), endowment on public property, *Zakat*, *khums*, charity, transferred spoils, confiscated properties, properties with unknown owners and collected taxes. As for the uses of these assets, they are numerous and cannot all be listed. The integrated financial system of Bayt al-Mal adopted advanced administrative rules and a financial system with several sources and expenses. It also adopted oversight and monitoring systems that are in line with the Islamic Sharia and fulfil its noble political, social and economic aims. An excellent example on the objectives and mechanisms of Bayt al-Mal is when Imam Ali bin Abi Talib was checking up on his subjects when he came across a beggar. He was shocked and enraged by the sight and he asked, “What is this?!” (he did not ask, “Who is this?”). Imam Ali then paid the man his dues from Bayt al-Mal, despite being told that the man was not a Muslim.

## **V. Endowment and Development in the Islamic Sharia**

Endowment is an authentic and unique Islamic social, cultural and economic phenomenon that Muslims have practiced and mastered since the first years of Islam. Human societies before Islam also established endowments in the form of donated funds or properties endowed to become places of worship or whose revenues are given to places of worship. Perhaps the first endowment known to mankind was the Holy Kaabah, built by Prophet Ibrahim and his son Ismail to

become a destination for people. It is said in the Quran: "Indeed, the first House [of worship] established for mankind was that at Makkah - blessed and a guidance for the worlds." (Al-Imran, 3:96). This human behavior and cultural practice is not restricted to Islam. Other civilizations and nations have incorporated this practice into their popular cultures and cultural heritage and have reproduced them in various forms and under different names, such as non-profit organisations, charitable institutions and, later on, non-governmental organisations. This sustainable humanitarian work is driven by different religious and cultural motives, and it has evolved substantially throughout the centuries. The Muslim civilization was particularly characterised by this behavior, which became part of its culture and a daily practice that clearly influenced the social, economic and cultural lives of Muslims. It was also incorporated by Islamic nations into their administrative systems in the form of administrations and ministries, such as the Ministry of Endowment.

The philosophy and purpose behind endowments is to invest wealth for the benefit of people, who are entrusted by Allah to develop the land and its resources, on which mankind, animals and the natural environment depend. Islamic jurisprudence focuses heavily on regulating the types of relationships between human beings. The "rules of transactions" regulate financial, social and political relationships and distinguish between what is forbidden, detested, allowed, preferred and mandatory. Endowment and charity are both governed by the same rules; people are encouraged to give to others what benefits them in order to build friendly relationships, spread kindness and abolish hatred. That way, more institutions will be established within society to provide services, enhance the standard of living and meet people's needs, which are all among the objectives of development programs.

Throughout the ages, endowment played a key role in the prosperity of Islamic society and civilization. It had many purposes and benefits that went beyond dedicating money and properties to build, develop and serve mosques, such as building libraries and schools to spread knowledge and welcome students, building hospitals and pharmacies and establishing centres to care and provide for the poor, needy and orphans. Endowments also encourage and support interest-free loans to fund and expand the activities of existing small-scale projects by reserving capital to be used for a period of time by the person in need and returned without interest. Today, more than ever, people must once again adopt these altruistic practices.

The term *waqf* (endowment) has several meanings, including "suspension, prohibition and reservation." An endowed house is thus "suspended," i.e. reserved by prohibiting its sale, purchase and granting. In their writings, most jurists classify endowment under "*Wuquf* (endowments) and Charities," within the general framework of the rules on offerings. These latter are split into three types, two of which are worldly (grants and endowments), while the third occurs after death (will). In the early years of Islam, endowment was commonly referred to in the *sayings* and accounts as "charity." According to jurists from the Imamate, endowment means "reserving the original asset and directing benefits drawn

therefrom." The Holy Quran and Noble Sunnah refer to endowment (Al-Kirbasi, 2011) as a form of charity. Many accounts consider endowment to be transferable charity. Imam al-Sadiq says: "The believer leaves six things behind after his death: A child that prays for his forgiveness; a Quran that he passes on; the crops he planted; the well he drilled; the charities he transferred; and the good deeds that he will be remembered for." Public utilities, such as bridges and roads, may be considered as endowments.

The term "*waqf*" (endowment), in its jurisprudential sense, is not mentioned explicitly in the Quran. It was coined later on, but its meaning was expressed under various terms, such as benevolence, charity and good deeds. The Quran urges people to spend money in ways that would please Allah and earn them rewards:

- "Never will you attain the good [reward] until you spend [in the way of Allah ] from that which you love. And whatever you spend - indeed, Allah is Knowing of it." (Al-'Imran, 3:92).
- A man said: "I swear to you, O Messenger of Allah, that I shall grant orchard as charity to the poor among Muslims." And Allah revealed the following verses: "As for he who gives and fears Allah (5) And believes in the best [reward], (6) We will ease him toward ease. (7)" (Al-Layl, 92:5-7).
- Allah The Almighty says: "Believe in Allah and His Messenger and spend out of that in which He has made you successors. For those who have believed among you and spent, there will be a great reward." (Al-Hadid, 57:7). This is a clear invitation to sacrifice and give, by transferring "Allah's right in money or possessions to society."

Endowments are categorized based on their nature and their beneficiaries. The various types of endowments include: movable and immovable endowments, community (or family) endowments, charitable endowments and joint endowments. In Islam, money generated from endowments may be spent on the following: in Allah's favor, army, prisoners of war, scholars, teaching the Holy Quran, Sharia councils, authoring books, donating books and other items to mosques, serving mosques, cemeteries, providing food and water to pilgrims during Hajj, easing the road to Hajj, spending on those who cannot practice Hajj, doctors, infirmaries and hospitals, quarantine, medical schools, relatives, children, orphans, the vulnerable, the needy and widows, the poor and destitute, detainees, neighbours, marriage, the community of Muslims, travellers, developing endowments, mail, guesthouses, paving and modifying roads, irrigation and water supply, treating animals and various good deeds.

In light of the above, and given that money is associated with development in the Holy Quran, the topic has drawn the attention of numerous Muslim thinkers and jurists, who have proven that money does not simply consist of a production process; rather, it is a humanitarian process whose purpose is to foster the individuals' development and growth at both the material and spiritual levels.

Among the main characteristics of development are justice and incorruptibility. The Islamic Sharia is founded on justice among people: "Indeed, Allah orders

justice and good conduct.” (An-Nahl, 16:90); “Be just; that is nearer to righteousness.” (Al-Ma’idah, 5:8). Responsibility, content, humanity, all-inclusiveness, balance and realism are also key facets of development.

Sayed Mohamad Baqir Sadr recalls the following divine verses to prove the “link between incorruptibility and abiding by Allah’s will, on the one hand, and the abundance of wealth and plentiful production, on the other. In modern terms, there is a link between fair distribution and abundance of production.” (Sadr, 2003): “And if only they upheld [the law of] the Torah, the Gospel, and what has been revealed to them from their Lord, they would have consumed [provision] from above them and from beneath their feet.” (Al-Ma’idah, 5:66); “And [Allah revealed] that if they had remained straight on the way, We would have given them abundant provision.” (Al-Jinn, 72:16).

Development in Islam does not mean that one should seek to increase their wealth in absolute terms with no regard to the spiritual and ethical dimensions inspired by the Islamic doctrine and detailed, in reality, by jurisprudential rules, in general, and the financial forms of worship more specifically, such as charity and endowment.

Thus, development in Islam is based on three life principles:

- a) The optimal use of the resources granted by Allah to man, who is entrusted to exploit these resources;
- b) The provision of essential and basic needs by orienting production towards them, before addressing other, less urgent needs by order of priority, according to the Noble Sharia (necessities, needs and improvements);
- c) Development activities as a means of serving Allah and ensuring the happiness of society. The purpose of economic activity is the wellbeing of mankind and fair distribution between individuals, rather than maximising wealth.

## **VI. Financial Oversight in Islam**

### **1. The Concept, Rules and Characteristics of Oversight in Islam**

Oversight of public funds is a procedure whose purpose is to ensure and verify the proper disposal and use of funds and to uncover any misuse thereof. Oversight is a highly important and effective tool in preserving the economic resources of nations and protecting the rights of individuals from any encroachment, not to mention that it is an effective way of fairly distributing the national product among the population.

Oversight also enables nations to achieve the goals of their economic, financial and social policies and allows public institutions to control their budgets, income and expenditure.

The Divine Legislator accords a great deal of importance to oversight, which was mentioned numerous times in the Quran: “And ever is Allah, over all things, an

Observer.” (Al-Ahzab, 33:52), which sheds light on the importance of oversight in preserving society and upholding the rights of individuals. Oversight is a principle derived from the rules of the Islamic Sharia, which is used to hold people accountable for their work, both in this life and in the afterlife (bin Dawud). Oversight is a comprehensive scientific approach that requires complementarity between legal, accounting and administrative aspects in order to preserve money, optimize its use and achieve effective outcomes (Al-Rifai, 1991) (Al-Hindi, 2005).

Financial oversight is the practical application of religious teachings, many of which urge people to fear Allah and be attentive to their actions. The Prophet says: “Fear Allah wherever you may be.” Hisham bin Salem also quotes the Prophet after Abi Abdullah<sup>(AS)</sup> as saying: “He who deceives us does not belong in our community.” (Al-Wasa’il, 279:17, Rules on Earning).

## 2. Characteristics of Financial Oversight

(<http://fac.ksu.edu.sa/altuwaijri/publication/28313>)

- a) It is a mandatory obligation, not only a system, because it is part of the duty to enjoin good and forbid evil. This gives it strength, stability and continuity.
- b) It is a joint responsibility, but it is supervised and guided by the person entrusted to perform oversight.
- c) It is proactive; it not only uncovers errors, but also rectifies them and addresses their impacts. The person who misuses or squanders funds is therefore responsible to return them.
- d) It is all-inclusive and covers the behaviors themselves, as well as those responsible for them and the methods they employed.
- e) It is a divine obligation, as those who practice oversight of money do so as a Sharia duty.
- f) It is jurisprudential; the Islamic Sharia does not include specific methods or rules for oversight, but allows people to resort to new and old ways to achieve effective oversight.

## 3. The Philosophy of Oversight in Islam

Oversight in Islam is based on the ethical values revealed by Allah The Almighty to Muslims, such as honesty, trust and good morals, and which shield Muslims against social illnesses such as bribery, theft, deceit and unlawful earning.

Oversight in the Quran takes on a special and deeper meaning than it does in modern managerial systems, and it can be broken down into the following types:

- a) **Self-oversight:** It refers to a person’s oversight of themselves, their work and their actions, because they know that Allah hears and sees everything. No atom on earth or in heaven can be hidden from Allah The Almighty. Therefore, even if the person fails to practice self-oversight, there is always divine oversight that forces them to monitor their behavior: “Does he not know that Allah sees?” (Al-’Alaq, 96:14).

- b) **Human oversight:** It refers to the oversight practiced by witnesses who authenticate transactions, punishment, judicial decrees, the imposition of sanctions and the upholding of rights: “And bring to witness two witnesses from among your men. And if there are not two men [available], then a man and two women” (Al-Baqarah, 2:282).

Justice in sales and purchase transactions is a religious obligation: “And give full measure when you measure, and weigh with an even balance. That is the best [way] and best in result.” (Al-Isra, 17:35); “That you not transgress within the balance. And establish weight in justice and do not make deficient the balance.” (Ar-Rahman, 55:8-9).

Prophet Shuaib is a Messenger entrusted by Allah The Almighty to preach to his people – “the Midianites, or Companions of the Wood” – and call upon them to worship and fear Allah, the One and Only, and to give full measure when they measure, to weigh with an even balance, not to transgress within the balance, not to corrupt the earth and not to squander the rights of people.

The Quran mentions various types of oversight, including self-oversight, transactional oversight, preventive oversight (practiced in advance to avoid error), simultaneous oversight (to ensure proper execution as planned) and subsequent oversight (to uncover errors and address them): “Woe to those who give less [than due], (1) Who, when they take a measure from people, take in full. (2) But if they give by measure or by weight to them, they cause loss. (3)” (Al-Mutaffifin, 83:1-3).

Oversight is, therefore, not limited to selling, buying, measures and balances. It is much more inclusive and covers all financial transactions. For example, a worker who receives a wage from his employer for eight hours of work would be squandering and transgressing on the rights of his employer if he wastes productive time for entertainment or personal reasons. Similarly, the employer cannot overlook the worker’s right to his full agreed wage for the work hours he has completed. If these simple Quranic rules are applied, there would be no more complaints about the performance of employees who do not show up to work and receive their wages without offering anything in return. That would also resolve the issue of those who embezzle funds, including public funds, under a variety of pretexts. Such actions are the opposite of fair exchange, represent a misuse of power and reveal the dominion of money over their entire being.

Both the *sayings* and jurisprudence stress the importance of learning the Sharia rules on commercial, financial and in-kind transactions before taking part in them. A prime example on oversight in Islam can be found in Imam Ali’s letter to Malik al-Ashtar, which is considered the first detailed legal document that specified the duties and functions of a ruler and his relationship with the people. In his letter, Imam Ali also distinguishes between the three branches of government (legislative, executive and judicial) and sets criteria for persons who wish to assume positions in each. According to Imam Ali, oversight, as mentioned previously, prevents people from committing errors or oppression. Its purpose is not to catch perpetrators *in flagrante delicto*, but rather to immunize workers and governors alike against treason towards the Imam and the nation.



In light of the above, it is clear that oversight, in the philosophy of Imam Ali, is based on tenderness and affection. It is like a parent's concern for their child. It is the oversight of the affectionate father, who meets the needs of his child and protects them from evil, rather than that of the tyrannical ruler. Imam Ali practiced the rules of Islam by encouraging workers and governors to practice oversight and reminding his followers that Allah is most cognisant.

As such, in order to preserve the value of people's belongings and actions, in order not to equate between the good man and the doer of evil and in order for people not to be disheartened from the State's administration of justice, Imam Ali urged people to reward the doers of good and to acknowledge the value of their actions, as well as to punish the doers of evil and make them realize the wickedness of their actions. The purpose is not reward and punishment *per se*, as reward and has sublime aims and meanings of its own, and punishment does not serve to hurt, but to discipline. Therefore, in his letter to Malik al-Ashtar after the latter's appointment as ruler of Egypt, Imam Ali said: "The virtuous and the vicious should not be in equal position before you because this means dissuasion of the virtuous from virtue and persuasion of the vicious to vice. Keep everyone in the position which is his."

## VII. Conclusion

The Holy Quran, revealed by the Divine Jurist, laid down the foundations of human interaction with the world and its pleasures and delights. These worldly enticements often dominate the human soul and become a curse upon man and society if they do not abide by the limits of financial transactions, whether in terms of earning or spending. In the Quranic verses mentioned in this paper, earning is defined as a form worship in favor of Allah. However, man should not allow money to dominate him and dictate his every action. The financial cycle in Islam becomes complete when money is spent, rather than accumulated. Allah rewards he who is altruistic towards his relatives, the poor, the vulnerable, orphans and the needy and who chooses to do so over the lust for money and the accumulation of wealth. Zakat, *khums*, charity and other forms of social spending are, to this day, ways of achieving equality between social classes and bridging the gap between people, by encouraging fellow men to give to one another in order to earn Allah's blessings.

In consequence, the main findings of this paper are as follows:

- **First:** The Quran is the all-inclusive life guide and eternal constitution for the Ummah. Its verses include rules for worship and transactions, rites and legislations, and the spiritual and materialistic aspects of life. Those who abide by Quranic rules achieve material and spiritual contentment, lead a balanced and decent life and earn Allah's favor in the afterlife.
- **Second:** Sharia rules, principles and guidelines on financial transactions in the Holy Quran, Noble Sunnah and true *sayings* by the Imams of the People of the House include teachings that ensure good and justice among people. These financial transactions must be compliant with Allah's

will and must earn the favor of Allah alone if they are to be considered as forms of worship and obedience. They must be characterized by financial and economic innovation and be both firm and flexible, not to mention that they must establish a robust link between religious and material values in a consistent manner.

- **Third:** The Quranic view on money is interactive and positive, as it does not prohibit money nor consider it a profanity. On the contrary, money is seen as a resource entrusted to mankind, and the latter will be held accountable about how they preserve and care for this resource. Man will be judged based on the ways in which he spent his money. Therefore, man is not free to accumulate and hoard money; there are strict rules to accumulation and spending in order for money to be a pathway towards happiness.
- **Fourth:** The Islamic Sharia urges people to practice charity in a unique way, as it states that charity earns the practitioner personal rewards. This makes charity much more realistic and attractive. He who gives Zakat shall earn a reward in the short-term during his life on Earth, as giving Zakat spares people miseries and grants them wealth in abundance. It also earns them a valuable reward in the afterlife.
- **Fifth:** Endowment is an institution that combines all the sublime values of this world and the afterlife. It is a practical example of proper financial management, as it has always been a place where the intention to do good and reap the rewards of charitable deeds, on the one hand, and the desire to achieve social development, bridge financial and economic gaps and meet the needs of individuals and communities, on the other, come together, in line with the nature of the endowment and the will of the donor.
- **Sixth:** Self-oversight and external oversight in financial affairs are two of the most important tools to avoid dysfunction and error, rectify them and address their impacts, should financial behavior veer off course.

Financial sciences that consider money to be the main driver of people's actions, based on the belief that people's primary goal is to accumulate and increase their money to achieve surplus, are merely scientific and technical tools that lack the noble soul that Allah has breathed into us upon our creation. It is our soul that enables us to overcome the enticements of money and to use it as a means for self-satisfaction and to satisfy Allah. Had the societies and economies of all nations been built upon these noble principles, there would be no tragic wars and financial conflicts between nations and individuals, and the world would have been financially stable and dignified. Perhaps the return to our original Islamic values and principles, coupled with modern scientific tools, has become a vital need. Scholars and intellectuals must counter the negative attractiveness of money through a contemporary set of rules and the practical and exemplary application of jurisprudential principles. Only then will there be social peace and justice in financial transactions and exchanges between people.

Thank you.

## VIII. References

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