

## Nature Of Economic Problem

The central question which presents itself in the world of economics and wealth and which needs a comprehensive and exact answer is: What is the economic problem and what is its cause?

The answer to this question depends upon what is the approach and the nature of the system chosen. The identity of the economic system, which manages the distribution of wealth among human beings, conversely is outlined in accordance with the general comprehension of the problem and its nature. The solution to any economic problem thus lies within the system, in its formula. It gives the answer to the question, what the economic problem is and how it can be dealt with.

To analyze the problem overall from a philosophical point of view needs a comprehensive grasp of the nature of both man and wealth, the value of each and their significance in life as a prerequisite. It further relies on a deep, exact and efficient comprehension of the problem on one hand, and on the other, an objective analysis of the implemented system, which is immune to any prejudice that may be caused by the personal bias of the concerned economist and those who invented its perspectives.

These factors, put together, help to give the shape of the answer and to plan an economic system with its stated hallmarks.

Now, let us see what answer Islam gives to our question: What is the economic problem and what is its mainspring?

1. Allah, the Exalted, says:

***“Corruption has appeared in the land and the sea on account of what the hands of people have wrought, that he may make them taste a part of that which they have done, so that they may return.” Holy Qur’an (30:41)***

2. And Allah has also said:

***“And you love wealth with exceeding love. ”Holy Qur’an (89:20)***

3. ***“Decked out fair to mankind is the love of desires –Women, children, hoarded treasures of gold and silver, marked horses, cattle and tilth. That is the enjoyment of the life of this world; but Allah – with Him is the fairest return. Say: ‘Shall I tell you of better than that?’ For those that are god-fearing, with their Lord are Gardens underneath which rivers flow, therein dwelling forever, purified spouse, and Allah’s good pleasure. And Allah sees His servants.” Holy Qur’an (3:14–15)***

4. ***“... most surely man is ungrateful to his Lord. And most surely he is a witness of that. And most surely he is tenacious in the love of wealth ...” Holy Qur’an (100:6–8)***

5. ***“And those who made their abode in the city and in the faith before them love those who have fled to them, and do not find in their hearts a need of what they are given, and prefer (them) before themselves though poverty may afflict them, and whoever is preserved from the niggardliness of his soul, these it is that are the successful ones. ”Holy Qur’an (59:9)***

6. ***“Therefore be careful of (your duty to) Allah as much as you can, and hear and obey and spend, it is better for your souls; and whoever is saved from the greediness of his soul, these it is that are the successful. ”Holy Qur’an (64:16)***

7. The Messenger of Allah (s.a.w.w.) is reported to have said:

“Refrain from doing injustice, for it is the darkness of the Judgment’s Day. Avoid misery, it was misery that cut down those who were before you. It made them shed their blood and do haram (what is forbidden and harmful)”.

8. And the Holy Prophet (s.a.w.w.) is also quoted to have said:

“Two fierce wolves entering a pen of sheep are not as much harmful as avarice and love of a social rank to the faith of a Muslim.” [1](#)

Examining these quotations and compile their content, the following conclusions can be reached:

1. In the first quotation, the Qur'an blames man for causing his own problem. Corruption, be it political, economic or moral, is only man's making. Man encapsulates a host of stimuli and desires and he himself is spurred on to extremes in peculiar proclivities, to cause corruption, injustice and tyranny under which humanity suffers greatly.

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2. Quotations 2,3,4 and 8 emphasize that man's selfishness, avarice, his excessive love for property and wealth and his tendency to amass them, is the main cause of all his daily problems, in general, and his economic problems, in particular.

3. Quotations 5,6 and 7, from the Qur'an and holy Prophetic traditions, how that avarice itself which is a vice used with great eagerness and desire to obtain and keep wealth away from the hands of others, is the latent, effective factor behind man's greed and his predilection to monopolize wealth and deprive others from it.

In summary, we can assert an important fact in the world of economics, as clearly stated by Islam and known as the cause behind the problem of wealth distribution, is man's self-centeredness and his greed. For the worlds of the holy Qur'anic verses and Prophetic traditions lay great stress on avarice and greed as the root causes of the economic problems in the fields of distribution and consumption.

This view rules out the effect of external conditions, including means of production, whether in abundance or scarce, and distribution, for man, himself, controls distribution, His will controls it. His awareness identifies his view of justice, the value of money and wealth and the meaning of life. It is this very awareness that principally outlines the way he adopts in dealing with himself and others.

Everywhere and every time subjective factors are the root causes of the problems and the sources of economic injustice, regardless of the variation in conditions, means and quantity of production, which tend themselves to be by-products resulting from the original misdiagnosis.

The only way to save man from economic injustice and confusion is his daily life, re-shaping his existence and re-formulating his conceptions, his view of life, money, wealth, profit and moral pleasure, in a sound and objective way and in harmony with the Qur'an and in agreement with its deep, analytical views.

Allah, the Exalted, says:

***"... surely Allah does not change the condition of a people until they change their own condition; ..."* Holy Qur'an (13:11)**

Unless an independent, economic system is adhered to this, change cannot be fully successful; a system, which takes upon itself the task of re-distributing human wealth and managing economic life in agreement with the principles of Islamic justice and equality and not on high-fluting theories that lose the essence of what the basic problem is:

Allah, the Exalted, says:

***"And that if they should keep to the (right) way, We would certainly give them to drink of abundant water."* Holy Qur'an (72:16)**

***"And if the people of the towns had believed and guarded (against evil) We would certainly have opened up for them blessings from the heaven and the earth ..."* Holy Qur'an (7:96)**

There is no way to better man's life other than effecting a complete, psychological and ideological

transformation. Yet to achieve this, a just system and law must be brought about, both socially and legally, to serve as a prelude in the building of a human community, where man can bask in righteousness and happiness and taste the flavour of freedom and dignity.

The Qur'an, in many of its ayahs and conceptions, emphasizes this method of transformation:

*“until they change their own condition”. “and that if they should keep to the (right) way”. “believed and guarded (against evil).”*

By scrutinizing these words, we can arrive at the conclusion that the Qur'an made psychological change, and treading on the right path (Shari'ah and the Divine system), having faith in them and insisting on adhering to their profound principles. Islam is prerequisite to human change for the better and the sources of good and man's economic welfare.

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## External Factors

Identifying human faults as an internal cause of the economic problem, Islam turns its attention to specify the external factors, which constitute the chief reasons behind exacerbating the problem. Islam attributes the economic problems to two factors:

1. The Human Factor. The subjective one and root cause as already has been explained.
2. External Factors. The objective ones.

These factors can be deduced, by concerned researchers of Islamic economics, from the sources of legislation, morals, and concepts that deal with the social and economic aspects of man's life. Briefly they can be summed as:

1. Inadequate production.
2. Ill-distribution.
3. Ill-consumption.

By referring to the Qur'an, Prophetic Sunnah, books of fiqh and studies on morals, we can compile many texts, principles and thoughts which deal with each of these causes. To present a clearer picture of the Islamic view of the economic problem, it is necessary to consider all three causes separately. By referring to the Qur'an, Prophetic Sunnah, books of fiqh and studies on morals, we can compile many texts, principles and thoughts which deal with each of these causes. To present a clearer picture of the Islamic

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## 1) Inadequate Production

The main cause of poverty as well as being a principle factor behind the economic problem, under whose burden man is still suffering, is the decline in production in the view of Islam. That is why Islam has focused attention on it and blamed two main factors for it:

A. Unemployment and disusing of human resources:

Islam looks upon work as a holy and esteemed asset. It puts it on the same footing with jihad and worship. The Prophet (s.a.w.w.) is reported to have said:

“Worship is of seven parts the best of which is seeking halal (lawful) provision.” [2](#)

Islamic traditions and texts dealing with the importance of work are bountiful. They have one aspect in common urging man to work, mobilizing human beings to raise their production capabilities and fighting sloth and unemployment as the prime reasons of poverty and materialistic and social decline.

Of the traditions reported in regard to this point is one quoted from Imam Ali (a.s.):

“When things coupled, sloth and helplessness got together and engendered poverty.”

Imam al-Ridha (a.s.) quote his father Imam Musa al-Kadhim (a.s.), on the same subject that he said to one of his sons on his death-bed:

“Beware of laziness and boredom, for they prevent you from your share of this world and in the Hereafter.” [3](#)

B. Ignorance and lack of experience about methods of productions, including the under-utilization of natural resources and man's creative powers. These factors play a critical and undeniable role in the decline of production and spread of need and destitution. Islam, for such consideration, urges Muslims to seek knowledge, make use of natural resources and gain knowledge about work and management. The Prophet (s.a.w.w.) is quoted to have said:

“Allah surely loves the trustworthy professional.”

Islam works towards mobilizing man bodily, psychologically and intellectually, employing his technical and scientific abilities for the sake of production, adequate supplies of needed commodities, and creating wealth. The Prophet (s.a.w.w.) reproached whoever has no interest in increasing his wealth through halal (lawful) work and expanding his ability to spend and meet his needs and the needs of his dependents.

In the words of the Holy Prophet (s.a.w.w.):

“There is no good in whoever who does not like earning his living from halal work to satisfy his needs, pays his debts, and strengthen his ties of kinship”.

This Prophetic tradition emphasizes the necessity of man striving to earn his own way; that his earnings should outweigh his expenses. The Prophet (s.a.w.w.) laid stress on this point: “relation to the good of his family and the community as a whole”.

Islam's plan is simple and precise, directing man's energies into productive employment as a moral responsibility and a legal duty that fits into building a healthy Muslim society, where there is no unmet wanting. Islam's plan is simple and precise, directing man's energies into productive employment as a moral responsibility and a legal duty that fits into building a healthy Muslim society, where there is no unmet wanting.

## 2. III-Distribution

Bad distribution is the second gravest external cause of the economic problem, which also results in the spread of poverty and need, and unbalanced economic life. As clearly seen from secular systems, different social classes have arisen. One of them lives in the lap of luxury, enjoying every kind of material pleasure, amassing wealth, monopolizing means and sources of riches. While the other is hardly able to have daily bread and scrape together a subsistence living.

This gross inequality in economic life, which represents a dangerous and harmful schism in society, has its main causes principally in bad distribution and the implementation of bland, man-made economic systems which have their own momentum is aggravating the catastrophe. Feudalism, capitalism, and communism and the like have merely exacerbated the crisis all the more.

III-distribution, has a long historic experience, regardless of whatever secular economic system has been tried. Its consequence of an unjust spread of wealth is the prime basis of today's social tragedy of mankind.

Such is well established, by Muslim and non-Muslim experts alike, as exemplified by one report in an Italian publication, and translated and published in the Kuwaiti daily “Al-Qabas”, back on August 15-8-1976 in its issue 1525:

“Experts in the fields of development, food and population unanimously agree that the available natural resources in the world are so abundant that they can meet all the needs of the nations if goodwill was shown and if these resources were equally distributed among all nations. The root cause is the unjust distribution of the resources...and the failure of many nations to win their real independence, decide the fate of their wealth and distribute it justly and fairly.

“Russian scientist Ivan Shatilov has also said that cultivated areas now could satisfy the hunger of tens of billions of people if their crops were distributed equally and fairly among the nations of the world. He

further points out: 'On the other hand, we must not lose sight of the fact that the advanced industrialized world has not, so far, made use of the marine sources of food. The oceans constitute 71 percent of the total surface of the earth, whereas they produce no more than 1 percent of man's foodstuff.'"

Man will never be able to taste the flavour of happiness and dignity, as historical records testify, unless he sheds the shackles of short-sighted man-made systems, and blot out forever their traces in the human community, souls and lives. Such systems proved themselves a failure. They only record their flagrant, tragic defeat, which victimize humanity and brings forth unspeakable cries of starvations, wars and deprivations.

Man was metamorphosed into a machine working incessantly in-favour of the ruling classes, whether being individuals as is the case in the capitalist and feudal systems, or authorities, and parties as it is in the socialist and communist systems.

Only when man recovers his consciousness from the anesthesia of propaganda manipulated by those who covet these principles from their own vested interest and breaks the fetters of servitude which subdues him by force and coercion, man will see the fountain of light and find the path to an honorable free life, where he finds his righteousness and dignity. Only when man strives to seek and intensifies his efforts to win good and happiness will he find the key presented by Islam.

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### **3) Ill-Consumption**

The major third factor conducive to the economic problem and perpetuating the spread of poverty and destruction of human resources is ill-consumption, which is the misuse of wealth and the non-usage of assets that could preserve and satisfy human demands in a calculated balanced way.

Like all other fields, Islam has a unique diagnosis for consumption in its particularly caring way of embracing a complete formula for life. Its guidelines show the following steps:

#### **A. Limiting Consumption**

Consumption is the most critical stage in dealing with the wealth and making use of it and Islam did not neglect this vital area but set a system with clear moral aspects that controls the process, utilizing the graces and favours bestowed on man by Allah.

So that man would not act excessively or unreasonably in regard to consuming life's resources, Islam projects a well-laid system, calculated and in accordance with its message and its distinctive way of

handling matters at man's disposal.

## **B. Prohibition of Extravagance and Wastefulness**

Extravagance and wastefulness are nothing but harmful misusages of wealth. Islam exhorted man to confine himself to the necessities of life and to keep his lusts, avarice and the untoward behaviors in check.

Allah, the Exalted, says:

***“O children of Adam! attend to your embellishments at every time of prayer, and eat and drink and be not extravagant; surely He does not love the extravagant.” Holy Qur’an (7:31)***

***“And they who when they spend, are neither extravagant nor parsimonious, and (keep) between these the just mean.” Holy Qur’an (25:67)***

***“And give to the near of kin his due and (to) the needy and the wayfarer, and do not squander wastefully. Surely the squanderers are the brothers of the Satan and Satan is ever ungrateful to his Lord.” Holy Qur’an (17:26–27)***

***“And do not make your hand to be shackled to your neck nor stretch it forth to the utmost (limit) of its stretching forth, lest you should (afterwards) sit down blamed, stripped off.” Holy Qur’an (17:29)***

These exhortation and restrictions were purely to keep a balanced economy perfectly organized. If wealth is employed in the interest of man, used as it was ordained and planned by Allah, all human needs were met.

Islam, in its legislation and perceptions, erect a structure of logical bases compatible with human make-up and instinctive needs.

Because man cannot always handle wealth, Allah's given services and favours are bestowed upon him in a strategically productive way, Islam puts before him the way according to which he can utilize and consume wealth efficiently and justly. If, however, these are ignored and neglected, the specific objective outlined by Allah will be lost to man with disastrous consequences as can be seen by the widespread plight of people all over the world.

All activities, including commodities and services, are put into two categories that best suit their nature, halal (lawful) and the haram (unlawful). Wine, gambling, revelry, debauchery, wasteful entertainment ... etc, are strictly prohibited because they only dissipate man's wealth.

Instead of being wasted in vain, such huge sums of money should be spent in the services of human society to satisfy fundamental human needs and preserve wealth from being squandered and lost. It is

an ailment that plagued all societies who lack the sound planning Islam presents to man.

Thousands of millions of dollars are wasted daily on wine, gambling, extravagant entertainment, debauchery, as well as on accumulating weapons of mass destruction and annihilation for wars and terrorizing other nations, whilst millions of people are straddled with hunger, deprivation and misery.

Islam makes such perverse and corrupt consumption haram because its aims are to employ wealth in fields that secure welfare for humanity.

With its exact and perfectly planned economic system, Islam has placed in the hands of mankind the economic gifts of securing the cure of all financial woes and salvaging an equitable world from the abyss of poverty, deprivation and injustice in which millions still painfully suffer from and seemingly will continue to do so with ill-founded man-made equivalents.

1. Al-Naraqī, Jami' al- Sa'adat (Collector of Felicities), vol. 2, p. 46.

2. Al-Harani, Tuhaf al-Uqul an Aal al-Rasul, Mawa'id al-Nabi (Treasures of Minds about the Household of the Messenger of Allah, Exhortations of the Prophet).

3. Al-Kulaini, al-Kafi, vol. 5, p.67.

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