

# Economic Management and Business Principles from Islamic Perspective

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**Abstract:** The current situation of the economic system and its distinction from the Islamic economic system which is guided to us by the Quran and Sunnah, in accordance with the Islamic laws and the sayings of the beloved Prophet (P.B.U.H) which have been exemplary for the generations of Muslim Ummah till date. The obligations and the prohibited actions that must be followed as being part of the world's vast religion, with the relevance of the verses which guide us in this world and the world hereafter. In addition to these sets of values that are ought to the Muslims in observance of the economic system of Islam which would be under discussion include accountability, responsibility, mutual trust, equality, justice, equal opportunity. Also the motive to conduct the analysis is to understand the real concepts of terms like 'Gharar' 'Maisir/Qimar' 'Riba' 'Profit and Loss' respectively. Moreover, the Islamic Caliphs conducted the entire systems of trade, agriculture, and external affairs with generosity and justice with the footsteps of the Prophet who acts as the backbone of the Islamic commodity. The purview is to provide the complete code of the Islamic Rule to run the economy fluently with the essence of Quranic principal and relating it with further studies of modern research. To sum it up the key theme will still revolve around the main topic which implies the readers to understand to clear out the major misconception.

**Keywords:** Economics, Management, Islam, Business

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## Introduction

The world has been socio-economic civilization since the time it has come into being which has guided the man to live and fulfill its needs with work that will provide benefit to him and the ones living in his environment. As the civilizations grew the standers of trade, agriculture, human welfare, and several other systems synced and got a hold to make the economy of a certain existing commodity. The economic forms

have been a part of the globular system as it is an existing phenomenon to spend a peaceful life. The dark ages are cruel to be discussed here as there were a lot of dealings going on within that era which led to unfortunate results, rather being fruitful for the individual of certain communities under religions like Buddhism, Judaism, and Christianity. Fraud, looting, gambling, snatching, injustice, inequality in easy words all non-ethical acts were practiced without keeping a check over it.

As the years passed by the emergence of Islam, the religion became a dominant aspect of reign with the guidance of the holy book and the actions of the exemplary personality prophet (P.B.U.H). Holy Prophet (P.B.U.H) was the ultimate source who brought the people on the right path with a clear insight of the Islamic ways and ideas. To my way of thinking it was an era of revolution from the dark to a whole evolved state of harmony, which led mankind to live their life as directed by the teaching of Islam and Sunnah. The word 'complete code' refers to cover all the versatile yet prominent areas of the existing problem, bringing it to tranquility. As Islam doesn't dare to leave the tiniest matter of dispute or inconvenience, likely it never even failed to provide the slightest details about running an economy and dealing with the right and wrong handling of a sovereign state.

The question here arises that what is the Islamic Economic system? Why is it so important to follow? And does these imply the current economic systems of our country? To answer initially we need to know what the Islamic economy is and how does the Islamic economic system work. The economy is the situation of a certain country by which its production, consumption of goods and services and supply of money is calculated keeping in view the GPA and GNP. Same as this Islamic Economic system occurs when the economic principles that guide its work, influenced or restricted by the teachings of Islam, which is sourced from the Quran Sunnah as developed by human beings. It is important to note that there are certain characters of the Islamic Economic System which are to keep in mind while proceeding the introduction any further which are as described below

- Ownership of Property

This refers to wealth, property, possessions. The absolute owner of the property is Allah, the creator of everything. Manas 'Khalifa' and 'abd' have relative and conditional ownership, urbanization for the betterment of mankind there are shares for others as well.

- Incentives

Refers to 'Riba' that is the interest/excess money which is taken from the borrower.

- Decision Making

Ending the concept of inequality and injustice, making the right decision in accordance to Islamic ways.

- Coordination Mechanism

According to the coordination mechanism we need to consult the Islamic Scholars and Islamic Experts for the coordination process on how to exert several processes caring them out into a special manner.

## · Role of Government

The last thing implies to the government of the specific Islamic countries that it has to turn its gates as guidance of the Quran and its teachings.

Although every individual has a right to seek his economic well-being, Islam makes a complete distinction between what is lawful and what is not in the pursuit of economic activity. Broadly, Islam forbids all forms of economic activities, which are morally or socially injurious. The particulars as to what is considered morally or socially injurious vary from the secular capitalistic system. It comes to no surprise that Islam recognizes, the ownership of legitimacy acquired wealth, the individual is obligated to spend his wealth judiciously and not to hoard it, keep it idle or squander it. The individual may retain surplus wealth, Islam seeks to reduce the margin of this surplus for the well-being of the community as a whole. It seeks to prevent the accumulation of wealth in few hands to the detriment of the society as a whole through its laws of inheritance.

Regarding it, the aims at social justice without inhabiting individual enterprise beyond the point where it becomes not only collectively injurious but also individually self-destructive. To crown all up we can say that Islamic Economic System is indeed the best and authentic to be followed and implies accordingly into our life's as a sign of trumpet because it helps us to stay away for 'Shirk' which we should refrain. Moreover, the further can be explained in the research providing shreds of evidence that no matter it remains an excellent method to run a successful economy.

## Islamic Methodology

The research that is conducted related to the topic is quite vast and versatile as many concepts have open edges that give birth to several branches of ideologies and schools of thought as it is related to the religion Islam. Islam is a beautiful morality against which many voices have been raised, however, were left speechless because of its accuracy and validity. As being a reliable believer to my best guess Islam remains in the roots of the entire Muslim Ummah as directed by the prophet (P.B.U.H).

The basis here revolves around the main theme that supports the given research topic Economic system in Islam which is one way or the other an entirely contemporary outlook. There's an outright discussion of what is lawful and what isn't which will be further expanded in the given analysis. To peruse, initially, I would start by dividing the Economic System of Islam into its basic components that are interpreted by the Holy Quran. Equality and justice, property rights and concept of ownership, the prohibition of interest, Prohibition of Maisir/Qimar, the divinity of promises and trusts, economic activity to create additional wealth for oneself and community at large, lawful wealth collection are some of the core sections of the Economic system of Islam that have been analyzed with effort.

Talking about the first core section that is quality and justice it the basic right of every human being that exists, land, labor and capital, the right to be heard, right to safety, education, satisfaction, and basic needs are counted in it as a whole. It is obligatory on the rulers of the time to ensure the social-economic rights of individuals are respected and fulfilled. For instance, the life of Prophet (P.B.U.H) and his companions has been a code of equality and justice in each step they took in their life whether it was a person dealing with or the regular affair related to the economy or leadership they remained truthful in all possible ways. In the last sermon of the Beloved prophet he mentioned

*'All mankind is from Adam and Eve, an Arab has no superiority over non-Arab or a non-Arab has any superiority over Arab, also a white has no superiority over black nor a black has any superiority over a white except by pity or good action'*

Economic injustice and economic injustice have been the causes of war and human chaos. Selfishness and fear make the powerful uncomfortable, who in return stops the basic rights of the weak to remain in control. Moreover, it is mention in the Holy Quran that Allah may forgive individuals for the unfulfilling of his obligations to him however he won't forgive them for the unfulfilling of human obligations that are a 'Farad' on the Muslim Ummah.

The property rights and concept of ownership is another basis of the Islamic economic system. All the Muslims that God almighty is the real and the ultimate owner of the property on this planet and man as his pontifical is entrusted with the property, which man must use according to his instructions. Thus, ownership of the private property (land, labor, capital) by man is subject to the sovereignty of God Almighty, and man will be accountable for its use on the final day. This belief sets us apart from the other two common economic systems, where individuals are considered either directly as owners of all private property or collectively as owners of all property

Third and the most essential is the Riba means excess, boom, or addition. From a Shariah point of view, it is able to be interpreted as: an excess reimbursement or unjustified go back in a lending, borrowing, or sale transaction. The most common instance is taking a mortgage from a conventional bank: the bank offers a loan, and the borrower repays the money at a later date with a percentage increase over the unique amount.

But riba is not constrained to a boom in a mortgage contract. that's imposed because of deferment of time in payment. The Quran does no longer specify any particular sort of riba. However, Muslim scholars have explained two sorts of riba primarily based on trendy texts of the Quran and some of Ahadith (sayings) of the Prophet Muhammad ﷺ.

There are two varieties of riba:

- riba in loan contract (Riba al-Nasiyah)
- riba in sale or trade contract (Riba al-Fadl)

Not just Islam but all other religions prohibit Riba from strictly oppressing it. It has been mentioned in the Holy Quran several times

*'All deprives Riba of all blessing but blesses charity. He loves not the ungrateful sinner'*<sup>1</sup>

*'That which you give as Riba to increase people's wealth increases not with Allah, but that which you give in charity, seeking the goodwill of Allah multiplies the manifold'*<sup>2</sup>

*'If you do not do so, then take notes of war from Allah and his Messenger. But if you repent you can have your principal. Neither should you commit injustice nor should you be subjected to it'*<sup>3</sup>

### Riba in the loan agreement (riba al-nasiyah)

This is the commonly understood kind of riba. It's a boom in fee from a borrower to a lender over the authentic loan quantity charged with the aid of the lender because of postponing in time of payment. Note that this sort of riba handiest applies to a loan, no longer a credit score sale (greater in this later).

It does no longer matter whether the increase over the loan amount is fixed at the beginning of the contract, or the cease of the settlement if the borrower did not pay (within the case of default). Any pre-determined or pre-agreed growth or any extra quantity over the unique loan amount charged by way of the lender is taken into consideration riba. This could encompass, for example, if the borrower presented to pay an increase over the loan amount as a circumstance for repaying the mortgage because the increase is pre-agreed as a situation of the loan. This form of riba is called riba al-Quran because the Quran has specifically prohibited this form of riba. After all, it was generally practiced in Arab society at that time.

### Optional Gift in Repayment Allowed

What if a borrower repays the money, however, desires to thank the lender through providing some gift? Is this allowed? Yes!

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<sup>1</sup> AYAH al-Baqarah 2:276

<sup>2</sup> Surah al-Rum 30:39

<sup>3</sup> AYAH al-Baqarah 2:279

The key difference right here is that an optional present or increase paid by the borrower have to now not be pre-agreed and should not be stipulated by means of the lender. Something popping out of the goodwill of the borrower to expose their gratitude is allowed, and is even recorded in a hadith:

Narrated Jabir bin Abdullah: "*I went to the Prophet while he was inside the Mosque. After the Prophet instructed me to pray two Rakat, he repaid me the debt he owed me and gave me a more quantity.*" [Sahih Bukhari]

## Commonplace Examples of Riba al-Quran

Here's a shortlist of just a few examples you may have heard of. All of these kinds of products and contracts consist of riba and are labeled as haram or no longer permissible for Islamic finance:

- Credit playing cards (note: debit playing cards are OK)
- Home mortgage
- Car/car loan
- Personal mortgage from a traditional bank
- Bank certificate of deposit ("CD")
- Capital marketplace bonds
- US Government Savings Bonds
- Riba in sale contract (riba al-fadl)
- This one isn't always as obvious as riba in a loan. It can take place in a sale or alternate transaction of a commodity. Note that this form of riba simplest applies to commodities; things like dates, barley, rice, wheat, oil, sugar, cotton, etc...

If two human beings change the equal commodity however in unequal amounts, the greater would be riba. This form of Riba is also called Riba al-Hadith in the literature of scholars because it isn't always directly mentioned via the Quran. The Prophet (ﷺ) has classified it as riba in the following hadith:

“Gold for gold, silver for silver, wheat for wheat, barley for barley, a date for date, salt for salt, have to be identical on both aspects and hand to hand, whoever pays more or demands extra (on either side) indulges in Riba” [Sahih Muslim].

According to this hadith, two essential standards qualify a sale as having riba:

## Delay in time or deferment of the trade of commodities

To summarize, whilst comparable commodities are exchanged with every other, the subsequent regulations ought to be found strictly. Otherwise, the transaction has riba.

## Rule of Exchanging Counter Values

First: the commodities should be exchanged on spot, that means at an identical time. If one of the commodities is delayed, then it becomes Riba. For example, if you supply your pal 1 kilogram of dates today, and he gives you 1 kilogram of dates tomorrow, then this transaction isn't always valid. You must exchange the dates together on the same day.

Second: similar commodities have to be the same in quantity. For example, if a person exchanges wheat for wheat or salt for salt, it needs to be identical, for instance, 1 kg for 1 kg. Note that this simplest applies in case you are replacing the same commodity; this could no longer practice exchanging wheat for salt. The policies of riba differ when different objects are exchanged. The details may be seen in the classical books of scholars.

Even on the occasion of Hajj Prophet (P.B.U.H) canceled all the outstanding Riba on the behalf of his Uncle Abbas. Prophet (P.B.U.H) rigorously guided the policy of profit and loss mode of finance in the Islamic Economic System where he clearly stated that profit must be shared on already arranged ratio, not as a percentage of profits nor as a fixed amount.

The Arabic word Gharar is a reasonably broad idea that means deceit, risk, fraud, uncertainty or hazard that might cause destruction or loss. Gharar in Islam refers to any transaction of probable objects whose life or description is not certain, because of lack of records and expertise of the remaining final results of the settlement or the character and quality of the situation depend on it. For example, the Prophet (PBUH) has forbidden the purchase of the unborn animal inside the mother's womb, the sale of the milk in the udder without measurement, the purchase of spoils of warfare previous to distribution, the purchase of charities before their receipt, and the purchase of the trap of a diver.

## Example 1: A Single Contract with Two Sales

Gharar: Buyer accepts the offer, but without specifying the price

Acceptable Gharar: If the sale isn't always binding, then some scholars (e.g. Malaki) accept that this shape of gharar is permissible.

### Example 2: Arbun / Option Sale

Gharar: Buyer makes a downpayment and has the right, however no longer the obligation to buy the product / service.

Acceptable Gharar: Many sharia scholars word that arbun is an acceptable shape of gharar, provided two conditions are met: a) conditions outlined and agreed from the outset; b) the shape is necessary, without a other opportunity available.

### Example 3: Conditional Sale

Gharar: the sale is made conditional on another uncertain event (e.g. I will buy you vehicle, if I promote my vehicle first).

Acceptable Gharar: Ibn Taymiyah notes that this form of sale is acceptable furnished each parties benefit and it does no longer contradict the Qu'ran or Sunnah.

Islam has simply forbidden all commercial enterprise transactions, which results in exploitation and injustice in any shape to any of the parties of an agreement. It seeks to protect the distinct events from deceit and ignorance by using forbidding Gharar in any commercial trade contracts that aren't free from hazard, threat or speculation about the crucial elements in the transaction to either birthday celebration, or uncertainty of the potential of one celebration to honor its rights and obligations. It requires that all Islamic monetary and business transactions have to be primarily based on transparency, accuracy, and disclosure of all necessary records so that no one birthday celebration has advantages over the opposite birthday celebration.

The rationale behind the prohibition of Gharar is to make sure the complete consent and pleasure of the parties in an agreement. Full consent can only be performed in complete disclosure and transparency and via ideal knowledge from contracting events of the counter values meant to be exchanged. The prohibition of Gharar protects towards unexpected losses and the viable disagreements concerning features or incompleteness of facts.

Instead, the Shari'ah promotes the precept of profit-loss sharing between banks and entrepreneurs as a technique to inspire the spirit of brotherhood and cooperation in business relationships. Mutual threat-sharing could assist soaking up the burden of loss via sharing it equitably among all parties.



However, risk and uncertainty are conditioned using sufficient adequacy and accuracy of statistics to make reasonable estimates of the outcomes. Tolerable hazards and uncertainties cannot exist in contractual obligations.

Islam has also categorically and firmly prohibited all forms of gambling. Maysir and Qimar are types of gambling transactions that are taken into consideration as totally inequitable in Islam. Maysir refers to the smooth acquisition of wealth through risk, whether or not or no longer it deprives the alternative's right. Qimar manner the game of risk in which one profits at the price of others.

Even though gambling consists in a form of speculation and that there should no longer be any region for business operations in Islam as it is in simple terms speculative. The prohibited hypothesis beneath the Shari'ah is not that, which is based on the analysis of lots of monetary and monetary facts and which involves the funding of assets, talents, and labor. Rather, it's far one regarding a handy gain similar to a gambling scheme or activity. This is because the customer is engaged in a transaction geared toward making earnings through trading and not thru cheating appropriation of the belongings of others.

'Satan intends to excite enmity and hatred among you with intoxications and gambling, and hinder you from the remembrance of Allah, and from prayer well yet not then abstain.'<sup>4</sup>

Coming towards the devotion of promise and trust it remains the key target on any relationship which includes the timely fulfillment of promises, which then creates trust in a relationship. It is the contact that is made with the society to continue a healthy comfortable level of any relationship. In its true sense, the concept underlies the fulfillment of our spiritual obligations taqwa and belief in Allah and the fulfillment of our social obligations, equality, and justice.

Economic activity to create incremental wealth for oneself and society at large refers to the financial transactions which do not generate economic activity. Every financial transaction must be based on a gainful and halal underlying economic activity, which is capable of creating incremental wealth for oneself and benefiting the society at large. Islam prohibits the hoarding of commodities, including the capital, as it creates poverty and deprives society of its basic rights. Money is the potential capital and lifeblood of the economy therefore it must remain in the circulation for the economy to grow and remain vibrant. Islam discourages idle balances and encourages capital deployment in the halal business. Moreover, Islam prohibits paper-based transactions as they do not generate an addition in wealth and rather determine to the society at large. For instance, investment and trading in derivatives like mortgage-backed securities,

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<sup>4</sup> Surah Al Madina 5:91

collateralized loan and debt obligations, credit default swaps.

Last but not the least lawful wealth accumulation can be acquired in two ways it may be earned through the use of land, labor and capital or it may be acquired through legal modes of transfer, such as inheritance, gift or bequest. The laws of inheritance have been discussed in detail in the Quran. Islam also refrains from wealth accumulation through illegal means such as corruption in public and private sectors, violating the rights of widows & orphans and exploiting the weak and poor.

After the main the discussion of key components of the Economic System of Islam now let's return to the history of Islam where the origin of the Islamic Economy lies under the leadership of the four Caliphs of Islam that used their special pearls of wisdom and setup excellent economic policies for their people giving them comfort and reliability. To start we will talk about Hazard Abu Bakr who was the first caliph. The first thing that counts the most in all the reign of four of the Caliphs was social justice. Abu Bakr was very particular that due to all the members of the community without fear or favor according to the injunctions of Islam. At the time of the assumptions of office as Caliph he declared

*'The weak among you shall be strong within me till God willing his rights have been vindicated and the strong among you shall be weak with me till, if the Lord wills, I have taken what is due from him'*

Abu Bakr strictly followed this policy and administered even-handed justice. As a result of this policy, society came to be established in Medina, which was practically litigation free. Then comes the simplicity Abu Bakr took pains to ensure that the people led simple lives to form ostentation, as he led a simple life fowling the footsteps of the Holy Prophet. Egalitarian society. Abu Bakr took pains to build an egalitarian society in which there was no distinction between the high and the low. He said

*'None should look down upon any Muslim for in the eyes of Allah even an inferior Muslims is great'*

It was suggested to him that the spoils of the war should be distributed according to the status of people. It was the endeavor of Abu Bakr that all those who were destitute were provided maintenance as state expenses.

A story is told of blind women who lived in the suburb of Medina who had no one to support her. Abu Bakr visited her every day and looked after her needs. Abu Bakr was always there to relieve the distress. Islam revolutionized social life in Arabia. The Holy Prophet (P.B.U.H) set the pattern for Islamic society, and the Abu Bakr to follow in the footsteps of master and promote the social values of Islam. Abu Bakr was the embodied of all the social values for which Islam stood, Islam stood for petty, and by all accounts, Abu

Bakr led a pious life.

He led the prayers in the mosque. All the Muslims in Medina gathered for prayers in the mosque five times a day. Abu Bakr steps to ensure that was no lapse in the matter of the observance of the injunctions of Islam.

After the reign, it was the time for Hazrat Umar to take over the kingdom and set the economic reforms leading Hazrat Abu Bakr. Umar had placed restraints on the economic activities of people. He had placed restrictions on the trading activities of the Qureshi. Umar had placed a ban on the sale of lands in conquered territories. The first step that he took was the foreign policy during its development to manage all the aspects of entry Umar country he leads, among other things Alms, Fai, Ghanimah, Jizya, Kharaj, and Usyur. Zakat is charity if we borrow the terminology of Islam, issued a property with specific Qadar, which is given to those who deserve it, with certain conditions. Zakat is one of the pillars of Islam and it is obligatory for every person for enough conditions. Indeed, zakat can purify man of avarice and the love of extravagance to the property and is capable of nourishing properties of goodness in the human heart and expand their possessions. Zakat applies to Muslims and is required in the second year Hajji.

Ghanimah is the booty in the property confiscated from the Muslims of the army of infields with the warpath. Ghanimah the things seized by the Muslims from the infield army, land, prisoners of war men, women, children. The division of booty is divided into three. Kharaj tax is required by the head of state to the people who agreed with the state protection. Tax on land that must be issued considering the following conditions

The earth that their owners had converted to Islam, which is a kind of soil or earth is valid to belong to their owners.

1. Earth peace, that every earth convent of peace with Muslim countries so that they remain his property. Umar did not reduce the tax and added that he also believes that tax was likened to the tribute, so when the owners converted to Islam they are not subject to tax or tribute again.
2. Conquered Earth, the Earth's population was conquered by the sharp sword and the land is not distributed to those who are entitled to the booty, but the earth was still his. He never let the earth and not distributed to Muslims he set the earth remains the property of those who inhabit.

Al-jizyah is mentioned in the Qur'an. The word comes from the Arabic root jaza, meaning, to compensate. In this case, it is a compensation for the security and protection that the non-Muslims have in the Islamic state without fighting for the defense of the country. Historically, the non-Muslims had to pay the jizyah on two grounds: for his or her exemption from the responsibility to combat Muslim wars and for exemption from zakah. Conversion of a person to Islam freed him from the duty to pay the jizyah however subjected him to jihad and zakah. There were one of a kind practices and prices when it comes to jizyah determined within the light of the treaty with the non-Muslims or the way they became topics of the Islamic state. It is obvious from ahad With that originally, the charges of jizyah were appreciably lower than zakah at the

Muslims. Women, children, old people, the poor, disabled and religious leaders have been exempt. Similarly, those non-Muslims who opted to serve in the Muslim army were additionally exempt. Where the jizyah became levied as a fixed quantity, the phrases kharaj and jizyah were undifferentiated. But as soon as kharaj came to intend land tax and stood in location of 'ushr, jizyah became levied besides and this represented a tax in lieu of jihad. In the previous case, the kharaj supposed jizyah in general, but within the latter case, the kharaj really supposed land tax; this is to say, that part of the jizyah which was called kharaj or the assessment on the produce of the land. Kharaj became levied in step with the sort of land. For example, in Sawad there had been three classes of land tax or kharaj: (i) land tax primarily based on the measured acreage (al-kharaj ala masahah al-'ard); (ii) the land tax based totally on a percentage of the yearly harvest (al-kharaj 'ala al-muqasamah); and (iii) the fixed amount of money (al-kharaj 'ala muqa'tah).

“Fight those who do not believe in Allah or in the Last Day and who do not consider unlawful what Allah and His Messenger have made unlawful and who do not adopt the religion of truth from those who were given the Scripture - [fight] until they give the jizyah willingly while they are humbled.”<sup>5</sup>

Usyur is taken by the country of merchants who passed through his country it also termed as customs. Usyur the taxes imposed on merchandise that goes into the Islamic state or come from Muslim countries themselves.

*“O Believers! expend in Allah’s way the best portion of the wealth you have earned and of what We have produced for you from the earth.”*<sup>6</sup>

*“and give away Allah’s due at the harvest time.”*<sup>7</sup>

Baitul Mal is the forerunner of the bank financial institutions Umar was still carrying out Baitul Mal the system already established at the time of Abu Bakr. Umar has made a tremendous breakthrough, for example, employment of civil servants, salaries Islamic government soldiers, pensioners in another role. The after the developments in the reign of Hazrat Uthman came. The economic reforms Uthman had a far-

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<sup>5</sup> (9:29)

<sup>6</sup> (2: 267)

<sup>7</sup> (6 :141)

reaching effect. The Qureshi, the shrewd businessman as they were, took full advantage of the liberal policies of Uthman.

During the time Uthman most of the campaigns grew very rich. Brisk building activity took place in the Medina. Many Palatial buildings grew in the city. The economic policies convinced public repercussions. Economic power came into concentrated in the hands of a small group.

That led to a gulf between haves and have-nots. Uthman had to face monopolized economic power, this led to an imbalance in Islamic society. At last, came the Hazrat Ali and Economic reforms. He was a selfless advisor who is multifarious. Hazrat Ali proposed smooth administration

1. Army personal who defend the cause of God
2. Secretaries of the state that issue general special orders on the direction of Caliph
3. Judges and megastars who administer justice
4. Officers maintaining law and order
5. Common men, but Muslims and non-Muslims who pay taxes
6. Professionals and artisan
7. Poor and have-nots

## RECOMMENDATIONS

The preconditions are as following

The protection, the efficiently, classification, mandates, disregards, do and don't. To my way of thinking the recommendations can be that Islam is the sole religion that gives us the entire solutions to all sorts of problems of Economic problem and welfare. As the Quran is the complete guide and it teaches us the accurate meaning of justice and equality in its true meaning. The readers must get a compete for insight that the person who is to follow the footsteps of the Prophet and his Sunnah must definitely succeed in this world and the world hereafter as is the only key to the Jinnah. The polices that were made in the ears of the four Caliphs were strong enough to administrate justice and to fully finish the greed and selflessness of a human at its best.

The final recommendation of this research can be that Islam is the complete code of life and will remain the jubilant as far as the world will continue to grow as being the Muslim Ummah we must intensely observe the tiniest points of the basic principles that were conducted in the past due to which the reigns of the Caliphs and the kings have been successful by all means with nation giving them heartfelt prayers as there remained no difference between the rich and the poor and the economy of the specific system flourished. It became an example itself and was the best to be observed that became the backbone of the Islamic Economic Foundation.

We must develop a proper system in accordance with the Islamic values in the light of Quran & Sunnah

which would be exemplary for all other non-Islamic system because that system would eventually help the society. The current man-made system has a lot of flaws which has created two different classes of the elite & the poor, the difference between the groups keeps on increasing with the passage of time. This promotes hate & differences among people which is against the teaching of Islam. The economic system should promote peace & harmony among people instead of hate.

Formation of zakat & usher departments that observe the proper enforcement of these two principles in the state. The state should ensure the proper distribution of zakat to the needy people.

Formation of nonprofit organization that provide people Qarze-e-Hasna that would eventually boost the economic activity in the state & will bring peace & prosperity among the people .

Summing up the commendation, as a matter of fact, if the policies and the reforms are conducted and applied to today's Muslim world economy will make a tremendous effect on the specular governments. At the individual levels what we can do as a person is to recognize the needs and wants to minimize extravagant gates of living, maximizing the limit of the workforce then skipping the relaxation period. As resources are limited, we must keep a better check and make our environment a better place to live. The slogan must be which should be for the people, by the people, of the people having equal rights that they deserve. The ways of socio-economic development convert people into nation. Living better life in peace and harmony.

## CONCLUSION

In the conclusion summing up all the ideas it should be kept in mind that treasure belongs to God and man is Caliph of property and tired with economic theology Sharia and Moral, there must be a complete balance between spirituality and materialism and keeping in view the Islamic economic interests creating balancing between individuals and creating interest. The easy solutions are finance should be tied to real transactions as finance always serves as the real economy. Returning of finance should be paired with wealth creation and address debate creation from the start plus eliminated debate and debate relief. Moreover, many Muslim communities are affected by the immigrants in older age, new graduates not finding work, new students paying more for college and borrow at a higher interest rate. The government should cut back on services and hiring while banks restrict lending. Bailouts of financial sectors and the failure of the real productive economy. Muslims are vested in the financial sector and are part of the problem. After all this, as my point of viewing the conclusion, it should be solely be based on the guidance that is taught by our prophet and the four Caliphs. The easy way to conclude is to hope that the Muslim doesn't fall back to peruse the guidelines that are provided by the holy book and Sunnah of the prophet and succeed in each step that we are ought to do and must be answerable to all the questions on the final day.

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