COMPARATIVE STUDY OF THE ATTITUDES OF MUSLIMS TOWARD RESOURCE MOBILIZATION AND ISLAMIC ECONOMIC SYSTEM IN GOMBE STATE

BY

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TITLE PAGE

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JULY, 2011

DECLARATION

I hereby declare that this thesis has been written by my-self and it is a record of my own research work. To the best of my knowledge it has not been presented previously in any application for a higher degree. All quotations are distinguished by quotation marks and sources are duly acknowledged by means of references.

AHMAD MUHAMMAD HAMMA-ADAMA SIGN:…… DATE:……
NAME OF STUDENT

CERTIFICATION

This thesis entitled: " Comparative Study of The Attitudes of Muslims Toward Resource Mobilization and Islamic Economic System in Gombe State" by Ahmad Muhammad Hamma-adama, has been read and approved for its contribution to knowledge as meeting the requirement governing the award of Master of Education degree in Islamic studies, Ahmadu Bello University, Zaria.

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DEDICATION

This research is dedicated to late Sheikh Ja'afar Mahmood Adam, Kano and late Dr. M. M. Tukur, Karkarku, Sandamu L.G.A of Katsina State, for their immense contribution to Islamic education and awareness.

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ABSTRACT

After the period of the reform that lasts from 1812-1903, the Muslims became uncomfortable with the changes brought about by the colonialist in the economic system. This study observed the level to which the Muslim attitudes were influence by the capitalist ideas of exploitation, extortion, fraudulence, interest and free market.It analyzed closely the concept of social justice, contracts, labour, enterprise and entrepreneur, loans acquisition and usury. Islam maintained that in every aspect of life, there can be only one choice between lawful, and forbidden, and nothing in between. A total number of six hundred (600) respondents formed the sample population selected randomly from five selected local government areas in Gombe state, by using the simple random sampling technique. And the instruments used for the data collection were questionnaire and interview, while frequency and percentage were employed in the analysis of the data collected. The finding strongly confirmed the presence of capitalist influence on Muslim attitudes in their socio-economic activities consciously or subliminally. It revealed that most Muslims found it difficult to restrain themselves from Haram and they failed to observe at every step of their earnings, the distinction between Halal and Haram. In conclusion, there is a necessity for the Muslim leaders (spiritual and temporal) as well as the society at large to re-organize our socio-economic system.

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DEFINITION OF TERMS AND ABBREVIATIONS

DEFINITION OF TERMS

DARIB	Labour partner
FIRQ	Is a kind of money used by Arabs which stands for 16 pound or 12 mudd of wheat.
GHAZWAH AL-AHZAB:	Battle of allies.
HADITH:	Sayings, actions and tacit approvals of Prophet Muhammad (S. A. W)
HALAL:	Lawful
HARAM	Forbidden or unlawful
HISBA	Islamic task force
JANNAT FIRDAUSI	The highest abode in paradise.
MU'ADWAMA	This is a sale of fruits for one or more years before its appearance.
MU'AMALAH:	Transactions and dealings.
MUDARABAH	Capital-Labour partnership
MUDARIB	Capital owner
MUKHABARAH	The rent of land with the agreement to share the yield proportionately.
MUKHADARAH	Is a sale of fruits or grains before they are due for harvest.
MUKHTAR:	A person that has alternative options from which he is to choose one.
MULAMASA	Is striking the bargain by touching only.
MUMAYYIZ:	Adolescent and mentally sound
MUNABADHAH	Is striking the bargain by the act of throwing the commodity.
MUZABANAH	Is an exchange of fresh and dry fruits, the former by quality and the later by quantity.
RIBA:	Usury.
SADAQA	Voluntary charity.

SHARI'AH:	Islamic law
SHARIKAH	Partnership
SUNNAH:	Practices of the Prophet Muhammad (S. A. W)
UMMAH:	Muslim community
WAQF:	Endowment i.e. to dedicate corpus of properties to Allah.

ABBREVIATIONS

A.S.:	Alaihis-salam- May the peace of Allah be upon Him
Ibid	The same as in above citation
n.d.:	No date
R.A.:	Radiyallahu anhu- May Allah be pleased with him
R.A.:	Rahimahullah- May Allah's mercy be upon him.
S.A.W.:	sallallahu alaihi wasallam – May peace and blessing of Allah be upon Him
S.W.T:	(Subhanahu) Glory is to Him (wata'alah) The Most High.

TRANSLITERATION

The system of transliteration is that of Encyclopedia of Islam by Gibb, et al (1967: XII), which runs as follows:-

Arabic Letters	Names	Transcription
أ	Alifun	a
ب	ba'un	b
ت	Ta'un	t
ث	tha'un	th
ج	jimun	j
ح	ha'un	h
خ	Kha'un	kh
د	dalun	d
ذ	dhalun	dh
ر	ra'un	r
ز	zayun	z
س	sinun	s
ش	shinun	sh
ص	sadun	ş
ض	dadun	d
ط	ta'un	ṭ
ظ	za'un	ź
ع	'aynun	'ay
غ	ghaynun	gh
ف	fa'un	f
ق	qafun	q
ك	kafun	k
ل	Lamun	l
م	mimun	m
ن	nunun	n
ه	ha'un	h'
و	wawun	w
ي	ya'un	y

Long Vowels		Short Vowels
آ	ā	a
او	ū	u
اى	ī	i

CHAPTER ONE:
INTRODUCTION

1.0 INTRODUCTION

IN THE NAME OF ALLAH, THE MERCIFUL, THE MOST COMPASSIONATE

Man as a social animal cannot survive in isolation. He needs to interact with other fellow human beings in order to live a happy and comfortable life. He cannot provide all his needs alone without resorting to others. In this regard man is enjoined to make transactions and dealings with others in just manner.

Allah (*Subhanahu Wataalah*) says:

> Is it they who portion out the mercy of your Lord? It is we who portioned out between them their livelihood in this World, and we raised some of them above others in rank so that some may employ others in their work. But the mercy (paradise) of your Lord (O Muhammad S.A.W) is better than the wealth of this World which they amass. (Q43:32).

Allah (*S.W.T*) also says:

> O you who believe! Eat not your wealth among yourselves in vanity, except be it a trade amongst you by mutual consent…(Q4:29).

He again says:

> Be just, that justice is nearer to piety…(Q5:8).

All the above mentioned verses pointed out the position of transaction and contract as a bilateral engagement which is an inevitable part of human life, and should be carried out with full justice and devoid of any form of exploitation, fraudulence, and swindling. In fact all the past Prophets of Allah (*S.W.T*) engaged in lawful contracts in order to earn their resources in honest and happy living. Prophet Adam (Alaihis-Salam) toiled on earth for sustenance. Dawud (A.S.) was a blacksmith and father to the metallurgical engineering. Prophets Shu'aib and Musa were shepherds. Our noble Prophet Muhammad (S.A.W.) who is an embodiment of all virtues, has left good legacy in all human endeavour as in trade, commerce and all other forms of contract. He had engaged in trade and commerce on behalf of *Sayyidatunah* Khadijah (R.A) (Hasan, 1987:49 Vol. 1)

Before the advent of Islam, the Arabs were notable businessmen whose trade was characterized by fraud, exploitation and other forms of cheatings, but Islam brought a lot of reformation and regulation to contract and commercial activity. Thus, Sunusi (2002:2-3) asserted that Islam is a religion that recognizes the need for preserving and sustaining a balance between man's spiritual and material needs. The companion of the Prophet, Hudhaifah said: "the best among you is not he who abandons this world (in search of) the hereafter, nor he who abandons the hereafter in his quest for this world. But

the best among you is he who takes from both". The Qur'an and *Sunnah* stress the importance of earning a living and seeking economic empowerment and independence at the level of the individual Muslim and the community at large (Sunusi, 2002:3). Allah (*S.W.T*) opened the door to the legitimate quest for economic empowerment in several verses of the Qur'an. He says:

> Then when the *Jumuah* prayer is ended, you may disperse through the land and seek the bounties of Allah… (Q62:10).

Allah (*S.W.T*) also says:

> Say: It is He Who made the earth subservient to you (i.e. easy for you to walk on, to live in and to cultivate). So walk in the path thereof and eat of His provisions. (Q67:15).

He again says:

> ...Allah has made trading lawful, and prohibited usury … (Q2:275)

It is therefore clear that Allah (*S.W.T*) permits and exhorts Muslim to seek of His wealth and bounties through business, farming, mining, labouring and industry rather than relying on the charity of others. The Prophet (*S.A.W*) in this respect said;

> For one of you to take his rope and bring a bundle of wood on his back and (sell it, such that Allah protects his personal dignity thereby), is better for him than to ask men, whether or not they give him (Khan, 1976:163:288&289 Bukhari).

Rifa'ah bin Rafi (R.A.) narrated that the Messenger of Allah (*S.A.W*) was asked, which type of earning is the best? He said:

> A man's earning through working with his own hands and every business transaction which is approved (which is Halal and free of cheating etc... (Abbasi, 1983:314:543 vol.1 An-Nawawi).

He also said:

> A man will not eat any food at all that is better than what he eats from the work of his hands (i.e. his legitimate reward for his own work) and the Prophet Dawud used to eat from the works of his own hand (Khan, 1976:163:288&289 Bukhari).

Every economic system has its own peculiar features, which form its foundation and from which it can be distinguished and recognized. Modern capitalism, which has emerged due to rapid industrialization facilitated by unprecedented human advancement in science and technology, is based on free market economy, non-intervention or very limited intervention of state in economic affairs, and the principle of interest in their banking industry. Socialism, which has emerged as a reaction to capitalism believes in total state control of the economy as well as full ownership of means of production by the state. Feudalism stands for ownership of land by few persons or families and makes majority of people tenants or serfs, who work on land either as servants of the landlords or for meager share in the produce of land. Islam on

the other hand believes in justice and fairness in the economic field (Sale, 2003: XV-5).

1.1 BACKGROUND TO THE STUDY

Islam is a religion and a way of life based on the commandments of Allah (*S.W.T*) as enshrined in the Glorious Qur'an and the Sunnah of the Prophet Muhammad (*S.A.W*). Every Muslim is under an obligation to fashion his entire life in accordance with the dictates of Allah (*S.W.T*) in the Qur'an and the Sunnah. He has to observe at every step the distinction between what is right/permissible *Halal* and what is wrong/forbidden *Haram*. In the course of earnings and resource mobilization one has to be cautious to restrain from *Haram* and to seek for *Halal*.

> Abu Hurairah (R.A.) narrated that the Prophet (*S.A.W*) said: O people, Allah is pure (al-tayyib) and He only accepts that which is pure! Allah has commanded the believers what He had commanded the messengers, for He said: "O Messengers! Eat from the pure foods, and do good deeds, verily, I am aware pf what you do, and He said: 'O you who believe! Eat from the pure and good foods that we have given you. He then made a mention of a person who travels widely, his hair dishevelled and covered with dust. Stretching his hands towards heaven, (and thus make supplication) saying: O Lord! O Lord! Whereas, his source of food is unlawful, his source of drinks is unlawful, his source of clothes is unlawful, and he is already nourished with what is unlawful.

> How can then his supplication be accepted? (Siddiqi,1978:486:2214 vol.3 Muslim).

This *Hadith* mentioned the verse of the Qur'an where Allah (*S.W.T*) says:

> O Messengers! Eat of the good foods and do righteous deeds. Verily, I am well acquainted with what you do (Q23:51).

Imam Abu Hamid al-Ghazali (R.A. 1989:101&104 Vol. 2) explained that:

> The term Good food denotes those things that are lawful *Halal*. If one consumes unlawful *Haram* in the form of earnings or food, or engages in Haram activities, his good deeds will suffer the result. Clearly, the *Halal* alluded to in the verse includes *Halal* earnings. Moreover, the command to partake of the 'good food' is given before the command to work righteousness, or to do good deeds. As the order of the commands indicates precedence, it should be clear that one's earnings and then eating of the 'good foods' is even more important than one's doing good deeds.

Similarly, earnings and resource mobilization based on *Haram* will lead to un-acceptance of all good deeds and supplications as cited above in Qur'an (23:51), and the explanation of al-Ghazali and the Hadith narrated by Abu Hurairah (R.A.)

> Where a man makes a long journey, "Appears disheveled and covered with dust, stretching his hands towards the Heaven and saying: 'O Lord! O Lord! Whereas his source of food is unlawful his source of drink is unlawful, his source of clothes is unlawful and he is already nourished with what is

> unlawful. How can then his supplication be accepted? (Siddiqi, 1978:486:2214 vol.2 Muslim).

Resource mobilization is an integral part of Islamic economy, in this regard, (Jomo, 1992:1) said:

> Some proponents among *Ulamah* tend to emphasize that economic aspect cannot be divorced from other aspects of human life, and hence, that economic reform is contingent on and consequent of spiritual transformation and commitment. Often, this approach asserts that worldly matters are ultimately determined by human intent. Sacred or otherwise, order or disorder, stability or instability, justice or injustice all seem to be determined by righteousness, or otherwise of human motivation.

Riba, commonly translated to mean: "interest" is strictly forbidden. The Qur'anic verses and Prophetic traditions that outlaw interest are clear and irrefutable. Islam strictly forbids the giving or taking of interest on any loan in any amount. Interest is defined as a set return on a loan, and as such implies a profit based on no risk or effort – a principle completely against Islamic ideals. Financial profit is as a result of effort and risk or both, and interest seeks to undermine the risk-based nature of trade.

In many instances interest is exploitative – it is typically used as a means of deriving profit from the financially weaker members of the society by a wealthy class in whose hands the lent money is concentrated. To these people,

a loan is not a favour done to help others or the society, but is used as a means of oppression and this undermines social cohesion. Interest has led to destruction of empires. Islam encourages investment and loans given as a means of charity. Such loans are given by Muslims with the expectation that they will be paid back. However, the intention behind helping a fellow Muslim in distress is not profit but the pleasure of Allah (*S.W.T*) (Islam online.net, 2009:1).

Furthermore, there are a number of trade and commercial activities that form the bedrock of resource mobilization acceptable from the *Shari'ah* point of view, which have encouraged Muslims to engage themselves in wide range lawful trade and commerce. There are also many Prophetic traditions supporting Qur'anic injunctions on trade and commerce. Some verses specifically mentioned trade as (*Fadl* Allah (*S.W.T*)) the bounties and favour of Allah (*S.W.T*). He says:

> ...Others travelling through the land, seeking of Allah's bounties through trade... (Q73:20).

In order to conduct a successful trade, Muslims have been asked to undertake long journeys as mentioned in the above verse. Doi, (1983:482-84) said: The messenger of Allah (*S.A.W.*) himself was engaged in trade on behalf of a lady,

Khadijah (*R.A*) and has encouraged business through his own practice. He once said:

> A trustworthy, honest and truthful Muslim businessman will rise up with Prophets, truthfuls and martyrs; on the day of Resurrection. (Abdulbaqi, nd: 724:2139 vol.2 Ibn Majah)

Finally, Islam embodies an essentially labour value, better than one based on subjective preference or marginal utility as in the neoclassical economics. The most common objections that Islam favours commodity exchanges and individual property rights (have been) rebutted by reference to the 'market socialism' option, and by emphasizing Islam's recognition of communal rights and state ownership.

1.2 STATEMENT OF THE PROBLEM

The impact of colonial imperialism which came with the capitalist system of economy characterized by free market economy, non-intervention of the state, exploitation, fraud, and interest which ouster the already established Islamic economic system in Northern Nigeria by Shehu Usman Danfodio in 1812-1903. (Kani, A. Gandi, K. 1990:28). In this regard, Eyiyere, (1983:113) said: "The peoples' post independence economic systems still follow that of their former colonial master". This situation seems to have influenced many Muslims to indulge in such kinds of transaction and contract,

with the sole aim to amass wealth in various ways in an encroachment of individual right and property to the detriment of the right of society. This attitude makes some Muslims blindly amassing and earning wealth through any means without considering any Islamic precepts in transactions and dealings, abandoning all spiritual gains for the benefits of here and now.

There is prevailing fraud, and swindling in dealings with one another within the Muslims in markets and in labour sector, where weights and measures are altered, while adulteration became the status-quo. This attitude brought many Muslims into suffering in life due to lack of trust and justice in dealings and transactions. The existence of interest in the resource mobilization and needs satisfying resulted into the financial crises of the individual, industries and the society today. Sani, (2005:20) asserted that: "The recurrence of trade cycles fluctuation in economic activities is explained by the phenomenon of interest and the operation of banking in its present form". Human labour is necessary for profit and capital accumulation, but exploitation of individual energy by individual and industries became a fashion of the day. With regard to the means of determining minimum wage, scholars of the economic discipline like Ibn Khaldun, Recardo, Karl Marx, Afzal-ur-Rahman, Chaudhry and Usmani debated on the issue. But in its most rudimentary form, wages is not just the concept of money paid to an

individual, but rather the tangible amount of value assigned to the human labour.

Moreover, nowadays some Muslims in Gombe State do:

- Create an economy that is uncomfortable to the society by hoarding goods and money, in order to inflate the market price, or cause the scarcity of commodity.
- Swears unnecessarily on the prices or services, and commodities to increase the prices.
- Change the prices of commodities especially brokers who take undue advantage of the unsuspecting ignorant traders, and thereby deceiving them.
- Queuing for buying a single commodity, thereby increasing the prices to the buyers.
- Feed livestock with drugged foods and Retaining milk in the udder of an animal to increase the weight, and/or the activeness of an animal to attract higher price than its normal proportionate price.
- Meet traders outside the market square; to gain undue profit from the merchandise and commodity owners.

1.3 OBJECTIVES OF THE STUDY

This research is aimed to achieve the following objectives:

- Observe the extent to which Muslim attitudes were influenced by the capitalist ideas of exploitation, extortion, free market and interest.
- Critically analyse the lawful and justifiable means of resource mobilization as well as the principles of labour value.
- Analyze closely the concept of social justice, contract, investment, loans acquiring and usury, (As relates to the subject of study).
- Investigate some of the conditions and factors that influence the indulgence of some Muslims into the unlawful contract and business transactions.
- Provide some valuable suggestions and recommendations that could eliminate the basic problems associated with the resources mobilization in a Muslim society and people at large.

1.4 RESEARCH QUESTIONS

This research intends to answer the following questions:

I. To what extent did the capitalist ideas of exploitation, free market and interest as ways of resource mobilization affected the Muslim communities in Gombe State?

II. Do the Muslim communities in Gombe State mobilize their human and material resources in a lawful and justifiable manner?

III. What are the ways of transaction that are recognized within an Islamic framework?

IV. What are the values attached to labour by Muslims of Gombe State?

V. What is the repercussion of interest and hoarding as means of resource mobilization among Muslims in Gombe State?

VI. What are the general bases of investment in Gombe State?

1.5 SIGNIFICANCE OF THE STUDY

This research is very significant to the Muslim society, due to its nature that the data is to be collected from the original source, by observation and interview on the attitude of Muslims in dealings and transactions for the purpose of earnings and resource mobilization, and comparing it with Islamic rules and regulations governing dealings and transactions among Muslims, for their livelihood earnings and resource mobilization. This would enable the Muslims to know and understand that they are required to struggle to earn their lawful livelihood in a right channel and be cautious enough while fulfilling their own needs not to tamper with some one's right.

Definitely, it would help to inculcate the spirit of Islam in the minds of Muslims towards their dealings and transactions, and regulate public life in such a manner that the society would attain high degree of morality and social justice, by having protection from bad workmanship, fraudulence, extortion, cheating and exploitation.

The findings would yield to the promotion of welfare of the individuals and the community at large, which will lie in safeguarding their faith, life, properties and interest based on complete justice, mercy and wisdom of Islamic system of dealings and transactions.

It will also give a limelight through the Islamic rules and regulations of earning, resource mobilizations. The findings of this study will encourage individuals, governments and non-governmental organizations to participate in partnership investment based on profit and loss sharing. Thus, it would discourage merchants, companies and individuals from creating an economic discomfort to the people by hoarding goods, foodstuff, money, social amenities and other basic necessities. And finally it would make Muslims to be aware of the serious repercussion of interacting with usury in dealings with others; because of the saying of Allah (*S.W.T*):

> And if you do not do it, then take a notice of war
> from Allah and His Messenger... (Q2:279)

And to inculcate how Islamic system on resource mobilization differed fundamentally from the Western mentality based on materialism, individualism and utilitarianism, as well as to highlight on the equity capital and the profit sharing ratio as the primary determinants of investment.

1.6 SCOPE AND DELIMITATION OF THE STUDY

The study is supposed to have covered the whole Muslim communities in Nigeria, but is delimited to the Muslim communities in Gombe State as the population, and some local governments will be randomly selected to form the sample of the study. Meanwhile in the field of Islamic economics, the study is delimited only to the bases of the human, material incomes and earnings which imply the business transactions, corporate enterprises and labour value respectively.

CHAPTER TWO:

LITERATURE REVIEW

2.0 INTRODUCTION

The literature reviewed in this chapter deal with different techniques in the major areas of Islamic economic system, on the principles and rules of acquisition and disposal of wealth, property and earning of livelihood as stated in the Glorious Qur'an:

> Wealth and children are the adornment of the life of this World... (Q18:46)

And Allah (*S.W.T*) says:

> Then when the (*Jumuah*) prayer is ended, you may disperse through the land and seek the bounties of Allah... (Q62:10)

And for the disposal Allah (*S.W.T*) says:

> O you who believes! Eat not up your wealth among yourselves in vanity, except it be a trade amongst you by mutual conscent... (Q4:29)

However, the chapter discussed on the following concepts:

1. Concept of *Halal* and *Haram* in the process of acquisition of wealth, property and earning of livelihood.
2. Main sources of resource mobilization, and earning of livelihood on legal and moral measures, positive and prohibitive measures.
3. Concept of contract in Islam and labour value

4. Acquiring loans and the concept of usury or interest,

5. Investment and business contract as a major means of resource mobilization.

The study begins with brief history of the economic system of the pre-Islamic period in Arabia, and the Islamic reformation of the economic system.

2.1 DEFINITION OF RESOURCE MOBILIZATION, INVESTMENT, COMPARATIVE AND ATTITUDE

At this juncture the concepts of the research topic will be discussed to show the processes and practical procedures in the production of wealth and property acquiring based on Islamic principles and practices in the whole economic system and the assessment of the attitude of Muslim *Ummah* today towards this direction.

The term economics from the perspective of the West referred to the science of production, distribution and consumption of goods and money. In other words, it is the careful management of the available resources for one's benefit (Hornby, 1974:499).

Sale, (2003:XIX) defines Islamic economy as: "the study of acquisition and deposition of resources within the framework of *Shariah* which involves the analytical study and understanding of how various rules and injunctions of *Shariah* operate and influence the economic pursuit of life towards human development".

It is also ascertained that:

> Islamic economics can be referred to as the application of Islamic law to economic activity either where Islamic rule is in force or where it is not i.e. simply following Islamic law in regards to producing, investing, saving, spending and giving, in where the state does not follow Islamic Law" (Chaudhry, 2008:32)

Based on the above definition one can grasp that resource is: the available raw materials, minerals such as oil, coal, precious stones, useful land, rivers/oceans that exist which a country or person has or can use to produce and increase its/his wealth. Perhaps resource implies money/property that you have available to use when you need them. Personal qualities resources refer to courage and determination that you need when dealing with difficult situation.

a. Resource can be anything that can facilitate the occurrence of something or increment of it; be it wealth, education, health and business etc., (Hornby, 1974:1001).

b. Mobilization means: resources collected together for use or service, or to encourage people to support something in an active way. It also means to start to use things or resources you have available in order to achieve something. (Pearson, 2007:754).

c. Investment implies: putting money in a business enterprise or buy something considered valuable, with the aim of sharing profit equally or proportionally based on the invested fund. In another word it means to buy shares, property or goods because you hope that the value will increase. The concept of investment in Islamic point of view: means a joint pool wherein the investor contributes his surplus money, for the purpose of its investment to earn lawful *Halal* profits in strict conformity with the precepts of Islamic law. The subscribers of the fund may receive a document certifying their subscription and entitling them to the pro-rated profits actually accrued to the fund. These documents may be called (certificates), "units", "shares" or may have any other name (Usmani, 2009:1)

d. Comparative study: To find out the similarities and differences between two variables.

e. Attitude: It can be defined as the various kinds of disposition which the individual or group of people displays at their dealings and transactions (Awotonde & Ugodunlunwa, 2004:41).

f. Resource Mobilization in an Islamic System means: The processes and practical procedure of acquiring and amassing wealth and property, in strict conformity with the precepts and principles of Islamic law.

A comparative study of the attitudes of Muslims toward resource mobilization in an Islamic system: This is to determine the worth of an individual or group of Muslims dispositional display; towards their processes and practical procedures of acquiring, depositing and amassing wealth and property, whether it is based on Islamic precept and principles or otherwise?

2.2 METHOD OF RESOURCE MOBILIZATION AND ACQUISITION OF PROPERTY DURING PRE-ISLAMIC PERIOD

In pre-Islamic period the sources for acquisition of wealth and property were mainly based on four means: Trade, agriculture, animal husbandry and industrialization. But, the manner they manipulate these means was based on encroachment upon the rights of others, which was not geared to the well-being and betterment of the people. For instance, their practice of exchange was of two types, exchange by barter and exchange by price and money. The barter exchange is much on agricultural produce/commodities which was the vogue and large form of transaction (Chaudhry, 2008:68-69).

Bai'u as-*Salam*: is a trade practiced by Arabs as a means of resource mobilization i.e.: immediate payment for future delivery in advance, where the buyer will pay the agreed price of a commodity in advance, and the commodity will be delivered in excess of the agreed price at an agreed future time of delivery. This is in the case of financing in agricultural production in raining season. This form of trade is a clear kind of *Riba* because of giving commodity in excess of the agreed price at the time of delivery (Ibn Rushd, 2002:225 vol.2).

Mukhabarah: is a practice engaged by Arabs in which a land leased out for cultivation and the produce obtained there from is shared between the land owner and cultivator according to an agreement. In some areas it is shared in the ratio of 1:1, whereas in other areas, it is 1/3:2/3 in favour of land owner. In some cases the seeds were supplied by the land owner but in others, it is acquired and used by the tenants. (Siddiq, 1978:810:3710 Vol. 3 Muslim)

Munabadhah: also is another kind of sales contract prevalent before the advent of Islam, where the purchaser was not offered an opportunity to examine the things purchased; it means that the seller would throw the commodity to the buyer before he has carefully examined it; the act of throwing the commodity will mean that the bargain has been stricken. (Siddiq, 1978:795 Vol. 3 Muslim)

Riba and hoarding were the social status quo and commercial activities of Arabs used then as means of encroachment upon the rights of others and exploitation. There are many ways of resource mobilization for Arabs in the pre-Islamic period but only few were mentioned above. (Siddiq, 1978:831& 845: Vol. 3 Muslim)

2.2.1 Resource mobilization in a capitalist and socialist system of economy

The capitalist system emerged as a result of agricultural industrial boost in the 13th century. It was based on freedom of enterprise which proposes that nature should take its course in economics, profit motives as the sole incentive, competition, discrimination between the right of the employees and employers (Mawdudi in Siddiq, 1980:46). The standards of living of all classes constantly rise and the difference between rich and poor constantly increases since the doctrine of capitalism gives the right of property ownership, which lies outside the limit of state control. It permits free enterprise to exercise aggression and tyranny of the stronger over the weaker in an extollation of the rights of the individual to the detriment of the rights of society as a whole. On the other hand it does not regard the sanctity of property as fundamental (Sale, 2003:1-4).

Thus, the philosophy of the capitalist economic system is mainly based on "Protestant ethics" – which is targeted at an unlimited pursuit of wealth,

therefore, neglecting all other human values, except those which aid further accumulation. The protestant ethics has been duly summarized by Jacob Vincer in Sale, (2003:17)

> as a dedicated and unlimited pursuit of wealth through unremitting industry, rigid limitation of expenditure or personal consumption or charity, concentration of time and attention on the pursuit of one's business affairs, avoidance of distraction through intimate friendship with others, systematic and pitiless exploitation of labour and strict observance of honesty in one's relation with others with the limits set by formal legality.

Capitalism is purely based on profit motive which gives room to all types of business transactions so long as profit is derived, and do not negate "formal law". Consequently transaction such as fraud, interest taking, gambling, sale of alcohol and even pornography, kidnapping and other indecent occupations, which geared to the encroachment upon the right of others and exploitation became prevalent in capitalist system today.

However, the socialist system on the other hand, emerged as a reaction to oppressing and exploiting the right of members of the society by the capitalist group. Socialist holds that the means of production must be controlled by a proletariat state, so that a just and equal sharing of all the benefits in human endeavour may be realized in the society. The philosophy of socialism is the centrality of material resources, and encouragement

towards acquiring social ownership of resources without any regard to its consequences. It often holds firm the concept of free will and responsibility for such that it became repressive (Sale, 2003:12-14)

The rivalry for absolute powers between these two ideologies hands over to the modern world a menace like the sword of Damocles. In the reality, socialist have to orient themselves in their idea of equal right, since people differ in age, sex, inclination, taste, appearance, and physical strength, power to reasoning, outlooks and ideas. In this respect a Soviet economist writer in Sale (2003:2) says; debunking the communist ideology.

> It is impracticable to impose equality right across the board. If we were to pay professors, thinkers, politicians and inventors exactly the same as manual workers, the only result would be the abolition of all incentives to brainwork of any kind.

Finally, the socialist system of economy also is geared fully towards human and material exploitation, where the socialist system is irreligious in nature and the worst it does not recognise the existence of the Supreme Being – Allah, nor does it recognize any religion in its affairs and thinks nothing about the next World. So the state economic role is considered only to ensure maximum enjoyment in this World. Both socialist and capitalist regimes based their system on theories which are reverted without any regard to moral and spiritual value, the aim in each is to increase affluence.

2.2.2 Islamic reforms of resource mobilization and investment; and supremacy over all systems of resource mobilization

The early Islamic theory and practice formed a "coherent" economic system, with a blueprint for a new order in the society. All participants are treated more fairly under Allah's guidance. Where the flow of money and goods was "purified", by being channelled from those who had much of it to those who had little by encouraging *Zakat as a* compulsory charity as well as voluntary charity (Sadaqah); by discouraging *Riba* usury on loans given, and by eliminating all sorts of exploitation of one human by another. To achieve this end Islam has taken many effective measures.

First, is the abolition of usury/interest which has been perhaps the worst instrument of human exploitation among Arabs in particular and the world at large.The Qur'an calls it *Riba* and declares it an atrocious crime which amount to war against Allah (*S.W.T*) and Allah's Messenger (S.A.W.). Allah (*S.W.T*) says:

> O you who believe! Be afraid of Allah and give up what remains (due to you) from usury (From now onward), if you are (really) believers. And if you do not do it, then take a notice of war from Allah and His Messenger, but if you repent you shall have your capital sum. Deal not unjustly (by asking more than your capital sum), and you shall not be dealt with unjustly (by receiving less than your capital sum). (Q2:278-279).

Second, to eliminate exploitation of the labourer by the employer or the capitalist, the Prophet of Islam (*S.A.W*) has laid down that the workers should be paid their wages promptly. On the authority of Abdullahi bin Umar it was reported that the Messenger of Allah (*S.A.W.*) said:

> Pay the labourer his wages before his sweat dries up (Abdul Baqi, nd: 726:2142 vol.2 Ibn Majah).

Third, the tenants and the farm workers were other most exploited classes of humans, which have been subjected to the worst type of tyranny by the feudal lords. To eliminate exploitation of this class, Islam almost abolished feudal system by repealing the system of absentee land-lordism, and by confiscating the lands of those who did not cultivate them for more than three continuous years.

Fourth, the orphans have always been an exploited class in every society; as their property is generally devoured by their near relatives and their guardians. In the sight of Islam devouring the property of the orphans is a major sin, the Qur'an warns such persons in these words:

> Verily, those who unjustly eat up the property of orphans, they eat up only fire into their bellies and they will be burnt in the blazing fire (Q4:10).

Fifth, the women have been exploited by men throughout the history of mankind in the past. They were denied even the status of a human being and

were treated as chattels. Islam restored their status of human beings and gave them rights equal to men in many areas. In the economic field, Islam has given them rights to acquire property, own it, enjoy it and alienates it as the men do, and also have been given rights of inheritance like men.

Sixth, debtors for whom Islam has not only abolished interest, but to help this class, the Qur'an has laid down that the creditor should give as much time as possible to the debtor for repayment of debt, and if creditor remits the debt it shall be treated as charity.

Seventh, Islam put an end to human exploitation. With regard to slavery, the slaves have been the most exploited class in human history. Islam declared the emancipation of slaves as the most pious act, and enjoined upon its followers to earn Allah's pleasure by setting free as many slaves as they could. Emancipation of slaves has been made an expiation of some types of sins and criminal acts committed by the believers (Chaudhry, 2008:214).

In order to achieve social justice, Islam takes two major steps, firstly, it discourages and condemns over concentration of wealth in few hands, and secondly, it ensures fair and equitable distribution of wealth through effective measures. Islam imposes social right over individual's wealth in order to achieve its ideal of socio-economic justice, such as rights of the poor relatives for financial support; rights of the needy neighbours for assistance, rights of

the slaves and servants for help, rights of the wayfarers, friends and general Muslims who need financial aid. Allah (*S.W.T*) says:

> They ask you (O Muhammad S.A.W.), what they should spend. Say: Whatever you spend of good (must be) to parents and near kindred and orphans and the needy and the wayfarer. And whatever you do of good deeds, truly, Allah knows it well. (Q2:215).

Unfair means of acquiring wealth and exploiting the weak such as bribery, usurping the wealth of orphans, gambling, speculative business, embezzlement, spurious weights and measures, fraudulent business practices have been banned in Islam. Rights of the weak like orphans, women, slaves and servants, labourers and workers, tenants, consumers etc., are also protected in Islam from the onslaught of the usurpers, oppressors, capitalists, feudal lords, etc (Chaudhry, 2008:215-216).

Islam is concerned with the establishment of (*al-'adl wal-Ihsan);* Justice and Kindness. Allah (*S.W.T*) says:

> Verily Allah has ordained for the establishment of justice and kindness … (Q16:90).

Islam banned monopoly over commodities or services which are harmful to the interest of the community, especially foodstuffs or articles of daily use. Ma'mar reported that the Messenger of Allah (*S.W.T*) said:

> No one monopolises except that he is a sinner (Eweiss and Cook, 2003:299:835 Ibn Hajr)

In this regard, Ibn Taimiyyah in Sale, (2003:23) stressed the absolute significance of establishing the institution of *Hisba*, the market regulating only body of an Islamic State to monitor issues concerning all un-Islamic practices in the market as well as the question of monopoly, pride manipulation and hoarding. The *Muhtasib* has duty to take the corrective measure.

Conclusively, Islam with its practical and realistic approach to man as it recognises the importance of urge to own, as a creative factor for all social progress. It, therefore, legislates to secure man's possession of all that his hand has earned for him by proper and lawful means, regarding his productivity as well as the guarantee of his right ownership. Islam sees it as violence to remove the means of production from the hands of man of initiative and that is injurious to social security and to respect for the rights of the individual. It encourages the spirit of invention, initiative and enterprises. It permitted joint priority to both individual and community.

Ibn Taimiyyah in Islahi, (1988:232) said:

> The economic activities in the Islamic perspective are inseparable from moral values, Islam has prohibited all economic practices in which fraud, gambling, hoarding or interest are involved. The Qur'an asks believers not to take the wealth of others by wrongful means, business and trade must be legitimate and by mutual consent. (Q4:29). The

> Sunnah says that one who practises fraud is not from among us (true Muslims). Related by Muslim, and Ibn Hanbal.

2.3 THE CONCEPT OF (*HALAL*) AND (*HARAM*) IN THE PROCESS OF RESOURCE MOBILIZATION IN ISLAM

The concept of *Halal* lawful and *Haram* unlawful/prohibited, are the foundations of the Islamic economy. These concepts reign supreme in the realm of production, distribution as well as consumption, Chaudhry, (2008:47) said:

> Just as man cannot destroy matter, he also cannot create matter, what he can do is to give it utility or value, by arranging or re-arranging its particles in a particular way, production as such may be defined as creation of utilities and adding value to utilities.

Production consists of a long chain of producers covering the industries and services, like: extracting such as mining, fishing, cultivating, manufacturing which turns raw materials into finished goods, commercial services, such as trade, transport, banking and insurance, and in services sector, such as services of servants, employees, doctors, engineers, lawyers, teachers, labourers. In this regard there are principles laid down by Islam to be followed in practicing any one of the above listed factors of production, so as to avoid stumbling into unlawful *Haram* means of productions.

Al-Halal the lawful: This is the dictate revealed from the Law-giver or His Messenger on the permissibility of things and actions. al-*Halal* the lawful is defined:

That which is permitted where no restrictions exist, and the doing of which the law-giver, Allah (*S.W.T*) has allowed (el-Helbawy, Siddiqui, Shukry,1984:10 al-Qardawi)

Al-Haram the Unlawful or prohibited: These are limits or reserves set by Allah (*S.W.T*) and that Muslims should not transgress them.

Al-Haram defined:

"The Unlawful or prohibited: that which the law-giver has absolutely prohibited, anyone who engages in it; is liable to incur the punishment of Allah (*S.W.T*) in the hereafter, as well as a legal punishment in this world" (el-Helbawy *et al.,*1984:10 al-Qardawi).

Al-*Makruh* the Detested: That which is disapproved by the Law-giver; but not very strongly. The *Makruh* is less in degree than the *Haram*, except when done in excess and in a manner which leads an individual towards what is *Haram.*

The concept of *Haram* and *Halal* were mentioned clearly in several places in the Qur'an and *Sunnah* of the Prophet (S.A.W) to show what is lawful and what is unlawful; for instance

Allah (*S.W.T*) says:

> O you who believe! Eat of the lawful things that we have provided you with, and be grateful to Allah, if it is (indeed), He Whom you worship. He has forbidden you only the carrion, and the blood and swine flesh, and that which is slaughtered as sacrifice for others than Allah. But if one is forced by necessity without willful disobedience nor transgressing due limits, then there is no sin on him. Allah is oft-forgiving, most merciful (Q2:172-173).

And Allah (*S.W.T*) also says:

> O mankind! Eat of that which lawful – and wholesome in the earth, and follow not the footsteps of the devil. Verily, He is an open enemy for you. (Q2:168).

In the *Sunnah* of Prophet (S.A.W):

> Abu Hurairah (R.A.) narrated that the Prophet (*S.A.W*) said: O people, Allah is pure (al-tayyib) and He only accepts that which is pure! Allah has commanded the believers what He had commanded the messengers, for He said: "O Messengers! Eat from the pure foods, and do good deeds, verily, I am aware pf what you do, and He said: 'O you who believe! Eat from the pure and good foods that we have given you. He then made a mention of a person who travels widely, his hair dishevelled and covered with dust. Stretching his hands towards heaven, (and thus make supplication) saying: O Lord! O Lord! Whereas, his source of food is unlawful, his source of drinks is unlawful, his source of clothes is unlawful, and he is already nourished with what is unlawful. How can then his supplication be accepted? (Siddiqi, 1978: 486: 2214 vol.3 Muslim).

Abu Mas'ud al-Ansari reported that the Messenger of Allah (*S.A.W*) :

> Forbid the price of dogs, earning of prostitute and foretelling of a soothsayer. (Khan, 1976:241:439.vol.3 & Siddiqi, 1978:824:3803 vol.3 Bukhari and Muslim)

On the authority of al-Nu'uman Ibn Bashir (R.A.) who said:

> Verily what is lawful is clear and what is unlawful/prohibited is clear and between them are ambiguous matters which are unknown to most of mankind. He who avoids ambiguities protects his religion and his fame. And he who falls in ambiguities may fall in what is prohibited. Like a shepherd draws near to a reserve; and is about to enter it with his cattle. Verily, every king has his own reserve and Allah's (*S.W.T*) reserve is His prohibition. There is indeed a lump of flesh in the body, if it is sound the whole body is sound as well, and if it decays the whole body decays as well. It is indeed the heart (Khan, 1976:192:267 Bukhari).

Furthermore, the question of what ought to be *Halal* and *Haram* was one of the matters concerning which prior to the advent of Islam, the peoples of the world had gone very far astray and were utterly confused, thus permitting many impure and harmful things and prohibiting many things that were good and pure. For example, the Arabs of pre-Islamic period provide a noteworthy example regarding the criteria for making lawful or unlawful things and actions. They permitted drinking of alcohol, taking of usury at

exorbitant rates, the torturing and secluding of women and many similar practices.

2.3.1 Islamic principles of *Halal* and *Haram*

There are two principles of *halal* and *haram* established by Islam as follows:

a. Things which Allah (*S.W.T*) has created and the benefit derived from them are essentially for man's use and hence are permissible. Nothing is *Haram* except what is prohibited by a sound and explicit text from the law-giver, in the Qur'an or *Sunnah*. If the *Hadith* is not sound as for example in the case of a weak *Hadith* or if it is not explicit in stating the prohibition, the original principles of permissibility applies. i.e The principle of natural usability and permissibility of things, derived from the clear verses of the Qur'an:

> And He has subjected to you, all that is in the heavens and all that is on the earth … (Q45:13).

In another verse Allah (*S.W.T*) says:

> See you not (o men) that Allah has subjected to you whatever is in the heavens and whatsoever is on earth, and has completed and perfected His Graces upon you, both apparent and hidden (Q31:20).

These verses ascertain the fact that man is fully encouraged to manipulate nature and matters to satisfy his needs and produce wealth out of it through lawful channels.

b. Islam has restricted the authority to legislate the *Haram* and the *Halal* taking it out of the hands of human beings, regardless of their religious or world position, and reserving it for the Lord of human beings alone. Neither do rabbis, nor priests, kings nor sultans have the right to prohibit something permanently. If someone does this he has certainly exceeded his limits, usurping the sovereignty which with respect to legislation for the people, belongs to Allah (*S.W.T*) alone (el-Helbawy,at el 1984:14al-Qardawi)

Allah (*S.W.T*) says:

> Or have they have partners (with Allah) who have instituted for them a religion which Allah has not ordained? ... (Q42:21)

Finally, Allah (*S.W.T*) has created man and knows the nature of man who loves wealth with the desire to accumulate, possess and enjoy it.

> Beautified for men is love of the things they covet, women and offspring, much of gold and silver(wealth), and branded beautiful horses (with their marks), cattle and land produce … (Q3:14).

It is quite natural man is fond of gold and silver and other sources of wealth which he needs perhaps to satisfy his unending wants. Therefore he struggles to earn and acquire as much wealth as he can. These struggles have been encouraged in the Qur'an:

> But seek with that (wealth) which Allah has bestowed on you, the home of the hereafter, and forget not your portion of lawful enjoyment in this world; and do good as Allah has been good to you and seek not mischief in the land... (Q28:77).

With respect to man's struggles in the acquisition of wealth and its accumulation and acquisition he has to strictly adhere to the laid down principles and precepts from the Qur'an and the *Sunnah* of Prophet Muhammad (*S.A.W*) that wealth should be earned and acquired through lawful means and not through unlawful means. Lawful means of earning wealth have been strongly recommended with blessings of Allah (*S.W.T*) in this world and promise of reward in the Hereafter, whereas unlawful means have been denounced with wrath of Allah (*S.W.T*) in this world and warning of stern punishment in the Hereafter (Chaudhry, 2008:28). Thus, Islamic economic system neither allows unrestricted freedom to people like capitalism in earning of wealth nor does it chain them in control like socialism that they are prohibited to have any individual freedom in ownership. In Islam all means of earning livelihood are allowed if they are fair, just and if they are not specifically prohibited.

2.4 CONTRACT IN ISLAM

In this section the principles governing all contracts will be discussed in accordance with the dictates of Islamic law. Contract in the Arabic word is *al'aqad* and the plural is '*uqud* which literally means "obligation or tie". Firstly, there are the divine obligations that arise from our spiritual nature in relation to Allah (*S.W.T*). He created us and implanted in us the faculties of knowledge and foresight, besides the intuition and reason which He has given us. He made nature responsive to our needs and His signs in nature are lessons to our inner life. He further sent Messengers as teachers to guide our conduct as individuals and in social and public life. All these gifts create corresponding obligation which we must fulfilled (Ali, 1991:243).

Secondly, in our own human and material life, we undertake mutual expressible obligations, we make promises and we enter into commercial or social obligations which we must faithfully fulfil. In all these relationships, if individual groups, State or Country enter into a treaty, each is obliged to see to it that as far as within in his power such obligations are faithfully discharged (Ali, 1991:243). Thus in this respect we are asked by the Qur'anic injunction to fulfil our obligations. Allah (*S.W.T*) says:

> O you who believe! Fulfil all obligations. (Q5:1).

Doi (1983:493) defined contract as:

> An obligation or tie, it is an act of putting a tie to a bargain when two parties enter into contract". He further said: "the word '*uqud* used in the Qur'an is very meaningful and comprehensive. All human beings are required to fulfil the rights of Allah (*S.W.T*) by observing prayers, fasting paying poor rate, pilgrimage and fulfil the rights of the servants of Allah (*S.W.T*) like good neighbourliness, kindness, and mercy to all human beings (and even animals). Thus, the term has wider connotation as compared to the term "contract" in common law.

2.4.1 Conditions for the Validity of Contract in Islam

Islam has established conditions to be fulfilled without which the contract could be rendered invalid. They are as follows:

a. The parties must be in full possession of their faculties, an insane person's contract is invalid.

b. The parties must have full capacity to contract; a minor who does not understand the implications of the contract, his contract is invalid.

c. The absence of duress, any contract entered by force or undue influence is invalid.

d. The subject matter of every contract must be:

   i. Ritually clean

   ii. Lawful

iii. Of general utility.

Thus, the following cannot be the subject matter of contract: Impure substances, rancid oil, forbidden meat, an animal at the point of dying, a fugitive slave (unless the owner cannot be traced), a thing retained by force in the hand of a third person (Mukhtasar as translated by Ruxton, 1914:158).

2.4.1.1. *Constituents of Contract in Islam*

There are some components that give legal authority in making up a contract in Islam. These constitute of five elements as follows:

1. ***Offer***

This is the first stage of making a contract and it can be made in a number of ways:

a. It can be made verbally in the same meeting place.

b. It can be in writing, and become effective as soon as the letter leaves the offerer and will remain valid until when the offeree receives it. The offer must be replied immediately.

c. It can be made through a messenger whose honesty is not doubted.

d. It can be made through signs and gestures particularly in those cases where the offeree is deaf or dumb or when the offeree does not understand the offerer's language.

e. It can be made by conduct; an offer made through the delivery of goods is valid according to Maliki School of Law. But an offer cannot be made through silence (Doi, 1982:357)

2. ***Acceptance***

This is where the second party accepts the offer of the first party in a free manner. It can be made through the same channel of the offerer's ways.

3. ***Consent***

This is the mutual agreement between two parties in an absence of duress or undue influence in which both parties have the power of confirming or cancelling the contract in as much as they are still in the place of contract. The messenger of Allah (*S.A.W*) said

> Trade is based on consent (Muhammad, 2007:315).

The prophet (*S.A.W*) also said:

> The buyer and the seller have the option to cancel or confirm the deal as long as they have not parted till they part; and if they spoke the truth and tell each other the defects therein, then blessings will be in their deal otherwise the blessing of the deal will be lost (Muhammad, 2007:301&315).

4. ***Consideration***

This is an essential ingredient of a valid contract, which is the object to be forwarded or delivered in the contract. This is because in Shariah, contract

is made only when one party offers something to another party and such other party accepts the offer (Doi, 1983:356).

5. ***Competency of the party***.

The parties that enter into a contract must be legally competent to do so. A minor who has not reached the age of puberty, a slave, an insolvent, a person of unsound mind, or an intoxicated person cannot enter into a contract. Likewise a person suffering a terminal illness cannot make a valid contract unless through the legal capacity (of a guardian or the Islamic State) (Doi, 1983:498)

2.4.1.2 *Principles of Contract in Islam*

Islam provided principles to be followed in contract dealings for the socio-economic betterment and peaceful co-existence of the Muslim *Ummah*. These principles are as follows:

a. One should acquaint himself with Islamic legal provisions on any dealing that he intends to contract because it was said by Imam Abdurrahman Al-Akhdari (nd:p.3) "It is not lawful for a legally responsible person to engage in any act untill he knows the injunctions of Allah on it".

b. The parties must display efficiency, honesty, trustworthiness and straightforwardness in the dealings.

c. The contract must be based on values of equity, justice, mutual cooperation and consent.

d. The parties should be fair to each other and the contract devoid of exploitation and infringement on one's right.

e. Avoidance of oath taking without any reason in the dealing.

f. Expression of clear declaration and acceptance in words or in expression conveying the same meaning (Doi, 1983:496).

2.4.1.3. *Termination of a Contract*

The contract can be terminated by the mutual consent of the parties according to the terms stipulated in their contract, or on the basis of the nature of contract. Some contracts are terminated unilaterally, while there are others which would need the agreement of both parties (Ibid: 358).

2.4.2 Business contract

Business transaction refers to the act of buying and selling of objects or commodities as defined by Ibn 'arfa:

> It is a contract by which one part transfers to the other proprietary rights in a thing for a price, it can also be defined: as a cumulative contract of which one equivalent consists in ready money, and the other in some certain object which is not currency. He further said: A contract of sale necessarily involves three elements: an agreement, the parties to the agreement, the object of the sale which is the thing sold and its price (Ruxton, 1914:157)

Actually writing the contract of sale is demanded in shari'a because it involves sensitive and sometimes great objects such as: Houses, land, machines, trucks, shares, and stocks.

Contract of sale as defined by Doi, (1983:493) is:

> The delivery of a defined object which possesses legal value in exchange for something equivalent in the value called price. It also includes barter (i.e. exchange of one thing for the other of equivalent value), although there are a number of limitations on this (barter), price may be paid immediately on delivery of goods sold, or it may be paid after delivery of goods bought has been made, or goods may be delivered immediately and price may be paid later, it is possible to postpone the payment of price as well as delivery of goods.

2.4.2.1 *Importance of trade in Islam.*

Trade plays significant role in acquisition of wealth. It is certainly superior to agriculture and service (Chaudhry, 2008:27). History is witness to the fact that individuals and communities have gained prosperity through trade and nations have acquired territories and built up colonial empires through trade (Chaudhry, 2008:27). Islam recognizes the role of trade in acquiring fortune and greatness. There are many verses of the Qur'an that discusses the subject of trade. The Prophet (*S.A.W*) also highlighted the importance of trade and other forms of transactions. Allah (*S.W.T*) says:

> O you who believe! When the call is proclaimed for the prayer of the day of (*Jumuah*) hurry up unto the

> remembrance of Allah and leave off business (Bai'). That is better for you if you did but know. Then when the prayer is ended, you may disperse through the land, and seek of Allah's bounty, and remember Allah much; that you may be successful. (Q62:9-10).

In the same chapter, Allah (*S.W.T*) blames those traders who are not spiritually upright where He says:

> And when they see some marchandise or some amusement, they disperse headlong to it, and leave you standing. Say: "That blessings from the presence of Allah is better than any amusement or marchandise and Allah is the best to provide for all needs. (Q62:11).

Meanwhile Allah (*S.W.T*) stressed the importance of trade in the following verses of the Qur'an where He says:

> ...That is because they say: trade is just like usury whereas Allah permitted trading and forbids usury …" (Q2:275).

The highlight from the tradition of Prophet (*S.A.W*) on the importance of trade, is where Jabir reported that the Messenger of Allah (*S.A.W*) said:

> May Allah (*S.W.T*) be kind to a man of gentle dealings when he sells, when he purchases and when he gives decision (Khan, 1976:164:290 Bukhari).

And Huzaifah reported that the Messenger of Allah (*S.A.W*) said:

> There was a man amongst those who were before you, an angel (of death) came to him to take his breath, he was questioned: Have you done any good deed? "I don't know" replied he, "Look" it was directed to him. He said: I don't know anything except that I used to carry on business with the people in the world, show kindness to them, give time to the solvent and remit the needy. Then Allah

> admitted him in paradise (Khan, 1976:164:291 Bukhari).

Abu Sa'id also reported that the Messenger of Allah (*S.A.W*) said:

> A trustworthy, honest and truthful Muslim businessman will rise up with Prophets, truthfuls and martyrs; on the day of Resurrection. (Abdulbaqi, nd: 724:2139 vol.2 Ibn Majah)

2.4.2.1.1 ***The qualification of parties to the contract***

For a Muslim to enter into any kind of contract he must possess the following qualities:

1. He must be a *Mumayyiz* i.e. mentally sound i.e. must be able to understand the implications of the contract of sale. Thus, mad person or a minor who does not understand the implication of the contract of sale will not be a *mumayyiz*.
2. He must be capable of disposing of his property.
3. He must be free to use his own discretion *Mukhta*r; i.e. he must not be working under duress, undue influence, misrepresentation, fraud or mistake.
4. The consideration must be at his disposal and the subject matter of sale:
   a. Must be owned by the seller or his agent.
   b. Must be in a position to be delivered.
   c. Must be lawful and wholesome (Doi, 1983:470).

2.4.2.1.2 *Pillars of Sales*

There are five pillars of sales as follows:

1. Seller: He should be the owner of what he sells or has the permission to sell as an agent.He also must be of saund mind not foolish.
2. Buyer: He should be permitted to buy and must be able to understand the implication of the contract of sales i.e. *mumayyiz*
3. Commodity: It should be permissible and able to be delivered.
4. Mutual consent: Trade is not valid without consent between the two parties, the Prophet (*S.A.W*) said:

> Trade is based on consent (Eweiss and Cook, 2003:295:827 Ibn Hajr)

5. Formation of contract: Verbal or written offer and acceptance which is known as Option in sale. The power to withhold or accept in trade is called (*Khiyar al-Majlis*). It occurs before the sale is completed. A buyer has got the right of option and may reject an article upon inspection of the article if he has not seen it at the time of the purchase. A seller has no option of inspection after sale. Option of inspection continues in force to any distance of time after the contract, unless destroyed by circumstances. A condition of option may lawfully be stipulated by either party provided it does not exceed three days. Abu Yusuf and Muhammad fixed no time limit. Imam Malik said: "There is

no such known limit in an established practice of the people of Madinah (Muhammad, 2007:301 and chaudhry, 2008:29).

2.4.2.1.3 ***Forbidden types of Sales***

There are many prohibited forms of sale contract, which are necessary for every Muslim to know: in order to devoid stumbling into it, in his process of earning livelihood or production of wealth. In this section we are going to mention but a few: Jabir bin Abdullah (R.A.) narrated that the Messenger of Allah (*S.A.W*):

> Prohibited Muzabanah, Munabadhah, Muhaqalah, Mukhabarah, Thunia sale, unless it is explicit (Khan, 1976:296:828 Bukhari).

1. *Sales of Muzabanah* it is the exchange of fresh fruit for dry ones in a way that quantity of the dry fruit is actually measured and fixed, but the quantity of the fresh fruit to be given in exchange is guessed while it is still on the tree. The Prophet *(S.A.W*) has forbidden this exchange because the quantity of the fruit on the tree cannot be definitely determined and the transaction is just a leap in a dark (Siddiqi, 1978:795 Vol.3 Muslim).

2. Sales of *Munabadhah*: it means that the seller should throw the commodity to the buyer, before the buyer has carefully examined the commodity. The very act of throwing the commodity means that the

bargain has been striken (Eweiss and Cook,2003:296 Ibn Hajr,& Siddiqi, 1978:797 Vol.3 Muslim)

3. Sales of *Muhaqalah*: Means selling grain while they are still in their husk, but Jabir explained that it is a selling a sown field for a hundred *firq (*16 pounds or 12 mudd of wheat), and the Prophet (*S.A.W*) forbade this kind of sales as reported by Ibn Umar, Abu Sa'id al Khudri and Sa'id bn Musayyib (Eweiss and Cook, 2003:296 Ibn Hajr, & Khan, 1976:482:2015 Vol.2 Bukhari).

4. Sales of *Mukhabarah*: a land leased out for cultivation and the produce obtained there from is shared between the land owner cultivators according to an agreement. In some areas it is shared in the ratio of 1:1, whereas in other areas, it is 1/3:2/3 in favour of land owner. In some cases the seeds were supplied by the land owner but in others, it is acquired and used by the tenants (Siddiqi, 1978:797 Vol.3 Muslim).

5. Sales of *Thunia*: To sell something while excluding part of it, unless the exception is explicit, such as selling a number of trees and excluding one or two if this particular tree is identified before sale it is permissible, otherwise it is prohibited Jabir bn Abdullah (R.A). *narrated that the Messenger of Allah (S.A.W):*

> *Prohibited the sale of Muhaqalah, Muzabanah Mukhabarah, Thunia.* (Eweiss and Cook, 2003:295:827 Ibn Hajr).

6. Sales *of Mukhadarah*: The sale of fruits or grain before they are ripe and in good condition (Siddiqi, 1978:805 Vol.3 Muslim).
7. Sales of *Mulamasah*: Means touching the commodity without examining it, i.e the buyer was just supposed to touch the commodity to strike the bargain (Siddiqi, 1978:797 Vol.3 Muslim).
8. Sales of *Mu'adwamah*: this is the selling of fruit on the trees for a period of one, two or three years even before it has made its appearance. It is prohibited because it is also a leap in to the dark (Siddiqi, 1978:797 Vol.3 Muslim).
9. Sales of Najsh: Some one to come and bid up the price of a piece of an article of merchandise that he is not interested in buying, but he is only doing so to deceive another bidder who would believe that it is worth that price, which is called an-Najsh.

Abu Huraiyah (R.A.) narrated that the Messenger of Allah (*S.A.W*):

> Prohibited that a city dweller sells on behalf of a man from desert (Bedouin) and ordered not to bid up against one another, no man should outbid the selling of his brother...(Eweiss and Cook, 2003:297:831).

And Ibn Umar narrated that the Messenger of Allah (*S.A.W*):

> Prohibited sale of (Najsh) bidding up merchandise (Khan, 1976:202:360 Bukhari).

10. Sales of *al-Hadir-Lilbadi*: Some people worked as agents of the grain sellers (middlemen) and all grain was sold through them, they earned a profit from both the seller and the buyer and often deprived the cultivator of his just profit and the buyer of a just and fair price

Abu Huraiyah (R.A.) narrated that the Messenger of Allah (*S.A.W*):

> Prohibited that a city dweller sells on behalf of a man from desert (Bedouin) and ordered not to bid up against one another, no man should outbid the selling of his brother...(Eweiss and Cook, 2003:297:831).

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11. Sales of *Talqi al-Jalab* or *Rukban*: This is the purchase of foodstuffs on the way, before merchandize actually reach their destined places.The Prophet (*S.A.W)* disliked this method of bargaining for he considered it is unfair to the people, and therefore forbade it.

Abdullahi bn Umar reported that:

> We used to go out to welcome those people who brought grain from outside and buy it from them the Prophet (*S.A.W)* forbade us not to buy, until it was brought into the market (Khan, 1976:479:1997 Bukhari).

Abu Hurairah narrated that the Messenger of Allah (*S.A.W*). Said:

> Do not go out to meet what is being brought (for the market by the riders or caravans. *Talqi al-Jalab* – if one of the traders is met and some of his goods are sold, then when the owner arrives at the market, he has the choice (whether to cancel the deal or accept it) (Khan, 1976:476:2001 Bukhari).

i.e. when the price he was offered outside the town is less than the real price in the market then he has the right of choice to accept or cancel the deal.

12. Sales of *Musarrat*: Sale of animal which its udder is tied up un-milked for a number of days i.e. left in the udder.

Abu Hurairah (R.A.) narrated that the Messenger of Allah (*S.A.W*) said:

> Do not tie up the udder of camels and sheep (*misrat*) leaving them un-milked for a long time, whoever buy such an animal unaware of what you did, has the option after milking them, either to keep it or to return it to the owner along with one sa' of date (Eweiss and Cook, 2003:299:836 Ibn Hajr).

13. Sales of *Urbun, (*B*ai'ul Urbun):* It is a sale on which a non-refundable deposit is paid towards the price of an item. If the buyer decides to keep it, the deposit is part of the prices, but if he does not, then the seller keeps the deposit with him, not to be refunded to the buyer. Amr. bn Shuaib narrated on his father's authority who reported from his grandfather (R.A.) that the Messenger of Allah (*S.A.W*):

Prohibited (*Bai'uh –Urbun*) Paying non-refundable deposit (Siddiqi, 1978:798:3615Muslim)

14. Sales of *Habal al-habala*: Sale of foetus in womb. One purchased a she-camel with the promise that he would pay the price, when it would give birth to a she-camel. The Prophet (*S.A.W*) reported by Abdullahi bn Umar to have forbade this transaction (Khan 1976:481:2009 Bukhari).

15. Sales of al-'*Ayina* – Is sale of something for a term, then he buys it from whom he has sold it to with a reduced price, because he sold it for example ten thousand Naira (₦10,000) and bought it for seven thousand Naira (₦7,000). This is considered the evidence of *Riba*. The Prophet (*S.A.W*) said:

> If people kept the dinar, and dirhams, performed the sale of *Al 'Ayina*, followed the tails of cows and left the jihad for the sake of Allah, Allah will send a curse on them and will not relieve it till they return to their faith. (Ahmad and Abu Daud in Muhammad, 2007:514).

16. Sales of impure and forbidden things: such as sale of swine, wine, carrion, idol, hair or wool upon an animal, blood, freeborn man, dog, cat, etc. The Messenger of Allah *(S.A.W)* said:

> Allah Has forbidden the trade of wine, dead meat, swine and idols.(Siddiqi, 1978:830:840, Muslim).

17. Sales of *al-Gharar*: It is sale of a commodity which includes uncertainty, like the sale of fish in the river or bird on air, or foetus inside the womb, or milk in the udder etc. (Siddiqi, 1978:796, Muslim).

18. Sales of what you do not possess. It is to sell the commodity that one does not own or something before he owns it because of expectation. Prophet (*S.A.W*) said:

> Do not sell what you do not have. And he forbades to sell something before possessing it. (Muhammad, 2007:256)

19. Sales of *sarf*: Sale of gold and silver for gold and silver is prohibited unless sold hand to hand and in equal quantity, otherwise it is *Riba*. Malik bn Aus, said that he wanted to convert hundred dinars into dirhams and he was called by Talha bn Ubaidullah, we both agreed to this exchange and he took over dinars from me and began to turn them over, he asked me to be patient until his cashier returned from Ghaba'a-a place near Madina hearing this, Umar (RA) said:

> No, by Allah (*S.W.T*)! Don't leave Talha without receiving your money, the Prophet (*S.A.W*) said that the sales of Gold in exchange for gold was a Riba except when sold hand to hand. (Khan, 1976: 833:3850 Vol.3 Bukhari).

20. Sales of excesses of water, grass and hiring camel to copulate with she-camel.

Jabir (R.A.) narrated that the Messenger of Allah (*S.A.W*) said:

> The sale of excess water is prohibited. In another narration, hiring a camel to copulate with a she-camel is prohibited (Siddiqi, 1978:824:3798, Muslim).

2.4.3 The concept of *ijarah* contract of lease or hire

The contract of lease or hire under Islamic law is called (al-ijarah) derived from the Arabic word (ajar) which means reward or remuneration. Ijarah is:

> Where a party to a contract sells to the other for temporary enjoyment of any property movable other than ships and animals in return for a price it is simply called al-ijarah. The price must not exceed, nor be equivalent to the price of the subject or item in question, but in proportion to the temporary enjoyment sold for (Doi, 1983:451).

Note: The ships and animals are excluded from the above definition of *ijarah* because tansport in sea can only form the object of a conditional contract which is termed as *miyarah*, which is the chartering of a ship or animal.

The word *ijarah* was first mentioned in the Glorious Qur'an in Suratul Qasas in respect of hiring the services of Musa (A.S.) by Prophet Shu'aibu

(A.S.). This is based on the recommendation of his daughters; after Musa (A.S.) had helped them in watering their flocks, in the following words:

> Said one of the girls O my father, hire him on wages! Truly the best of men you are to employ is the man who is strong and trustworthy...(Q28:27-28)

Muhammad (2007:321) defined Ijarah or Hiring as "a contract granting use of property during a specified period in exchange for a specified rent".

In other words:

> *Ijarah* means leasing fund, in this fund the subscription amounts are used to purchase assets like real estate, motor vehicles, motor cycles, bicycles, wheelbarrows, or other equipment for the purpose of leasing them out to their ultimate users. The ownership of these assets remains with the fund and the rentals are charged from the users (Usmani, 2009:6).
>
> .

The *Ijarah* fund is also used in an investment sectors like Islamic banks, Islamic organizations and individuals as resource mobilization. These rentals are the source of income for the fund which is distributed pro-rated to the subscribers. Each subscriber is given a certificate of evidence of his subscription and to ensure his entitlement to the pro-rated share in the income; these certificates may be preferably called. "*Sukuk*" – a term recognized in the traditional Islamic jurisprudence. Since this *sukuk* represent the pro-rated ownership of their holders in the tangible asset of the fund, *Ijarah* is another legitimate resource of mobilization and a great means of wealth production,

among Muslim Ummah. In this regard the Messenger of Allah (*S.A.W*) was reported to have said: Allah (*S.W.T*) said:

> I will be an opponent to three types of people on the day of resurrection:
>
> a. One who makes a covenant in my name, but proves treacherous.
> b. One who sells a freeborn man and eat the price.
> c. One who employs a labourer and takes full work for him (Ista ajara Ajiran) but does not pay him for his (leaser rate) labour (Khan, 1976:239:430 vol.3 Bukhari).

2.4.3.1 *Conditions on leasing/hiring*

The following are set up conditions on leasing to be abided by all Muslims who wish to enter into such contract. They are:

a. Defining the use of property, such as dwelling the house or sewing the cloth, because it likes the contract of selling, in which the scholars condition defining the sold(Muhammad, 2007:544).

b. There should be no limit for the ways of uses. It is not allowed to employ a woman for singing or weeping only or hire a tract of land to build a church for hiring (Ibid).

c. Specifying the rent as stated by Sa'd's narration that, (Ibid) the Messenger of Allah (*S.A.W*) said:

> It is forbidden to employ a labourer without specifying his rent (Siddiqi, 1978:823:3795 Muslim).

2.4.3.2 *Principles of leasing/hiring (Ijarah)*

These are the laid down principles in Islam, on leasing contract to follow:

1. Whoever rents something and finds it defective, has the right to nullify the contract even if he uses the property for a specified period; unless he notices the default and gets satisfied with it, but he should pay for that period (Muhammad, 2007:322).
2. Hiring shall be null and void, if the hired property gets destroyed or perished e.g. the house gets destroyed or burnt, the hired animal killed or lost.
3. If the leaseholder rented property to some one then prevented him to use it for a specified period, this period should be deducted from the whole rent, but if the rent payer abstained from using the property, he should pay the whole rent without any discount.
4. The common labourer like tailor, blacksmith, carpenter and shoe repairers shall guarantee what he spoiled not what is lost in his shop. This is because things found in shop during the period of contract are considered as deposits. He shall not guarantee such deposits unless the loss or the damage occurred due to his negligence or if he violates an agreement.

5. Whoever treats a patient in exchange for payment, but he is not well known as medical specialist or practitioner, shall guarantee what he spoils (Muhammad, 2007:322).

2.4.4 Contract of loans in Islam

There are vicissitudes in life. This brings the fact that there are period of trials from Allah (*S.W.T*) as He says:

> And certainly, We shall test you with something of fear, hunger, loss of wealth, lives and fruits, but glad tidings unto the patient (Q2:155).

In such circumstances man is expected to remain patient. When one has family to look after and then sudden need of borrowing money arises in relation to his business or something beneficial to him, one goes to his friends, neighbours or relatives to ask for a loan. Under the Islamic law when such loan is obtained it becomes a trust; hence must be returned to the owner, when the time is due or within the stipulated time of agreement. Allah (*S.W.T*) says:

> Verily, Allah (*S.W.T*) commands that you should render back the trusts to those whom they are due … (Q4:58).

Before we discuss the principles of loan acquiring we shall bring the verses and Ahadith relating to that. Allah (*S.W.T*) says:

> And if the debtor is in hard time (has no money), then grant him the time till it is easy for him to repay, but you remit it by way of charity that is better for you if you did but know. (Q2:280).

And Allah (*S.W.T*) also says:

> O you who believe! When you contract a debt for a fixed period, record it in writing. Let not a scribe record it in writing in justice between you. Let the scribe should refuse to write as Allah has taught him, so let him write. And let him who incurred the liability dictate and he must fear Allah His Lord, and diminish not anything of what he owes. And if there are not two men available, then a man and two women, such as you agreed for witnesses... (Q2:282).

Abu Qatadah reported that I heard the Prophet (*S.A.W*) saying:

> Whoever gives respite to a debtor or grants him remission, Allah will save him from the calamities of the resurrection day (Siddiqi, 1978, 823:3795 Muslim).

2.4.4.1 *Principles of acquiring loans*

Islam set up some principles for Muslims to follow as a tool for the socio economic welfare amongst Muslim and for a peaceful co-existence. These are:

1. Loan may be in any form i.e. in cash or in commodity. It may be big or small and it may be for personal needs of the debtor or for purpose of business. The loan is expected to be given out without interest. Interest has been prohibited by Islam and so it cannot be charged on any loan in any form (Chaudhry, 2008:161).
2. Loan should not be contracted except in case of extreme necessity, borrowing for purpose of luxurious and extravagant living is not permitted. It can only be resorted to, if one's basic needs are not being

fulfilled. Indebtedness has been discouraged by Islam as it ruins individuals as well as nations. This can be easily seen from the severe warnings that have been given in case of debts left unsatisfied. All the sins of a martyr are forgiven except debts. And the Prophet (*S.A.W*) did not offer funeral prayers for a debtor who did not leave behind provision for payment of his debts, and no one is willing to pay it off for him.

3. Since verbal agreements regarding loans lead to disputes, feuds and litigations, the revealed book of Allah (*S.W.T*) has made it obligatory on the parties, creditor as well as debtor, to reduce the contract of debt into writing in the presence of two witnesses, and on settled terms and conditions regarding its payment. The scribe is to write the contract according to the dictation of the debtor. In case the debtor is of unsound mind or minor, it should be according to the dictation of his guardian. But in case a debt is contracted during a journey and no scribe is available then the debtor should give some of his property in pledge to the creditor as the rule stated in the Qur'an (Q2:282 and 283).
4. Payment of debt is the first to be paid from the wealth of a deceased person before the wealth is divided among his legal heirs.
5. Loan should be contracted with the intention of repaying it.

6. Creditor has right to use harsh words against a debtor, who does not pay back his loan. A debtor can even be imprisoned for non-payment of loan by a court, when suit for recovery is failed by the creditor before such court (Chaudhry, 2008:161).

2.4.4.2 *Duties of creditors*

The following are the duties to be rendered by all creditors:

1. A Muslim who advances loan should know that interest is forbidden in Islam, so he should help his brother in his need with a gratuitous loan (*Qard-al-Hassan*). He should not charge any interest nor should he expect any gift or any other un-usual favour from his debtor (Chaudhry, 2008:163).
2. Loan should be advanced to a genuinely needy person, who requires the loan for his genuine needs and not for the purpose of luxuries, or extravagant expenses on marriage and festivities or for unlawful activities like gambling and drinking.
3. If the debtor is not able to make full payment, the creditor shall accept partial payment and permit the balance or accept payment in instalments.
4. If the debtor has become insolvent and is not in a position to pay back the loan, the creditor is advised upon to remit the debt. Remission of

loan amounts to alms giving and is an act of great virtue, which carries many rewards as mention in Hadith. Abu Qatadah reported I heard the Prophet (*S.A.W*) saying:

> Whoever gives respite to a debtor or grants him remission, Allah (*S.W.T*) will save him from the calamities of the resurrection day (Siddiqi, 1978, 823:3795 Muslim).

5. The creditor should be generous enough in extending the time of repayment of loan if the debtor is in straightened circumstances, and is unable to meet his demand. Giving respite to a debtor or postponing recovery of loan till the debtor is in better circumstance is an act of great virtue which will lead to earning reward of charity from Allah (*S.W.T*) (Chaudhry, 2008:163).

2.4.4.3 *Duties of debtors*

Islam laid down some obligation to be observed by every Muslim who engages him or herself in debt. These are the obligations to be abided by:

1. A person should avoid indebtedness, because debt is a great burden and responsibility. It destroys peace of mind and in case of non-payments it destroys one's prospects of salvation in the hereafter (Chaudhry, 2008:164).
2. Debt should be incurred only when it is unavoidable.
3. Debt should be taken with a clear intention to pay it back.

4. Debtor should pay back the debt promptly on the promised date or earlier.

5. Contract of loan should be reduced in writing in the presence of two witnesses. The debtor has the right to give dictation to the scribe when the contract of loan is being written (Chaudhry, 2008:164).

2.5 THE MAJOR FACTORS OF PRODUCTION, ACQUISITION AND DISTRIBUTION OF WEALTH

Man is told by Allah (*S.W.T*) that everything in this world has been created for his services and utilization. All the stars, the sun, the moon, the earth are created to serve man.

> See you not (O men) that Allah has subjected for you whatsoever in the heavens and whatsoever is on earth, and has completed and perfected His bounties upon you, (both) apparent and hidden … (Q31:20).

These forces of nature, and all the economic resources placed in the earth are at the command of man to exploit and utilize them for production of wealth. Thus production implies: putting utility and value into matter, where land, labour, capital and enterprise are generally regarded as factors of production. These factors and their Islamic principles will be discussed.

2.5.1 Land

In economics the term land has been given a special meaning. It does not mean mere soil or solid part of the earth's surface or ground only as

ordinarily understood. It is rather synonymous with all the natural resources available from air and water, from above the land surface and below it, which yield income or useful produce. Chaudhry, (2008:101) said: "Land means the materials and the forces which nature gives freely for man's aid in land and water, in air, light and heat".

However, most of the economic activities of man depend directly on land at any given time, professions such as hunting, fishing, breeding of cattle and sheep, agricultural produce, mining of minerals, metals, industrial raw materials, electric power, water supply and other natural resources are based on land. Thus, Islam has recognised land as one of the most important factor of production, at this juncture we are going to discuss only Islamic point of view regarding agricultural use of land. Being most of the matters pertaining to agriculture are of temporal character, some general instructions have been issued by the Quran and traditions of the Prophet (*S.A.W*) in the field of land ownership and reclamation of dead lands, land rent, peasant and landlord relationship (Chaudhry, 2008:104).

2.5.1.1 *Land Ownership*

The institution of land ownership exists among the mankind since time immemorial, and has not been abolished either by the Qur'an or by the Sunnah of the Prophet (*S.A.W*). Indisputably, the original overall concept of absolute

ownership over everything including earth and heavens belongs to Allah (*S.W.T*), but man has been vested with proprietary right over land, as Allah's (*S.W.T*) trustee or vicegerent, and regarded as agent in managing it according to Allah's (*S.W.T*) order. Land ownership has been recognised by Islam. More often man needs land either for habitation or for the purpose of earning livelihood and acquiring wealth through its cultivation. The Qur'an concedes individual's right of ownership and possession of land. For the purpose of habitation Allah (*S.W.T*) says:

> O you who believe! Enter not houses other than your own without first announcing your presence and invoking peace upon the folk there of … (Q24:27).

In this verse, land ownership for the purpose of habitation is recognised and in another verse, the Qur'an affirms the right of ownership of land for the purposes of cultivation and earning sustenance. Where Allah (*S.W.T*) says:

> … Eat of their fruit when they ripen, but pay the due thereof on the day of its harvest, and waste not by prodigal… (Q6:141).

Clearly the verse shows that one has to pay *zakat* on his fruits and agricultural produce if one owns fruits and cultivates land. Therefore possession of land for any person is lawful for his habitation or cultivation and for owning sake, to be given to others to cultivate for societal well being.

The Prophet (*S.A.W*) advised land owners to give their uncultivated lands freely to other Muslims with no land. Jabir reported that the Prophet (*S.A.W*) said:

> The owner of land should cultivate it or allow his brother to have it, or leave it fallow uncultivated (Khan, 1976:309:533 Vol.3 Bukhari)

However, it is unlawful to own the land and ignore it uncultivated. This will lead to the revoking of the right of possession by the Islamic state. Initially, the ownership of land is acquired through colonization of land or through allotment that is grant of land by the state. These two methods have been recognised in human societies since ancient times, although land is also acquired by an individual through purchase from another person, or through inheritance, or through gift, and also through bequest (Chaudhry, 2008:102).

a. Colonisation

When man settled on earth, the rule of land ownership which emerged in due course of time was the land which one occupies and develops for cultivation becomes his own and has more right to use it. This ancient rule was maintained by the Prophet (*S.A.W*) with certain useful conditions, as indicated in the following traditions:

Aisha (R.A.) reported that the Prophet (*S.A.W*) said:

> Whoever colonizes a land which does not belong to another has the better right to keep it. Urwa bin Zubair state that Saiyidina Umar (R.A.) acted upon the same rule during his reign (Khan, 1976:306:528 Vol.3 Bukhari).

b. Principles of colonization of land for the right of ownership of landI

Islam has organised principles for colonization of land so as to avoid dispute among Muslim *Ummah* as follows:

i. Whoever colonize a land which does not belong to another, acquires proprietory right over it. But he who colonises another person's land illegally has no right over it.

ii. He who reclaims dead land shall keep it, and he who occupies it without using it, shall lose its ownership at the expiry of three years.

c. Grant or Allotments

Prophet Muhammad (*S.A.W*) as the leader of Islamic State and his immediate successors known as Rightly-guided caliphs made grant of land to people as indicated in the following tradition:

Asma bint Abubakr (R.A.) states that:

> The Prophet (*S.A.W*) had granted her husband Zubair (R.A.) a tract of land in Khaibar which contained date-palms and other trees. Apart from this Urwa bn Zubair reports that the Prophet (*S.A.W*) had granted him an Oasis situated in the lands formerly belonging to Bani Nazir. Furthermore, Abdullahi bin Umar related that the Prophet (*S.A.W*) had

> granted another large tract of land to Zubair (R.A.) in the following manner. The Prophet (*S.A.W*) told Zubair: Race your horse and the point where it stops shall be the boundary of your estate. Zubair raced his horse and when it stopped at a spot, he cast forward his lash. The Prophet (*S.A.W*) then said: All right, given him the land up to where his lash has fallen (Khan, 1976: 308:621, Vol. Bukhari).

Nafa'a the son of the famous physician in Arabia, Harith bin Kalda presented to Umar bn Khatab (R.A.) that a certain estate in Basra was neither a tribute paying tract, nor was the interest of any Muslim involved in it, so it should be granted to him and he would grow on it fodder for his horses. Umar (R.A.) issued a decree to his Governor Abu Musa al-Ash'ari that if the facts stated by Nafa'a, were true, the estate should be granted to him (Chaudhry, 2008:101-103).

d. Principles of Grant or Allotment of Land

The following principles emerge from the land-grant made by the Prophet and the rightly guided caliphs.

i. A grant which is not being put to proper use or if a grantee could not develop his land, his ownership over it could be abolished, as was done by Umar (R.A.) in case of land granted to Bilal b. Harith by the Prophet (*S.A.W*) himself.

ii. State can make grants only out of state land and dead land – with or without the forward request – state has no power to deprive a person of his land illegally and grant it to some other person.

iii. State lands are not to be distributed as gifts among favourites. Such lands are to be allotted in accordance with rules made in this regard; to those persons who have rendered some meritorious services, or who can be helpful in *jihad* against the enemies of Islam (Chaudhry, 2008:102)

2.5.4.1.2 Tenancy

Tenancy refers to the right of a cultivator to cultivate a piece of land he does not own through a contract signed between him and the land owner.

Cultivation of land can be done in two ways: Either the owner of the land may cultivate his land himself, or he may give his land for cultivation to another persons in which Ibn Qasim said: Tenancy should be on two bases, either on share in produce or by payment of a fixed rental in cash and Isa Ibn Dinar approved it, and said, that is how it was practised in (Andulus) Spain. (Ibn Juzi, nd: p.241).

a. Share in produce tenancy

In this form of cultivation the landlord receives from the tenant a certain fixed share of the produce, may be one half, one-third and one-fourth as agreed in the contract.

On this concept the scholars differed. Some are of the view that share in produce tenancy is lawful and permissible by the action of the Prophet (*S.A.W*) and his companions in which they advance the following traditions:

Abdullah bin Umar reports that:

> When the land of Khaibar fell into the hands of the Muslims, - half of it was made the property of the state and the other half was divided among the army. The Jews requested the Prophet to allow them to stay and they would cultivate the land and would be prepared to accept one half of the produce of the land. The Prophet agreed, but warned them that they would have to vacate the land if they broke the contract, or the state wanted to take it back. This arrangement continued until the time of the Caliphate of Umar when the Jews broke the contract and were asked to vacate and were settled in Taima and Ariha (Khan, 1976:521-523 vol.1 Bukhari).

While other scholars opposed share in produce tenancy and consider it prohibited in Islam they rely on the following tradition:

Abu Hurairah reports that the Holy Prophet (*S.A.W*) said:

> Whosoever owned any land should either himself cultivate it or give it gratis to one of his brothers in Islam or leave it fallow (Khan, 1976:524:2161 vol.3 Bukhari).

b. Cash Tenancy

In this form of cultivation, the landlord gives his land to another person for cultivation and gets fixed rent from him in the form of cash. This is backed by the following traditions.

According to Sa'id bin Musayyaib, Rafey bin Khadij said that the Prophet (*S.A.W*):

> Forbade crop-sharing and the sale of dates on trees and said that the cultivation may only be done by three persons: (i) the owner of land who cultivates it himself. (ii) One who gets land gratis from another and cultivates it. (iii) One who hires the land on cash tenancy for gold or silver (Afzal-ur-Rahman, 1975: 168 vol.2).

Abdullah bin Mufaddal reports from Thabit bin Zahhaq that:

> The Prophet (*S.A.W*) had forbidden share of produce and permitted letting it on hire, and had said that there was no harm in letting it on hire (Afzal-ur-Rahman, 1975: 185 vol.2).

For the cash tenancy the Prophet did not forbid it, but he only suggested that it will be better for a Muslim to give his land freely to his fellow Muslim brother as reported byAbdullahi bn Abbas said that:

> The Prophet (S.A.W.) did not forbid cash rent but he only said that it would be better for you if you give your land as gift to your brother, than to take a fixed payment in hire from him (Khan, 1976:524:2163 vol.3 Bukhari).

c. The principles for rent of land in an Islamic state

i. Nature of Land

The amount of land rent is determined according to the nature of the land; a fertile land is subject to a higher rent, while a less fertile land is likely to atract a lower rent and a barren land may not require rent at all. If any land is not yielding more than the cost of the labour and capital spent on it, or produces just enough to meet the cost of cultivation only, it will not be subject to any rent and the money should be refunded because rent is levied only on the surplus produce which is over and above the cost of cultivation.

ii. Nature of Crops

A land capable of producing rich commercial crops will be subject to a higher rent in comparison with land which produces less expensive crops.

iii. Allowance for cultivator's labour

That is to calculate the expenses of cultivation due regard is paid to his personal labour in the process of cultivation (Afzal-ur-Rahman, 1975:111Vol.2).

2.5.1.3 State Policy on Land Ownership

The idea of state control of ownership of land came to the minds of the Muslims during the caliphate of Umar, when vast lands of Iraq, Syria, Egypt and Iran fell into the Muslim world. The institution of state ownership of land was introduced by Caliph Umar (R.A.) which continued during the time of later caliphs (Islahi, 1988:33). The aims and objectives of the great caliph in establishing this institution were:

i. He wanted regular revenue for the government to pay the soldiers and other state officials and also to purchase arms (Islahi,1988:33).

ii. He wanted to retain the land not only for the generation then living but also the whole Muslim Ummah for the benefit of future generations.

iii. He also feared that if the Arabs devoted themselves to agriculture, they would become ease-loving and non-martial.

iv. He knew that the stability of the state depended on the prosperity of the agricultural classes, and depriving the farmers of their land would not only be a great hardship to them but would also undermine the stability of the government.

v. He had noticed evils of feudal system which was mainly responsible for the fall of Iranian and Roman empires, and therefore, wanted to

save the Islamic State from the evils of this oppressive system (Islahi, 1988:35).

Conclusively, Ibn Taimiyah in Islahi, (1988:231) said:

> Agriculture received first priority in every age as it was considered main source of wealth. It was well understood that the living of the inhabitants depended on agricultural produce; industry and trade were also tied to the existence of agricultural production. Agriculture has been emphasized in the Sunnah. A tradition reports the Prophet (*S.A.W*) as saying: He who grows a crop or plants a plant from which a person or beast or birds eat – that will be rewarded for it.

2.5.2 Labour services and social security

Labour is the second factor of production of wealth and is defined by Hassan, (2007:41) as follows. "Labour in economics refers to any mental or physical exertion undertaken with a view to obtaining a pecuniary gain". It is stated that labour in economics is used in a very wide sense. Any work whether manual or mental which is undertaken for a monetary consideration is called labour. Any work done for the sake of pleasure and pastime only having no consideration of any reward or compensation is not labour. In other words "Any exertion of mind and body undergone partly or wholly with a view to some good other than the pleasure derived directly from work is called labour". Labour in this sense includes the very highest professional skill of all kinds as well as the labour of a mass of unskilled workers. Thus it includes

labour of highly educated professionals, like scientists, teachers, engineers, doctors, professors, economists, judges, lawyers, accountants, administrators, as well as that of ordinary worker in factories, agricultural farm, governmental departments, and private sector (Chaudhry, 2008:118).

2.5.2.1 *Dignity of Labour*

Production in an Islamic economy heavily emphasizes the psychological motive of man to produce. Islamic doctrines, aimed at inspiring man to productive activity. Labour is placed in high esteem and is correlated with one's dignity, prestige and position with Allah (*S.W.T*).

Imam as-Sādiq (R.A.)

> Once deemed a man who toils and uses Allah's (*S.W.T*) given strength to feed his family a greater, than a man who remains at home engaged in prayers. We are expected, by Allah (*S.W.T*) to produce much and often to labour with Islamic objective in mind is a powerful form of worship.

Ali (R.A.) used to say with pride that one day he came to know that the Prophet (*S.A.W*) was hungry. He went in search of work so that he might earn something for the Prophet. He *saw* a Jew in a garden outside Madina who had a heap of mud, and wanted someone to put water into it. He struck a bargain with him at one date for a bucket of water. Ali seventeen dates in wages for seventeen buckets of water and came home, then he went to the Prophet

(*S.A.W*) and informed him about the bargain and then both ate them (Higab, 1983:130 vol.1).

Labour both manual and intellectual was highly honoured by Islam as a most important means of ownership and production as highlighted in the following verses and Ahadith. The Qur'an mentions the example of Prophet Dawud, Musa and Shu'aib (A.S.) who respectively worked as blacksmith and shepherds.

Allah (*S.W.T*) says:

> And Say (O Muhammad to people) Do dees! Allah well sees your dees, and so will His Messenger... (Q9:105).

Allah (*S.W.T*) also says:

> That man can have nothing but what he does (strives for good and bad). (Q53:39).

The Qur'an mentioned Nuhu (A.S) as carpenter where Allah (*S.W.T*) says:

> And he was constructing the ship/Ark and every time the chieftains of his people passed by him they made mocked at him. He said: If you mock at us, so do we mock at you, likewise for your mocking. (Q11:38).

Prophet Dawud was mentioned as blacksmith as Allah (*S.W.T*) says:

> And indeed we bestowed grace on Dawud (A.S.) from us, (saying): O you mountains! Glorify Allah with him, and you birds also echo his psalms of praise!. And we made the iron soft for him, saying: make you perfect long coats of mail, and balance well the rings of chain armour, and work you (men)

> rightiousness. Truly, I am seer of what you do. (Q34:10-11).

But in the case of Musa and Sha'aibu (A.H.S) Allah (*S.W.T*) says:

> And said one of them (the two girls): O my father! Hires him! Verily, the best (man) for you to hire is the strong, the trustworthy. He said: I intended to wed one of these two daughters of mine to you, on condition that you serve me for eight years.But if you complete ten at will of thin own accord for I would not make it hard for you. If Allah (*S.W.T*) wills, you will find me one of the righteous. (Q28:26-27).

Prophet Muhammad (S.A.W) did not consider any work as menial or below dignity. In Battle of Allies *Ghazwah Ahzab* the Prophet was seen working and lifting stones along with his companions to dig a ditch to defend Madinah from the enemy (Higab, 1983:176Vol.1)

This is quite clear in the following tradition that the Prophet (*S.A.W*) said:

> A trustworthy, honest and truthful Muslim businessman will rise up with the Prophet, the trusthful and martyrs on the day of Resurrection (Abdulbaqi, nd: 724:2139 vol.2 Ibn Majah)

Caliph Muhammad Bello bnUsman bn fodio (1819) in his book (Ahkam-al-Makasib): said: It is imperative for every individual person in the Caliphate to have an occupation of his own, so as to be self-reliant, to avoid depending on others through begging and to live a life of decency and self-respect. Sheikh

Muhammad Bello further advanced to categorize earning into four based on the objectives of Sokoto caliphate.

1. The earning which is obligatory on every able citizen is that which is aimed at securing sufficient income to fulfil one's basic necessities of life; including maintaining a decent family and settling one's debts.
2. The earning which is commendable, this is to earn an income over and above the basic necessities of life, in order to alleviate the economic hardship of the poor and cement ties of relationship which is as good as fighting jihad in the caurse of Allah (*S.W.T*).
3. The earning which although not encouraged by the Sharia, but nevertheless is permissible. It is the earning of extra income over and above what is needed to help the poor and cement ties of relationship – with the aim to cover the cost of adornment, to make oneself presentable and to secure a comfortable life, even to the extent of building well decorated house, buying furniture and employing servants. The reason why this type of earning was discouraged is because of the likelihood of its becoming a source of arrogance and oppression.

4. There is the earning which is out-rightly unlawful. This is the earning which is pursued for the purpose of pride, unhealthy competition in the accumulation of wealth vanity and oppression.

Sheikh Muhammad Bello extolled dignity of labour and significance of self reliance and elucidated the disadvantage of idleness and dependence on others in his book: *Ahkam-al-Makasib*. He affirmed that engaging one-self in acquiring sustenance is performing one's duty prescribed by the Creator, Who want His servants to be gainfully employed and Allah (*S.W.T*) detests a healthy loafer around (Molla *et al.,* 1988:241).

2.5.2.2 Right of Labour

Islam admits the fact that wealth is jointly produced by labour and capital, but labour comparatively is in a weakest position. With regard to that effect, Islam has taken extra measures to protect labour rights. Labour right means the duties to be observed by the employer and the obligation of the labourer, to his employer. The Prophet (*S.A.W*) treated his servants and members of his family well; and advised his companions to treat them well. He is reported to have said:

> Slaves and servants should be given food and clothing according to the prevalent custom and should not be subjected to labour that they cannot bear (Afzal-ur-Rahman, 1975:263Vol.2).

Thus, the rights of a labourer include:

a. He should be treated as a human being and not as a beast.

b. Dignity and respect should be attached to labour.

c. That reasonable wages should be fixed at the time of employment and that wages should be promptly paid to enable him enjoy a decent state of living.

d. He should not be given any work which is beyond his physical strength. Where and when he is entrusted with heavy work, he should be provided with assistance in the form of more labourers or over time allowances i.e. extra payment for additional working hours.

e. He should be given appropriate medical attention as at when due and shall be paid all commiserate medical allowances irrespective of whether he is a public or private servant.

f. Reasonable provision should be made for the payment of old age pension to the labourer, the employer and the employee may be asked to make some contributions towards this fund. An arrangement with Islamic Government should also be made to contribute a quarter from its treasury out of *zakat* and other revenue resources.

g. The employers are encouraged to spend all their voluntary charity on their employees and their children.

h. They should be paid adequate compensation for accidents during work.

i. Goods manufactured in the factory should be given to them at a cheaper rate or free.

j. They should be provided with decent accommodation so that their health and efficiency may not be adversely affected.

k. Islam forbids the employer from imposing fines on his employees in case of damage to goods or appliances during work, unless it is proved that he did it deliberately and the witnesses are available.His statement with affidavit in support of his defence will otherwise be accepted (Ibn Hazm). All the Muslim jurists including Imam Abu Hanifa and Malik agree that no fine can be legally imposed on a labourer or servant, who is employed for any period of time on fixed wage for damaging goods or tools unless it was proved that he did it wilfully and purposely (Afzal-ur-Rahman, 1975:263).

However, there are a number of traditions that require social security for labourers. For example, the Prophet (*S.A.W*) said:

> Whoever has been assigned some work by us must get a house if he does not have one, he must get

> married if he has no wife, and he must get a conveyance if he has none, (Khan, 1976:31 part 7 vol.3Bukhari).

This *Hadith* expresses the economic value of leisure. One of the Prophet's most important instructions regarding societal security is his saying that if a person dies leaving behind wealth it will be for his inheritors; but if he leaves helpless dependants they will be his (the Prophet or the State's) responsibility" (Khan, 1976:156 part 8 vol.3Bukhari).

2.5.2.3 *Obligations of Labour*

The obligations of labour are in fact the rights of the employer.They are basic obligations of the worker to fulfil the terms of his contract of service.

a. He should discharge all his duties in accordance with terms and conditions of his service efficiently and honestly.

b. He should be devoted and committed to his job.

c. If he is provided some in-service training to improve his skills and qualification, he should wholeheartedly benefit from the training facilety, and should leave no stone unturned to improve his knowledge and skill.

d. He is morally bound to remain loyal and sincere to his employer, and no temptation or bribe should induce him to work against the interest of his employer.

e. In case he is entrusted with the property of his employer of purchase of property, he should prove trustworthy and should neither embezzle nor damage such property (Chaudhry, 2008:125-126).

The worker should be physically strong and trustworthy and should serve his employer diligently, efficiently and honestly. This is because physical fitness is very essential for efficiency of labour; a strong and healthy worker would be more productive and efficient than a weak and sickly one. This quality has been prescribed in the Qur'an for an ordinary labour in the story of Musa (A.S.) The Qur'an states:

> And said one of the two girls: O my father! Hire him! Verily, for the best of (men) for you to hire is the strong and trustworthy (Q28:26).

The worker must be qualified, skill-full and trustworthy in term of the mental work, which enable him to discharge the duties of his office with professional competence and integrity. These qualities have been stressed when the Qur'an relates the story of Yusuf (A.S.) who was appointed in charge of storehouses of Egyptian Empire, the verse says:

> Yusuf (A.S) said: Appoint me over the storehouses of the land. Indeed, I will be a knowing guardian. (Q12:55).

2.5.2.4 *Principles of Labour*

The principles are set up by Islam within the framework of general welfare and progress of the society, in the approaches of the management of labour as follows:

a. Islam discourages child labour below the age of puberty i.e. generally 14-15 years of age for boys and 9-10 years for girls. This is because minors cannot enter into any negotiation and contract for work unless through their official guardians.

b. It approves minimum wages high enough to meet the basic necessities of life and maintain the efficiency of the work.

c. It provides for differential wages based on differences in productivity and nature of work.

d. It encourages profit sharing with the employers.

e. It encourages quality of labour in terms of active habits (hard working) and trustworthiness.

f. It provides for adequate pension and accidental allowances for the workers (Molla, *et al.,* 1988:188).

Through the recognition and dignity of labour and provision of fair wages good working and social conditions, Islam aims to improve the moral quality,

technical efficiency, and productivity of labour required for economic prosperity and welfare of the entire society (Mollah *et al.,* 1988:189)

2.5.2.5 *Determination of Labour Value or Remuneration*

There is a wide diffence of opinions among the economists on the problem of determining what a labourer should get or how the wages should be determined? Many theories have been put forward by various economists. In this regard some say wages are determined by subsistence level. Others emphasise the role of the marginal productivity in determining the wages. And the problems of wages are of paramount importance as it affects the whole society. If the workers do not get fair and reasonable wages, it will not only affect their subsistence but also their purchasing power. And if large portion of the population like labourers have no purchasing power, it would adversely affect all those industries which are supplying consumer goods to the working class. Moreover, injustice to the working class would lead to discontentment, frustration, agitation and strikes, thus, if the labourers are deprived of their just share from the maturation income, it would be in the long run an economic suicide for a state(Afzal-ur-Rahman1975:243Vol.2).

Islam in a friendly way provided solution of the problem of wages and safeguards the interest of both the working class and the employers. The labourer gets a reasonable wage without infringing the legitimate rights of the

employer. The employer is not allowed to tyrannize the working class by depriving them of their rightful share. The wages are determined in a most equitable fashion without undue favour to, or undue oppression on any side, the other, based on principles prescribed in the Qur'an – equality for all.

> Wrong not and you shall not be wronged (Q2:279).

Abu Sa'id al-Khudry (R.A) reported that the Messenger of Allah (*S.A.W)* said:

> There is not to be a causing of harm, nor is there to be any reciprocating of harm (al-Hakim, nd: 58 Vol.2&al- Bayhaqy, nd: 69 Vol.6 in Fadel, 2002).

Both the parties in the contract (of wages) are here warned to be fair and just to all in their dealings so as to neither do wrong to others nor damage own interest. Wrong to the labourers means that they are not paid just, and legitimate share of the joint products in proportion to their work, while wrong to the employers means that they are forced by the industrial action to pay in wages to the labourers more than they can afford. (Afzal-ur-Rahman1975:243Vol.2).

2.5.2.6 ***Prohibited Types of Employment***

We have discussed the permissibility of working as an employee of a government, organization or individual and excludes those jobs which are injurious to the cause of Islam, or which harm Muslims. Accordingly, it is not permissible for a Muslim neither to be an officer or soldier in an army which

is fighting against Muslims no matter which salary they can pay him, nor to work in a corporation or factory which manufactures armaments to be used against Muslims, nor in an organization which is hostile to Islam and fights its adherents (el-Helbawy 1984:144).

Similarly, any service rendered in support of injustice or in promoting it, is *haram*. For example, it is prohibited to the Muslim to be an employee in an organization which deals in interest, in a bar or liquor shop, night club, dance hall and the likes. It is not a valid excuse to say that one is neither using what is *haram* nor directly involved with it. As the researcher has stated previously, it is a basic principle of Islam that whatever aids and assists *haram* is itself *haram*. For this reason the Prophet (*S.A.W*) cursed the person who write document of interest and the person who witnesses it as well as the person who consumes it. Similarly there is a cursed on the person who transports wine, the one who serves it, as well as the one who drinks it. A Muslim is always to be on the guards against temptation which may lead him towards doubtful activities, thereby weakening his faith, and compromising his religion, no matter how large a profit or gain may be involved. The Prophet (*S.A.W*) said:

> Leave alone what puts you in doubt and turn towards what does not put you in doubt (el-Helbawy *et al.,* 1984:145 al-Qardawy).

He also said:

> A person does not reach the rank of the Allah's-fearing until he abandons what is harmless out of fear that it may be harmful (el-Helbawy *et al.,* 1984:144-145al-Tirmidhi,al-Qardawi).

2.5.3 Capital

This is the third factor of production, it is the means of production or "man made instrument for production". Capital is an integral part of any modern economy. Modern economy could never achieve the present level of development without capital; the invention of money performed the same function for economic development as the invention of "wheel" did for industrial development. Capital includes all those goods which are produced not for consumption but for use in future production. Machine, tools and instruments, transport equipments, irrigation projects like canals and dams, stocks of raw materials, cash invested in business, etc., are some of the examples of capital. Thus, capital is the wealth which man acquires by his own labour and then uses it for producing more wealth (Chaudhry, 2008:130).

Imam al-Ghazali (R.A.) in (Ahmad 1981:14) had explained the function of capital as a medium of exchange and measure of value. The capital is distinguished from the land and labour because both are not produced factors but are gifted by Allah (*S.W.T*). Therefore land and labour are called primary

or original factors of production whereas capital is man-made or produced factor of production.

Ahmad (1981:14-15) said: "on the above assertion that the importance of money derives from its being a medium of exchange. Modern industrial economies, with all their complexity and interdependencies cannot function without a medium of exchange." The capital serves as a medium of exchange at an instance of time as well as over time which gives rise to its store of value functions. Thus the individual is enabled to save from his present income in order to consume it in the future. But money as a store of value has certain disadvantages. It earns no direct income, and its purchasing power may be eroded as prices increase. Wealth or accumulated savings can also be held in the form of real estate, stocks and bonds, etc., which earn something for the owners, and whose value tend to move more nearly in line with changes in the price level.

Generally, capital is classified into two: fixed capitals and working capitals – fixed capitals comprise durable use – produce goods which are used in production again and again till they wear out. Plant and machinery, tools and instruments, tractors and trucks, are examples of fixed capitals. Working capital comprises single use producer goods, like raw materials which are used up on a single act of use. Fixed capital does not mean fixed in location, it is

called fixed because money spent upon durable use goods,like plant and machinery becomes fixed for a long period,whereas money spent on raw materials is released as soon as goods manufactured with these raw materials are sold in the market and capital is also realized(Chaudhry,2008:132).

2.5.3.1 *Importance of Capital*

Capital plays a vital role in production as production without capital would be very hard to achieve.If man does not use tools and machines in farming., mining and manufacturing sectors and works with his own hands, productivity would be very low. So man has been using some sort of tools and equipments to assist him in his work of production and most of them are purchased with the capital.With the growth of science and technology, man has invented heavy and complex machines to assist him in every field of production such as agriculture, mining and manufacturing, transportation, communication and laboratory equipment for research etc. In the modern age, production without aid of capitals can hardly be achieved. Economic development of the countries like U.S.A., Japan, Germany, France, U.K., Russia, and China is largely due to extensive use of capitals (Chaudhry, 2008:134).

Thus, capital in economics is indeed like blood in human body, which runs into the veins of industry and keeps it going. Because of vital role of

capital in production, Islam has given much importance to capital in the following verse where Allah (*S.W.T*) talks of the use of cattle as capital goods of production:

> And the cattle,He has created them for you,in them there is warm clothing, and numerous benefits,and of them you eat … And they bear your loads for you unto a land you could not reach save with great trouble to yourselves … And horses,mules and donkeys,for you to ride them as an adornment … (Q16:5-8).

Allah (*S.W.T*) also says:

> And verily! In the cattle there is a lesson for you, we give you to drink of that which is in their bellies … pure milk palatable to the drinkers (Q16:66).

In the above two verses Allah (*S.W.T*) had shown to us different usage of cattle and horse as factors of production. And another verse mentioned below indicated the uses of cattle and horses apart from being means of transportation.

> And Allah has made for you in your houses an abode, and made for you of the hides of the cattle, tent-houses for dwelling,which you find light (to carry), when you travel and when you stay of pitching camp: and of their fur and their hair,furnishing and article of convenience and comfort for a while (Q16:80).

In the above verses Allah (*S.W.T*) had referred to various uses of cattle and horse as factors of production such as in transportation, in production of milk, wool, fur, hides for tent houses, carpets, blankets and shoes and so on.

2.5.3.2 *Formation of Capitals*

Capital formation and building up implies the increase and growth of the stock of real capital for the individual or in the country. This involves production of more capital goods, encouraging saving and investment, etc. Through many financial measures that a state and individual would take to build up it/his capital, such as rebate and exemption from taxes, dividends incured on investment, above all protection of capital.Also the avoidance of extravagant spending, moderation in expenditure and simple living are the golden rule of Islam. Meanwhile wastage of wealth stops and wealth starts flowing in productive channels, this also helps in capital formation (Chaudhry, 2008:135). Islam forwarded the following steps towards ensuring capital formation:

1. *Zakat* has been imposed on hoarded wealth in the form of gold and silver, bank deposits, cash and goods etc. If this wealth is put into productive channels, its *zakat* would be paid out of its income, and thus the wealth grows despite *zakat*.
2. Wealth employed in production has been exempted from *zakat* taxes for example plants and machinery used in factories, horses tractors and trucks, cattle employed in farming, etc., all are exempted from taxes (Chaudhry,2008:135).

3. Those who dispose of their capital assets like houses or land have been enjoined upon by the Prophet (*S.A.W*) to re-invest the cash in the purchase of some other land or houses.

4. Squandering of wealth on extravagant spending has been strictly prohibited. Spending on luxuries is strongly forbidden and ostentatious living has been discouraged (Afzal-ur-Rahman, 1975:29-39). Allah (*S.W.T*) says:

> Eat and drink, but be not prodigal. Verily! He (Allah) loves not the prodigals". (Q 7:31). "… but squander not wastefully your wealth in the manner of a spendthrift.Verily, the spendthrift are brothers of the devil …" (Q17:27).

Finally, in the first instance Islam encourages Muslims to invest all their capital for the growth and development of their wealth, and it warned Muslims to hoard their capital unmovable where the imposed tax ultimately diminishes it. Umar (R.A.) the second rightly guided caliph used to impress upon some of the recipients of state allowances, salaries and stipends that they should purchase goats or other cattle so that they could increase their capital, and leave after them for their children something to fall back upon. Thus Islam discourages seriously prodigalness and ostentatiousness with the capitals. One should always live a simple life and be moderate in expenditure, and be astute

in finding way of investment. And one should invest is capital in a lawful enterprises and factories (Usmani, 2009:3-5)

2.5.4 Enterprise and entrepreneurship in Islam

Enterprise means an organization, few groups of people or companies that undertake willingly the activities of businesses, planning and managing the affairs of business for the successful profit. Meanwhile enterprise is the medium of investment, where Islamic investment implies: A joint pool of resources, where the investors contribute their surplus capital for the purpose of enterprises to earn *Halal* profits in conformity with the precepts of Islamic law. Where the subscribers must bear in mind that the return on their subscription is tied up with the actual profit earned or loss suffered by the fund, if the fund earns huge profits, the return in their subscription will increase to that proportion.However, in case the fund suffers loss, they will have to share it also, unless the loss is caused by the negligence or mismanagement of the entrepreneur, in which the management of the organization, or individual will be liable to compensate the fund.The amount to be pooled together must also be invested in enterprises acceptable to *shariah*, and the terms agreed must conform to Islamic principles, where agreement on a fixed return tied up with the face value is un-Islamic in the enterprise (Usmani, 2009:15).

2.5.4.1 *Entrepreneur in Islam*

This is a person(s) who arrange the business deals in order to make money, often in a way that involves financial risks. Entrepreneur is a specialist in organisation, he may not own any land, capital and not expected to be like a common labourer, but he possesses organizing ability and management skill. He gets land on rent, borrows capital, hires labour and uses each in the best manner so as to get best possible results.

Thus, the main function performed by the entrepreneur is to organise and coordinate; the other factors of production after securing them and putting them together. He remunerates all the other factors of production. Pay rent, wages to labourers, and after making this payment he is left with the residue which may be profit or loss. A successful entrepreneur is a good judge of men that possess qualities of leadership. He is very intelligent, worldly wise, tactful, hard working, sharp, quick witted, patient and trustworthy. These combinations of the qualities are strictly required for an entrepreneur in running the affairs of enterprises,as relates in the story of Prophet Yusuf (A.S.) in chapter (12:55) on how he persuades the king of Egypt to appoint him in charge of store house, where he shows his qualities as (*Aleem*) and (*Hafeez*) i.e. knowledgeable and trustworthy or custodian. Therefore, these

qualities are essential requirements for an entrepreneurship (Chaudhry, 2008:134-135)

2.5.4.2 *Partnership (Musharaka)*

Partnership *Musharaka* signifies the conjunction of two or more person pooling their resources together in order to carry out a business to share profit or loss jointly. A person thus alienates an individual share of his property, in return for the undivided share of the proprety of another each having right to administer the whole. Partnership may be affected in a specified amount of capital or in labour or skill or in credit, where no capital is contributed and the partners buy and sell on credit on understanding characters that they shall share the profits. There may be a partnership of mixed characters in cases of capital and labour, in agriculture carpentery, welding workshops, (Doi, 1983:507). This form of business organization has existed among all communities from time immemorial. During the time of the Prophet Muhammad (*S.A.W*) and his companions partnership was popular among the Muslims not only in business, but also in agriculture and gardening.The Prophet in fact helped in establishing partnership between *Muhajir* and *Ansar* in Madinah in the field of agriculture and gardening (Chaudhry, 2008:136).

a. ***Kinds of (Sharika) Partnership***

Partnership is of three kinds,

- Partnership by the right of property (*Sharikatul-milk*), it implies where two or more persons are owners of one thing, i.e. they make joint purchase of one particular property or by inheritance.
- Partnership by contract (*sharikah abdan*) for the, exercise of a profession or handcrafts. This is when two or more persons by their free consent enter into contract to do some business with a view to share its profits and losses. It effects by proposal and acceptance (Doi, 1983:508). It is of four types:

1. *Sharkah al-mufabadha/Mufawadah*: In this form of partnership, the capital contribution of the partners and their shares in profits and losses are equal.
2. *Sharkah al- 'inan*: In this form of partnership, the partners neither contribute equally in capital nor do they share profits and losses equally. This form of partnership was very common among the men versus women or children or between masters and their servants. It is a limited partnership in which one partner is not allowed to do anything without the consent of his co-partner (Muhammad, 2007:533).

3. *Sharkah as-Sana'i* – In this form of partnership, artisans, technicians, carpenters, and other manual labourers participate.
4. *Sharkah al-Damin*: This is a form of partnership which is started by the persons who have neither capital nor skill, but they start the business on credit as partners and share the profits among themselves.

❖ *Sharikah Al-Amwal*: This is where the amounts of fund are pooled together to be invested in a business acceptable to shariah through various channels of investment. Such as equity fund, *Ijarah* fund, commodity fund, *Murabaha* fund *Bai'al dain* fund, mixed fund**.**

b. *Conditions for the Validity of Partnership*

Jurists have laid down the following conditions which should be fulfilled in order to make a valid contract of partnership:

All the partners should enter into contract with their own free consent to do a business in partnership, and the date from which partnership would come into force would be clearly mentioned in the contract.

1. The amount of capital contributed by each partner should be clearly stated in the deed of partnership, and the partnership contract according to some jurists is legal when it is in legal tender money.

2. The share in the profit or loss to be obtained by each partner should also be clearly stated (i.e. half or one-third etc.,) in the deed so as to avoid any dispute which may arise (Chaudhry, 2008:138).
3. It should be among Muslims, because non-Muslims may do business in usury or accept unlawful transaction. There is a fear that ill-gotten gains may accrue in to the company's account or enterprises profits. But in the case where the Muslim is responsible for selling and buying while the non Muslim is an assistant to him in all activities there is no problem.
4. Jurists have prescribed that partnership contract should be executed in writing based on Qur'anic condition laid down in verse 282 of chapter 2 for a contract of debt. This is also applicable to contract of partnership because it is like contract of debt (Muhammad, 2007:534).
5. If one of the share holders died or became insant, the partnership/company would be nullified and the heirs of the deceased or the guardians of the mad man would have the right to nullify the partnership or allow it to continue as it is according to the first contract (Chaudhry, 2008:138).

c. ***Mudarabah*:** in legal terminology simply means: a contract in which certain property or stock (*Ra'as al-mal*) is offered by the owner or proprietor

to the other party to form a joint partnership in which the parties will participate in profit.The other party is entitled to profit in lieu of his labour since he is to manage the property. It is a contract of co-partnership. Profit sharing *mudarabah* which means *Darb fi al-ard* moving about in the land of Allah (*S.W.T*) seeking for His bounties through trade (Doi, 1983:509) or labour as mentioned in Quran:

> … Others are travelling through the land seeking of Allah's (*S.W.T*) bounty… (Q73:20).

Mudarabah is a contractual relationship executed between two parties, on one supplying the capital and the other supplying the labour and skill for business, the profit of which are shared by both in accordance with the agreed terms. In case the business sustains loss, the entire loss is born by the proprietor, *Mudarib* who assumes full responsibility, and makes no claim on the entrepreneur *darib* although the latter also suffers because he does not receive any share in profit or any reward for his services. However, the word *Mudarabah* is an Iraqi term which means to walk or travel in the land for commercial ventures to make profit. While the Madinites called this form of business as *Muqaradah* which is derived from the word "*Qard*" meaning loan which signifies surrender of right over capital by the owner to the user. It is said that Mudarabah was in vogue at the time of advent of Islam and the Arabs widely practiced it. The Prophet (*S.A.W*) himself is reported to have worked as

Darib entrepreneur for Khadijah (R.A) during his youth age. His companions are also reported to have been practicing this form of business partnership. Islam highly encouraged it particularly as a means of channelling money into economic activities in the face of prohibition of interest payment. Interest free banks or individuals may enter in to a profit-sharing contract with a company or with individual under a profit-loss sharing agreement. The owner of capital may receive a specific percentage (and not a specific amount, in which case it would be considered as *Riba*) of the profit, that the borrower/manager will make during a given period since the profit of an enterpriser is subject to risk. If it is in bank the lender may receive profit or may incur a loss on the original capital. *Mudarabah* – arrangement is closely similar to a joint stock company where stockholders will receive a share if the company makes profit and will losse all or part of their capital if the company incurs losses (Chaudhry, 2008:138).

There is no specified unit in the *shariah*, according to any school of Islamic law, on the amount of capital that an individual or a company can possess or the amount of profit that may be earned. Mudarabah is seen by Islamic economists as a means of encouraging cooperative arrangements in an Islamic economy. Therefore, any 'misuse' of *Mudarabah* as a way for excessive accumulation of capital is regarded as (*Riba*) by many Islamic

economists (Usmani, 2009:2). Share holding could be understood as a means of encouraging movement of capital whenever there is a man without capital … and that share holding was not meant to (open a side-door for exploitation and false private claims (Ahmad, 1981:13).

d. Principles for Al-Mudaraba (Capital-Labour Partnership)

Islam laid down some principles for the smooth running of this aspect of investment as follows:

1. Two or more persons of their own free will could enter into contract whereby one party provides a specified amount of capital to the other who employs this capital in business to make profit.
2. Share of each party in the profit should be clearly defined in definite ratio or percentage, the loss of business should be the responsibility of the proprietor *Mudarib* (Doi, 1983:366).
3. The capital should be in terms of gold and silver coins or standard money in circulation and not in commodities according to Imam Malik and Shafi'i (R.A)(Muhammad,2007:366).
4. The *Mudarib* should hand over the capital to the labour partner *Darib* before the *darib* starts business.

5. The *Darib* is absolutely free to trade or do businesses with the capital as he deems fit. Any condition limiting his freedom may render the contract invalid. This view is advocated by Imam Malik, Abu Hanifi, Awza'i, Ibn Mundhir (R.A) with the exception of IbnHanbal, and Shafi'i who see the validity of limitation (Zuhaili, 1984:3928Vol.7).

6. The duration of *mudarabah* is neither predetermined nor limited, but either party can terminate it by giving a notice of his intention to do so (Usmani, 2009:4).

NB – *Mudarabah* can be practiced by industries, banks, organizations and individuals.

2.5.4.3 *Buying and Selling of Shares/Equity Fund*

The term shares and stock can be used interchangeably. A share is a defined portion of total capital or equity fund of a company. It is the amount to be invested in shares jointly by individual capitalists, or a portion of the total capital of a company written in a certificate that has a nominal value, so that the shares in totality represent the capital of the company and are all of equal value. In fact the name shares are very appropriate because when one buys them, one actually shares in a company's ownership. It is for this reason that stocks/shares are also known as "equities", because all of a company's

shareholders, by owning a fractional part of the company, have equity in that company. Thus, where the profits are mainly achieved through the capital gains by purchasing the shares and selling them when the prices are increased, profits are also achieved by the dividends distributed by the relevant companies. If the business is bad the value of the stock decreases and the shareholder realizes no capital gains. He may even suffer losses and dividends may be withheld (Usman, 2009:5).

2.6 DISTRIBUTION OF WEALTH

The theory of distribution is thus concerned with the evaluation of the services of the factors of production like land, labour, capital and enterprise as well as distribution of the rewards among them. Here we are not concerned with economics of distribution rather we are concerned with social distribution of wealth which means fair and even distribution of wealth amongst the members of a community. If the distribution of wealth in a community is unfair, unjust and inequitable the social peace is always at stake and the conflict between the haves and have-nots results in bloody revolution, because pocket of prosperity can not survive in oceans of poverty. Therefore fair and equitable distribution of wealth is vital to a community for its peace, well-being and ultimate prosperity (Caudhry, 2008:167).

According to the Qur'an the poor in the land have a right to the wealth of the rich:

> And in their wealth there is the right of the beggar who ask and the needy who does not ask others (Q51:19).

Hence, to provide a firm basis for a complete societal re-ordering according to the precepts of Islam, the socially unacceptable gap prevailing between rich and poor must be minimised.On this issue Allah (*S.W.T*) says:

> What Allah gave as booty (*fai'*) to His Messenger (Muhammad *S.A.W*) from the people of townships it is for Allah,His Messenger,the kindreds (of the Messenger *S.A.W*),the orphans, the needy, and the wayfarer,in order that it may not become a fortune used by the rich among you…(Q59:7).

Thus, for fair, just and equitable distribution Islam prescribes positive measures as well as prohibitive measures. The positive measures include the following: *Zakat*, and monetary atonement, *Diyya,* laws of inheritance, compulsory and voluntary charities, bequest, gift and endowments, while the prohibitive measures include the following: usury, hoarding unhealthy business etc which will be discuss respectively in the following sub-headings (Afzal-ur-Rahman, 1975:58).

2.6.1 *Zakat and Monetary Atonement*

a. ***Zakat***

Zakat is the first legal positive measure adopted by Islam to spread out wealth among the Muslim *Ummah*, it is a compulsory levy which is collected from the rich Muslims by the state or community and distributed to or spent on the poor ones. While in the terminology of the jurists *Zakat* is a financial contribution which is incumbent on every Muslim who possess wealth above a certain limit, it is an organized charity which is collected and distributed by the state, and considered in importance second only to the daily prayers (Higab, 1983:193 vol. 1). Allah (*S.W.T*) says:

> And keep up prayers and pay *Zakat* (Q2:43)

And Allah (*S.W.T*) also says:

> As Sadaqa (here it means *Zakat)* are only for the poor, the needy, and those employed to collect the funds, and to attract the heart of those who have been inclined (towards Islam), and to free the captives, and for those in debt, and for the cause of Allah (those fighting in holy battle), and for the wayfarers, a duty imposed by Allah. And Allah is All-knower,All-wise (Q9:60).

Ibn Abbas reported that the Prophet (*S.A.W*) sent Mu'adh to Yemen saying:

> Certainly you will come across a people, the people of the Book. Call them to bear witness that there is no God but Allah (*S.W.T*) and that Muhammad is the Messenger of Allah (*S.W.T*). If they submit to that,

> teach them that Allah (*S.W.T*) has made obligatory upon them prayer for five times a day and a night if they submit to that, teach them that Allah (*S.W.T*) has made obligatory over them *Zakat* which will be taken from the rich and will be given to the poor among them. If they then obey that, avoid taking the best part of their property and fear the invocation of the oppressed, because between it and Allah (*S.W.T*), there is no veil (Khan, 1976:272:478 vol.3Bukhari)

Zakat plays very important role in the socio-economic life of the Muslim *Ummah*. It is the cornerstone of the financial structure of the Islamic state; it also provides the required funds for the Islamic state for its welfare activities in different sectors. It also enables the Islamic state to discharge its obligation regarding its poor and deprived citizens. It also prevents the concentration of economic power in the hands of few and ensures fair and equitable distribution of wealth. It checks growing income disparities and bridges the gap between the rich and poor (Jomo, 1992:171).

b. *Monetary Atonement*

Monetary Atonement has been prescribed by Allah (*S.W.T*) in the Qur'an for certain sins. Those who commit certain sins, offences or omissions of certain duties intentionally or unintentionally have been enjoined upon by the Qur'an to make the prescribed compulsory charity in expiation of such sins (Chaudhry, 2008:169). Here are some verses relevant to some atonement in case of unintentional murder Allah (*S.W.T*) says:

> It is not for a believer to kill a believer unless it is by mistake. And whosoever kills a believer by mistake; he must set free a believing slave, and compensate the blood money (*Diya*) to the family of the deceased, unless they remit it as a charity. If the (deceased) belong to a people at war with you and he is a believer, the freeing of a believing slave (is prescribed). And if he belongs to a people with whom you have a treaty of mutual alliance, compensation must be paid to his family, and a believing slave must be set free. And whoso find this (the penance of freeing a slave) beyond his means, he must fast two consecutive months in order to seek repentance from Allah. Allah is All- Knower, All-Wise" (Q4:92).

And in the case of omission of certain duties like fasting Allah (*S.W.T*) says:

> Fast a certain number of days and for him who is sick among you, or on a journey, the same number of other days, and for those who can not afford it there is a ransom: the feeding of a man in need – But whosoever doth good of his own accord, it is better for him and that you fast is better for you if you did but know" (Q2:184).

For the oath taking Allah (*S.W.T*) also says:

> Allah (*S.W.T*) will not take you to task for that which is unintentional in your oaths, but He will take you to task for the oath which you swear in earnest, the expiation thereof is the feeding of ten of the needy, with the average that wherewith you feed your own folks or the clothing of them, or the liberation of a slave and for him who fundeth not (the wherewithal to do so) then a three days fast. This is the expiation of your oaths when you have sworn and keep your oaths. Thus, Allah (*S.W.T*) expounded unto you His revelation in order that you may give thanks. (Q5:89)

c. ***Diyyah***

Diyyah, apart from its deterrent nature to enhance security, it also contributes to socio-economic development of the victim or his/her immediate family. *Diyyah* serves as Islamic welfare in its pattern of wealth distribution.

Diyyah is the sum of money or wealth usually paid to the family of a victim of intentional, semi- intentional or accidental murder. The victim must however be a Muslim or a non-Muslim with whom there is an alliance (*dhimma*). There are different views as to the position of *diyyah* in Islamic jurisprudence. Some scholars hold the view that it is a civil liability, while others are of the view that *diyyah* is a criminal punishment. Some scholars are of the opinion however that *diyyah* holds a dual position in its being a criminal punishment as well as civil liability. Under Islamic law, *diyyah* is also viewed as obligatory money paid to compensate other forms of bodily harm or human life. It should be noted that *diyyah* is wholly paid from the wealth of the one involved or his/her immediate relatives.The *diyyah* money does not enter into the State's treasury (Abdulkarim and Wakil, 2008:1). The Qur'an asserts this payment in (Q4:92) mentioned in the section on monetary atonement.

However,the payment of *diyyah* for intentional and semi-intentional murder should be treated hastly, the culprit must make urgent payment of *diyyah* out of his possession with camel: forty (40) pregnant she-camel, thirty

(30) adult camel of six to eight years old,and thirty (30) normal camel of four to six years old, as the view of Imam Malik and shafi'i, while Abu Hanifah and Ibn Hanbal opined that for the semi-intentional culprit, his payment of *diyyah* should be in an instalmental mode, and be shared among his relatives in three consecutive years, as the case was unanimously agreed by all Muslim jurists in the accidental *diyyah* payment, whereby, each concerned relative is to pay at least one plus one over three (1+1/3) of *dirham* every year, depending on their number.Thus, the *diyyah* wealth is to be one out of three objects:Animals,Gold and Silver.

For animals: One hundred camels or two hundred cows, or two thousand sheeps or goats.

For the Gold and Silver: One thousand *dinar*, and for silver: Twelve thousand *dirham* according to the consensus of *Ulamah.* According to Abu Hanifa it should be ten thousand *dirham,* and Imam Ahmad added cloth materials to serve for *diyyah* payment, as to give two hundred bandle belt of yard (Zuhaili, 1984:5706-5709 V0l.7). the Gold and Silver amount was converted in to Nigerian currency by the society for the propargation of Islam time chapter (2011:1) that is one thousand *dinar* is equivalent to twenty million nine hundred and eighty two thousand,four hundred and twenty eight Naira,

22, 982, 428 for this year.

2.6.2 Law of Inheritance

Law of inheritance plays a significant role in setting the pattern of distribution of wealth among the members of the community, and lessening the inequality among individuals as a lawful resource mobilization, and the second positive measure in wealth distribution. Even notable Western economists like, Dr. Keynes Taussig and Irvings Fisher agreed that unequal inheritance is an important cause of inequality in society and it has very great effects in the community. It widens the ever lasting gap between the rich and the poor. Thus those communities who adopt law of primogeniture, which makes the eldest son to inherit the whole estate of his father, have concentration of wealth in few hands. Those communities who confine the inheritance to only male children and exclude the females also have a narrow base of distribution. Only those communities who confer the inheritance on larger number of heirs without any discrimination between males and females have broad-based pattern of distributions. It is therefore necessary to adhere strictly to the laws of inheritance in such a way as to achieve equity and justice in the distribution of wealth in the society. Thus inheritance is a very powerful and effective measure both in checking accumulation of wealth in fewer hands and in spreading it out among the larger sections of the community. Islamic law of inheritance is referred to the distribution of the

property of the deceased among his near relatives such as his son, daughter, sisters, brothers, wife and husband etc. And as for one without any near relative, his property is taken over by the Islamic state, in order that all citizens may equally benefit from it (Afzal-ur-Rahman, 1975:61-66 Vol.2).

2.6.3 Voluntary Charity

This is a moral duty in order to achieve the ideals of economic justice. Islam demands from all its followers to spend their wealth freely on the common good of society. This claim on the wealth of Muslims, it emphases is not fully met by the payment of the obligatory levy of *Zakat*. True and real *infaq* is a very strong obligation on the wealthy members of the Muslim community, Allah (*S.W.T*) says:

> And in their wealth there is a due share for the beggers and the needy (Q51:19).

The significance of this verse can becomes clearer, when we read the explanations of Ali (R.A.) the fourth caliph.

> Allah has ordained that the rich are to pay out of their wealth to the extent which is sufficient for the needs of the poor, so that if they do not find food or clothing or struggle (unsuccessfully for their living). It would be because the rich are not doing their duty, and Allah will take them to task on the day of Judgement and will punish them (Khan, 1976:458:759Vol.3Bukhari).

Thus according to Ali (R.A.) if the wealthy keep back their hoarded wealth while some of the poor are hungry and naked and living in misery, then they must deserve the wrath of Allah (*S.W.T*).

According to Abdullah Ibn Umar "If *Zakat* levy is insufficient to meet the needs of the poor, then it is the duty of the rich of every town to put the poor on their feet". Often the note, if *Zakat* fail to satisfy the needs of poor the state can either impose taxes or motivate the rich to donate voluntarily and generously to help eradicate poverty(Afzal-ur-Rahma,1975:78). Here are verses regarding optional charity:

> Who believe in the unseen and establish worship, and spend of that we have bestowed upon them… (Q2:3-4).

And also Allah (*S.W.T*) says:

> ....but righteous is he who believes in Allah, the Last Day, the Angels, the Scripture and the Prophets: and gives his wealth inspit of love of Him to kins-folk, to orphans,to the needy, to the wayfarer and to those who ask, and sete slaves free, and observe proper worship and pay the poor-due *Zakat* … (Q2:177).

In the above verse people are ordered to give away their surplus wealth to the poor.

2.6.3.1 *Bequest or law of will in Islam*

Will is another means of acquiring wealth, thus it assists in distribution of wealth among the poor and destitute. Islam allowed Muslims to bequeath one-third of their wealth or property for a charitable object or to anyone except their legal heir. Before the revelation of the verse of inheritance it was prescribed that bequest should be made in favour of parents and near kindred. But whenAllah revealed the law of inheritance and prescribed shares to parents and near relatives, bequest is no longer valid in favour of an heir. But its a good thing that a man or a women should give his/her own free will; think of his relatives and friends that are not among his hires to make bequest to them, not in spirit of injustice to his hires, but in spirit of love and reverence for those who have cherished him, he/she must do it according to reasonable usage and limit.

Allah (*S.W.T*) says:

> It is prescribed when death approaches any one of you, if he leaves good, that he makes bequest to parent and next of king... (Q2:180).

2.6.3.2 *Gifts in Isam*

Gift means to donate what you possess be it money or property. Every Muslim who has attained maturity and is of sound mind may give a gift. A woman has the same right to give a gift as a man. Gift enhances the

distributions of wealth among the communities, and the difference between gift and wills is that a Muslim may lawfully give a gift of his property to another during his life time, but if he leaves it to some one after his death, it is called will. Islamic law allows a man to give away the whole of his belongings during his life time, but only one-third of it can be bequeathed by will.

A gift may be given either orally or in writing. In the case of an oral gift, if the conditions are all strictly followed the gift is completed and valid. Thus, a person may make a declaration of a gift to another in the presence of a gathering. If the donee accepts the gift and the donor hands over the gift to him, the gift is completed and valid (Higab, 1983:223 vol. 1).

2.6.3.2.1 ***The principles of gift***

The following are the principles of gifts as laid down in *Shariah*:

1. It is preferable to give equally of the gift when it is given to one's children according to the sayings of the Prophet (*S.A.W*):

> Be pious to Allah when giving gift to your children and be just to your children (Khan, 1976:790 vol. 2Bukhari).

2. The retrieval of gift is forbidden. According to the sayings of the Messenger of Allah (*S.A.W*):

> He who takes back his present is like him who swallows backs his vomit (Eweiss and Cook, 2003:345:960Ibn Hajr).

However, when the gift is from a father to his son it may be returned if the father wants – because the son and his money belong to his father as said by the Prophet (*S.A.W*).

> It is forbidden to return a gift except for a father when he offers his son a gift (Eweiss and Cook, 2003:345:958Ibn Hajr)

3 The reward gift (i.e. when a Muslim rewards his brother for work done to him by offering him a gift) is disliked. The gift recipient has the option of accepting or rejecting the gift, but when some one gives a gift to another person and he accepts it, he should reward the gift donor by giving him something that equates or is less than or exceeds the value of his gift (Muhammad, 2007:598). As in the Hadith reported by Aisha (R.A) that Allah's (*S.W.T*) Messenger (S.W.A) used to accept gift and used also give present in return (Eweiss and Cook, 2003: 346: 959 Ibn Hajr).

4 There must be declarations of the gift by the person who wants to give it away.

5 The person to whom the gift is given must accept it, either by himself or through an agent.

6 The possession of the gift should be delivered by the donor to the person receiving it (Doi, 1983, 334).

2.6.3.3 *Endowment* (*al-Waqf*)

Al-Waqf means: the dedication of the corpus of property to Almighty Allah (*S.W.T*). The property thus transfers from the dedicator (*waqf*) to the ownership of Allah (*S.W.T*) but its usufruct or benefit is dedicated to the poor, the sick, the travellers, or any other noble cause recognized by Islam. The institution of *waqf* helps in elimination of poverty, misery, disease, illiteracy and in this way promotes the cause of equitable distribution of wealth (Doi, 1983:339-340).

However, the institution of *waqf* in Islam gets its inspiration from the following verse of the Qur'an and Allah (*S.W.T*) said:

> You will not attain unto piety, until you spend of that which you love. And whatsoever you spend, Allah is aware thereof. (Q3:92).

Ibn Umar reported that when Umar got some land in Khaibar he went to the Prophet and said, "Messenger of Allah (*S.W.T*), I have acquired land in Khaibar, which I consider to be more valuable than any I have ever acquired, so what do you command me to do with it? He replied:

> If you wish you may make the property as an endowment and give its produce as *Sadaqa.* So Umar gave it as *sadaqa* declaring that the property must not be sold, given away as a gift or inherited,

> and he gave its produce as *sadaq* to be devoted to the poor, relatives, the emancipation of slaves, for the cause of Allah (*S.W.T*), travellers and guests, from it in a reasonable manner or gives something to some one else to eat, provided he is not storing up goods for himself for the future (Khan, 1976:576:895 Vol. 2 Bukhari).

2.6.4 Prohibited Measures of Wealth Acquisition.

a. Usury

Under the prohibited measures of wealth distribution it is a notorious fact that concentration of wealth in few hands usually takes place through unlawful means and corrupt practices adopted for acquiring wealth. It is through unfair and illegal means that few privileged peaple up huge fortunes depriving the multitude of people of their legitimate share in national wealth. Such practices include usury hoarding of wealth and unhealthy business.

The word *Riba* according to Bello, (2006:9-10) is interpreted as usury or interest as used in the Bible it derives from the primitive Hebrew word *râbâh,* pronounced (raw-baw) which carries the following meanings:

1. To become many of numerous
2. To grow great
3. To make large, enlarge
4. To multiply
5. To increase in whatever respect

6. Be in authority, heap, nourish.

It is in this sense that the Bible has used the word in these instances:

> Take thou no usury of him, or increase but fear thy God, that thy brother may live with thee, thou shall not give him thy money upon usury; no lend him thy victuals for increase (EKJV, Leviticus 28:36-37).

In Arabic which is a cognate language to Hebrew, the phonetic similarity is unmistakable. Phonologically, *Riba* has the same root meaning with its corresponding Hebrew word *râbâh*. Thus the word *Riba* in Arabic language simply means increase. A thing suffers *Riba* when it increases; it is in this regard that a *Hadith* says:

> By Allah we took not a loaf from the bowl of food unless it increased (*Illa raba*) from the bottom of the bowl of food on which the Prophet (*S.A.W*) invoked the blessings of Allah (*S.W.T*) and many people ate out of that bowl (Muslim quoted by Bello, 2006:10).

Here are examples from the Qur'an which shows the exact meaning of the word: و ترى الارض ها مدة فاذا أنزلنا عليها الماء اهتزت وربت

The word (*rabat*) means: swells.

فعصوا رسول ربهم فا خذهم أخذة رابية

The word (*rabiyah*) means: grip that was increasing in severity.

Riba is defined as "a profit or advantage gained in the exchange of gold or silver or in the exchange of foodstuffs, and is considered usury and as such

prohibited. Food-stuff, gold and silver, can only be exchange for their exact equivalent (Ruxton, 1914:159).

Abu Said al-Khudr (R.A.) narrated that the Messenger of Allah (*S.A.W*) appointed a man as a governor of Khaibar and the man brought to him dates of an excellent quality and the Messenger of Allah (*S.A.W*) asked him:

> Are all dates in Khaibar of the same quality? The man replied I swear by Allah O Messenger of Allah that certainly is not. We take one (sa'a) of these dates for two or three (sa'a) of our lesser quality dates. The Messenger of Allah (*S.A.W*) said: "Don't do that as this would be usury". Sell the lesser quality for Dirhams and then buy the good quality date with the Dirhams you received. He also said that the same applies when things are sold by weight (Eweiss and Cook, 2003:307:857 Ibn Hajr).

In other words, usury means the interest in specific amount of money or property, it is divided into two types: (*Riba al-Fadal*) and (*Riba-an-Nasia*), the former is in barter transactions whereas the latter is in cash loans (Muhammad, 2007:258).

Usury in all its ramifications is forbidden in Islam and Christianity, it magnitude excelled to the extent of waging war against Allah (*S.W.T*) and His Messenger (*S.A.W*).

Allah (*S.W.T*) says:

> And If you do not do it, take a notice of war from Allah and His Messenger (Q2:279)

Jabir (R.A.) narrated that:

> The Messenger of Allah (*S.A.W*) cursed the person who accepts usury, its payer, the one who recorded it and the two witnesses, and he said: they are all equal in sin (Eweiss and Cook, 2003:305:851 Ibn Hajr).

b. ***Hoarding and Black Marketing***

Hoarding (*Ihtikar*) of wealth and commodities is highly discouraged by Islam because people who hoard their accumulated wealth are the real enemies of society. They in fact squeeze the veins of industries and thereby check the progress and development of the country. Their wealth could be utilized to produce more wealth for the benefits of the community as well as the capitalists themselves. Thus Islam does not only discourage and forbid hoarding of wealth and commodity but also threatens persons responsible for this heinous crimes with the dire consequences always. Islam in many places in the Qur'an and the Sunnah of the Prophet (*S.A.W*) encourages and ensures the constant circulation of wealth and commodities among the communities (Afzal-ur-Rahman, 1975:76).

> Hoarding means to withhold cereals or other articles of use in order to raise their prices artificially. It was practiced by the merchants of Madinah to raise the prices of commodities of daily use in order to make huge profits. This practice was forbidden by the Qur'an and the Sunnah of the Prophet (*S.A.W*) (Afzal-ur-Rahman, 1975:50 vol. 2).

Ibn Taimiyyah said:

> Hoarding is also condemned in the traditions as the practice amounts to exploitation of peoples' needs, and misuse of market freedom (Islahi, 1988:234).

The Prophet (*S.A.W*) said:

> The hoarder is a wrongdoer (Eweiss and Cook, 2003:346:957 Ibn Hajr)

Thus in order to remedy the evils that flow from the hoarding of wealth and commodity, Islam has forbidden its accumulation in this manner. The Qur'an condemns the hoarding of wealth and commodities with threats as follows:

> And let no those who hoard up that which Allah has bestowed upon them of His bounty think that it is better for them. Nay, it will be worse for them. That which they hoard soon shall be tied to their necks, like a twisted collar on the Day of Judgement (Q3:180).

Then the hoarders of wealth are warned in these words of Allah (*S.W.T*):

> …And Those who hoard up gold and silver and spend it not in the way of Allah–unto them give tidings of a painful torment, on the Day when it will be heated in the fire of Hell, and their foreheads and their flanks and their bucks will be branded there with (and it will be said unto them): This is the (treasure) which you hoarded for yourselve (Q9:34-35).

The evil of hoarding is distinguished here by three signs:

1. Selfish greed and denial of others right.
2. Arrogance and self sufficiency.
3. Knowingly dishonouring trust out of spite, or seeing ugliness where there is beauty.

Such men who are enemies of progress gathers momentum as they go, and their end can be nothing but misery. A hoarder of wealth will not only lose the spiritual bliss in the Hereafter but will also be deprived of the benefits of his wealth in this world as it will not earn profits. Besides, he will also have a share in the misery and suffering of the community which decays and perishes for lack of adequate funds to maintain itself (Chaudhry, 2008:147).

Black marketing is like hoarding and is also strongly prohibited. In the days of the Prophet (*S.A.W*) the traders or their agents used to meet the caravans outside the city of *Madinah* and purchased all the stocks of corn. Thus by monopolizing all the corn stocks they charged prices as they liked and thereby caused great inconvenience and hardship to the people. Such people who interfere with the price mechanism of the market are called black marketers and hoarders (Afzul-ur-Rahman, 1975:76).

Abdullah Ibn Umar reported that:

> The Prophet (*S.A.W*) told the people not to go forward (outside the city) to purchase goods until

they are brought into the market (Eweiss and Cook, 2003:299:835 Ibn Hajr).

b. Unhealthy Business

All types of unhealthy businesses which are likely to create and increase inequalities of wealth in the community are prohibited in Islam. The most important and most harmful forms of businesses are:

i. Speculation in sale transaction

Speculation in sale transaction refers to those who bought article, goods, or foodstuff in the hope of making large profit. This form of commercial gambling which is carried out without the exchange of money or goods is responsible for artificial increase or decrease of the price of stocks in the national and international markets. There could be a great stability in the market without this unnecessary and evil practice, which some times end in great loss. Speculation was in vogue in different forms in old days, but was declared unlawful by the Prophet (*S.A.W*). It implies: the phenomenon of buying something at cheap rates and selling the same in future at higher rates, buying unripe fruits and grain, fish in river or birds in air (Afzal-ur-Rahman, 1975:73).

ii. Monopoly

This is when the concentration or complete control of the supply of any commodity or services is in the hand of one person or in one business

organization. The monopolist controls the supply of the commodity or the service and fixes its price at his discretion to the determinant and exploitation of the interest of the public consumers and workers. Islam does not permit the establishment of monopolies over commodities or services. These are harmful to the interests of the community, especially monopolies over foodstuffs or articles of daily use are banned by Islam and those essential things which are required by every one are maintained under joint or common ownership of the community. The Prophet said:

> No one monopolises except that he is a sinner (Eweiss and Cook, 2003:299:835 Ibn Hajr).

iii. Defective Weights and Measures

Deceiving the buyers or customers and harming their interest by spurious or defective weights and measures has been strictly prohibited by Islam. The Qur'an has strongly condemned the practice of wrong weighing and wrong measuring among the people of old days specially the people of *Madyan,* to whom Prophet Shu'aib was sent. The believers have been warned to give full measure and weigh with the true balance in order to escape punishment of Allah (*S.W.T*).

Allah (*S.W.T*) says:

> … Give full measure and full weight in justice (Q6:152).

And Allah (*S.W.T*) emphasizes on giving full measure and true weight in business transaction and says:

> Give full measure and cause not loss to others. And weigh with the true and straight balance. And defraud not people by reducing their things, nor do evil making corruption and mischief in the land (Q26:181-3).

Then those who give undue measures are warned by Allah (*S.W.T*) in this verse below:

> Woe unto the defrauders. Those who when they take the measure from mankind, demand it full, but if they measure unto them or weight for them they cause them less. Do such (men) not think that they will be raised again unto a great day. The Day when all mankind stand before the Lord of creatures of the worlds? (Q83:1-6).

Conclusively, this literature reviewed discussed largely the principles, conditions and precepts of Islamic tenets in the entire processes of resource mobilization, earning, acquiring, and amassing of wealth and properties for livelihood. It enlightened on the injunctions from the Qur'an and the Sunnah of the Prophet (*S.A.W*) which enjoins the cardinal values of equity, justice, mutual cooperation and self sacrifice for re-organizing the socio-economic milieu of the Islamic society. It also encourages every Muslim to make his mind in his entire struggle for earning livelihood or in trying to amass wealth in any aspect of his profession, which his aim is to be the gains of well-being

in this world and the hereafter, as well as to obtain the pleasure of Allah (*S.W.T*).

Allah (*S.W.T*) says in the Qur'an:

> Our Lord! Give unto us in this world that which is good and in the Hereafter that which is good and guard us from the doom of fire Q2:201)...

There is no gender segregation in the dealings and transaction; men and women are free to engage fully in trade, enterprises, and entrepreneurship or labour services depending on their potentialities.

CHAPTER THREE:

RESEARCH METHOD

This chapter has to do with the explanation of the procedure to be adopted in carrying out the research, in which the chapter focuses on the research design and procedure. Sources of data collection, population of the study, sample and sampling procedures/techniques, instrumentation for data collection, the statistical tools employed for data analysis will all be discussed accordingly.

3.1 RESEARCH DESIGN

Awotonde and Ugodunluwwa (2004:81) said:

Research has been generally classified into three categories:

a. Experimental research

b. Descriptive research and

c. Historical research.

This study will follow the pattern of the survey method, Sambo (2005:108) said: survey research is defined as a method of gathering information from a sample of individuals.

In other words survey research is defined as:

> A research concerned with the collection of data for the purpose of describing and interpreting existing conditions, prevailing practices, beliefs, attitudes, on-going process and the central purpose of

> descriptive research is not just the description of what is, but the discovery of the meaning of what is (Ndagi, 1999:108).

Thus, the question of this study is comparing the attitude of the Muslim communities towards resource mobilization in which the researcher is trying to find out the cause of action which involve feeling, belief and attitudes of the respondents about resource mobilization in order to discover new "truth" which could be in the form of an additional amount of knowledge that makes it possible for us to get increased insights into the relationship of factors and to extend our generalizations about state of affairs.

This research as a matter of fact in design and procedure followed the phases of Islamic Studies research methodology in the related reviewed literature based on precedence and preferences of the first sources of Islamic law, i.e. the Qur'an and Sunnah as well as the views of Jurists, on resources mobilization and investment. Then the response obtained from the respondents will be analysed.

3.2 SOURCE OF DATA COLLECTION

The sources of data used for this study are basically classified into primary and secondary sources, according to the Islamic Studies methodology. The primary source comprises: the divine guidance on every aspect of human endeavour as explained in the Qur'an, the revealed Book of Allah (*S.W.T*), the

Sunnah of the Prophet Muhammad (*S.A.W*) and the explanation offered by the Islamic scholars. While secondary source was the responses obtained from the respondents interacted with and the observation made during the conduct of the research.

3.3 THE POPULATION

Population in research is the whole group of things or bodies which a researcher is interested in studying, and about which he intends to obtain information and draw conclusions (Awotonde and Ugodunluwwa 2004:81). The research population of this study is the entire Muslim population in Gombe State in respect of their dealings and transactions with one another.

Gombe State is composed of eleven local government areas with three zones: Gombe North Zone constituting five local government areas. Gombe South Zone has four local government areas and Gombe Central with two local government areas. In Gombe North Zone we have the following local government areas: Gombe, Kwami, Dukku, Funakaye, Nafada Gombe Central Zone, Akko, Yamaltu Deba, Gombe South: Kaltungo, Billiri, Balanga and Shongom. These local government areas are the research parent population and five out of them were randomly selected for the study as target population.

3.4 SAMPLE AND SAMPLING PROCEDURE

Sample is a process in which a portion of a population is carefully selected and taken as being representative of the population. That the portion selected is called sample. This portion was collected due to certain limitations such as time and fund available in which this portion will be taken to represent the whole population (Awotonde and Ugodunluwwa 2004:81). And the targets elements contrast in the population are: Matured adult male and female, civil servants, businessmen, labourers.

Sample means "a subset or representation of a population selected for purpose of investigation" (Ekeh, 2003:73).

Based on the above definition of sample, the researcher chose to use simple random sampling techniques in which every element within population has an equal chance of being included in the sample and every possible combination of the number of elements in the population has an equal chance of constituting the sample. The researcher use lottery method as mechanical procedure, by drawing the sampling from hat where the serial numbers of the unit elements are recorded on a piece of paper which are folded after the recording and mixing thoroughly then were picked once. Therefore the researcher used systematic sampling of one in two to determine the size of the eleven local governments in the state. Two wards in each local government areas also were selected, they are as follow: Gombe: i. Dawaki ward ii. Bolari

west ward, Funakaye: i. Ashaka/Magaba ward ii. Bajoga east ward, Dukku: i. Malala ward ii. Dukku south ward, Yamaltu-Deba: i. Dadin-Kowa ward ii. Kwadom ward, Kaltungo: i. Bosharin west ward ii. Nasarawa east ward. In this two zones were represented by two (2) local government areas and the third zone was represented by three (3) local government areas. In Zone A-Gombe North, Gombe Local Government and Funakaye and Dukku were selected and in Zone B – Kaltungo was selected and in Zone C, Yamaltu-Deba was selected, all were randomly selected.

On the number of elements or subjects, the researcher selected a sample size of (600) respondents by considering the geographical population of the state where (200) respondents will be female, 100 in labour services and the other (100) will be in business and other professions. The remaining (400) respondents will be male. Each local government has only a hundred and fifty respondents and each ward (60) respondents, and three hundred questionnaires would be distributed across for the literate people in every sector of the element. Where each local government would have sixty (60) copies each ward would have (30) copies for the respondents of the questionnaire.

Classification of respondent are: -

1. Age from 18years and above.
2. Qualification from primary certificate and above.

3. Occupations: business men, farmers, labourers, civil servant, and non civil servant.
4. Gender: male, female.

3.5 INSTRUMENTATION FOR DATA COLLECTION

Instrumentation refers to the whole process of data collection. It involves selection of the instrument to use for data collection and the conditions under which the instruments will be administered (Awotonde and Ugodunluwwa 2004:104).

The survey research method of data collection is restricted to three ways as asserted by American psychologist Association namely, mailed questionnaire, telephone and in personal interviews (sambo, 2005:108).

Based on the above explanation the researcher decided to choose direct contact questionnaire presentation as first procedure and focused interview procedure as the second method for collection of data where the researcher will prepare the appropriate questions to serve as the basis for the discussion and the discussion is limited to the predetermined relevant issues. The respondent is allowed to express himself/herself freely and completely, but along the line outlined by the researcher.

The questionnaires for this research were made up of close-ended items, and the Likert Scale was adopted as follows:

Strongly Agreed = (SA)
Agreed = (A)
Disagreed = (DA)
Strongly Disagreed = (SD)
Undecided = (UD)

3.6 STATISTICAL INSTRUMENT

The researcher would use simple percentages to derive conclusion.

CHAPTER FOUR:
DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

In this study, the Muslims' attitude towards resource mobilization and investment were compared with the existing principles of Islamic economic system based on the data collected from a sample of individuals as stated in chapter three of this research. The procedure and instrument used have also been discussed in the same chapter.

However, in this chapter, the researcher presents the data in Tables form, analyzes and interprets the results of the questionnaire administered and responses of the interviewees. The analysis of the data mainly focuses on the respondents' views on the Muslims' attitudes towards resource mobilization in comparison with the Islamic principles of economic system. Thus, the chapter expresses the profiles of the respondents in terms of gender, age, educational level and their level of perception of Islamic principles of economics as well as the occupational status, their duration in the occupation and marital status to show the level of their responsibility and commitments in their dealings and transactions as Muslims. The results were interpreted below according to the sequence of the research questions which guided the study.

4.2 DEMOGRAPHICAL INFORMATION

The researcher earlier stated in chapter three that three hundred (300) copies of the questionnaire were distributed to respondents that are elites within the five sampled local government areas of Gombe State. Interview was done with three hundred (300) people, this made the size of the sampled population to be six hundred (600) respondents. Out of the copies of questionnaire distributed, two hundred and eighty three (283) copies were returned and used for the research analysis as shown below. While in the interview, the researcher was able to contact and interview two hundred and seventy one (271) out of the proposed three hundred populations for interview, this is due to problems beyond the researcher's control. Out of this number, four (4) respondents refused to respond. This therefore, made the respondents to be two hundred and sixty seven (267) whose responses were used for the analysis.The respondents profile and demographical information is here presented in the following tables:

Table 4.1: Distributed and returned questionnaire, number of interviewed respondents according to local government areas.

S/No.	L.G.A	DISTRIBUTION.	%	RETURNED	%	UN-RETURNED	%	DISTRIBUTION.	%	INTERVIEWED RESPONDENTS	%	UN-INTERVIEWED REPONDENTS	%
1.	Kaltungo	60	20	60	20	0	0	60	20	60	20	0	0
2.	Yamaltu Deba	60	20	59	19.6	1	0.3	60	20	59	19.6	1	0.3
3.	Gombe	60	20	50	16.6	10	3.3	60	20	40	13.3	20	6.6
4.	Funakaye	60	20	59	19.6	1	0.3	60	20	57	19.0	3	1.0
5.	Dukku	60	20	55	18.3	5	1.6	60	20	51	17.0	9	3.0
	TOTAL	300	100	283	94.3	17	5.6	300	100	267	89.0	33	11.0

Table 4.1 above clearly indicated the number and percentage of the whole respondents in this study for both instruments used for the data collection. It showed that some local government areas did not return all their questionnaires, and even in the interview conducted the numbers of respondents were not completed. Out of hundred percent needed as sample for the conduct of this research, the Table revealed that the researcher recovered (94.3%) of the questionnaire.

The table also showed the percentage of the unreturned questionnaire and un- interviewed respondents to be (5.6%) and (11.0%) respectively, which represent a total of (16.6%).

Table 4.2: Gender of the respondents for the questionnaire and interview

S/ No	LGA	Frequency			Returned questionnaire			Unreturned questionnaire			Interviewed			Not interviewed		
		Male	female	Total	Male	Female	Total	Male	female	Total	Male	female	Total	Male	female	Total
1	Kaltungo	80	40	120	39	21	60	0	0	0	40	20	60	0	0	0
	%	13.3	6.6	19.9	6.5	3.5	10	0	0	0	6.6	3.3	9.9	0	0	0
2	Yamaltu Deba	80	40	120	40	19	59	0	1	1	39	20	59	1	0	1
	%	13.3	6.6	19.9	6.6	3.1	9.7	0	0.16	0.16	6.5	3.3	9.8	0.1	0	0.1
3	Gombe	80	40	120	31	19	50	9	1	10	29	11	40	11	9	20
	%	13.3	6.6	19.9	5.16	3.1	8.26	1.5	0.16	1.66	4.8	1.8	6.6	1.8	1.5	3.3
4	Funakaye	80	40	120	39	20	59	1	0	1	39	18	40	1	2	3
	%	13.3	6.6	19.9	6.5	3.3	9.8	0.16	0	0.16	6.5	3.0	6.6	0.1	0.3	0.4
5	Dukku	80	40	120	39	16	55	1	4	5	40	11	40	0	9	9
	%	13.3	6.6	19.9	6.5	2.6	9.1	0.16	0.6	0.76	6.6	1.8	6.6	0	1.5	1.5
	Total	400	200	**600**	188	95	**283**	11	6	**17**	187	80	**267**	13	20	**33**
	%Total	66.5	33.0	**99.5**	31.2	15.8	**47.1**	1.8	1.0	**2.8**	31.1	13.3	**44.4**	2.1	3.3	**5.4**

Table 4.2 above showed the gender proportion of the respondents made up of 400 males (66.5%) and 200 females (33.0%). The table also showed that not all questionnaires were returned and not all targeted respondents for interview were interviewed. The table showed a total of 17 questionnaires unreturned and 33 un-interviewed respondents representing 2.8 % and 5.4 % out of 8.2 % respectively. This reveals that 550 respondents responded to this study representing (91.6%) out of the proposed 100% responses.

Table 4.3: Age range of respondents and marital status(questionnaire)

S/no	Age range (years)	Frequency	%	MARRIED	%	SINGLE	%	TOTAL
1	18-35	158	52.6	221	73.6	62	21.0	
2	36-55	100	33.3					
3	56-65	18	6.0					
4	66 and above	07	2.3					
	Total	**283**	**94.3**	**221**	**73.6**	**62**	**21.0**	**283 (94.3 %)**

Table 4.3 showed that the 158 (52.6%) respondents of this study were mostly within the age range of 18-35 years, 100 (33.3%) were in the range of 36-55 years, and 18 (6.0%) of them fell within the age range of 55-65. Only 7 (2.3%) of them attained the age of 66 and above. This implies that majority of the respondents are adults, with only 21 % that were not married.

Table 4.4: Educational status of the respondents

S/No	Educational level	Frequency	%
1	Islamiyya and Qur'anic sch.	249	41.5
2	Primary school	4	0.6
3	Secondary school	34	5.6
4	Diploma	77	12.8
5	N.C.E	118	19.6
6	B.Ed, B.Sc, B.A, & Equiv.	44	7.3
7	Masters	6	1.0
8	Ph.D	0	0.0
9	Uneducated at all	18	3.0
Total		550	91.6

Table 4.4 showed that majority (249) of the respondents have attended *Islamiyya* or Qur'anic schools during their childhood, representing (41.5%) out of 550 (91.6%), while those who attended the western education are: 4 (0.6 %) primary school, 34 (5.6%) secondary school certificate, 77 (7.3%) have Diploma, 118 (19.6%) were N.C.E holders, and 44 (7.3%) first Degree holders. There are also 6 (1.0 %) masters degree holders and 18 (3.0%) who did not attend any type of education.

This implies that a significant number of those that responded to the interview have attended either Islamic or Qur'anic schools, and/or the western education system. Many of them are N.C.E. or Diploma (O.N.D) holders.

Table 4.5: Occupational status and the duration in occupation

S/No	Occupations	Frequency	(%)	Occupational duration		
1	Business men	100	16.6	(years)	frequency	%
2	Labourers	57	9.5	1-5	153	25.5
3	Civil servants	181	30.1	6-15	191	31.1
4	Farmers	64	10.6	16-25	149	24.8
4	Industrial workers	18	3.0	26 and above	57	9.5
5	Handcraft workers	49	8.1			
6	Professionals	48	8.0			
7	Students	33	5.5			
8	Total	550	91.6		550	91.6

Table 4.5 indicated that 30.1% of the respondents 181 are civil servants followed by business men and women who are 100 in number representing 16.6% of the respondents, 33 (5.5%) were students, 18 (3.0%) were industrial workers while those on other occupations such as farming, labour, hand-crafts as well as professionals had 64 (10.6%), 57 (9.5%), 49 (8.1%), 48 (8.0%) respectively.

This shows that majority of those that responded to the questionnaire are civil servants. The Table also shows that the longest duration in the occupations for the respondents in their respective occupations is between 6-15 period, and 153 (24.8%) of them served between 1-5 years, lastly, 57 (9.5%) worked for 26 or more years. This clearly indicates the calibres of the majority of the respondents are in their youthful ages and novices in their various occupations.

Table 4.6: The interrelated responses from questionnaire and interview on some economic attitudes of Muslims in Gombe State

Questionnaire items		Responses					Interview items	Responses		Total
Item 1	SA	A	SD	D	UD	Total	Item 3	Up to 50%	60% and above	
Muslims nowadays are influenced by the capitalist system of economy, in their attitudes to resource mobilization and investment.	79	175	25	4	0	283	In your own observation what percentage of muslims are influenced by capitalist economic system in their dealings and transactions?	94	173	267
Percentages	26.3	58.3	8.3	1.3	0	94.3		31.3	57.6	89.0
Item 6	SA	A	SD	D	UD	Total	Item 6	Responses		
Majority of Muslims today are party to the prohibited forms of transactions and contracts.	35	165	31	45	7	283	What are the forms of prohibited contracts and transactions you observed much practiced by the MuslimUmmah nowadays?	Betrayal of trust, usury, hoarding, adulteration, queuing up for one purchase to bid-up the price, undue measure	Non-dedication to duty, ghost workers, underpayments, dishonesty, *black marketing*, deception breach of promise	total
Percentages	11.6	55.0	10.3	15.0	2.3	94.3	Frequency	106	161	267
							Percentage	35.3	53.6	89.0

Key: SA= Strongly Agreed. A= Agreed. SD= Strongly Disagreed. D= Disagreed. UD= Undecided

Table 4.6 shows that 175 (58.3%) agreed and 79 (26.3%) strongly agreed to item 1 of the questionnaire. This is similar to 173 (57.6 %) of positive answers received and they are of the opinion that 60% of the Muslims in the area of study are influenced by the capitalist system of economy in their dealings and other transactions. Also, 165 (55.0%) agreed and 35 (11.6%) strongly agreed to the question in item 6 of the questionnaire, which corresponded to 267 (89.0%) of positive answers received for item 6 of the interview questions. The result showed that a total of 66.6 % of the questionnaire respondents and 88.9 % of interview respondents gave a positive answer to the question indicating the high degree of involvement of Muslims in Gombe state in to different prohibited forms of transactions and contracts. It also revealed the high degree of capitalist system of economy's influence on the Muslim attitudes consciously or subliminally in their resource mobilization, dealings and transactions

Table 4.7: The degree of Muslims' adherence to the lawful and justifiable manner in their wealth acquisition

Questionnaire items	Responses					Interview items	Responses		
Item 2	SA	A	SD	D	UD	Item 2	Few Muslims undertake sound transactions and dealings	Majority of Muslims are not cautious in earning Haram.	
Most Muslims know and strictly follow the principles of business transactions and dealings.	37	66	53	125	2	What is your opinion about the Muslims' consciousness in restraining themselves from Haram and their commitment in seeking for Halal?			
Percentages	12.3	22.0	17.6	41.6	0.6	Frequency	114	153	
						Percentage	38.0	51.0	
Item 20						Item 1	Responses		Total
Only twenty percent among the Muslims are cautious of observing the Islamic ethics of earning their livelihood and resource mobilization.	34	160	43	42	4	How familiar are you on the concept of Halal and Haram in the process of your resource mobilization and livelihood?	Halal is Allah's ordinance to earn and Haram is forbidden by Allah to earn.	To earn what is your right in a sincere and honest way without tempering with someone else's right. Haram is to do otherwise.	
Percentages	11.3	53.3	14.3	14.0	1.3	Frequency	132	134	267
						Percentage	44.0	44.6	89.0

Key:SA =strongly agreed, A = agreed, SD = strongly disagree, D = disagree, UD = undecided

Table 4.7 shows that the negative response of both strongly disagreed and disagreed in item 2 of the table indicated: 178 (59.3%) while those with positive responses indicated 103 (34.3%). The interview response of item 2: 267 (89.0%) as well as the item 20 where the positive responses of strongly agreed and agreed from the respondents 194 (64.6%) out of (94.3.0%) also outweigh the negative responses of 85 (28.3%) out of (94.3%).

Through the item 1 of the interview, responses show the respondents' familiarization with the two concepts of *Halal* and *Haram*. This is because both responses given by the respondents are close to the given definition of the two concepts.

This table shows that many Muslims were conversant with Allah's command on the two concepts *Halal* and *Haram*, but very few among Muslims observe the act in that respect, and are cautious in observing the distinction between *Halal* and *Haram* in their daily earnings.

Table 4.8: The Muslims level of adherence to Islamically recognized ways of transactions and dealings

Questionnaire items	Responses					Interview items	Responses	
Item 3	SA	A	SD	D	UD	Item 6	Betrayal of trust, usury, hoarding, adulteration, queuing up for one purchase to bid-up the price, undue measure	Non-dedication to duty, ghost workers, underpayments, dishonesty, *black marketing*, deception breach of promise
In most cases Muslim Business men/women are careful of giving due measure and true balance in measuring and weighing for others.	23	120	44	96	0	What are the forms of prohibited contracts and transactions you observed much practiced by the Muslim *Ummah* nowadays?		
						Frequency	106	161
Percentages	7.6	40	14.6	32	0	percentage	35.3	53.6
Item 14								
Majority of the Muslim labourers discharge their duties assigned to them efficiently and honestly	44	108	36	89	6			
Percentages	14.6	36	12	29.6	2			
Item 15	SA	A	SD	D	UD			
Only ten percent or less among the Muslim labourers or professionals can be proved trust- worthy when entrusted with money for purchase of property.	71	149	28	35	0			
Percentages	23.6	49.6	9.3	11.6	0			
Item 16	SA	A	SD	D	UD			
The women civil servants and professionals tend to be more efficient, honest and trustworthy than men in all ramifications	55	126	50	42	0			
Percentages	18.3	42	16.6	14	0			

Key: SA =strongly agreed, A = agreed, SD = strongly disagree, D = disagree, UD = undecided

Table 4.8 shows that up to 60% of the responses regarding the adherence of Muslims to the Islamically recognized ways of transaction in item 3 of the questionnaire, 143 (47.6%) were positive, while 140 (46.6%) responded negatively. Item 14 received 152 (50.6%) and 125 (41.6%) positive and negative answers respectively despite the similarities in the expected answers to the two questions. Here, the differences between the positive and the negative responses are not significant. This is contrary to expectation. However, generally, the results of items 15 and 16 of the questionnaire 220 (73.3%) and 181 (60.3%) respectively, as well as the result of item 6 of interview 267 (89.0%) show the low level of Muslim submission to practice the Islamically recognized ways of transactions.

Table 4.9: The involvement of Muslims in interest and hoarding as means of resource mobilization

Questionnaire items	Responses					Interview items		Responses on loan collection		
Item 7	SA	A	SD	D	UD	Item 5		successful	harmed	NC
Muslim business men/women, farmers, professionals, and workers do collect/give loan with interest from banks, individuals and cooperatives societies with the view to boosting their economic standards.	114	139	11	16	2	Have you ever collected loan(s) from banks or individuals with interests for business or other purposes? If yes, what is your experience? Have you been successful or harmed? What are the repercussions?		38	120	109
Percentages	38	46.3	3.6	5.3	0.6	percentage		12.6	40.0	36.3
						Item 9	TP	MP	FG	NR
						What would you say of the attitude of the Muslims' well-to-do creditors and the needy Muslim debtors?	50	192	206	61
						percentage	16.6	64	68.6	20.3
Item 8	SA	A	SD	D	UD					
The well to do among Muslims do give loans without interest to those who are in a state of need to meet their basic necessities.	41	83	55	92	12					
Percentages	13.6	27.6	18.3	30.6	4					
Item 9	SA	A	SD	D	UD					
The Muslim debtors usually pay back the debt promptly as promised or give excuses when unable to pay the debt before the date.	39	118	29	87	10					
Percentages	13	39.3	9.6	29	3.3					
Item 10	SA	A	SD	D	UD					
The well to do Muslims usually remit the debt when the debtor become not in position to pay back the loan.	20	82	63	106	12					
Percentages	6.6	27.3	21	35.3	4					

Key:
NC = Not collected, TP = Try to pay; MP = Many not paying; FG= Few do give loans; NR= Not responded to.
SA =strongly agreed, A = agreed, SD = strongly disagree, D = disagree, UD = undecided

Table 4.9 indicated that many Muslims do collect loans that are repaid with interest as shown by 253 (84.3%) positive answers received in response to item 7 of questionnaire. The answers to Item 5 of interview revealed that only 38 (12.6 %) indicated that they really enjoyed collecting the loans that bear interest, while majority (120, 40 %) of the respondents to the question indicated that they were harmed, and deeply regretted their action. While 109 (36.3 %) completely avoid transactions involving interest. This clearly shows that a larger proportion of Muslims do not willingly go into these unIslamic practices even of 84.3% believe that Muslims do collect such loans as matter of necessity, still in the end only 12.6% enjoyed it, 76.3% do not enjoy or even collect. Thus, it shows that majority of those who collect loans with interest are harmed or put in financial crises. This is affirming the saying of Allah (*S.W.T*) apparently in (Q2:276) that Allah will destroy usury and will give increase for deeds of charity and alms.

Of the 283 respondents to item 8 of the questionnaire regarding giving loan with interest, 124 (41.3 %) accepted that loans are given interest-free by some wealthy ones in the society, but 147 (49.0 %) indicated that some rich ones prefer to give loans that attract interest.

The big problem of inability to repay debt is minimal in Muslim communities of Gombe state as indicated by 157 (52.3%) respondents that gave a positive answer to item 9 of the questionnaire, this shows the level of payment of

debt is up to 60%. Many of the rich ones in the state are not pathetic and kind enough to help the less privileged in paying their debts. This is indicated by large negative responses 169 (56.3%) to item 10 of the questionnaire as in Table 4.9. This shows the low level of remission by rich ones in our communities. This is because of unawareness of the reward in remission of debt and assisting others.

Table 4.10: The value attached to labour, welfare, dignity and respect given to labourers.

Questionnaire items	Responses					Interview items	Responses (employers) Payments per month (₦)				
Item 11	SA	A	SD	D	UD	Item 7a	700	1000	1500	3000	NE
Muslim employers in any kind of employment pay reasonable wages which make the labourer meet his basic necessities of life.	24	94	66	96	3	Are you an employer? If yes, how do you pay/remunerate your employee(s)?	56	40	43	44	84
Percentages	8	31.3	22	32	0.1	Percentage	18.6	13.3	14.3	14.6	28
							Employees				
						Item 7b	moderate		Not enough		Self employed.
						Are you an employee? How are you being paid? Is it reasonable enough to meet your basic needs?	40		72		155
						Percentage	13.3		24		51.6
Item 12	SA	A	SD	D	UD						
Employers treat labourers as human beings with dignity and respect, they are not over working them or giving them work beyond their physical strength.	32	85	50	112	4						
percentages	10.6	28.3	16.6	37.3	1.3						
Item 13	SA	A	SD	D	UD						
The Muslim non-governmental organizations and industries do make provisions for the payment of old age pension and give appropriate medical attention to their labourers, as well as the payment of compensation for an accidents occurred during work.	28	44	59	132	20						
Percentages	9.3	14.6	19.6	44	6.6						

Key
NE= Not employ, SA =strongly agreed, A = agreed, SD = strongly disagree, D = disagree, UD = undecided

Table 4.10 shows negative responses given to items 11, 12, and 13. 162 (54.0%), 162 (54.0%) and 191 (63.6%)) respectively against the positive responses of the same item which are 118 (39.3%), 117 (39.0%) and 72 (24.0%), and the 20 (6.6%) undecided response revealed that labourers do not receive favourable consideration from employers generally. Comparatively, the results of the interview session 96 (32.0%) of the respondents indicated that the least paid wage for (60) sixty hours service in a month is ₦700-1000, and 87 (29.0%) of the respondents said for 180 hours is ₦ 1500-3000 Naira. For (5) five hours in hard labour, only ₦300 is paid upon employer-employee agreement as indicated by 84 (28.0%) of the respondents who revealed themselves as occasional employers.

On the other hand, 72 (24%) of employees, responded that the wage paid is not enough, while 40 (13.3%) responded moderately. Of the total respondents, 155 (51.6) were self employed in one way or the other. This implies that commensurate value has not been attached to labour services due to the nature of the country's leadership of inequity and justice in what people are earning in civil services.

Table 4.11: The Muslims' level of practice with regard to Islamic mode of investment in Gombe State

Questionnaire items	Responses					Interview items	Responses on partnership				
Item 4	SA	A	SD	D	UD	Item 8	I don't know but practice	I know and practice	I know but don't practice	I don't know and don't practice	
The well-to-do among Muslims' are employing their wealth in production for the increment of their wealth and betterment of the Muslims' society	72	100	47	56	8	Are you aware of the Islamic methods of investment? If yes, to what extent are you applying its principles and conditions in your investment?					
							44	35	58	130	
Percentage	24.0	33.3	15.6	18.6	2.6	Percentage	14.6	11.6	19.3	43.3	

Item 17 The well-to-do Muslims mostly invest their wealth in Halal enterprises and companies.	SA 40	A 104	SD 39	D 88	UD 12
Percentages	13.3	34.6	13.0	29.3	4.0

Item 18	SA	A	SD	D	UD
The Muslim investors are unaware of the Islamic method of investment and its principles	38	115	68	59	3
Percentages	12.6	38.3	22.6	19.6	0.1

Item 19	SA	A	SD	D	UD
Majority of the Muslim Ummah are ignorant of the principles and conditions of leasing contracts business as a legitimate resource mobilization and a great means of wealth production	34	160	43	42	4
Percentages	11.3	53.3	14.3	14	1.3

Key:
SA =strongly agreed, A = agreed, SD = strongly disagree, D = disagree, UD = undecided

In Table 4.11, the positive answers to items 4 and 17 represented by 172 (57.3%) and 144 (48.0%) shows that Muslims investors in Gombe State do invest their wealth for the betterment of the Muslims and in Halal enterprise and companies.

Sorrowfully, there is high level of ignorance with respect to investment as laid down in the Islamic laws. This is confirmed by 153 (51.0%) and 194 (64.4%) positive answers given to items 18 and 19 of the questionnaire (Table 4.11), and further clarified by the responses to item 8 of the interview represented by 44 (14.6%) that they don't know but practice profit and loss sharing mode of investment. And 130 (43.3%) of the respondents affirmed that they don't know and don't practice this mode of investment.

Table 4.12: The observed factors that lead Muslims nowadays to get involved in the prohibited and Islamically unlawful acts of transactions and contracts

Interview items	Responses	
Item 4 What do you think are the factors that lead Muslims to indulge in unlawful contracts, transactions and dealings in the course of earning their livelihood and resource mobilization despite the Islamic doctrine?	Straining eyes over other's splendour and glitter of life/weakness of faith and selfishness	Colonial impact, bad leadership, ignorance and sign of the last hour
Frequency	139	128
Percentage	46.3	42.6

Table 4.12 shows clearly the most probable factors for the involvement of Muslims in to a prohibited and Islamically unlawful act of transactions and contracts, with the sole aim of amassing wealth or earning their livelihood are: 1) straining eyes over others' splendour and glitter of life; 2) weakness of faith and 3) selfishness, as clarified by 139 (46.3%) of the respondents to item 4 of the interview, while 128 (42.6%) of the responses showed that colonial impacts, ignorance of the Islamic principle of transactions and dealings, bad leadership in the temporal and some spiritual leaders, and a sign of the last hour, are responsible for this ill-behaviour among Muslims.

4.3: Findings

Based on the research conducted, data presented in tabular form with distribution of scores of the responses and percentages as well as the analysis and their interpretations, the researcher is able to deduce the following findings:

1. A significant number of the Muslims in Gombe State attended Qur'anic school or Islamiyya for the basic Islamic knowledge at their childhood and for the western education, many of the Muslims are diploma and N.C.E holders.

2. It was observed that the capitalist's influences are present in most Muslim transactions and dealings. Muslims practice it knowingly and sometimes unknowingly. This is because of the colonial impact on the life of Nigerians and the western educational effect on the first and second generation of western

educated Muslim elites who have little or no Islamic knowledge as Eyiyere (1983:113) said: "the peoples' post independence economic systems still follow that of their former colonial master". In fact, some Muslims went to the extent of reluctantly abandoning the spiritual benefits for the glitter and splendour of the worldly life.

3. Most of the Muslims' perceptions and familiarization of the concepts of *Halal* and *Haram* were acquainted. The data shows that nowadays Muslims find it difficult to restrain themselves from *Haram*.

4. There is also circumvention of some of the Muslims to the Islamic ways of transactions and dealings based on the data presented in Table 4.8.

5. The research reveals that some Muslims most especially the civil servants, business men and women and farmers are seriously involved in usury transaction and dealings in default of the important institution of Islamic welfare of the societal well being i.e. credit and loans. This institution is being abused in the hands of the above mentioned calibre of Muslims. The effects of the usury mostly resulted also into economic depression, deterioration and market imperfection. Many Muslims who collected loans with interest are unsuccessful in their purpose of collection and harmed by the bank interest charging system. The study proved the saying of Allah (*S.W.T*)

> And if you do not do it, then take a notice of waging a war from Allah and His Messenger. (Q2:279)

Sani (2005:20) asserts that "the recurrent of trade cycles fluctuation in economic activities is explored by the phenomenon of interest and the operation of banking in its present form".

6. Actually, the majority of people including the government have not given much value to labour, where a man will spend 5 hours in a hard labour and is paid ₦300 only or 180 hours services in a month to be paid only ₦ 3000. Civil servants do also receive minimum basic wage of ₦ 5500 monthly to serve for nine hours; from 7 O' clock to 4 O' clock while others are serving for 60 hours in a month and being paid between ₦ 700 to 1000. Night watchmen and drivers are being paid ₦ 5500 in a month serving for 12 hours daily, which is 360 hours in a month. This is a serious injustice to humanity and encroachment of human right which is contrary to the teachings of the Qur'an and the Sunnah of the Prophet (S.A.W) Muslims in this verse are enjoined to be just and kind in their of dealings with fellow beings.

> Verily, Allah enjoins justice and kindness in performing your duties to Allah (and in dealing with fellow beings... (Q. 16:90)

7. The results of the research confirmed to us that there is a vast investment and enterprises in Gombe State by Muslims only that it is devoid of Islamic method of investment.

8. Many Muslims involve themselves in prohibited forms of transactions and dealings due to some factors as follows:

a. Straining eyes over others' splendour and glitter of the worldly life. Islam has forbidden this kind of attitude where Allah (*S.W.T*) says:

> …and let not your eyes overlook them, desiring the pomp and glitter of the life of the world... (Q. 18:28)

And in another verse, Allah *S.W.T* says:

> And strain not your eyes in longing for the things we have given for the enjoyment of various groups of them (i.e. polytheist and disbelievers) the splendour of the life of this world...(Q. 20:131).

b. Colonial impact through western education which serves as a means of cultural transformation, whereas Muslim have their own educational system which transferred the Islamic culture in them from the time of the collapse of the Sokoto caliphate, when the colonial masters enforced their educational system on Muslim society gradually. They inculcate their culture into them through indirect rule. This ousted the established Islamic system of economy because of its direct effect on the life of individuals. Due to the nature of man, in whose mind is beautified the love of the world, gold and silver, he tends to shy away from the principles of Islamic economics as illustrated in Q3:14. This influences many Muslims to be captives of the capitalist's ideas of earning and amassing of wealth by all means.

c. Weakness of faith and selfishness is found to be the cause of the Muslims' indulgence in the prohibited forms of transactions and dealings. A faithful Muslim does not care whatever it may cause him in the side of Allah's commandments. He will not circumvent it, but will follow guidance as all Muslims were enjoined to orient their entire lives in accordance with the dictates of Allah (*S.W.T*) in the Qur'an and the Sunnah. Among the pillars of faith, Muslims are to believe in Allah and His message sent for man's guidance.

d. Actually, there is ignorance of the Islamic principles of transactions and dealings among Muslims too.

e. One of the signs of the last hour is that people will forget the warnings in Allah's commandments, and then will Allah open for them the gates of every pleasant thing in whatever ways of resource mobilization they followed, until in the midst of their enjoyment, all of a sudden Allah will take their lives. Allah says:

> So when they forgot the warning with which they had been reminded, we opened for them the gate of every (pleasant) thing until in the midst of their enjoyment in that which they were given, all of a sudden we took them (in punishment), and lo! They were plunged in to Destruction with deep regrets and sorrows..(Q.6:44)

It is also as indicated in the Hadith that just before the last hour; people will be competing in riches and high storey buildings...

> The bare footed, the naked, the destitute and the shepherds compete in building tall houses (magnificent).... (Abbasi, 1983:314:543 vol. 1 AnNawawiy)

4.4 Summary

In this chapter, efforts were made to present the data received in tabular form in which the frequency and distribution of scores were inserted, analysed and interpretations were made through the data gathered from the responses in the questionnaire returned (283) by the Muslim respondents, and interviewed respondents of (267) from the (5) randomly selected local government areas of Gombe State. On the basis of the data presented and interpreted the major findings of the study are discussed.

CHAPTER FIVE:
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0. INTRODUCTION

In this chapter, the summary of the entire work is presented and is followed by the conclusions drawn from the findings of this study, and recommendations to the Muslim scholars, Emirs, Parents and individuals as well as government were given. Limitations and suggestions for further studies were also offered.

5.1. Summary

The study began with introduction to the study where "man" is termed as a social animal that cannot survive in isolation and cannot provide all his needs alone without resorting to others. In this regard, man is enjoined by his Creator to make transactions and dealings with others in a just manner (Q5:8). The background to the study gave that a Muslim is obliged to fashion his entire life in accordance with the dictates of Allah (*S.W.T*) as enshrine in the Glorious Qur'an and the Sunnah of the Prophet Muhammad (*S.A.W*). It is also expected to observe at every step of his transactions and dealings, the distinction between Halal and Haram in his cause of earning his livelihood or amassing wealth. The description of the research problems was viewed against the colonial impact and capitalistic influence, creating an economy that is uncomfortable to the society.

The objectives, significance of the study, research questions, delimitations and scope were presented.

A review of the related literature largely discussed the principles, conditions and precepts of Islamic tenets in the entire processes of resource mobilization. Concept of Halal and Haram, moral measures in earning of livelihood and acquiring properties, concept of contracts and labour value, acquiring loans and the concepts of usury were also reviewed. Enterprises and business contracts were also discussed, with the intention of providing the theoretical framework for the data collected from the field. Interpretations, findings conclusions and recommendations of the study were made.

By method of 30 test items and interview in the medium of questionnaire, the researcher collected the views of 550 Muslim respondents, (males and females) drawn randomly from the five local government areas of the three zones of Gombe State. The views collected were on the Muslim attitudes toward resource mobilization, Muslim attitudes in dealings, labour value, enterprises and business transactions. Thus, the population in study is all the Muslims in Gombe State, but five (5) Local Government Areas were randomly selected for the study. Simple random sampling techniques were adopted, and every element within the population was involved in the selection. Questionnaire and interview were employed for the data collection. A total of 283 questionnaires were

returned, and 267 people were interviewed. Percentiles were used to analyse the data collected. Results were presented in tabular forms. Conclusions were drawn from the results. Recommendations and suggestions for further studies were mentioned.

5.2. Conclusion

Finally, the findings provided that there is a need for the Muslim leaders, spiritual and temporal, as well as the Muslim societies at large, to re-organize our socio-economic milieu, based on the result received from the analyses of data collected. The Muslim socio-economic decadence level is in need of total reformation.

A Muslim has to be cautious of his faith during his manifestation of the inherent love of wealth, desire to accumulate, possess and enjoy it. And for him to satisfy his unending want, he should bear in mind in his struggles to acquire and accumulate wealth that he is ordered to strictly adhere to the laid down principles and precepts enshrined in the Islamic laws. Wealth must therefore be acquired through lawful means only. This act has been strongly recommended with the blessings of Allah (*S.W.T*) in this world and promise of reward in the hereafter while the opposite means (Haram) have been denounced with wrath of Allah in this world and warning of stern punishment in the hereafter. Hence, Islamic Economy neither allows unrestricted freedom like Capitalism in wealth

acquiring and accumulations, or chain in control like Socialism. It allows accumulation of wealth in a lawful, fair, just and moral manner without encroachment to other's right.

Of all the Muslims attitudes, trust, has apparently become the most bearing difficult task for the Muslim societies nowadays. It is however, one of the most vital characteristics that every Muslim should have.

5.3. Recommendations

As a result of this research finding, the following proposed recommendations were made, with the sole aim of providing ways to follow in remedying the problems as follows:

1. The Muslim scholars as the spiritual leaders should fear Allah (*S.W.T*) to be role models, and embodiment of exemplary leaders; for their words, and actions to be emulated by the Muslim Ummah. Scholars should also emphasize in their sermons and Taalims the fear of Allah, Islamic principles and precepts of transactions and dealings in all its ramifications for the Muslim societies in all nooks and crannies of the country in particular and the world at large.
2. Government should give an equitable and just wage to its work force as well as provide equitable distribution of expenditure in utilization of National output as to meet the needs of the citizenry. Government should

also minimize unemployment and underemployment which are unwholesome characteristics of an underdeveloped economy and cause of all sorts of vices. A market task force to monitor the citizen's forms of transaction and dealings should be established. Whoever is found committing fraud, cheating, adulterating, giving undue weights and measures, should be punished accordingly for the well-being of the citizens. It is a duty of the government to safeguard and protect the faith of its citizens and their religious ethics and etiquettes, for the spiritual gains in the hereafter.

3. The Sultan and Emirs in Northern Nigeria, as heirs of Shehu Usman's flag bearers should come up with a means of reminding the rich among Muslim communities regarding the principles of transactions, dealings and enterprises. E.g. by organizing seminars and palace contacts on a routine basis.
4. Parents should give much priority to Islamic education for their children at childhood and adolescence, in order to inculcate the spirit of Islamic guidance and adherence as well as to teach them the benefits of piety and warn against them of the dangers of transgression and strain love of the world glittering life.

5. Muslims at individual level must be pious and conscious of death and the day of accountability at all times. This will guard and control one's desire and temptations and guide to acquire basic knowledge of Ibada and Muamalaats.
6. The well-to do Muslims should employ the Islamic methods of investment by practicing partnership according to Islamic principles, and they should be paying their *Zakat* due promptly. They should also give out interests free credit to others, when in genuine need of it, and remit the debt when the person is not in position to pay back the loan, that is the state of insolvent.

5.5 Suggestions for further research

The followings are some suggestions for further research:

a. A repeat of this study in other States is advocated
b. Similar comparative study on the secular economic system and the economic system in the Christian doctrine is suggested.
c. A comparative analysis between the Muslim economic attitudes in the early days of the colonial masters and Muslims' economic attitudes in the present day should be pursued.

Such studies if carried out, will contribute to the contemporary economic issues and provide data of paramount usage for the distinct different parameters in the

economic system between the Islamic economy and the western economic system.

5.6 Limitations

There were some limitations to this study which have affected the generalization drawn from the study. These limitations are as follows:

1. The intended number of respondents for data collection questionnaire and interview (600) respondents were not obtained. Only 283 questionnaires were returned and 267people were interviewed as against the 300 planned for each of the tools. Some people refused to be interviewed while others granted partial attention.
2. The researcher encountered some financial and time constraints, which depressed his physical and emotional courage, and made the research a stressful exercise at the tail end.
3. In the northern zone of Gombe state, the Fulanis are the dominant inhabitants, where only few of females are involved in business and labour services outside the home. Information regarding business transactions and labour services from women in that locality were therefore very limited.

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APPENDICES

APPENDIX 1

Department of Education,
Islamic Studies Section,
Faculty of Education,
Ahmadu Bello University, Zaria.
September /October, 2010.

RESEARCH QUESTIONNAIRE

Dear Respondent,

The Research Topic:

A COMPARATIVE STUDY OF THE ATTITUDES OF MUSLIMS TOWARD RESOURCE MOBILIZATION AND ISLAMIC ECONOMIC SYSTEM IN GOMBE STATE

This questionnaire is meant purely for academic work, designed to seek relevant data for the post-graduate thesis in M.Ed Islamic studies on the above mentioned research topic. Your true response is crucial to the success of this research. Your response will be treated with utmost confidentiality and shall be used strictly for academic purpose. Thank you for your cooperation.

Yours faithfully,

Muhammad Hamma-adama
Ahmad.

APPENDIX 2

SECTION 'A': RESPONDENT PROFILE

Please tick (√) the column where appropriate

1. SEX: male ( ) Female ( )
2. Age: 18-35( ) 36-55( ) 56-65( ) 66 and above ( )
3. Marital status: single ( ) married ( )
4. educational Qualification: primary ( ) Secondary ( ) N.C.E ( )
   Diploma ( ) B.A/B.Sc/B.Ed/any other equivalent( ) masters ( )
   Ph.D ( )
5. Occupation: business man/woman( ) labourer ( ) civil servant ( )
   farmer( ) industrial worker ( ) hand craft ( ) professional ( )
   student( )
6. How long have you been in the occupation: 1-5years ( ) 6-15 years( )16-25 years ( ) 26 and above ( )
7. local Government (specify)_____

SECTION 'B': ANALYTIC PART

Please tick one

Key:

1. SA = strongly agreed
2. A = agreed
3. SD = strongly disagree
4. D = Disagree
5. UD = undecided

s/no	Items	SA	A	SD	D	UD
(1)	Muslims nowadays are influenced by the capitalist system of economy in their attitudes to resource mobilization and investment.					
(2)	Most Muslims know and strictly follow the Islamic principles on business transaction and dealings.					
(3)	In most cases Muslim business men and women are careful of giving due measure and true balance in measuring and weighing for others.					
(4)	The well-to-do among muslims are employing their wealth in production for the increment of their wealth and betterment of the Muslims' society.					
(5)	Large number of Muslim men and women indulge in hoarding money, goods and market monopoly as a means for resource mobilization and wealth accumulation.					
(6)	Majority of Muslims today are party to in the prohibited forms of transactions and contracts.					
(7)	Muslim business men/women, farmers, professionals, and workers do collect/give loan with interest from banks, individuals and cooperative societies with the view to boosting their economic standards.					
(8)	The well-to-do among Muslims do give loans without interest to those who are in a state of need to meet their basic necessity.					
(9)	The Muslim debtors usually pay back the debt promptly as promised or give excuses when unable to pay the debt before the date.					
(10)	The well-to-do Muslims usually remit the debt when the debtor become not in position to pay back the loan.					
(11)	Muslim employers in any kind of employment pay reasonable wages fixed at the time of employment which will make the labourer to meet his basic necessities of life.					
(12)	Employers treat labourers as human beings with dignity and respect, they are not over working them or giving them work beyond their physical strength.					

(13)	The Muslim non-governmental organizations and industries do make provision for the payment of old age pension and give appropriate medical attention to their labourers, as well as the payment of compensation for an accidents occurred during work.					
(14)	Majority of the Muslim labourers discharge their duties assigned to them efficiently and honestly.					
(15)	Only ten percent or less among the Muslim labourers or professionals can be proved trust-worthy when entrusted with money for purchase of property.					
(16)	The women civil servants and professionals tend to be more efficient, honest and trustworthy than men in all ramifications.					
(17)	The well-to-do Muslims mostly invest their wealth in Halal enterprises and companies.					
(18)	The Muslim investors are unaware of Islamic method of investment and its principles.					
(19)	Majority of the Muslim Ummah are ignorant of the principles and conditions of leasing contracts business as a legitimate resource mobilization and a great means of wealth production.					
(20)	Only twenty percent among Muslims are cautious of observing the Islamic ethics of earning their livelihood and resource mobilization.					

APPENDIX 3

FOCUSED OPEN-ENDED INTERVIEW QUESTIONS

Items:

Q1. How familiar are you on the concept of Halal and Haram in the process of your resource mobilization and livelihood?

Q2. What is your opinion about the Muslims' consciousness in restraining themselves from Haram and their commitment in seeking for Halal?

Q3. In your own observation what percentage of Muslims are influenced by the capitalist economic system in their dealings and transactions?

Q4. What do you think are the factors that lead Muslims to indulge in unlawful contracts, transactions and dealings in the course of earning their livelihood and resource mobilization despite the Islamic doctrine?

Q5. Have you ever collected loan(s) from banks or individuals with interests for business or other purposes? If yes, what is your experience? Have you been successful or harmed? What are the repercussions?

Q6. What are the forms of prohibited contracts and transactions you observed much practiced by the Muslim Ummah nowadays?

Q7a. Are you an employer? If yes, how do you pay/remunerate your employee(s)?

Q7b Are you an employee? How are you being paid? Is it reasonable enough to meet your basic needs?

Q8. Are you aware of the Islamic method of investment? If yes, to what extent are you applying its principles and conditions in your investment?

Q9. What would you say of the attitude of the Muslims' well-to-do creditors and the needy Muslim debtors?

Q10 what do you think will be the solution to the issues of Muslims concerning unlawful dealings and transactions?