

Mohammad E. Biraima

A Qur'anic Model for a Universal Economic Theory

JKAU: Islamic Economics, Vol. 3, 1411/1991, pp. 3-42

Comments:

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Dr. Biraima deserves credit for making a bold attempt to develop a Qur'anic model for a Universal economic theory². The Islamic code of life is based on the Qur'an and the Sunnah, the former being the revealed divine book encompassing all dimensions of human life, while the latter is an operational interpretation of the former. Accordingly, the economic dimension of human life must be based on the Qur'anic norms and values, elaborated by the Sunnah. It is therefore an appreciable effort to develop a Qur'anic model for a Universal economic theory, if possible, and at least to derive Qur'anic economic norms to be used as bases for economic theories and policies.

A Summary of the Paper

It would probably be useful to provide a summary of Biraima's paper, mainly touching on its central issue, and excluding the peripheral issues which appear in several lengthy sections of the paper. Thereafter, we shall make some general comments, followed by a few specific ones.

In developing a Qur'anic model for Universal economic theory, the author starts with a new term "Master Plan of Creation" (MPC) which depicts Allah's purpose behind the creation and also the "basic elements" involved in realizing that purpose. To him, the role of economics in Allah's design for mankind becomes apparent through unfolding the MPC, which he did in seven stages.

The first stage was Adam's test in the heaven in consumer behaviour, which he failed to pass.

In the second stage, the MPC unfolds itself as two inputs (i.e. "man" and "that which is on earth") and one output (i.e. good deeds with a possible alternative of bad deeds). Stage 3 disaggregates one input (man) as "body" and "soul", and the other input as "wealth" (economic input) and "children" (social input). The output has also been divided into thankfulness (*shukr*) and unthankfulness (*kufir*) in the form of good deeds and bad deeds respectively.

Stage 4 disaggregates wealth to include all economic resources and any kind of output produced by them, and also social input to women and children. This stage also mentions pleasures that man receives from wealth and the social input (sex and children).

The author concludes, "The economic domain of man's life is one of the main areas where the test that underlines the MPC runs its course" to see whether man manages the economic resources such as to be thankful to the owner of these resources (p.8). This is "essentially the same as that to which his forefather and mother were exposed to in the Garden" (p.9), the test that requires struggle for dominance between reason-piety (with good motives resulting in thankfulness) and whims-wrong-doing (with ill-motives resulting in unthankfulness). This shows a duality in human potential: a potential to do wrong as well as a potential to do right. The motives that lead to wrong-doings provide a drive for impulsive enjoyment of worldly pleasures (the *dunya*), whereas good motives create a drive for "self salvation" and piety. Thus two other inputs of the MPC are wrong-prone self and the right prone self. This leads to the author's second conclusion that there is a positive relationship between the motives for wrong-doing and enjoyment of economic pleasures, and hence the more one commits to economic pleasures the weaker the possibilities of being thankful to Allah (p. 17). Further, the righteous self with good motives has true knowledge which leads to the third conclusion that "There is an inverse relationship between the impulsive maximization of economic pleasures and knowledge about the hereafter" (p.20).

Stage 5 of the MPC highlights the concepts of *dunya* and *akhirah*. The author tries to prove that those "who opt for *dunya* are essentially making a choice that involves maximization of pleasure through the maximization of wealth and children", which "leads to man's peril because it essentially implies a rejection of God's choice for man, namely the maximization of *iman* through the maximization of good deeds. The choice of God for man in the MPC is essentially a choice for the *akhirah*" (p.21). Thus the author finds two Qur'anic principles: maximization of economic pleasures and maximization of *iman*. This leads to his fourth conclusion that the process of economic interaction among the inputs of the MPC is a process of maximization of pleasure (producing an outcome leading to Allah's displeasure and man's peril), or maximization of *iman* (producing an outcome leading to Allah's pleasure and man's success). Allah wants the outcome of the MPC to be the thankfulness to Him for His bounties (*iman* function). Following al-Ghazzali's line of thinking in the meaning of thankfulness, he asserts that the "state of thankfulness implies asceticism", i.e., *Zuhd*, leading to the spending of the vast economic resources in the way of Allah "as the highest form of good deeds in the economic domain" (p.23).

Stage 6 discusses how the MPC functions. It deals with the characteristics of man, the normative ought-to-do and associated rewards, normative ought-not-to-do and associated sanctions and discouragements, and also positive actions consistent with the normative ought-to-do as well as the normative-ought-not-to-do. The author tries to prove that man is essentially bad in attributes which result from an evil prone-self and are activated by social interactions. With this, the test starts in what ought-to-do and ought-not-to-do.

The most outstanding feature of the Islamic economy according to the author is that it is an economy of "private spending"; spending is defined as "The spending of wealth in the way of God", and "what is beyond man's legitimate needs to be spent in the other ways of God" (p.32). If one's niggardliness is too strong to do so, a minimum amount (*Zakah*) is forcibly taken to purify him from such niggardliness. It follows from his analysis "that the entire economic activity of the Islamic economy must be a form of institutional spending in the way of God" (p.32).

His stage 7 reveals a "disappointing performance of past nations with respect to this test" involving the MPC. In the final section, he repeats that the maximization of *iman* function is "characterized by the spending of wealth in the way of God" (p.37), while the maximization of pleasure function is pleasurable economic deeds. Thus, according to the author, the Qur'anic model of economic theory is universal "because it covers both orthodox western economic theory based on the 'pleasure' function, and the new economics based on the *iman* function" (p.38).

Comments

With this summary, we now move on to make some comments. First and foremost, implicit in the philosophical underpinning of the paper there seems to lie a strong principle of asceticism, or rather a subtle element of monasticism which has been rejected by Islam. Pleasures in this world have been considered the outcome of a pleasure function resulting from the wrong-prone self, and termed as ingratitude and unthankfulness to Allah, while on the other hand, spending everything beyond needs is treated as thankfulness to Allah. This is an extreme position which has been rejected by the general consensus of the companions of the prophet (*SAW*) and later scholars of Islam. There is no objection to spending everything beyond needs, if one so desires, but to assert that the Qur'anic model of economic theory requires one to do so to be thankful to Allah is stretching the point too far.

The author seems to suggest two mutually exclusive human functions: the *iman* function (*akhirah*) and a pleasure function (*dunya*) for two kinds of people having good self and wrong-prone self respectively. Man can opt for *dunya*, *iman* function, or *akhirah*, the pleasure function (p. 21). This implies an either/or situation: choosing one implies rejection of the other and vice versa. In my humble understanding, this approach is inconsistent with the Qur'anic model of human life. Allah teaches us to seek *hasanah* in this world and in the hereafter simultaneously, and also to achieve and enjoy worldly economic pleasures.

(1) "O Rab, give us *hasanah* in the *dunya* and *hasanah* in the *akhirah*". (2: 201).

(2) "And when the prayer is over, disperse in the world and seek the bounty of Allah". (62:10).

(3) "... and do not forget your share from the *dunya*". (28: 77).

(4) "O Children of Adam! Wear your beautiful apparel at every time and place of prayer; and eat and drink but do not waste". (7: 31).

There are many more verses in the Qur'an and also hundreds of hadith, which encourage economic achievements in the world and enjoyment of pleasures in the *dunya* within the limits of Islamic norms.

The Qur'an also enjoins the Muslims to pay *Zakah*³ which is obligatory only when a *nisab* amount of wealth is owned for a full year beyond all consumption expenses. Thus, built in the institution of *Zakah* is the Islamic provision of possessing a substantial amount of wealth beyond current expenditure, even when one spends beyond basic needs.

According to the author, "The holy Qur'an uses the concept of *Dunya* to denote worldly pleasures..." (p.15) which is interpreted to mean unthankfulness to Allah and hence is condemned. This assertion seems to contradict the Qur'an where it recommends to have the *dunya*, "Seek the home of hereafter by whatever Allah has given you and do not forget your share from the *dunya*" (28: 27). It becomes blameworthy only when the *dunya* becomes the end objective of life, leaving the *akhirah* aside.

To us, the maximization function in the true Islamic spirit is a composite welfare function which has as its arguments welfare in this world, W_w , and welfare in the *akhirah*, W_a

$$W = f(W_w, W_a)$$

$$f'_w > 0, f'_a > 0$$

An optimum combination of W_w and W_a will maximize the composite welfare for an ordinary *mumin*⁴. For a good *mumin* with a high degree of piety, W_w and W_a reinforce each other, since he can and does turn even an apparently worldly looking pleasure into *ibadah*. Allah says that he has created *Jinn* and Man only for his *ibadah*⁵ and hence every act of human being that is allowed or recommended in Islam must be an *ibadah*, provided it is within the Islamic norms. Accordingly, earning worldly things and their enjoyment (pleasure function) must be *ibadah*, since these are recommended in the Qur'an⁶. Pleasure in this world (pleasure function) increases human welfare, and thus pleasures of *dunya* and *akhirah* are arguments of a composite welfare function.

The Qur'anic verses and the Prophetic traditions encourage worldly achievements. However, there are also verses and traditions which discourage worldly things. These two kinds of verses and traditions are not contradictory, but rather complementary. Worldly achievements are encouraged for Muslims to lead a prestigious good life suitable for the vicegerants of Allah and to spend in the way of Allah, provided the *dunya* does not become the end objective of life. The worldly pursuits are discouraged

when the *dunya* turns out to be the end objective of life. To me, this is the meaning of the two kinds of verses, none of which should be taken in isolation to support one's extreme views and, instead, both of them should be considered in their right spirit. Unfortunately, the author has chosen to base his analysis on only those verses which discourage worldly pursuits. Such a biased analysis cannot justifiably claim to reflect the true Qur'anic norms of economics.

The author has proposed in the paper to develop a Qur'anic model for a universal economic theory. I do not have hesitation to frankly confess that, due to my inability and inefficiency, I have difficulty in finding and locating such a model or theory in this lengthy paper. The paper deals with a good number of diverse issues of psychology and philosophy, and relatively little about economics. In the economic domain, if I have understood the paper correctly, the central message of the paper is as follows. Historically speaking, mankind is bad, unthankful to Allah's bounties (pp. 36- 37), although man has a dual self, with a righteous self to be thankful to Allah by obeying the instructions contained in the normative ought-to-do and ought-not-to-do, and a wrong-prone self following a code of behavior inconsistent with the former, leading to the existence of two mutually exclusive maximization functions, namely, the pleasure function and the *iman* function (pp. 7-34, 37-39). The western economics is based on pleasure function which has been recognized in the Qur'an, although has not been accepted and, instead, the *iman* function is recommended. Thus, according to the author, "An Islamic economic theory based on the duality of the human self as described by the holy Qur'an is a universal theory because it covers both orthodox western economic theory based on 'pleasure' function and the new economics based on the *iman* function" (p.38). Further, "Both the principles", i.e. utility maximization as the guiding principle of rational choice which is the basis of orthodox economics, and maximization of *iman* function as the guiding principle of choice for a rational Muslim, "are shown to be Qur'anic principles" (p.3).

It is clear from the above that the pleasure function is not the western economic theory, but rather it is its basis; and also that the *iman* function is a basis rather than a theory by itself of the new Islamic economics. That is, the pleasure and *iman* functions are not theories; then where is the Islamic economic theory which is based on the dual functions? The paper indicates to the pleasure and *iman* functions, but does not present the Qur'anic model of the universal economic theory which is said to be based on these functions. This is because to say that the Qur'an condemns the rationality on which orthodox economics is based and recommends the Islamic rationality, is not enough for a Qur'anic model of a Universal economic theory.

Additionally, it does not seem proper to say that the Islamic economic theory covers the orthodox economic theory simply because the Qur'an describes with condemnation economic pursuits for merely worldly pleasures. It is even more improper to say that utility maximization, on which orthodox economics is said to be based, is a Qur'anic principle (latter quotation). If this is a Qur'anic principle, a Muslim must follow it, which will lead to self contradiction. It may rather be said that the Qur'an mentions an economic rationality of mere worldly pleasures which is a basis of western economic theory, and condemns such a rationality.

Economic pursuits for self pleasure (pleasure function) and for Allah's pleasure (*iman* function) refer to two kinds of human behaviour concerning economic matters which cannot be termed as a theory by itself, and hence the paper falls short of presenting a Qur`anic model for a Universal economic theory.

Stage 6 of the paper with the final section on the MPC and the Philosophy of Islamic economics seems to convey the central message of the paper, which could be elaborated, if necessary, by including some elements of all other stages of the MPC. It is not clear why the author has to make such a long and painful journey to arrive at a rather simple conclusion that the Qur'anic model provides positive economic norms (the *iman* function) and the negative norms (the pleasure function) and hence this is a Universal model. In fact, quite a few lengthy sections of minor relevance are redundant which break the flow of analysis. For example, sections "Duality of Man in Western Literature", the Qur'anic theory of knowledge and so on could perhaps safely be excluded, or placed in appendices.

A key term used in the paper is MPC (Master Plan of Creation). According to the author, the MPC "depicts God's purpose behind the creation of man and the universe that surrounds him, as well as the basic elements involved in realizing this divine purpose" (p.4). The "God's purpose" was not further elaborated and hence it lacks in definitional clarity. The author proposed to develop it by stages, which in reality discuss tests of man involved in different stages of so-called undefined MPC. However, an attempt has been made to bring MPC closer to the minds of economists by resorting to "the concept of input to denote the primary elements of the MPC and the concept of output for the expected outcome" (p.4). The remaining part of the paper suggests that the inputs are wealth, children, righteous self and wrong-prone self⁷. And the outcomes are thankfulness to Allah (maximization of *iman* function) and unthankfulness to Allah (maximization of pleasure function). I am not sure how closer it becomes for economists to understand the Master Plan of Creation from this.

According to the author, the first human being Adam failed to pass the test involved in the first stage of MPC, "because he failed to be rational in his consumption behavior" or "because he opted for pleasure as the guiding principle of rational choice" (p.5). In this test, "whims and wrongdoing" dominated the domain of "reason and piety", leading to "motives and attributes that generate economic actions which result in unthankfulness" (p.9)

These are unfounded and unacceptable accusations against a prophet of great honour. It was not an irrational consumption behavior on the part of prophet Adam. It was not the pleasure of eating, why he took the fruit, but rather the prospects of being able to stay in the heaven forever, or of becoming an angel if he took the fruit (7: 20). It was a mistake on the part of a righteous self, and not an unthankful irrational behavior on the part of a wrong-prone self.

Referring to this incident, the author writes, "Thus we see that in this early test for man the economic factor plays a central role .." (p.5). It is difficult to agree with this view. What was important there was the obedience to Allah, and not a test of consumption behavior. Any activity may have relevance for economics, but assigning

economics a "central role" has to be justified. Treating Adam's test in the above context as a test concerning consumption behavior or that of a rational choice among the basket of goods and services is a manipulated interpretation of an incident to suit one's analysis. We need to guard ourselves against such a tendency of manipulating the basic Islamic sources to suit our positions, intentionally or unintentionally.

Contradiction seems to exist in the contents of the Paper. For example, according to the author, saving wealth when others need it is inconsistent with thankfulness (p. 34). One of the two outstanding features of approaching economic process from the perspective of the wrong-prone self is withholding of wealth from being spent, which produces an outcome of ingratitude (p.38). Obviously, a natural implication of the above and that of spending everything after "legitimate needs" (p.32) is that there will be zero saving in an Islamic economy. However, the author asserts in his Qur'anic theory of production and growth that moderation in consumption will release "maximum resources" for productive investment, capital formation and growth (pp. 35-36). The former minimizes savings, while the latter maximizes the same, which is contradictory.

Some Qur'anic verses seem to have been interpreted wrongly. For example, consider the following verses cited in section (b-1) of the paper.

"And spend (in charity) out of the (substance) whereof He has made you heirs" (57: 7).

"And spend of your wealth in the cause of God, and make not your hands contribute to (your) destruction" (2:195).

According to author, these verses "show that what is beyond man's legitimate needs from his wealth is to be spent in the other ways of God" (p.32). These verses do not really say that one has to spend what is beyond one's "legitimate needs".

Similarly, verse 2:215 (Citation 7 of Section b-1) is said to be on *Zakah* (p.32) which is not true. However, the verse 9:60 (Citation 9 of Section b-1) which actually deals with *Zakah* is wrongly interpreted by the author and is said to test man by depriving him temporarily from his wealth (p.32). These are only a sample of incorrect interpretations of Qur'anic verses.

The norm of any scholarly research in social sciences is to refrain from extreme assertions, in particular, about the achievement of the research. According to the author, his paper shows "beyond doubt the central place economics play in the plans of God for man on earth" (p.37); the *iman* function leads to thankfulness and "The entire process is characterized by the spending of wealth in the way of God" (p.37), while the pleasure function with the arguments of "pleasurable economic deeds" leads to ingratitude.

I think this has not been proven beyond doubt. I also think, most of the *ulama* and Islamic scholars will disagree with a central thesis of the paper that everything beyond one's needs has to be spent in the way of Allah and that one has to refrain from economic pleasures to be thankful to Allah by passing the test involved in what is called

the MPC. It is not possible to prove something "beyond doubt" by quoting only one kind of verses without making a synthesis with the other kind of verses.

Any research has its strengths and weaknesses. Despite its weaknesses and its failure to present a Qur'anic model for a universal economic theory, Biraima's paper has useful ideas scattered all over, which are beyond the scope of one single paper. These ideas may be developed in several papers in different fields.

This is from me and Allah knows the best. We seek Allah's forgiveness for any shortcomings.

Notes

1. I am grateful to my friend and colleague. Dr. Abdul Rashid Moten. for his useful comments on an earlier draft of this review.
2. **Mohammad E. Biraima**, "A Qur'anic Model for a Universal Economic Theory", *Journal of King Abdulaziz University: Islamic Economics*, Vol. 3, pp. 3-41 (1411 A.H./1991A.D.).
3. See. for example: *Al Qur'uan* 2: 43.
4. For further elaboration on this. see the present commentator's: *Economic Development in Islam*, Kuala Lumpur: Pelanduk Publication, 1990.
5. *Al-Qur'an* 51: 56.
6. See. for example: *Al- Qur'an* 62:10, 7:31.
7. Even if one accepts these to be inputs. their number would essentially be three, and not four. This is because the wrong-prone self and the righteous self are not two separate selves. but rather the attributes of the same single self such that both of them co-exist simultaneously in the single self. Sometimes the wrong-prone attributes become dominant. while some other times the righteous qualities dominate.