Tradition and modernity in Islam: A reading through power, property and philanthropy

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Abstract: This study analyses some basic Islamic political, economic, and social traditions under three headings – power, property and philanthropy – to show that the Islamic tradition has embedded principles and concepts thought to be “modern” by many in the present world. It claims that the social responsibility principle of Islamic tradition that promotes devolution and good governance seems to be modern, and thus has survived for the last 1400 years. Thus, in fulfilling individual responsibility (as goods and service regulators, creators, and consumers), Muslims need to serve the interests of the nation, irrespective of business entities (or employees), and the community by following the traditions in Islam. In order to do that, Muslims need to comprehend and adhere to the comprehensive principles of Islam including its guidance for political, property, and social relationships, to become “modern.”

Keywords: modernity, Islamic tradition, power, property, philanthropy

Abstrak: Esei ini mengkaji beberapa asas politik, ekonomi dan tradisi sosial Islam di bawah tiga tajuk – kuasa, harta dan kedermawaan – untuk menunjukkan bahawa tradisi Islam telah menanam prinsip-prinsip dan konsep yang dianggap “moden” oleh ramai orang di masa kini. Ia menuntut bahawa prinsip tanggungjawab sosial dalam tradisi Islam yang mempromosikan penurunan kuasa dan tapak pemerintahan yang baik adalah moden, dan dengan demikian telah bertahan selama 1400 tahun. Dengan yang demikian, dalam memenuhi tanggungjawab individu (sebagai pengatur bahan dan perkhidmatan, pencipta dan pengguna), umat Islam perlu berkhidmat demi kepentingan bangsa, tanpa mengira entiti perniagaan (atau

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A defining character of modernity, according to Anthony Giddens (1999), is “disembeddedness” of people from time and space. An idea, ideology, or a religion, in the same vein, can be “modern” by propounding principles not bound to time and space. In that sense many fundamental concepts and principles in the tradition of Islam seem to be “modern.” Thus, there are claims that Islam in its 7th century CE origins was for its time and place “remarkably modern” in the high degree of “commitment, involvement, and participation expected from the rank-and-file members of the community” (cited in Eickleman, 2002, p.131). This essay analyses some basic Islamic political, economic, and social traditions under three headings – power, property and philanthropy – to show that the Islamic tradition has embedded principles and concepts thought to be “modern” by many in the present world.

**Power**

Muslims, committed to the unity of God (tawhīd) and accepting that natural resources are God-given bounty (ni‘mah) as a trust (amānah), may turn all routine tasks to religious practice (‘ibādah) through devoted remembrance (taqwā–God consciousness) and seeking God’s pleasure in all actions (Baali, 1988; Naqvi, 2001). Since God is supreme, human beings are His vicegerents on earth. According to Imam al-Ghazālī, in Islam, the state, being the organization of these vicegerents, is under obligation to protect five essential interests, namely, of faith, life, property, intellect, and lineage (of the vicegerents) by establishing a just political order and government (Kamali, 1999, p.11). The Sharī‘ah encourages freedom of expression in a variety of ways, especially in the doctrines of sincere advice (naṣīḥah), consultation (shūrā), personal reasoning (ijtihād),
and in criticising government leaders (Kamali, 1999, p.48), and promotes democracy.

An ideal Islamic polity is “democracy,” to be called “theodemocracy,” where the ‘sovereignty belongs to God alone’ and His “vicegerents” “the whole community of Muslims including the rank and file” will rule (not “any particular religious class”), creating and deposing an executive where “all administrative matters and all questions about which no explicit injunction is to be found in the Shari‘ah are settled by the consensus of opinion among the Muslims ... capable and qualified to give a sound opinion on matters of Islamic law” (Mawdudi, 2007, pp.264-269). In such a “theo-democracy,” every “sane and adult Muslim, male or female, is entitled to express his or her opinion, for each one of them is the repository of the caliphate” (Mawdudi, 2007, p.270).

Ten cornerstones of democracy in Islam may include: the Qur’ān as the supreme constitutional norm (ensuring welfare of the people, equality, and justice), a parliament (based on the ideal of shūrā or consultation where the ‘consultations’ are binding to the executive), a court system that reviews all legislations (ensuring their compatibility to the Qur’ān and the Sunnah, through the constitutional yardstick), a representative system (elected through a flexible method to incorporate all its variations, as appropriate), a head of the state capable of observing and defending the divine nature of the Qur’ānic norms (i.e., a Muslim male; with no such restriction for the head of the government), and a system of separation of power (Hofmann, 2007, pp.298-302). Thus, those who dismiss democracy as “un-Islamic only reveal their ignorance of Islam or of democracy – or of both” (quoted from Fathi Osman in Hofmann, 2007, p.297).

God has given human beings the wisdom, the scope and command to improve their conditions. That is why God also wants the people to start doing things toward progress. Only then God will provide help, and “never will God change the condition of a people until they change it themselves....” (Qur’ān, 13:11). Human beings, thus, must be forward-looking and dynamic, a quality which derives from their deep consciousness of the decisive nature of their actions and a sense of responsibility concerning worldly affairs (Naqvi, 1981,
The Qur’ân places much importance on truth and reason in the conduct of worldly affairs (7:33), and commands the Believers to write all contracts (2:282) to “faithfully discharge the trust” and not to conceal evidence of any contract or promise (2:283).

The Qur’ân wants the Believers to use their intelligence and knowledge to undertake worldly affairs with justice and commands the Believers to be fair in decision making (6:152; 17:35), not to misuse authority to break the trust (4:58), to be involved in doing good, and to show kindness or open-handedness to kith and kin (4:58; 16:90) within the limits of the law and ethics. The Qur’ân commands the Believers to give full measure and weigh with a balance that is straight (17:35), to be very watchful while administering justice and not to indulge in nepotism (6:152). The Believers must stand out firmly for justice, as witnesses to God, even against their own selves, or their parents or kin, or against rich or poor (4:135).

Unlike other prophets or architects of religions, who have been only spiritual leaders, Prophet Muhammad (SAW) took the responsibility of administering the socio-economic and security issues of the people. The Prophet (SAW), however, offered the fundamental principles, as propounded in the Qur’ân and the sunnah, and did not impose any administrative system or a successor. Being given the challenge, the Muslims embraced the democratic principle of electing a caliph.

The later caliphs followed these principles to develop more features of power relationships in Islam. For example, Caliph ‘Alî ibn Abî Ṭâlib (656-661CE) offered guidance that was well ahead of his time, and had many similar features to modern “good governance” like showing tolerance or upholding judicial supremacy. Caliph Ali also directed government activities to ensure the “greatest happiness for the greatest number,” such as the protection of minority rights, a merit system, and an honest monitoring and auditing system among others.

In fact, authority in Islam “is a trust” and its abuse or malicious exploitation is prohibited. The opportunity of living in a truthful environment “away from vice and moral corruption” is accepted as a human right in Islam, and “it is incumbent upon the state and
society in general to afford that right” to the citizens (CDHRI, Article 17). No law can be more open and straight-forward in guiding the principles of justice and condemning nepotism, favouritism or cronyism, or any other forms of corrupt practices, in administrative and/or economic relationships. These modern concepts of organizational and public governance of the modern world are surprisingly a part of “traditional” Islam that influence, among others, property relations in Islam.

Property

Islam aims to elevate all its followers to the level of ghinā – being free from want (Rizvi, 1992, p.3) – and offers very clear principles regarding private property. God has made all that is on earth subservient to human kind (Qur’ān, 22:65) making human beings His trustees (Naqvi, 1981, p.87). The believers are allowed to be involved in trade and make property grow through legal means but not by exploiting others. They are to concentrate on value creation but not to overstress themselves for gaining economic benefits, or to be involved in economic activities that may lead to violence and ultimately harm or death (Qur’ān, 4:29) to themselves or to others.

Value creation is so important in Islam that property owners are advised not to leave property to those who do not have the intelligence or capability to manage and make it grow (Qur’ān, 4:5). According to Prophet Muhammad (SAW), the best earnings are from a blessed sale and the product of a man’s own hands; but then a sale would not be blessed if it was concluded through deception. Consequently all activities, economic or otherwise, conducted within
the given parameters (pleasing God) may become ‘worship’ (cited in Uddin, 2003).

In the Islamic concept of relationships among human beings, between human beings and nature, and between human beings and God, everybody is directly responsible to God for their actions/inactions, and Prophet Muhammad (SAW) warned the Believers that everyone is a shepherd and will be questioned with regard to the “trust.” Being the trustees, human beings need to harmonize their relationship with nature as well as with fellow human beings, committing to the protection of five essential values (mentioned above) to promote the community.

Thus, mutual social support and community responsibility are the essential tenets of social and economic activities in Islam, and the bases of organization ethics and value creation. Islam has always insisted upon close personal responsibility among the members of a business organization created through a contract (between two or more individuals) to contribute capital or labour to a common undertaking. Islam does not allow any scope for arbitrary decisions or exploitation in economic activities, and make economic managers and entrepreneurs responsible to each other for their actions protecting the interests of all partners in any major decision-making process.

*The process of decision making in organizations and market (market principles or ethics)*

It is worth noting that when the Qur’ān was revealed (610-633 CE) and Prophet Muhammad (SAW) provided guidance, small-scale farming or livestock-rearing were the main economic activity of the Arabs. The guidance for rudimentary economic activities provided the fundamentals of market principles or ethics forbidding transactions of materials for profiteering (without value creation; Muslim, 010: 3845-58), usury (as a tool of exploitation), or deception (by tampering with products; Muslim, 010: 3620-21, 3634-35, 3639, 3654-5). The comprehensiveness of Islamic business ethics is proven by the fact that Prophet Muhammad (SAW) forbade insider-trading (Muslim, 010: 3620-21, 3623-25, 3634-35, 3639) almost 1400 years ago. Around the same time, Islam (through the Prophet’s dicta) established the principle of fair competition in business
dealings (through the prohibition of outbidding a negotiating buyer; Muslim, 010: 3617, 3618, 3619, 3620-22, 3634-35 & 3639). It seems Prophet Muhammad (SAW) foresaw the manipulation of markets by compradors to cheat the growers out of receiving fair prices, and forbade compradors (Muslim, 010: 3640-43, 3646-48, &3649-53).

Thus, the fundamental aspect of market ethics in Islam approves of economic activity to increase wealth but not actions likely to endanger the property, lives, or entitlement of others. Muslim business entities must commit to “trade and traffic by mutual good will”– not through violence (see Ali, 1938, note 541). The Qur’ān commands Muslims not to break oaths after those are confirmed (16:91) but appreciates the fact that even sincere intentions and actions may fail, reminding individuals that “God will not call you to account for futile oaths, but He will call you to account for deliberate failing of oaths” (5:89) and the “intentions in your hearts” (2:225). The Islamic Work Ethic (IWE), in terms of avoidance of unethical methods of wealth accumulation, cooperation and competition in the market, underlines intentions, and not results (Yousef, 2001).

The process of selecting and dealing with a particular product or service (trade/professional ethics)

The Qur’ān dictates the fundamental principles of business dealings, warning the Believers not to misinterpret or exceed the “guides” (5:87). Islam, thus, does not prescribe any punishment for customary practices in economic relations that do not transgress “explicitly forbidden.” As a result, Islamic precepts of social or economic behaviour have been evolutionary, and not revolutionary. For example, slavery discontinued due to social practices and not because of any Qur’ānic injunction. Further, in the case of various interpretations of the Qur’ān and hadīth, the customs of the time and place must prevail (Kamali, 1999a).

The social contract in Western thought stipulates that the gains from economic activities outweigh detriments, and should directly benefit consumers with steady output and delivery. These modern principles are part of business principles in the tradition of Islam. Further, in neo-classical economics, the only binding constraint on
the consumer is the consumer’s budget; Muslims as “individuals-in-community,” however, are subject to binding constraints of two kinds. Firstly, the individuals must sacrifice part of the income for charity to acquire virtue. Secondly, the individuals, according to Imām al-Ghazālī (1058-1111), must internalize community preferences as responsible members of society, and avoid conspicuous consumptions (e.g., luxury or harm-inflicting extravagance) through self-discipline. Similarly, producers and traders, as “individuals-in-community” are required to produce community-approved goods and services, steer clear of profiteering, dealing with social or physical harm inflicting items, and refrain from any unfair trade practices (Mehmet, 1997). These concepts were included in the modern principles of business (corporate) social responsibility or workplace health and safety in the latter part of the 20th century CE.

A property owner’s right to property is subject to his being good to the community, if the property owner is incapable of understanding this limitation to his rights, control over property should be removed6 (Ali, 1938, note 510). Thus the modern concepts of community development or environmental sustainability are embedded in the tradition of Islam. Many economic or political theorists proposed only in the 20th century concepts like the corporate/business social responsibility that the traditions in Islam embraced 1400 years ago.

**Philanthropy**

The Qur’ān refers to social responsibility and advises the Believers not to consume their property themselves in vanity or to use it to corrupt the power holders (4:29; 2:188), and gives specific guidelines to giving. The major form of giving in Islam is obligatory charitable wealth tax (zakāh)7– one of the five pillars of Islam. The Believers are advised to be proactive in giving because purposeless charity is unacceptable in Islam (Ali, 1938, note 322). Thus, traditional Islam propounded the “modern” concept of philanthropy (while the Western world emphasised charity only very recently).

There is also the concept of waqf (pl. awqāf) – the precursor of modern day foundations. A waqf is the alienation of income-producing property in perpetuity, and can be divided into private
and public. The principles of \textit{waqf} management, with five sets of players (founders, \textit{mutawallis}, employees, beneficiaries, and judges)\textsuperscript{8}, and the rights of the state to supervise, were better than the administration of foundations (which do not have much monitoring). In practice, the state, by dint of its actions and/or guidelines influencing the \textit{mutawallis} and judges, could influence \textit{awqaf} administration, making itself a sixth and important player in the \textit{waqf} management system (Kuran, 2001). Theoretically, a \textit{waqf} and its management has all the essential criteria of a foundation and can be regarded as one of the oldest forms of charitable foundations in Islamic societies formed around 1500 years ago (McChesney, 1995).

\textit{Waqf} creation and management are said to have been a major area in the traditional Muslim society in which women approached equality with men. Islamic property law guaranteed women the right to own property (about 1300 years before the Western world did), and the \textit{waqf} allowed additional legal sanction and protection to women’s property ownership and control because \textit{awqaf} are regulated by Islamic law and come under Islamic court authority. Women founded family \textit{awqaf}, naming themselves as the administrators, as a court-sanctioned trust from which they derived an income and over which they exerted control, and were able to safeguard their property from predatory relatives, benefit from its income during their lifetime, ensure their right to manage it, and pass it on to their designated heirs (Fay, 1998).

The Muslim woman’s ownership of property was not an exceptional phenomenon limited to a small number of elite women. Studies from various regions and periods found that women constituted between 20 and 50 per cent of the endower population (depending on the specific study). Moreover, women endowers came from all walks of life—rich and poor, women of noble families, of rulers’ households, as well as women of modest origin. Women owned and endowed all manners of income-producing property, and can be said to have been in a position to influence the major economic activities in urban as well as rural areas (Fay, 1998, p.3).\textsuperscript{9} The very fact that women endowed and administered the property offers a picture of women actively engaged in economic and financial matters in Muslim communities (Hoexter, 1998, pp.481-2). Thus, the \textit{waqf} law allowed Muslim women social emancipation and
reasonable control over financial matters affecting themselves (while women were the “objects” of exploitation in many “modern” societies).

The original requirement of immovability of the endowment has evolved in many places to include movable items as *waqf*, including cash – cash *waqf* – or in the form of firms and investment projects. The basic condition for cash *waqf* has been the same, i.e., the “property” must produce an “income” to support the intended beneficiary(ies). Cash *awqāf*, though controversial, emerged as early as the 8th century, earning income generally through interest bearing loans (Kuran, 2001) to serve valuable social development functions. For example, the International Islamic University Malaysia (IIUM) Endowment (*waqf*) Fund (IEF), identical to al-Azhar University Waqf Fund (or any other British or American university endowment funds) was formed in 1999. It provides financial assistance to around 1500 students from various parts of the Muslim world. Sources of funds for the IEF include “Friend-of-IEF” (FoI) – individuals or corporate bodies in and outside Malaysia, one Malaysian ringgit (RM 1) a day campaign among IIUM staff through deduction of monthly salary and *Jum‘ah* collection at the University mosque. The Foster Parents (*kafālah*) campaign (to support international students) allows a foster parent (*kafīl*) to offer full sponsorship for one or more student(s) or partial sponsorship of one student (Hasan, 2006). These are some examples of different types of social development activities supported by cash *awqāf* all over the world.

Cash *waqf* has become popular because people without much (immovable) property wish to get benefit of the *waqf* system, it is easier to manage than property or other (immovable) endowments, and the (involved) financial institutions work as the protector of the “cash.” Many *waqf* organizations have created special funds for loans. These credits are subject to decrease through time, but this decrease in money is made up for or even surpassed by new bequests, or by (market) gains.

**Conclusion**

Islam is a religion of peace (the literal meaning of ‘Islam’) by submitting to the will of God. As there is no world body to provide a unified view related to economic activities, local customs (*‘urf*)
tend to take precedence (as long as they do not contradict the fundamental principle of the Unity of God or the explicitly forbidden) in dealing with the worldly issues (not included in Islamic law), and since every individual is responsible for charting his/her actions because there is no intermediary between God and the Believers, each individual Muslim has the great opportunity of being his/her own priest (Ali, 1964). Thus, individuals have more responsibility to God, being answerable to Him for the ‘trust’ and are committed to two contracts: to God, and to the community. The social responsibility principle of Islamic tradition that promotes devolution and good governance seems to be modern, and thus has survived for the last 1400 years.

The greatness of Islam needs to be proven by the Muslims in the modern world through good deeds and good words, and not through futile claims. In order to achieve the purpose of being “the true standard-bearers for God,” Muslims have to “show urbanity, kindness, sincerity, truth, and genuine anxiety for the good of others” in the community to prove that they are not cranks or seeking selfish or questionable aims (Ali, 1938, note 3472). They must portray genuine community concerns (support actions) increase social harmony, government legitimacy, business productivity as well as profit (by enhancing employee morale and commitment to the work). Thus, in fulfilling individual responsibility (as goods and service regulators, creators, and consumers), Muslims need to serve the interests of the nation, respective business entities (or employees), and the community by following the traditions in Islam. In order to do that, Muslims need to comprehend and adhere to the comprehensive principles of Islam including its guidance for political, property, and social relationships, to become “modern.”

Endnotes
1. Caliph Ali’s important sermons and letters (compiled as “Nahj al-Balâghah”) contain guidance related to state (and its servants’ authority). Letter 31 (sent to one of his sons), Letter 51 (to collectors of taxes and revenues), and Letter 53 (to Mâlik al-Ashtar - a newly appointed Governor of Egypt) in particular contain guidance akin to many features of modern state and government principles as cited in this paragraph.
2. The Caliph (administrator) has to answer “how he conducted their affairs,” a man has to answer “how he looked after the physical and moral well-being of the family members, and a woman is to answer how she managed the household and brought up the children” (Muslim, Book 020, Number 4496-99).

3. For example, no decision for changes in partnership arrangements or the status of an enterprise (expansion, diversification, or selling) can be made until permitted by all partners. If all partners agree, the proposed action should proceed, and if one disapproves, the proposal should be abandoned (Muslim, 010: 3915-17).

4. (The value of) an action depends on the intention behind it. A man will be rewarded only for what he intended (Muslim, Book 020, Number 4692).

5. A worth mentioning example is the recent fatwā (religious edict) by the authorities at the well-known Deoband Madrasa (near Delhi) forbidding Muslims in India from dealing in beef because killing cow is an offence according to the local law.

6. This removal is essentially due to the fact that, God has made all that is in the earth subservient to human kind (Qur’ān, 22:65), but human being is not allowed freehold title - they are the trustees and not the absolute owners (Naqvi, 1981, p. 87).

7. Apart from the zakāh on personal assets, for trade (banks, companies, or small business), zakāh is levied both on the net worth and on the net profit at the rate of 2.5%; and for industry and investment at the rate of 10% on the net profit (Hasan, 2006). Some countries, for example, Malaysia and Pakistan, by entwining zakāh with income tax, encourage zakāh on annual income (not on the assets).

8. A trustee. The founder of the waqf him/herself is allowed to be the mutawallī.

9. Women endowed urban commercial residential, and agricultural properties including shops, workshops, warehouses, living units, mills, waterwheels, watering troughs, springs, courtyards, gardens, coffeehouses, a public bath, and productive agricultural land, as well as a funeral home (an enterprise where the bodies of dead Muslims were prepared for burial), (Fay, 1998, p.3).

References


