

**ESTIMATION OF CAPITAL IN THE ISLAMIC ECONOMIC  
THOUGHT A STUDY OF THE THOUGHT OF AL-MAWARDI  
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**ABSTRACT**

This research aims at identifying the economic consensus of Imam al-Mawardi, when it comes to assessing the funds in the Islamic economic thought, based on the premise that the authentic economic ideas of Mawardi have already been positively thought out on economic and financial basis. Also, the research is in identifying these economic ideas. The importance of this research is to highlight the fact that al-Mawardi had written within the framework of Islamic economics, and he drew upon the Quran and Sunnah as its sources. Identifying in the introduction and identify the sources of public revenues, expenditures, and the general budget.

**Keywords:** Islamic Economics, Capital, Mawardi, OIU, Sudan, Shaqraa, KSA

**1. INTRODUCTION**

Money is a resource by which, the system of government will be adjusted either by its abundance, collapse or loss.

Estimation of the money means the method used to collect and spend it. Financial function of any government is to collect and spend the money with the balance between the revenues and the expenditures.

Imam al-Mawardi, an outstanding Muslim jurist, born in 450 AH. He published several books during his lifetime. One of his most important works, *Al-Ahkam Assultania* (The Ordinances of Government), explains many ideas relating to public finance from an Islamic perspective. He analyzed the public revenue and the public expenditure, indicating its flexibility through a legitimate perspective.

## **2. MAWARDI'S PUBLIC REVENUE SOURCES**

Mawardi has commented on the following sources of revenue:

Zakat, Sadaqah (Charity), (Al-Kharaj), Al-Jizia, Al-Fie, Al-Ghanaiym, and the money that the judiciary (court) decides to refer to the Ministry of Finance, and this money should be legal.

### **2.1: Zakat:**

Mawardi said: "Zakat" means to take an ad hoc thing from the ad hoc fortune, with specific descriptions and distribute it on specific people [1]. Sometimes a charity is mentioned to mean Zakat, as in the Quran in Chapter 9, Verse 103, God says: "Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them to increase, and invoke [Allah 's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah hears and He is knowing." But usually there is difference between Zakat and Sadaqa (Charity), (Al-Kharaj). In Chapter 2, Verse 177, God says: "Righteousness is not that you turn your faces toward the east or the west, but [true] righteousness is [in] one who believes in Allah, the Last Day, the angels, the Book, and the prophets and gives wealth, in spite of love for it, to relatives, orphans, the needy, the traveler, those who ask [for help], and for freeing slaves; [and who] establishes prayer and gives Zakat; [those who] fulfill their promise when they promise; and [those who] are patient in poverty and hardship and during battle. Those are the ones who have been true, and it is those who are the righteous".

Collection of the Zakat is the task of the ruler. If there is someone who refuses to pay it, the ruler must take it by force, but there is no need to use force with respect to sadaqa (charity).

Zakat is taken from gold, silver, trade, livestock, and agricultural production. With respect to the division of Zakat God mentions in Chapter 9, Verse 60, "(Zakat) charity is only for the poor and the needy, and those employed to administer it, and those whose hearts are made to incline (to truth), and (to free) the captives, and those in debt, and in the way of Allah and for the wayfarer - - an ordinance from Allah. And Allah is Knowing, Wise".

Mawardi classified Zakat into four types, these types are: Zakat of livestock (camel, cow, sheep), Zakat of fruits and palm trees, Zakat of plantation, and Zakat of silver and gold [3]. Mawardi believed that substantial amounts should be distributed to those who deserve it. He highlighted a key issue in the Islamic economic thought – Zakat should be enough to reach the goal of redistribution in the Islamic economy, as it is the foundation of public spending.

### **2.2: Kharaj and Jizya:**

### **2.2.1: Kharaj**

Mawardi defined Kharaj (land tax) as follows:

Kharaj is a tax imposed on a territory[4]. In Chapter 23, Verse 72, God says: "Or is it that thou asks them for some Kharaj [recompense]? But the Kharaj [recompense] of your Lord is best: He is the Best of those who give sustenance". The Prophet Mohamed, peace be upon him, said: (Kharaj warranty) [5]. Mawardi classified land with respect to Kharaj into four sections [6] as follows:

1. No Kharaj on any land cultivated by a Muslim.
2. 10 % tax [Kharaj] would be taken from the land owned by a Muslim.
3. The land that was taken by force from the polytheists or subjugated.
4. The land on which the governor [magistrate] made between the Muslims and the polytheists are classified into two categories:
  - There is Kharaj on land seized by the Muslims without a fight or war. This land is governed by the rule of Waqf [Endowments].
  - The land on which the owners reside, and they did a conciliation with Muslims to pay Kharaj. If the ownership of this land moved to the Muslims, in this case a rent is taken, its sale is illegal and Kharaj will not be revoked by Islam.

Mawardi drafted the rule for any land from which Kharaj is taken, and this rule depends upon <sup>[7]</sup>:

1. The ability of production of the land.
2. The variety and quality of seeds and fruits.
3. The variety of irrigation on the farm.
4. The distance between the farms and the markets.
5. Taking in consideration the problems that occur to the farmer.

Not only Mawardi left a surplus for farmers, but his ideas also required the state to spend from the *Bait ul Maal* (Ministry of Finance) to reclaim the land of Kharaj, and this made it a financially obligatory positive factor for the cultivation of land and agricultural development. Thus, he underlined the principle of justice for all the people of the Islamic state, because the principle in the land of Kharaj is exploited by Muslims <sup>[8]</sup>.

On the other hand, Mawardi underlines the duties of farmers in an Islamic state. These rights are:

1. To provide water for irrigation.
2. To provide security and protection.

3. To commit legitimate provisions in the estimation of al-kharaj.

According to the rights mentioned above, Mawardi put rules for increasing state revenues, these rules are:

1. Attention to farmers.
2. Providing all the equipment for agricultural development.
3. Achieving justice among farmers.
4. Leaving part of the crop to the discretion of farmers.

Mawardi explained the types of kharaj as follows: The first one is kharaj of *Waziefa*. This is called kharaj of earth area, and it is determined by agriculture area. The second one is kharaj of *Moqasama*, which is determined by percentage (e.g. 25% or 33.33%). Mawardi said that, "It is a duty of the Muslim ruler to take care of the following"<sup>[9]</sup>:

1. To put kharaj on the land area.
2. To put kharaj on the planting area
3. To use kharaj of Moqasama, and it should be after cultivation and liquidation [paying debt].

Mawardi believed that the Muslim guardian should investigate fairly, and estimate kharaj without an increase or a shortage in the land, i.e. without any changes. If there is a change, it should be based on the following two points:

1. If increasing or decreasing is due to the farmers, kharaj should be fixed.
2. If the change is due to other factors, then the Muslim guardian must cover the shortage.

### **2.2.2 Jizya**

Jizya (tribute) is a money for security and protection that is taken from non Muslims who live in an Islamic state. In Chapter 9, Verse 29, God says: "Fight those who believe not in Allah nor the Last Day, nor hold that forbidden which has been forbidden by Allah and His Messenger, nor acknowledge the religion of Truth, (even if they are) of the People of the Book, until they pay the Jizya with willing submission, and feel themselves subdued". Prophet Mohamed had taken jizya from Majoos (people who worship fire). All Muslims agree that jizya is taken from non Muslims who are adult, sane, perfect and have the ability to pay. Jizya is taken once very lunar year [10].

## **2.3 Al-Fie and Al-Ghanaiym**

### **2.3.1 Al-Fie booty)**

All the money obtained by Muslims from infidels without fighting is called Faie. In Chapter 59, Verses 6-7, God says: "And what Allah restored [of property] to His Messenger from them, you did not spur for it [in an expedition] any horses or camels, but Allah gives His messengers power over whom He wills, and Allah is over all things competent (6) And what Allah restored to His Messenger from the people of the towns; it is for Allah and for the Messenger and for [his] near relatives and orphans and the [stranded] traveler. So that it will not be a perpetual distribution among the rich from among you. And whatever the Messenger has given you, take; and what he has forbidden you, refrain from. And fear Allah; indeed, Allah is severe in penalty (7)".

In Chapter 59, Verse 7, God has divided Faie into five equal parts (20 per cent each) as follows:

1. For Prophet Muhammed, peace be upon him, posthumously charitable endowments [to pay after his death] the interests of the Muslims.
2. For the Messenger's kin.
3. For orphans.
4. For the poor.
5. For Ibn Assabiel (a traveler who has no money, even though he may be rich in his native country) <sup>[11]</sup>.

### **Specifications of a person who collect Faie:**

Besides honesty and magnanimity, he must possess the following qualities:

1. If he estimates and distributes Fie, he must be a free Muslim and should have knowledge about Shariya'a (law), measurement, and account. Also, he must be a Faqih (jurist).
2. If he has a general mandate to collect Faie, he must be a free Muslim and have knowledge about Shariya'a (law), measurement, and account and it is not mandatory for him to be Faqih (jurist).
3. In the special mandate, it is permissible for Thimmy (non-Muslim) to collect Faie or Jiziya from non-Muslims.

### **2.3.2 Al-Ghanaiym:**

**Ghanaiym includes Faie and contains four things, which are:**

1. Asra (Non-Muslims who fight Muslims, and when are they captured by the Muslims, they will be captives. If captives want to be free, they must pay money).
2. Women and children (who captured in a war) are divided as spoils.
3. The land is divided amongst three parties. These are:
  - The territory captured by force.

- The territory captured without war.
- The territory in which there is reconciliation (an agreement) between Muslims and their owners. To stay on it, they must pay Kharaj to the ruler (Islamic state). In this case the ownership of the land remains with their respective owners.
- Movable money: It includes everything owned by the enemy's army on the battlefield like military equipment, etc.

In Chapter 8, Verse 41, God says: "And know that whatever you take as spoils of war, verily one fifth thereof is for Allah, and for the Messenger and for the kinsmen (who hath need) and orphans and the needy and the wayfarer; if you believe in Allah and that which We revealed unto Our slave on the Day of Discrimination, the day when the two armies met. And Allah is Able to do all things.

If Ghanaiym (spoils) are collected, it should be distributed at the end of the battle and achievement of victory [14].

### **3. PUBLIC EXPENDITURES**

#### **3.1: General Rules in Expenditures:**

##### **3.1.1- Safety of Public Expenditures:**

Mawardi believed that the safety of public expenditures represents a fundamental pillar. He says, "if the collector of a Sadaqa (charity) is not a fair in the collection and a fair in the distribution of it, then it is permissible to pay for him. But if the collector of Sadaqa is fair in the collection and not fair in distribution, then it is not permissible to pay for him" [15].

##### **3.1.2 Mediate in expenditure:**

Mawardi believed that public expenditure is very important and that: "Payment of expenditures must be suitable; not less or in excess. Also, it must be at a suitable time" [16].

#### **3.2 Type of Public Expenditure and its Fields**

##### **3.2.1 Type of Public Expenditure**

Mawardi divided the public expenditure as following [17]:

- Current expenditure: this contains fixed salaries, like soldiers' salaries.

- Emergency expenditure: this contains unfixed expenditure, like expenditure at the interests [benefit].

### **3.2.2 Fields of Public Expenditure**

According to Mawardi the fields of the public expenditure are the following [18]:

Dawa (calling to Islam) and jihad: These are expenditures related to every person who calls to Allah, including Imam and Muezzin of Mosque, and 80% of the Faie is distributed between the soldiers.

Investment expenditure: According to Mawardi the fields of the investment expenditure are in agriculture, trade and building.

Salaries and Ata'at: Salaries are given for laborers and Ata'at for soldiers who are adult Muslim, male, free, sane and are combat ready [19].

Public utility: Like building and maintenance of roads, establishment of bridges, etc.

Social expenditure: To pay for poor people until they are satisfied (to reach the minimum level to be out of poverty) [20].

## **4. PUBLIC BUDGET**

### **4.1: The concept of the Public budget:**

Mawardi called the public budget "estimation of money". He believed that the estimation of money is very difficult for the rulers because they think that they have the ability to obtain everything [benefit]. If they are not able to obtain the money easily, they use wrong means. The ruler should collect and spend in order to be rewarded paradise when he dies. In Chapter 9, Verse 111, God says: "Allah hath purchased of the believers their persons and their goods; for theirs (in return) is the garden (of Paradise)". Also, Mawardi believed that, "The firm finance policy is that it should be the continued and easy to collect and the collection of money must be from the people who have financial capability" [21]. Mawardi believes that, the estimation of money depends upon the revenues and the expenditures, and that the estimate of revenue and expenditure are left to the guardian [the ruler or the president] and their assistants, who, according to the provisions of Sharia (Islamic law), should be integral, honest, experienced and compassionate.

Based on the above, Mawardi presents three cases of the budget:

1. Surplus: In order to increase revenue over expenditure.
2. Deficit: In order to increase expenditure over revenue.
3. Balance: In order to equal revenue with expenses.

## **5. RESULTS**

1. Mawardi put special priority to public finances, with the attention of distinct analysis of public revenue and public expenditure, indicating flexibility of the legitimate perspective.
2. Mawardi analyzed margin of sufficiency and linked it with the variables of Islamic economics.
3. Mawardi expressed that the budget aims to achieve justice.

## **6. RECOMMENDATIONS**

1. The production of scientific economics of Muslim Jurists is worthwhile as it stems from the doctrine of the nation and its values are fit to be, primarily, a base of economic life for Muslims in the present era.
2. Studying of Islamic economics should begin by studying what was written by the predecessor of the nation's scientists, and by adding to it and modifying it.
3. Islamic economy has had a headstart with relation to the postural economy in many economic issues, and we recommend to research it.

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