



ISLAMIC ECONOMY AND POLITICS IN THE VIEW OF MUHAMMAD BAQIR SADR

Mochammad Fahlevi¹

¹ Kusuma Negara Business School, fahlevi@stie-kusumanegara.ac.id

Abstract

This study aims to find the views of a central figure in formulating the Islamic economy in modern times, Muhammad Baqir Sadr. Islam as a universal religion interacts with the economic and political system, or what we commonly call today as an Islamic economy and Islamic politics, the interaction between the two makes certain implications, so that at this time people are starting to ask whether Islamic economics can provide solutions to people? and is the Islamic economy only talking about matters related to production and consumption without considering its relationship with politics? this study attempts to answer this question based on the literature review and textual analysis. This research will first discuss how Muhammad Baqir Sadr views the Islamic economy in modern times, secondly how the interaction of Islamic economics and politics itself, thirdly analyzes and summarizes holistically the benefits of Islamic economics and politics as an alternative solution for people in modern times

Keywords: *Islamic Economy, Baqir Sadr, Politics, Capitalism, Communism.*

1. Introduction

Modern Islamic economic development began in the twentieth century. However, the latest findings obtained a paper entitled *al-Mirsad fi Masa'il al-Iqtisad* written by Abd al Qadir al-Mijawi and Umar Burayhimat, which originated in 1904, Fontena, Algeria. This shows the history of the development of Islamic economics was discussed long before that.

A number of studies on the history of thought about Islamic economics began in 1930 as introduced by Muslim scholars noted by Salih (1933) in Arabic entitled *Arab Economic Thought in the Century Century* where he discussed economic ideas from Ibn Khaldun (died 808/1406), al-Dulaji (died 838/1435), and al-Maqrizi (died. 845/1442). Subsequently, al-Hashimi (1937) published his paper on the *Economic Views of al-Biruni* (d. 442/1048) which was also in Arabic, later in the same year Rifat (1937) wrote about *Ibn Khaldun's Views on Economics* written in Urdu. The first paper in English was written by AbdulQadir (1941) entitled *The Social and Political Ideas of Ibn Khaldun*. The first doctorate in this field was given by Cairo University to Nash (1944) with his paper *Economic Thought in the Prolegomena of Ibn Khaldun* written in Arabic.

During the modern era, when Western ideas, including the Western Economy began to develop, especially in the 1960s and 70s, some Shia Islamic thinkers worked to develop a unique Islamic economic philosophy with its own answers to contemporary economic problems. Some very influential works: (i) *Eslam va Malekiyyat* (Islam and Property) by Mahmud Taleqani (1951) (ii) *Iqtishaduna* (Our Economy) by Muhammad Baqir Sadr (1961) (iii) *Eqtesad-e Towhidi* (The Economics of Divine Harmony) by Abul Hassan Bani sadr (1978) and (iv) *Some Interpretations of Property Rights, Capital and Labor in an Islamic Perspective* by Habibullah Peyman (1979).

Baqir Sadr is specifically considered to have built the foundations of Islamic economic thought in modern times. In their writings Baqir Sadr and other writers try to portray Islam as a religion committed to social justice, the

distribution of just wealth and the prosperity of society, and deny the existing theories of capitalism and Marxism. This Islamic economic outlook, one of which influenced the Iranian Revolution, called for public ownership of land and large industrial companies, while private economic activity continued within reasonable limits. This idea helped shape the large public sector and the public subsidy policy of the Islamic revolution of Iran.

2. Literature Review

2.1 Muhammad Baqir Sadr

Muhammad Baqir Sadr (1 March 1935 - 9 April 1980) was a scholar, Iraqi Shia philosopher and also the ideological founder of the Islamic Da'wah Party founded in al-Kazimiya, Iraq. He was an amazing child, at the age of ten, Baqir Sadr had lectured on Islamic history, and at the age of eleven, he studied logic and wrote books to refute philosophy. He completed religious studies under the supervision of Ayatollah al-Khoei and Ayatollah Muhsin al-Hakim, at the age of 25 Baqir Sadr began teaching. His first written works were detailed criticisms of Marxism which presented the initial idea of a better form of Islamic government. Perhaps, his most important work is *Iqtisaduna* about the Islamic economy. This work is a criticism of socialism and capitalism. He was then commissioned by the Kuwaiti government to assess how the country's oil wealth could be managed in a manner that was in accordance with Islamic principles. This leads to big work on Islamic banking which still forms the basis for modern Islamic banks.

Muhammad Baqir Sadr, a prominent Muslim scholar, fiqh and genius thinker, because of the works he has inherited to Muslims, both lay and educated, and because of his life which is full of effort and struggle, which is stopped by the evil (he was martyred by the people of Saddam Hussein), he was too famous and famous so it was not necessary to include his biography from the English translation of his very famous book '*Iqtishaduna*'.

Muhammad Baqir al-Sadr came from a Shia family and became one of the leading thinkers who symbolized the rise of the Intellectuals in Najaf between 1950 AD and 1980 AD This revival was very influential in the political aspects of the Middle East Najaf region in general.

In his works, he often attacks dialectics-materialism, and advocates, instead, the concept of Islam in distinguishing between truth and error. He wrote extensively on Islamic economics, and became a consultant to various Islamic organizations, such as the Islamic Development Bank.

Baqir Sadr taught that politics is part of Islam. He called on Muslims to recognize the richness of the original treasures of Islam and break away from any external influences, especially the influences of capitalism and Marxism. Baqir Sadr encourages Muslims to wake up from sleep and realize that the imperialists are trying to kill Islamic ideology by spreading their ideology in the Muslim world. Muslims must unite in resisting such interventions in their social, economic and political systems.

The book *Falsafatuna* and *Iqtishaduna* has raised Muhammad Baqir Sadr as a prominent figure in the rise of Islam. This alternative philosophy and economic system was perfected through society and institutions. In both of these books, he promises his third volume with the same pattern given the title, *Mujtama'una* (Our Society). It is no exaggeration to say that *Iqtishaduna* is a pioneering work that is quite comprehensive in the modern Islamic economic literature explaining the problems of production, distribution, consumption and exchange. Including fiscal and monetary issues and strategies for managing productive assets and the role of government in them.

2.2 Criticism of The Views of Karl Marx

According to Baqir Sadr, there are two aspects in the economy; economics and economic doctrine. Economics is science, which provides an explanation of economic life, economic events and economic phenomena and connects events and phenomena with common causes and important factors in them. Economic doctrine is the way society expresses its economic life and in solving its practical problems.

The line of demarcation between science and doctrine is the ideology of social justice, Baqir Sadr writes, "Economic doctrine consists of every basic rule of economic life that is connected with ideology Social justice and science (economics) consists of every theory, which explains the reality of economic life regardless of the ideology pre-existing or ideals of Justice". Because of this, Baqir Sadr classifies Marxist economics into historical materialism (Marxist science) and socialism and communism (Marxist creed). Historical Materialism is the Science of Marxism which gives a clear economic explanation of all history to the productive forces. The Marxist Creed is a social system that is the main goal called for by Marxism and for the materialization in it which aims to lead humanity. Although broadly the difference between the two aspects, Baqir Sadr states that the relationship between the two is very strong. He commented that if historical materialism fails to carry out its scientific functions and in its analysis, it is evident that it does not explain the law of human society, then the entire Marxist creed will collapse, because the foundation of the Marxist creed is placed on historical materialism.

2.3 Economics and Politic in Islam

The collapse of communism in Eastern Europe, the Soviet Union and the world was caused by the practice and law of capitalism. Today's world economy is shaped according to Adam Smith's thinking. There is no other alternative thinking for economic development of all economic laws handed over to markets that form prices freely. The Invisible Hand, the theory provides an explanation of market mechanisms that are easier to understand and are seen as the best theories to describe free markets. Consequently, the personal interests of community members have become the economic driving force, and the law of supply and demand as a market regulation mechanism in avoiding excessive profit taking in society, even economists who were once Marxist blocs adhered to this economic behavior as the only alternative to improve economic inequality in their country.

Not entirely true, said many Muslim thinkers and political activists. They believe that Islam gives mankind a solution to every problem made by imperfect humans in the political system and moral values. Islam, according to them, is a divinely ordained social framework that should guide humanity towards peace and tranquility in all aspects of life, physical and metaphysical.

Baqir Sadr was executed because he led a revolutionary movement against the Ba'athist regime in Iraq in 1980. He compiled an Islamic political system to replace the existing regime in the Muslim world, which he considered corrupt. His program for the future is to create a new socio-economic order that will replace the capitalist and socialist order which is the dominant system in the Muslim world.

This research intends to focus on his views and the basic principles of the Islamic economic system, which he believes is better able to resolve contradictions in the capitalist system, because it is better able to meet human needs. More importantly, this system has the opportunity to always develop in accordance with human potential. As an expert in the field of Islamic law, Baqir Sadr gained the basis of his arguments from Islamic teachings and the main sources of Islam. Here the aim of the researcher is to present the conceptual arguments and economic engineering of the community and see how these views and programs apply to the real world. The purpose of this study is to highlight his arguments and try to understand the structure of the Islamic economic system.

His views on economics are part of general political theory designed to form a complete Islamic social system. The behavior of the Islamic economic system must be assessed after the establishment of an Islamic State, where the entire realm of socio-economic human behavior is determined by Islam. Baqir Sadr's main work in economics was written in 1960-1961, and aside from the letters he wrote during his life, the main arguments of his thoughts were contained in one work, *Iqtisaduna* (Our Economy).

The economy of the Islamic State, according to Baqir Sadr, is divided between the individual economy as the caliph of Allah SWT, and the ruler as a witness (martyr) who leads the application of the law of Allah SWT. The economic structure of the Islamic State thus consists of private property and public property. However, one must not think that the economic structure of an Islamic State is a kind of combination of capitalism and socialism. Baqir Sadr strongly rejected this misunderstanding. He argues that the thinking of private and public property comes from the fundamental beliefs of Islam. This is similar to the way private ownership is advocated in the capitalist system, or public ownership by socialists as a logical conclusion of their ideological and philosophical beliefs. To justify private ownership and public ownership in Islam, one must understand the rights and obligations of individuals and nations in Islam. Baqir Sadr's detailed description of economic relations in the Islamic State and its economic structure is the best argument ever put forward for the economic ideas of Modern Islam.

3. Discussion

3.1 Distribution Theory

The first step to ending contradictions in the economic structure of society begins with the distribution of economic resources among mankind. A just social system is a system that allows all people to benefit from economic wealth. The Islamic economic system, therefore, is based on these criteria, the first form of economic wealth is natural resources from the environment, unfair distribution of economic wealth begins with the problem of ownership of natural resources, in Islam everyone must know who has ownership rights on natural resources. Baqir Sadr, thus, must develop the theory of natural resource distribution in two stages: preproduction and postproduction stages, or what he calls primary wealth and secondary wealth.

His efforts were to find the basic doctrine of Islamic teachings about economic ownership. For him, economic studies in the empirical sense at this stage are not relevant to the problem of social justice, in other words he is building an ideological theory that addresses this issue. The empirical study of economics comes much later to evaluate whether the application of ideological theory in the field of life has an adequate basis in reality. In building his theoretical conceptual framework, Baqir Sadr also disagreed with political economists regarding the scope of

economic resources. He ignores capital and labor as part of economic resources. Only nature can be taken into account in the theory of natural resource distribution. "Because capital, in fact, is wealth produced and not the main source of production, because it represents, economically wealth is anything produced and produced through human labor that can be reinvested in the development of new wealth."

On the other hand, nature itself is classified into four categories: 1) land; 2) raw materials; 3) water; and 4) other natural resources such as species living in the air, sea and on land. Although Islamic laws seem to contain different rules for each of these categories, Baqir Sadr used his intelligence to find the main foundation between them, giving his interpretation of what he called "The General Economic Theory of Islam."

The sole owner of land and raw materials is an Islamic State. People can obtain special ownership rights if they invest their energy to develop these natural resources, such as processing land and mining minerals. Individuals may take precedence over others for a piece of land or the mineral source where they work. Special rights for ownership can only be obtained through labor invested to develop the land or raw material, and the right ends as soon as the construction ends. People who use these resources must pay property taxes to be used in Islamic countries.

Water, on the other hand, can be owned if the purpose is for economic development. Even though the sole owner of water resources is the State, everyone has access to use it. The only exception is underground water, where individuals who invest their labor to develop their utilities have exclusive rights to their use and benefits. Other natural resources, such as birds, animals, plants, and marine life, are publicly owned. These sources of economic wealth can be private property through individual efforts. Thus, people, not States, have the exclusive right to own resources through their work. They will not lose this right indefinitely, or pay property taxes for their ownership.

Based on this view, Baqir Sadr concludes that someone or in more concrete terms the government that represents them, is the sole and legitimate owner of natural resources. Individuals can obtain special privileges to use these resources only through the energy invested in developing these resources.

Other types of individual work, such as the use of power to possess, are not considered a legitimate way to own. In particular, only human work is invested that has legal significance for the ownership of natural resources. In general, Islam gives individuals the right to own private property only through their ongoing efforts to develop these resources to benefit the community as a whole. Once this private development of natural resources is suspended, private ownership rights will cease too.

From this Baqir Sadr explains the main principles of his theory:

All natural wealth is part of the public sector and individuals obtain special rights to use it only in one area, namely, labor which is characterized by the development of [resources] with direct work [the individual itself].

According to the principle above, an individual may not use other individuals to develop natural resources to have ownership rights to large plantations, for example; if not, they will share ownership and benefits of natural resources based on their work. Islam completely rejects the capitalistic principle of individual ownership of vast natural resources on the grounds that they are developed by the labor of others. For the same reason, industries for the development of natural resources such as oil and minerals can only be owned and managed by the State. Apart from the emphasis on public ownership of natural resources, Baqir Sadr introduced the concept of 'priority use rights' of natural economic resources by individuals. He stated that those who have labor and the desire to exploit resources have the right to gain access to them if the exploitation serves the public interest.

3.2 Development Economics

The last part of the Islamic solution to economic problems, according to Baqir Sadr, is related to "pushing the production and utilization of natural resources to the maximum extent possible." God has created many resources in nature to meet human needs on earth, therefore humans are encouraged to use the gift of God for their interests. According to Baqir Sadr, "Islam, ideologically, has regulated the development of economic wealth and the utilization of natural resources as much as possible for the people." Islam is similar to capitalism in asserting this economic goal; However, they differ in their approach to achieving it.

While capitalism "rejects all means of developing production or increasing wealth which hinders the principle of economic freedom, on the other hand, Islam rejects ways that are contrary to the theory of distribution (economic resources) and the principle of justice". Even so, Islam, as mentioned earlier, prevents people from pursuing truly

materialistic goals. Sadr regards economic prosperity as a goal of a virtuous society, not an individual. After all, God has created everything on earth and heaven to serve human existence.

Islam only rejects materialistic advantages as the main human ambition, which leads to the oppression of others. Islam encourages *zuhd* (austerity) as a value that trains people not to regard materialistic wealth as their ultimate goal in life. *Zuhud* is a human mechanism for self-regulation that is used to fight his desires and direct his purpose to God. However, that is not the goal of the social order of the faithful.

It is enough to mention that prosperity and a high standard of living help humanity on its journey to God. Suffering can hinder a human's journey like that. In fact, there is a direct relationship between human relations with God and its relationship with nature. The more people try to get to God, the more God provides human needs. Social prosperity is a sign of God's giving to humans.

On the other hand, human attitudes that are not grateful to God, in the form of social injustice, are expressions or symptoms of the environment, resulting in the destruction of economic resources and productivity and the decline of human social existence.

Islam also accelerates the social drive towards production in its religious rules. Under the Islamic economic system, income is exclusively related to work. All other ways to obtain income and ownership are written off. Ownership of natural resources is not considered legitimate without continuous human efforts to develop it. All types of income that do not require human labor, in trade or production, are prohibited. For this reason, the use of financial capital to generate income is eliminated. The only legitimate way to use capital is to invest in production and share the risk of profit and loss.

4 Conclusion

In conclusion, Islam always encourages the use of capital in economic development, Islam strictly prohibits hoarding of money and initiates an annual tax to downgrade any wealth that is not registered in the production process. In addition, all kinds of useless economic activities, such as games, magic and magic, are prohibited in Islam. Furthermore, Islam makes it a requirement for Muslims to explore all fields of knowledge and seek efficient production methods to make maximum use of the benefits of natural resources.. The economic strength of Muslims is analogous to military power. The power of the Islamic State is judged based on the feasibility of economic progress and its social welfare. For this reason, Islam strongly emphasizes the role of political leadership to regulate socio-economic activities to enhance economic development and eliminate waste.

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