

Islamic Financial Thought Compared to Capitalist and Socialist Financial Thought

(Part 2)

(Translated)

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In the previous two sections, we discussed socialist and capitalist financial thought and clarified the foundations upon which each is based. In this section, we will address Islamic financial thought and the principles on which it is founded.

The Third Requirement

Islam is the only Deen that has provided solutions encompassing all aspects of human life, not just the material dimension. It organizes the spiritual, moral, social, political, and economic dimensions in an integrated and interconnected manner, ensuring that a society which follows the Islamic approach in belief and behaviour attains happiness, peace of mind, and the desired economic and social progress.

In the economic sphere, Islam has established Shariah rulings and guaranteed Shariah rights, linking them with regulations and boundaries. It ensures that every individual, as a human being, has their basic needs met, namely, food, clothing, and shelter. Moreover, it encourages individuals to enjoy the good things in life and to participate in the adornments of the world as they desire. Thus, Islam guarantees the right to live for every individual and provides for their well-being.

At the same time, however, Islam has specified certain lawful ways for an individual to earn money in order to satisfy their needs. For example, Islam forbids the production and consumption of alcohol for every Muslim, and prohibits the consumption of usury (riba) and dealing in it for everyone living under the ruling of an Islamic state.

The Islamic economic system is characterized by the fact that all economic activities are governed by the commands and prohibitions of Allah (swt). All economic transactions must align with the provisions of Islamic Shariah Law, as Islam is a Deen whose followers adhere to its Shariah rulings out of reverence and piety toward Allah (swt).

The foundations of the economic system in Islam are as follows:

1. Ownership in Islam:

In Islam, ownership ultimately belongs to Allah (swt). He is the Sovereign Owner of all, as stated in the Quran, **﴿وَاللَّهُ مَلِكُ السَّمَوَاتِ وَالْأَرْضِ وَمَا بَيْنَهُمَا يَخْلُقُ مَا يَشَاءُ وَاللَّهُ عَلَىٰ كُلِّ شَيْءٍ قَدِيرٌ﴾** **“To Allah belongs the dominion of the heavens and the earth and whatever is between them. He creates what He wills, and Allah has power over everything.”** [TMQ Surah Aali Imran: 189].

Moreover, Allah (swt) has explicitly stated that He is the Owner of wealth in another verse, **﴿وَعَاثُوهُمْ مِّن مَّالِ اللَّهِ الَّذِي ءَاتَاكُمْ﴾** **“And give them from the wealth of Allah which He has given you.”** [TMQ Surah An-Nur: 33]. Therefore, all wealth belongs to Allah Alone, but He has entrusted humans with wealth, making them His successor vicegerents. This means that humans are granted the right to own wealth, under the condition that they follow the guidance of the Shariah Law of Allah (swt). Allah (swt) says, **﴿ءَامِنُوا بِاللَّهِ وَرَسُولِهِ وَأَنْفَقُوا مِمَّا جَعَلَكُمْ مُسْتَخْلَفِينَ فِيهِ فَالَّذِينَ ءَامَنُوا مِنْكُمْ وَأَنْفَقُوا لَهُمْ أَجْرٌ كَبِيرٌ﴾** **“Believe in Allah and His Messenger and spend from what He has made you successors over. For those who have believed among you and spent, there will be a great reward.”** [TMQ Surah Al-Hadeed 57:7]. The concept

of succession in wealth is universal, and it implies that the ownership of wealth is not absolute but entrusted to humans conditionally.

Islam's concept of ownership is not about absolute possession, but a form of trusteeship or vicegerency or succession. Allah has allowed humans to own wealth through legal means, as outlined by the Islamic Shariah Law. For example, the acquisition of barren land and its cultivation is a form of ownership, as indicated by the Hadith of the Prophet Muhammad (saw), «من أحاط حائطاً على أرض فهي له» **"Whoever cultivates barren land, it belongs to him."** (Sunan Abu Dawood).

Ownership in the Islamic system is not unrestricted but is governed by principles and regulations laid out by Shariah Law.

Additionally, in Islam, there is public, collective ownership, which refers to the resources and utilities that are shared by the entire community. Such resources are not to be monopolized or exploited by a few individuals to the detriment of the larger society. The Prophet Muhammad (saw) said, «المسلمون شركاء في ثلاث الكأ والماء والنار» **"Muslims are partners in three things: the water, the pastures, and the fire."** (Sunan Abu Dawood). This framework ensures that wealth is distributed justly and fairly in the community, and no one can monopolize essential resources that should be available to all.

There is also state ownership. For example, if a Muslim dies and has no heirs, his money belongs to the Baytul Maal, a state treasury. Whatever is collected as land tax and jizya belongs to the public treasury, and the state has the right to spend the money that is its property wherever it wants according to the Islamic Shariah rulings.

The third type of ownership is individual ownership, as every individual has the right to own money for one of the causes for ownership specified by Islamic Shariah Law. Islamic Shariah Law prohibits acquiring ownership through unlawful means, such as fraud, deception, or monopoly, as Allah (swt) said, «يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْلِ إِلَّا أَنْ تَكُونَ تِجَارَةً» **"O you who have believed, do not consume one another's wealth unjustly but only in lawful business by mutual consent. And do not kill yourselves. Indeed, Allah is to you ever Merciful."** [TMQ Surah An-Nisaa 4:29].

Islamic Shariah Law has made the preservation of private property a Shariah obligation upon the state. It mandates sanctity for private property and non-violation of it, and it has set strict penalties for anyone who tampers with this right in any illegal way, such as fraud or theft, for example.

2. Disposal of property:

Since man is a trustee of wealth and he is not the original owner because the property belongs to Allah (swt), it is the right of the original owner to determine for the person he has entrusted the manner of disposal of the property and money, in terms of acquisition and spending. This means that Allah (swt) Alone has the right to determine the method, way and areas of acquisition, as well as the method, way and areas of spending in a manner, that is consistent with the purpose of man being a trustee of property. Allah (swt) said, «وَعَاثُوا الْيَتَامَىٰ» **"And give to the orphans their property and do not substitute the defective of your own, for the good of theirs. And do not consume their property into your own. Indeed, that is ever a great sin."** [TMQ Surah An-Nisaa 2], and Allah (swt) said, «وَفِي أَمْوَالِهِمْ حَقٌّ لِّلسَّائِلِ وَالْمَحْرُومِ» **"And in their wealth is a right for the beggar and the deprived."** [TMQ Surah Az-Zaariyaat 51:19].

Therefore, a person's possession of wealth is more like a function he performs to benefit from wealth, and increase the wealth than mere ownership alone. This is because when an individual owns wealth, he only owns it to benefit from the wealth to satisfy his needs. However, he is restricted in this by the limits of the Shariah rulings, and he is not free to dispose of it freely. Among these restrictions, for example, is the necessity that a person does not exploit others, due to the power over wealth. Likewise, the usury of society and individuals must be taken into consideration when spending money, as well as not hoarding it

without investing it, because investing it is in the usury of society. Among the restrictions also are the prohibition of monopoly and usury (riba). After observing the Shariah restrictions, the individual has the right to dispose of his wealth in all the manners of disposal permitted by the Shariah Law, such as selling, loaning, giving as a gift, and other types of permissible disposal.

3. Distribution of Wealth and Economic Balance in Islam

Islam has obligated the state to distribute wealth and income in accordance with the Shariah rulings of Islamic Law to achieve economic balance in society, so that members of society do not suffer due to economic crises, and to ensure a satisfactory standard of living. This is achieved by distributing wealth to all citizens, as individuals. Islam has obligated the circulation of wealth among all members of society and prohibited its confinement to a specific group of people, as Allah (swt) says, ﴿وَابْنِ السَّبِيلِ كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ﴾ **“and the stranded traveller so that it does not become a wealth that circulates solely amongst the rich among you.”** [TMQ Surah Al-Hashr 59:7].

If there is a large and unfair disparity gap between people in society in getting their needs, and in the sharing of wealth, then the state must work to bring balance, reduce this disparity, and make sure needs are provided more equally. Islam has determined Shariah rulings for fair distribution by elaborating how ownership works, and how people can use their wealth. Islam also made sure that the poor and needy, who may not have the same abilities as others, are given enough to live close to the standard of the rest of society. Islam made it a Shariah obligation upon the Muslim community (jamaa'ah) that no one from within the community remains poor or helpless. Both the jamaa'ah (community) and the ruler are responsible for making sure every person has enough to cover the cost of living. Allah (swt) said, ﴿وَالَّذِينَ فِي أَمْوَالِهِمْ حَقٌّ مَّعْلُومٌ ۚ ٢٤ لِّلسَّائِلِ وَالْمَحْرُومِ﴾ **“And in their wealth is a known share (24) for the one who asks and for the one who is deprived.”** [TMQ Surah Al-Maarij 24–25].

Islam recognizes the differences in people's abilities and talents, and therefore the differences in their incomes and wealth. Allah (swt) said, ﴿وَهُوَ خَلَقَ الْأَرْضَ وَرَفَعَ بَعْضَكُمْ فَوْقَ بَعْضٍ﴾ **“And it is He who has made you successors upon the earth, and has raised some of you above others in degrees, that He may test you through what He has given you. Indeed, your Lord is swift in punishment, and indeed, He is Forgiving, Merciful.”** (TMQ Surah Al-Anaam 6:165] and Allah (swt) said, ﴿وَاللَّهُ فَضَّلَ بَعْضَكُمْ عَلَى بَعْضٍ فِي الرِّزْقِ فَمَا الَّذِينَ فُضِّلُوا بِرَادِّي رِزْقِهِمْ عَلَى مَا مَلَكَتْ أَيْمَانُهُمْ فَهُمْ فِيهِ﴾ **“And Allah has favored some of you over others in rizq (provision). However, those who were favoured will not hand over their rizq to those whom their right hands possess, so they would be equal to them therein. Then is it the favour of Allah they reject?”** [TMQ Surah An-Nahl 71].

This means that those whom Allah (swt) has granted abundant provision do not provide for those dependents under them of their own accord. Instead, Allah (swt) extends His Mercy and rizq to all. Thus, all people are equal, all of them are servants of Allah (swt), and each is given responsibilities according to the capacity that Allah (swt) has prepared for him. This difference in abilities and talents must remain within limits that encourage work and promote cooperation, not conflict for conflict between a wealthy, extravagant class that monopolizes all the blessings of wealth, and a deprived class, leads to envy, hatred, and hostility in society. It also disrupts economic balance. Allah (swt) said, ﴿وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ﴾ **“And cooperate in righteousness and piety, but do not cooperate in sin and aggression. And fear Allah; indeed, Allah is severe in penalty.”** [TMQ Surah Al-Ma'idah 5:2]. And the Messenger of Allah (saw) said, « لا يؤمن أحدكم حتى يحب » **“None of you truly believes until he loves for his brother what he loves for himself.”**

As for the fundamentals of the financial system in Islam:

Through its economic system, Islam has established the foundations of public finance, which aim to achieve an Islamic society in which societal financial stability is widespread and prosperity prevails.

During the era of the Prophet (saw) in Makkah, before Revelation was completed, there was no defined financial system of revenues, expenditures, or a Baytul Maal. Instead, the Companions (ra) would generously donate their wealth to the poor Muslims. However, when the Prophet (saw) made Hijrah migration to Madinah, the situation began to develop toward the formation of the State of Madinah. The features of the Islamic state began to take shape, following the successive revelation of Quranic verses that obligated Muslims to pay Zakat and specified the methods for its disbursement. These verses also specified other forms of revenue and their disbursement methods. The revenues of the Islamic state include zakat, kharaj, 'ushur, fay', spoils of war, jizya, and treasure.

1. Zakat: It is one of the pillars of Islam, and is obligatory on every Muslim who meets the conditions for paying it. It is the prescribed portion of money that Allah Almighty has imposed on those who deserve it. It was imposed in the second year of the blessed Prophet's Hijrah migration. Allah (swt) said, ﴿اِخْذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ﴾ **“Take from their wealth to purify them and sanctify them with it, and invoke blessings upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing.”** [TMQ Surah At-Tawba 9:103]. Allah (swt) also said, ﴿وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَمَا تُقَدِّمُوا لِأَنْفُسِكُمْ مِنْ خَيْرٍ تَجِدُوهُ عِنْدَ اللَّهِ إِنَّ اللَّهَ بِمَا تَعْمَلُونَ بَصِيرٌ﴾ **“And establish Salah and give Zakah. Whatever good you send ahead for yourselves, you will find it with Allah (swt). Surely, Allah is All-Seeing of what you do.”** [TMQ Surah Al-Baqarah 2:110].

The basic principle is that the Khalifah, or his representative collects it. The conditions that must be met by a person in order for Zakat to be obligatory on him differ according to the types of Zakat, which are Zakat on livestock, camels, cows, buffalo, sheep, and goats, Zakat on crops, Zakat on cash, and Zakat on gold and silver. Zakat is not waived for a Muslim if its conditions are met, such as the minimum amount (nisaab) required and the completion of a full year. It is not obligatory for a non-Muslim. It is a special type of money that must be spent for its intended purposes, whether there is a need for it or not. It has a specific amount, and it cannot increase or decrease. As for the expenditures of Zakat and the ways in which it is spent, they are also specified by categories. It is only spent on the eight categories mentioned by Allah (swt) in the Noble Quran in Surat At-Tawbah, when He (swt) says, ﴿إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ﴾ **“Zakat is only for: the poor, the needy, those appointed to collect it, those whose hearts are to be drawn closer to Islam, for freeing slaves, for those in debt, for the cause of Allah, and for travellers in need. This is a duty from Allah. And Allah is All-Knowing, All-Wise.”** [TMQ Surah At-Tawbah 9:60].

Thus, Zakat and its minimum threshold (nisab) are fixed Shariah obligations, that do not change in proportion to the items upon which Zakah is due, or upon changes in income levels. This nisab cannot be altered or modified because it is mandated by clear and defined rules, being an Islamic act of worship and a fundamental pillar of the Deen.

2. Jizya: It is what is taken from the Ahl al-Dhimma (non-Muslims living under Islamic rule). The Jizya was ordained in the Noble Quran as Allah (swt) said, ﴿قَاتِلُوا الَّذِينَ لَا يُؤْمِنُونَ بِاللَّهِ وَلَا بِالْيَوْمِ الْآخِرِ وَلَا يُحَرِّمُونَ مَا حَرَّمَ اللَّهُ وَرَسُولُهُ وَلَا يَدِينُونَ دِينَ الْحَقِّ مِنَ الَّذِينَ أُوتُوا الْكِتَابَ حَتَّى يُعْطُوا الْجِزْيَةَ عَنْ يَدٍ وَهُمْ صَاغِرُونَ﴾ **“Fight those among the People of the Scripture who do not believe in Allah or the Last Day, who do not forbid what Allah and His Messenger have forbidden, and who do not follow the religion of truth — until they pay the jizyah (tax) with willing submission, while being under protection.”** [TMQ Surah At-Tawbah 9:29]. It is applied on individuals, not on wealth. It is taken from every dhimmi living under the protection of an Islamic state, and it is waived if they embrace Islam. It is neither taken from the disabled, nor

from women, children, the insane, or the poor. There is no fixed amount for it, and it is left to the opinion and judgment of the Imam.

3 Kharaaj: It is a right placed on the neck (raqbah, title deed) of land that was captured from the kafir by war or by peace treaty. It is taken from lands that were conquered by force and then their neck (title deed) became the property of the state, as well as from lands that were abandoned by their owners during the period of conquests, and then transferred to the Muslims. It is also taken from lands that have been transferred to Muslims by peace treaty, wherein they are either owned by the state and their neck (title deed) is owned, or they remain the property of their owners but their title deed is transferred, according to the terms of the peace treaty to the Muslims, so that the title deed becomes theirs. When determining the Kharaaj tax, consideration is given to the fertility and quality of the land, the types and value of crops, and the methods of irrigating and watering the land.

Muslim fuqaha (jurists) have outlined two types of kharaaj: Kharaaj al-Wadhifa (the fixed kharaaj) and Kharaaj al-Muqassama (the shared kharaaj). Kharaaj al-Wadhifa is a fixed amount specified for a certain area of land, which can be paid in kind, cash, or both, and is due annually in exchange for the benefit of the land. Kharaaj al-Muqassama refers to the sharing arrangement between the state and individuals who own land subject to kharaaj, where the state takes a percentage of the harvest, such as one-fifth, one-fourth, or one-third. This is done once a year and is exempted in cases of disasters, crop failure, or droughts.

4. Al-'Ushoor al-Tijaareeyah: This is a tax on the wealth of traders from enemy territories (Dar ul-Harb) when they move their goods between those areas and the Islamic state (Dar ul-Islam) and vice versa. The amount is based on the principle of reciprocal treatment (al-mu'āmalah bil-mithl), where the rate may increase or decrease accordingly.

5. Al-Fay' and Al-Ghanaa'im: As for al-Fay', it refers to the wealth taken from the enemies without any battle. Allah (swt) says, **﴿مَّا أَفَاءَ اللَّهُ عَلَى رَسُولِهِ مِنْ أَهْلِ الْقُرَىٰ فَلِلَّهِ وَلِلرَّسُولِ وَلِذِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَابْنِ السَّبِيلِ﴾** **“What Allah has given to His Messenger from the people of the towns, it is for Allah and for the Messenger and for his near relatives and the orphans and the needy and the traveller.”** [TMQ Surah Al-Hashr 59:7]. As for al-Ghanaa'im, it refers to the spoils of war obtained through battle. The spoils are divided into five shares, and their distribution is outlined in the Noble Quran, **﴿وَأَعْلَمُوا أَنَّمَا غَنِمْتُمْ مِنْ شَيْءٍ فَإِنَّ لِلَّهِ خُمُسَهُ وَلِلرَّسُولِ وَلِذِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَابْنِ السَّبِيلِ إِنْ كُنْتُمْ عَامِنْتُمْ بِاللَّهِ وَمَا أُنْزِلْنَا عَلَىٰ عَبْدِنَا يَوْمَ الْفُرْقَانِ يَوْمَ التَّنْقِي﴾** **“And know that whatever you obtain of anything Indeed, for Allah is a fifth of it, and for the Messenger and for the near of kin and the orphans and the needy and the wayfarer, if you have believed in Allah and what We sent down upon Our Servant on the Day of Criterion, the day the two armies met. And Allah is over all things competent.”** [TMQ Surah Al-Anfaal 8:41]. The key difference between al-Fay' and al-Ghanaa'im is that both come from non-Muslim sources, are divided according to the principle of the fifth (khums), but al-Fay' is taken without battle, whereas al-Ghanaa'im is obtained through combat.

6- Rikaz (Buried Treasure): It is what is found buried of mineral wealth or treasures of various types, and it has a fifth due to the generality of the Allah (swt) saying, **﴿يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِآخِذِيهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ وَاعْلَمُوا﴾** **“O you who believe! Give of the good things which you have honourably earned, and of the fruits of the earth which We have produced for you; and do not select the bad thereof to give away, when you yourselves would not accept it except with closed eyes. And know that Allah is Free of all wants, and worthy of all praise.”** [TMQ Surah al-Baqarah 2:267], and based on the saying of the Messenger (saw),

«وفي الركاك الخمس» “And there is a fifth on the treasure.”

As for Expenditures in the Islamic Financial System:

The Noble Qur'an clarified how the proceeds of **Zakat** and other sources of revenue, such as the fifth of **Fay'** (spoils taken without fighting) and **Ghaneemah** (spoils of war), should be handled. The Prophet (saw) used to spend whatever funds came to him in the

public usuary of the Muslims. He (saw) would distribute the wealth the same day it arrived and would not go to sleep while keeping any of it.

During the era of the Khulafaa Rashidoon (Rightly Guided Caliphs), revenues increased and became more diverse. They exercised ijtiḥad in managing some of these funds where no explicit text existed in the Book of Allah or the Sunnah of His Messenger (saw). For example, Umar ibn al-Khattab (ra), after consulting the Companions (ra), approved granting stipends to every Muslim, and even allocated allowances for every child born into Islam.

The scope of the Islamic state's operations expanded and its affairs became more complex, the expenditures required to manage and run the state increased in all areas. This led to the imposition of salaries for judges, soldiers, wulaa (governors), and others necessary for the administration of the state. These funds were also allocated for supporting the Deen, raising its status through Jihad, and equipping armies.

As for the expenditures of zakat funds, they are specifically determined by the eight categories mentioned in the Noble Quran. Similarly, the categories and proportions for **fay'** (spoils without fighting) and **ghaneemah** (war spoils) are also defined in the Noble Quran.

From this, it is clear that expenditures in the Islamic financial system are divided into two categories:

1. A category that is clearly defined in the Noble Quran and the Sunnah, such as Zakat, the fifth of war spoils, fay', and rikaz.
2. A second category that was left to the discretion of the rulers and governors, who are to make decisions based on ijtiḥad to address changing circumstances, in a way that ensures the security and stability of the state and the spreading of Islam's message.

The central authority represented by the Khaleefah (Caliph) is fully responsible for securing the expenses of all Muslims, and is also responsible for the general security of the Islamic community, spreading the Dawah, defending Islam, and achieving prosperity for the community to the greatest extent possible, without violating the Shariah rulings of Islam.

The characteristics of the Islamic financial system compared to the capitalist financial system and the socialist financial system are represented by the following:

1- In Islam, wealth is seen as a way to meet people's needs, not as an end in itself, nor for showing off, or using it to oppress others. Islam teaches people to earn a lawful income in honest ways. It also makes the state responsible for taking care of the people, ensuring fair distribution of wealth, and removing poverty.

2- Islam has defined the methods of acquiring and distributing property to prevent its concentration in one faction, with the deprivation of others. It also emphasizes public ownership of essential natural resources, public facilities, and necessities, making them available to all Muslims without individual monopolization. It does not abolish private property, as this contradicts human nature, as in socialism, nor does it place all property in the hands of a few individuals who control the fate of society, as in capitalism.

3- The Capitalist thought views the individual as the foundation of society, and that he is free in his opinions and actions, and he seeks to achieve the greatest possible satisfaction with the least amount of his energies. In socialism, society is viewed first, and the individual is viewed only through the usury of society. As for Islamic society, the rights of the individual are guaranteed as a human being, who seeks to satisfy spiritual needs above material needs, and he is honoured as a human being, and all individuals in society are equal holders of rights and duties, without class discrimination between them.

4- Islam forbids riba (usury) in all its forms, and it also prohibits hoarding and spending on the forbidden. It requires the owners of wealth to spend it, invest it, or grow it through lawful means. It forbids using wealth in prohibited ways, such as usury, fraud, monopoly, corrupt contracts, or trading in forbidden items like alcohol. In contrast, the goal in capitalism is profit regardless of the means. There is nothing to prevent charging usury in capitalism; in

fact, it is legally recognized and based on the idea of freedom of contract and freedom to use money as one wishes. They even see it as necessary for economic growth.

5- The financial system in Islam relies on public finance tools, including revenues and expenditures. However, these tools differ from those in other financial systems, in terms of the types of revenues, their requirements and obligations, and the methods of their distribution.

6- In Islam, there is a Baytul Maal (public treasury), and its revenues are collected according to the stipulated Shariah rulings, and are spent according to Shariah rulings as well. These Shariah rulings are all permanent and do not change or alter, such as the rulings on Zakat, whose types and percentages are absolutely defined to whatever Allah wills. As for what has no Shariah text, it is left to the discretion of the Khaleefah (Caliph) or the Muslim ruler. Therefore, we find that some financial arrangements change with the change of rulers, because each of them seeks to implement his policies, according to his discretion, and in what he sees as appropriate to care for the affairs of the Ummah, and in accordance with Shariah rulings.

Some people believe that implementing the economic system in Islam does not necessarily mean implementing all the other systems that Islam has brought. They believe that economic regulations can be implemented within the framework of what Islam has stipulated, in the economic aspect of societal life, regardless of what it has brought to regulate other aspects of society. For example, if society accepts the prohibition of riba (usury), then it will be prohibited, without the need to prohibit the drinking of alcohol. This opinion is far from the truth and cannot be accepted, because Islamic Shariah Law is a harmonious whole that must be implemented in its entirety. Islamic Shariah Law is a comprehensive and integrated approach that must be adopted and implemented in its entirety. It is not permissible in Shariah Law to adopt the Islamic financial and economic system, and abandon the political and social system, or the spiritual and moral aspect. Also, the economic behaviour of any society is linked to other forms of human behaviour.

The economic system, like all other systems, is a reflection of the identity of the state. It is not reasonable for the identity of the state to be capitalist, whilst its economic system alone is Islamic. Therefore, it is not possible to apply the Islamic financial system and abandon the rest of the systems of Islam. It is not reasonable to prohibit riba (usury) in the global stock exchanges, for example, but to also abandon the Fard of Zakat. For this reason, the Messenger (saw) used to say to his Companions (ra) whom he sent to cities and tribes as preachers, فادعهم إلى أن يشهدوا أن لا إله إلا الله وأن محمداً رسول الله ... فإن هم أطاعوا لك بذلك فأخبرهم أن الله قد فرض عليهم صدقة تؤخذ من أغنيائهم فترد على فقرائهم **“Call them to testify that there is no god but Allah and that Muhammad is the Messenger of Allah... If they obey you in that, then tell them that Allah has imposed on them a charity that is taken from their rich and given to their poor.”** Islam is based on belief, a view of the universe and life, and the controls that organize behavior and relationships.