

## Bringing Work Back In Islamic Perspectives

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### ABSTRACT

Religion and work are seldom discussed. The two have caused scholars to question the religion's role with work. This paper reviews research on the integrate between religion and work by examining issues of concept, definition, measurement, and reviewing research that examines the relationship of work and religion with respect to: different times, types of people, organize human interactions and sources of knowledge. We then discuss the methodological requirement for reintegrating work studies into social institutional theory and indicate what the conceptual payoffs of such integration might be. These payoffs include breaking new conceptual ground, resolving theoretical puzzles and envisioning the nature of new social institutions.

### INTRODUCTION

The role of religion in our working life has been known since the Prophet Muhammad (pbuh). However, the contemporary views on the concept of work as discussed in several studies such as Applebaum (1992) and Gamst (1995) have produced several interesting findings. The former study uses the chronological and historical period to organize and discuss the concept of work during the ancient, medieval and modern times, but the missing point in their work is the concept of work during the golden ages of Islam. While, other studies such as Read (2004) finds that the tenets of major religious traditions restrict women's achievements in the public sphere by prioritizing their obligations to home and family.<sup>4</sup> It seems that if we work at home and take care our family are not considered as part of our work.

This paper contributes to this line of inquiry in three perspectives: first, the concept of work during the golden era of Islam has not been touched. It creates the missing view from the chronological and historical period. Second, work priority.

The research on the integrate between al-Quran and work is an important contribution to that frontier. Especially in deriving the wages, labour relation and profit sharing. It also guides our lives. With the above reason, study the role of religion to work is needed because there are three primary ways in which religious sanctification can be important for the creation of work and any labor code in the Muslim world: sustainability, adaptability and stability. These outcomes will be difficult to attain through a secular framework because of the unique historical context out of which Muslim nations have emerged.

### RELIGION AND WORK: A REVIEW OF RELATED STUDIES

The discussion of this section will be divided into two sections. The first section will discuss the findings from the past studies. While, the second and third sections will highlight the discussion of work from revealed knowledge.

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<sup>4</sup> See Nippert-Eng (1996), she discusses further the classification of home and work.

## Review From Past Studies

The studies that integrate between religion and work are not new subjects.<sup>5</sup> However, there are very few studies which try to integrate these two topics. Among the earlier study was Weber (1905) and Siedenburg, (1922). They introduce the Protestant Work Ethic (PWE) and Marxist-related beliefs in discussing the work values and beliefs that produce the spirit of capitalism. This study leads other researchers, such as Buchholz (1977, 1978), Furnham (1982, 1984), Furnham and Bland (1983) propose the measure of work beliefs and values the PWE and Marxist (such as work harder and strong higher order needs). These measures appear to be one of the major determinants of job satisfaction.

While recent studies such as Schooler (1996), Super and Sverko (1995) and Parboteeah and Cullen (2003) argue that the individual values, attitudes, and behaviors (which form the cultural system) might differently influence on work and organizations in a country. In particular, Schooler (1996) argues that culture represents the historically determined set of implicit and explicit abstract notions and beliefs (i.e., what is good, right, and desirable) shared by a group of individuals who have undergone a common historical experience (Schooler 1996). These cultural values, norms, beliefs, and assumptions are reinforced symbolically and passed through socialization (e.g. educational system) and training from generation to generation (Huang and Harris 1973). In Hofstede's (2001) view, this results in a "collective programming of the mind which distinguishes the member of one human group from another". This view, later, was known as human interaction.

By taking the views from Ingram and Clay (2000) and Turner (1997) where social institutions are structures that evolve in societies to organize human interactions. Therefore, social institutions provide individual agents with sense making and taken-for-granted exploratory to know what is legitimate, reasonable, and appropriate in, for example, kinship or economic relationships (see, Scott (1995) and Turner (1997)). The core social institution systems, as discussed in Olsen (1991) and Turner (1997), include the economic, kinship, religious, political, legal, educational, and stratification systems.

Social institutions regulate societal activities through a freedom/constraint duality of prescribed behaviours, attitudes, and values within acceptable limits (Ingram and Clay 2000). Social institutions provide enforcement (e.g., laws and governments), socialization (e.g., educational systems), and incentives (e.g., economic systems) that constrain agents and limit their best-choice options to generally predictable outcomes. That is, although bounded rationality and individual differences preclude all individuals from making the same choices, social institutions result in general patterns of behaviour, attitudes, and values (Ingram and Clay 2000). Thus, social institutions affect individuals through regulative and incentive mechanisms that impinge on the conditions of life and affect individual psychological functioning.

The above findings, as discussed in Parboteeah and Cullen (2003), lead to the choice of dimensions of culture or social institutions as the prime source of explanation for nation-level differences is based mostly on academic division of labor and is a "nonissue" in terms of priority. They also find out that sociologists, political scientists, and economists favour the institutional approach and psychologists and anthropologists favour the cultural. Management field follows a similar pattern, with institutional studies focusing more on macro- or organization-level outcomes and cross-national cultural studies focusing more on individual level outcomes.

## Searching from Revealed Knowledge

Islam as a universal and complete worldview, of course, has its own view about work. The Qur'an mentions word of "work" with different terminology. The Qur'an calls it "*amalun*", there are no fewer than 260 *musytaqqat* (derivatives), outward and inward. Called "*fi'lun*" in about 99 derivatives, with its connotations of physical work. Called "*shun'un*", no less than 17 derivatives, with an emphasis on employment that produces physical output. Called also with the word "*taqdimun*", in 16 derivatives, which have a meaning emphasis on investing for happiness tomorrow.

Allah loves best and qualified of work. To explain that, Al Qur'an uses four terms: "*Amal Salih*", not less than 77 times; "*Ihsan*", more than 20 times; '*Itqan* ', called 1 time, and "*al-Birr* ", called 6 times. Disclosure is sometimes in command expression, sometimes with the recommendation expression. On the other hand, bad job described with a bad result also in various terms. For example, Qur'an mention as "*the act of the devil*" (*al-Maidah*: 90, *al-Qashash*: 15), "*act in vain*" (*Ali Imran*: 22, *al-Furqaan*: 23), *mixed with a bad job* (*at-Tauba*: 102 ), "*camouflage job*" (*an-Naml*: 4, *Fusshilat*: 25).

<sup>5</sup> The religion was initially combined with ethics and values, see for example Siedenburg (1922)

Therefore, Islam has laid great emphasis on work. Al-Qur'an has revealed many aspects related to work: first, Al-Quran promulgates the fundamental principle regarding role of labour. Allah says: "There is nothing for man but what he strives for"- (53:39). According to this verse, there is no royal road or easy way to success. The way to progress and success in the world is through struggle and effort. The harder a man or a people work, the higher reward they are likely to get. According to Prophet Muhammad (PBUH), "God loves those who work and strive for their livelihood" and "to search lawful earning is obligatory after the compulsory things (like prayer, fasting, and belief in God).

Second, both physical and intellectual labour have been emphasised in Islam. The Qur'an refers to manual labour when it talks of construction of boat by Prophet Noah, manufacture of coats of mail by Prophet David, tending of sheep by Prophet Moses and building of wall by *Zul-Qarnain*. The Holy Book also refers to intellectual labour when it relates the story of Prophet Joseph who was appointed in charge of treasures of Egypt by its king.

Third, type of work, the Qur'an mentions the example of Prophet David and Prophet Moses who respectively worked as ironsmith and shepherd. Prophet Muhammad (pbuh) himself pastured sheep. He did not consider any work as menial or below dignity. In *Ghazwah Ahzab* (Battle of Allies), the Prophet was seen working and lifting stones along with his companions to dig a ditch to defend Madinah from the enemy.

Fourth, some verses of the Qur'an and *Al-hadith* of Prophet Muhammad (pbuh) highlight the honour given to labour, both manual and intellectual. As Allah says in holy Qur'an:

*"And he was building the ship and every time the chieftains of his people passed him, they made mock of him. He said: Though ye make mock of us, yet we mock at you even as ye mock."*<sup>6</sup>

*"So they twain journeyed on till, when they came unto the folk of a certain township, they asked its folk for food, but they refused to make them guests. And they found therein a wall upon the point of falling into ruin, and he repaired it. (Moses) said: If thou hardest wished, thou couldst have taken payment for it."*<sup>7</sup>

*"One of the two women said: O my father! Hire him! For the best (man) that thou canst hire is the strong, the trustworthy. He said: Lo! I fain would marry thee to one of these two daughters of mine on condition that thou hires thyself to me for (the term of) eight pilgrimages. Then if thou completes ten it will be of thane own accord, for I would not make it hard for thee. Allah willing, thou will find me of the righteous."*<sup>8</sup>

*"And assuredly We gave David grace from us, (saying): O ye hills and birds, echo his psalms of praise! And We made the iron supple unto him. Saying: Make thou long coats of mail and measure the links (thereof). And do ye right. Lo! I am Seer of what ye do."*<sup>9</sup>

From Al-hadith, the Prophet Muhammad (pbuh):

*Abu Hurairah reported from the Holy Prophet who said: Allah did not raise up any Prophet who did not graze goats. His companions asked: you too? 'yes' said he, I used to tend goats for the inhabitants of Makkah for some qirats. (Bukhari)*

*Ayesha reported that the Holy Prophet used to mend his shoes, sew his clothes and work in his household just as one of you works in his own house. She also reported that he was a man among men who used to patch his clothes, milk his goats and engage himself in work. (Tirmizi)*

*Zubari-b-Awam reported that the Messenger of Allah said: That one of you takes his rope and then comes with a load of wood upon his back and sells it, and that thereby*

<sup>6</sup> Qur'an, 11:38

<sup>7</sup> Qur'an, 18:77

<sup>8</sup> Qur'an, 28: 26-27

<sup>9</sup> Qur'an, 34:10-11

*Allah guards his face, is better for him than that he should beg of men whether they give him or refuse him. (Bukhari)*

*Meqdam-b-Ma'de Yakrab reported that the Messenger of Allah said: Never has any one eaten a better food than what he has eaten out of the labour of his own hands; and David, the Prophet of Allah, used to eat out of the labour of his own hands. (Bukhari)*

*Utbah-b-Munzir reported. We were near the Messenger of Allah when he recited – 'Twa, Sin, Mim', till he reached the story of Moses. He said: verily Moses engaged himself as a labourer for nine or ten years on condition of keeping his private parts chaste and of food for his belly. (Ahmad, Ibn Majah)*

*Ayesha reported that the Holy Prophet said: The purest of what you eat come from your own earnings, and your children come from your own earnings. (Tirmizi, Nisai, Ibn Majah)*

*Abu Zarr reported that the Messenger of Allah said; O Abu Zarr! There is no wisdom like efforts, no piety like self-denial and no goodness like good conduct. (Bukhari)*

*Refe-b-Khudaiz reported that it was questioned: O Messenger of Allah, which earning is purest? He said: The earning of a man with his own hand, and every honest transaction. (Ahmad)*

*Abdullah-b-Masud reported that the Messenger of Allah said: To search after lawful earning is compulsory after the compulsory things. (Baihaqi)*

*Once the hands of a companion of the Holy Prophet became black by working with a hammer. The Holy Prophet, seeing his hands, enquired as to what had happened? He replied that it was because he had worked with a hammer on a very hard ground to earn livelihood for his family. Hearing this the Holy Prophet kissed his hands (and was pleased to know that he was earning an honest living by hard work).*

*Ali the fourth Caliph, used to say (with pride) that one day he came to know that the Holy Prophet was hungry. He went in search of work so that he might earn something for the Holy Prophet. He saw a Jew in a garden outside Madinah who had a heap of mud and wanted some-one to put water into it. He struck a bargain with him at one date for a bucket of water and earned seventeen dates in wages for seventeen buckets of water and came home. Then he went to the Holy Prophet and informed him about the bargain and then both ate them.*

*Abu Hurairah reported : "Once the Ansars asked the Holy Prophet to divide the date trees between the Muhajirin and themselves. The Holy Prophet did not allow this. But when the Ansars asked the Muhajirin to work in the gardens and share the produce with them, they readily accepted the offer (and the Holy Prophet was very pleased with this arrangement)."*

*Abdur Rahman bin Auf said: "When we came to Madinah, the Holy Prophet (created brotherly relations between the Ansar and Muhajirin and) created this relationship between Saad bin Rabee and myself. Saad was the richest of all the Ansar and wanted to give me half of his wealth and one of his two wives. I refused to accept his offer but asked him to tell me of a trade centre. He told me of a Qainuqa bazar, I went there next morning and bought some curd and ghee (for sale) and then I went there every day (to do this kind of business)."*

*It is reported that once an unemployed Ansar asked the Holy Prophet for some charity. The Holy Prophet enquired from him if he had any property. He replied that he had a blanket to cover his body and a cup to drink. The Holy Prophet asked him to bring these things. When he brought them, the Holy Prophet took them in his hand*

*and auctioned them among the people. One of the present offered one dirham. The Holy Prophet requested him to raise the bid. Another man offered two dirhams and bought these things. The Holy Prophet gave two dirhams to that man and advised him to purchase an axe with one dirham. When he bought the axe, the Holy Prophet fixed the handle in it with his own hands and, giving it over to that man, said, "go to the jungle and cut wood and don't see me before fifteen days". After a fortnight, when he came back, the Holy Prophet enquired how he was. He replied that he earned twelve dirhams during that period and purchased some cloth and grain. The Holy Prophet remarked, "this is better than begging and disgracing yourself on the Day of Judgement"*

Above mentioned verses of the Holy Qur'an and traditions of the Prophet of Islam establish beyond any doubt that work is to be honoured and respected and the worker who earns his livelihood by his own hands is very much respectable. In Islam there is no work which is lowly or menial. Lowly or mean is the person who divides the work into high or low.

## METHODOLOGICAL IMPLICATIONS

The methodology of labour in conventional economics, focus on the economic inquiry is identifying, understanding, and measuring labour market relationships (i.e., when the focus is trying to uncover "what is" true about the labour market), the analysis is characterized as positive economics. When the analysis turns to an evaluation of appropriate labour market outcomes (i.e., when the focus is trying to uncover "what should be" the labour market outcome), the analysis is characterized as normative economics.

The methodology of positive economics assumes that when employers and employees come together in the labour market to buy and sell labour services, they will be pursuing specific objectives in a consistent manner subject to certain constraints (as argued from the social institutions approach). Consistency in this case means simply that people's behaviour can be predicted--their choices are made with a purpose in mind and are not random. It does not mean that people do the same thing all of the time. They (usually) learn from mistakes, and they respond differently to different incentives.

The underlying assumption of all economics is resource **scarcity**. Since resources are scarce, individuals and society cannot meet all their wants, and thus must make choices, each of which has a cost, since something else must be given up.

Regarding their specific objectives, it is assumed that the firms will be trying to **maximize profits** and that individual workers will be trying to **maximize their happiness** or satisfaction (called utility). The basic decision rule that leads to both profit maximization and utility maximization is that a particular course of action should be undertaken if the benefits associated with that course of action (the marginal benefits) exceed the (marginal) costs. Combining these elements-pursuing objectives and behaving consistently, yet adapting to changing incentives-constitute what is frequently referred to as a **rationality** assumption, or an assumption of "rational" behaviour.

Some benefits (e.g., wages, health insurance, and pension benefits), can be measured in dollars, but others are non pecuniary (e.g., safety, status, a feeling of fairness, and a sense of meaningful participation in the decision-making process of the firm). These non pecuniary factors are especially prevalent in the labour market because when labour services are traded, a human being is "attached" to the transaction, and a human being's happiness can be influenced not only by the wages they receive for their services, but also by a wide range of emotions, feelings, needs, beliefs, and principles.

To help in identifying and understanding the relationships between workers and firms in the labour market, economists build models. A model is a deliberate simplification of reality designed to highlight certain key characteristics while pushing other less important aspects into the background. Because of the millions of interactions in markets, each involving unique preferences, information and constraints, an accurate and "realistic" depiction of all of these interactions would be neither feasible nor useful. Instead, less important aspects can be eliminated or de-emphasized by making simplifying assumptions. For example, the model of labour supply assumes individuals derive happiness from just two things, their level of income and their leisure (non-work) time. One critical simplifying assumption economists frequently rely on in an attempt to highlight certain relationships is the concept of *ceteris paribus* (holding all else constant). For example, to trace out the relationship between the wage and the firm's labour demand, the price the firm charges for its product is often assumed to remain constant.

The success of a model hinges on how well it predicts behaviour. It is not always necessary that any particular individual or firm actually behaves as the model assumes. The model can be considered a success if we observe people behaving "as if" they followed the model—that is, if the model accurately predicts their behaviour. What if the model fails to consistently predict how people behave? The model may still be useful in a normative sense. For example, suppose a group of individuals under observation consistently made choices seemingly contrary to a model's predicted behaviour for utility maximization. Further investigation might indicate that they were doing so because of ignorance, misunderstanding, or misperception. In such a case, the model may have helped identify a market imperfection that was impeding rational choice, and might also suggest an appropriate solution to the imperfection.

Most of the normative assessments economists make about labour market outcomes are based on the concept of **Pareto (economic) efficiency**. Pareto efficiency means that an outcome has been reached where all mutually beneficial transactions have been made. These are the kinds of transactions that people enter into voluntarily. If all mutually beneficial transactions have been made, all that remains are transactions where some people gain and some people lose. This satisfies the Pareto criterion.

Rational individuals will not voluntarily enter into exchanges in which they would lose, unless they could be fully compensated by those who gain. If the relative size of the gains and losses do not permit such compensation (or if there is no method to bring about such compensation) then an assessment must be made as to whether the transaction is justified. This is a question; however, that often involves value judgments. Societies can and do make these kinds of assessments from time to time, but they require the government to mandate certain behaviour, and the basis of such mandates must be ethical principles. One such principle might be that the distribution of income should be more equal. Another might be that workers should not be allowed to place themselves at risk of significant physical or financial harm. Such principles may drive government mandates on the minimum wage, welfare programs, and health and safety regulations. Government mandates based on distributional considerations can be problematic, however, because they often require that adjustments be undertaken that move the participants away from a Pareto efficient outcome.

## POTENTIAL PAYOFF OF REINTEGRATING STUDIES OF WORK AND RELIGION

Although we cannot predict precisely how reintegrating studies of work and religion would alter social institution theory, we can illustrate why doing so might assist the field in developing better images of Islamic economic fields. We believe that grounded studies of work may enable theorists to break new conceptual ground, resolve existing theoretical puzzles and even revitalize older concepts by which we envision the nature of social institution.

### *New Conceptual Ground of Work*

In conventional economic system, Ehrenberg and Smith (2004) argue that the concept of work is influenced by the philosophy of materialism, i.e., understand that work is one way to increase the wealth, pleasure and all the physical pleasure as the goal of human effort. In Islam, as a servant of God, the material element is not the only aim of our live. Furthermore, the concept of works in Islam is clearly left out from the current discussion on the concept of work; see for example study done by Applebaum (1992). Although, he uses the chronological and historical period to organize and discuss the concept of work during the ancient, medieval and modern times, but the missing point in his work is the concept of work during the golden ages of in Islam. In other studies, Gamst (1993) discusses the study of work important to Americans and Canadians. Accordingly, work relations touch almost all of our social interactions. Therefore, the place of work is a central locus of the activities people deem important. Because, work dominates our psyches and social lives, therefore, in their study we must attempt to understand the forces it generates, shaping society and channelling individual behaviour. This section contributes to such understanding. Does it also important to Muslim?

Some of the different and also the important will be explained below:

#### **(a) Work as *Ibadah***

*"O mankind! Worship your Lord (Allah), Who created you and those who were before you so that you may acquire Taqwa.. Who has made the earth a resting place for you, and the sky as a canopy, and sent down water (rain) from the sky and brought forth therewith fruits as a provision for you. Then do*

*not set up rivals unto Allah (in worship) while you know (that He alone has the right to be worshipped)"<sup>10</sup>*

*"And I created not the Jinn and mankind except that they should worship Me"<sup>11</sup>*

**(b) Working is Shari'ah Obligation.**

*"O you who believe! When the call is proclaimed for the Salah on Al-Jumu'ah (Friday), then hasten (Fas'aw) to the remembrance of Allah, and leave off business. Then when the Salah is complete, you may disperse through the land, and seek the bounty of Allah"<sup>12</sup>*

*"He it is Who has made the earth subservient to you; so walk in the paths thereof and eat of His provision. And to Him will be the resurrection."<sup>13</sup>*

**(c) Working is responsibility/Amanah**

*"O you who believe! Fulfil (your) obligations...."<sup>14</sup>*

Ibn `Abbas, Mujahid and others said that `obligations' here means treaties. Ibn Jarir mentioned that there is a consensus for this view<sup>15</sup>

*"Verily, Allah commands that you should render back the trusts to those, to whom they are due; and that when you judge between men, you judge with justice. Verily, how excellent is the teaching which He (Allah) gives you! Truly, Allah is Ever All-Hearer, All-Seer"<sup>16</sup>*

*"O you who believe! Betray not Allah and His Messenger, nor betray knowingly your Amanat (things entrusted to you) And know that your possessions and your children are but a trial and that surely, with Allah is a mighty reward"<sup>17</sup>*

**(d) Working is Human Cooperation and Partnership/Ta'awun**

*"Help you one another in Al-Birr and At-Taqwa, but do not help one another in sin and transgression. And have Taqwa of Allah. Verily, Allah is severe in punishment"<sup>18</sup>*

Narrated Hadrat Al-Ma'rur (may Allah be pleased with him): At Ar-Rabadha, I met Hadrat Abu Dharr (may Allah be pleased with him) who was wearing a cloak, and his slave, too, was wearing a similar one. I asked about the reason for it. He replied, "I abused a person by calling his mother with bad names." Prophet Muhammad (may Allah's blessings and peace be upon him) said to me, 'O Abu Dharr! Did you abuse him by calling his mother with bad names? You still have some characteristics of ignorance. Your slaves are your brothers and Allah has put them under your command. So whoever has a brother under his command should feed him of what he eats and dress him of what he wears. Do not ask them (slaves) to do things beyond their capacity and if you do so, then help them.'<sup>19</sup>

**(e) Working is Ihsan to other**

*"But seek, with that which Allah has bestowed on you, the home of the Hereafter, and forget not your portion of lawful enjoyment in this world; and be generous as Allah has been generous to you, and seek not mischief in the land. Verily, Allah likes not the mischief-makers."<sup>20</sup>*

<sup>10</sup> Qur'an, 2:21-22

<sup>11</sup> Qur'an, 51:56, see also 2:177, 16:97, 22:77, 33:71,6:162-163,98:5

<sup>12</sup> Qur'an, 62:10

<sup>13</sup> Qur'an, 67: 15, see also 16:97, 28: 77, 78:10-11,73:20

<sup>14</sup> Qur'an, 5 : 2

<sup>15</sup> Ibnu Katsir, *Tafsir al Qur'an al Adhim*, Digital Version

<sup>16</sup> Qur'an, 4 : 58

<sup>17</sup> Qur'an, 8: 27,

<sup>18</sup> Qur'an, 5 : 2, see also 4:29, 5 : 1, 8, 36, 103: 3, 59: 7, 70: 24-25

<sup>19</sup> Narrated Bukhori, www.Iqra.net/ index Hadits

<sup>20</sup> Qur'an, 28 : 77

“And to Allah belong all that is in the heavens and all that is on the earth, that He may require those who do evil with that which they have done, and reward those who do well, with what is best.”<sup>21</sup>

**(f) Working is part of Tawakkal**

“And whosoever has Taqwa of Allah, He will make a way for him to get out. And He will provide him from where he never could imagine. And whosoever puts his trust in Allah, and then He will suffice him. Verily, Allah will accomplish his purpose. Indeed Allah has set a measure for all things”<sup>22</sup>

Rasulullah *Shalla allahu Alaihi wa Sallam* said,

“O boy! I will teach you words )so learn them(. Be mindful of Allah and He will protect you, be mindful of Allah and He will be on your side. If you ask, ask Allah, and if you seek help, seek it from Allah. Know that if the Ummah gather their strength to bring you benefit, they will never bring you benefit, except that which Allah has decreed for you. Know that if they gather their strength to harm you, they will never harm you, except with that which Allah has decreed against you. The pens have been raised and the pages are dry.”<sup>23</sup>

**(g) Working is Self Dignity**

“(Charity is) for Fuqara' (the poor), who in Allah's cause are restricted (from travel), and cannot move about in the land (for trade or work). The one who knows them not, thinks that they are rich because of their modesty. You may know them by their mark, they do not beg of people at all. And whatever you spend in good, surely Allah knows it well.”<sup>24</sup>

Two *Sahih*s recorded from Abu Hurayrah that the Messenger of Allah said,

“The *Miskin* (needy) is not he who wanders about and whose need is sufficed by a date or two, a bite or two or a meal or two. Rather, the *Miskin* is he who neither has enough resources to sustain him, all the while people are unaware of his need so they do not give to him, nor does he ask people for anything”<sup>25</sup>

“Whoever felt satisfied, then Allah will enrich him. Whoever is modest, Allah will make him decent. Whoever is content, and then Allah will suffice for him. Whoever asks people, while having a small amount, he will have begged the people”<sup>26</sup>

**Envisioning the Nature of New Social Institutions**

In the most general sense, an institution can be perceived as a set of behavioral rules observed by individuals in a society.<sup>27</sup> It is unfortunate that one of the most frequently told stories in economic textbooks is that of Robinson Crusoe. Although this story illustrates the choices and constraints facing every decision maker, to start the inquiry into economic behavior with this story is actually misleading. In Crusoe's world no institutions are needed, even though from the very beginning of history individuals have always lived in a society and have had to interact with each other. It is also a traditional view to say that human beings are “social animals” or that people have an “instinct” to join in a group.<sup>28</sup>

The cycle of individual life, uncertainties from health and the production process, and disasters from nature, on the one hand, and the gains from technological economies of scale and from externality, on the other hand are also necessary conditions for the existence of institutions. Because of the life cycle and exposure to uncertainty and because human beings are “limited in knowledge, foresight, skill, and time”, people need institutions to facilitate cooperation with others, to make

<sup>21</sup> Qur'an, 53 : 31, see also 70:24-25

<sup>22</sup> Qur'an, 65: 2-3, see also 14:11

<sup>23</sup> Narrated by Tirmidzi

<sup>24</sup> Qur'an, 2 :273, see also 70: 24-25

<sup>25</sup> Narrated by Ahmad from Ibn Mas'ud

<sup>26</sup> Narrated Ahmad

<sup>27</sup> Schultz, Theodore W. “Institutions and the Rising Economic Value of Man.” *American Journal of Agricultural Economics* (December 1968): 1113—22.

<sup>28</sup> Olson, Mancur, Jr. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge: Harvard University Press, 1965, p.16-22



provisions for security when they are young and old, to even out income and consumption overtime, and to insure against the consequence of risks and disasters. The other reason for the existence of institutions is the gains from economies of scale and externality. An individual as a unit of production is too small to internalize much of these economies. To exploit these gains, collective actions are required. These functions will be referred to as *economy functions*. It is for security reasons and economy reasons that people need to exchange goods and services with each other and make behavioral rules indispensable.

For that two fundamental reason, we need existence of social institutional arrangements and thus the institutional structure. Social institutional arrangements are means of achieving the benefits of collective actions. Since individual rationality does not necessarily imply group rationality, it is in the interest of each individual to seek the most favorable result for himself. Conflicts of interest may arise. Individuals often have to assess the quality of other people's work or contributions. Information about quality is in many circumstances very costly, uncertain, or even impossible to obtain. Collective actions thus create some problems that do not exist when individuals work alone. Among these problems are cheating, shirking, free riders, and moral hazard. These issues are emphasized by economists writing in the areas of property rights, transaction costs, and public choice (see Olson (1965); Demsetz (1967); Alchian and Demsetz (1972); Furubotn and Pejovich (1972); Williamson (1975, 1985)). To alleviate these problems, institutional arrangements such as hierarchies, contracts, and laws are created to perform monitoring and enforcement functions.

Islam, indeed, is a religion conformable to human nature (Deen-e- Fitrat). Al Qur'an reveals that, "*So set thy purpose (O Mohammad) for religion as a man by nature upright – the nature (framed) of Allāh , in which He hath created man.*"<sup>29</sup> Islam has given importance to every human wants like all the practices of Islam. So it is a virtue and piety to provide every able bodied human being with employment which is needed for honourable existence of human being. In serving this purpose Islam neither accepts the sole ownership of property by the State as in Socialism nor allows sole private ownership of property, rather Islam advocates a middle course between the two by amalgamating the above two system. Islam does not allow the accumulation of property in the hands of a few of the society or in a particular region rather it prefers circulation of property among the entire members of the society and region. Al Qur'an gives stern warning that, "*O ye who believe! Verily! Many of the (Jewish) rabbis and the (Christian) monks devour the wealth of mankind wantonly and debar (men) from the way of Allāh. They who hoard up gold and silver and spend it not in the way of Allāh, unto them give tidings (O Mohammad) of a painful doom, on the day when it will (all) be heated in the fire of hell, and their foreheads and their flaks and backs will be branded therewith (and it will be said unto them): Here is that which ye hoarded for yourselves. Now taste of what ye used to hoard.*"<sup>30</sup> The above mentioned Al Qur'anic verse may be interpreted as giving encouragement to the wealthy ones to invest for job creation in the way of Allāh for the common good of the needy for a better life so that the wealthy ones may be saved from a painful doom in the Hereafter.

The main principle guiding the notion of labour in Islamic law is the emphasis on work. Almost without exception, Muslim jurists have a presumptive rule that requires every individual to work and support himself and his family, except in extreme circumstances.<sup>31</sup> As the contemporary Muslim jurist, Yusuf al-Qaradawi has stated, "work is the first weapon to fight poverty"<sup>32</sup> and the Prophet Muhammad is reported to have said that "*there is no better food [than] what has been earned by the use of both...hands.*"<sup>33</sup> There is another tradition that reports that "*when a man works to feed his family he is performing as much an act of worship as if he were praying.*"<sup>34</sup> In this sense then, the act of "earning one's daily bread" is considered to be a religious obligation and central to making one's life "religiously meaningful."<sup>35</sup> In fact, the general expectation in Islam is that a person "produces" more than he or she "consumes."<sup>36</sup> Thus, there is a strong emphasis on helping the individual become self-reliant and "self supporting."<sup>37</sup> Bearing this in mind, there is significant religious support for securing the rights of those who work. For instance, a Prophetic tradition reports that an individual who takes

<sup>29</sup> Qur'an,30:30

<sup>30</sup> Qur'an, 9: 34-35

<sup>31</sup> M. Umer Chapra, *Islam and the Economic Challenge* (1992), p. 210-211.

<sup>32</sup> Yusuf Al-Qaradawi, *Economic Security In Islam*, p.34

<sup>33</sup> Id.at 39

<sup>34</sup> Seyyed Hossein Nasr, *Ideals And Realities Of Islam*, (2d ed. 1975),p.98

<sup>35</sup> *Id.* One famous story recounts how a religious scholar was asked what he would say when he met God, and he responded that he would "die obeying God" because he earned a "living" for himself and his "dependents by the dint of [his] labor."

<sup>36</sup> Isma'il Raji al Faruqi, *al-Tawhid: its implications for thought and life* ,(2d ed. 1992), p.175

<sup>37</sup> Ziauddin Ahmad, *Islam, Poverty And Income Distribution* (1991),p.17-18

away rights of a worker should be considered an oppressor.<sup>38</sup> To illustrate this, it is useful to consider some images where Islamic law provides guidance about the labor context.<sup>39</sup>

### (a) Wages

Wages are lawful when the work to be done is lawful. But when the work to be done is unlawful, then its wages would be unlawful. For example, if one is employed to commit theft or murder, wages received for the work shall be unlawful because the work is unlawful. Similarly wages are unlawful when the work to be done is your religious or social obligation (farz) for example; wages cannot be received for offering prayer or visiting sick. But wages for medically treating a person are lawful. Work which is done to please Allah, e.g. recitation of Holy Qur'an or teaching Qur'an to children, is not entitled for wages. However, a person engaged in the profession of teaching Qur'an as a source of his livelihood can charge wages for teaching the Qur'an. According to opinion of jurists, wages can be charged for washing dead, burying dead, digging graves, leading *tarawih* prayers and for guiding the pilgrims by those who are engaged in such professions. Wages for participation in Jihad or wages for preaching of Islam are not lawful unless the persons participating in these activities are professional soldiers and preachers.

Ibn Abbas reported that a party of the Prophet's companions passed by a place of water. There was man among them who was beaten by a scorpion or snake. A man from among the owners of the place of water came before them and said: Is there any charmer among you? Verily in the place of water there is a man bitten by a scorpion or snake. A man from them advanced and read the Opening of the Book for wages of a goat and then he was cured. He came with the goat to his companions who disliked that and said: "You have taken wages for the Book of Allah!" Then they came to Madinah and enquired: O Messenger of Allah, he has taken wages for the Book of Allah. The Messenger of Allah said: "The book of Allah has got more right for wages than what you have taken for". Bukhari narrated it. And in a narration: "You have done well! Divide it and set up a share for me with you."

Islamic law also takes a very strict approach to payment for services. The Prophet is reported to have said that the worker should be given his wages before "his sweat dries."<sup>40</sup> This suggests that payment should be made as soon as possible and not postponed. This notion is reinforced by the second ruler of the Muslim polity after the death of Muhammad: Umar bin Khattab.<sup>41</sup> Umar seems to suggest a preference for paying wage labourers daily.<sup>42</sup> In addition, in the case of non-payment for services rendered, the person defaulting on their obligation is severely referred to as one of the three types of people who will be an "enemy of God" on the Day of Judgment.<sup>43</sup> Furthermore, with regard to the amount of "real wages" in a Muslim society, Islamic juristic discourses suggest that it should be "at least at a level that would enable employees to fulfil all their and their families' essential needs in a humane manner.

### (b) Employer-Employee Relationship

The employer-employee relationship is considered quite important for the overall functioning of society.<sup>44</sup> Although Islam recognizes that social divisions are going to exist in any community, these divisions should not be used to exploit other groups.<sup>45</sup> It has been suggested that an employer should consider their employees "as members of their own family."<sup>46</sup> For instance, in the case of setting working hours, employers are told not to force employees to "work beyond their capacity" and if the workload is "excessive" then they are told to "share the burden."<sup>47</sup> The Muslim scholar, Maulana Manazir Ahsan Gilani has gone as far as suggesting that the basic necessities of an employer and employee should be the same and that the number of "working hours should be fixed according to the capacity of (each) worker."<sup>48</sup> A more classical definition of what is 'basic' can be found with Abu Ishaq

<sup>38</sup> Khalil-ur-Rahman, *The concept of labor in Islam*, 2010, Xlibris, Pakistan, p.71

<sup>39</sup> Generally speaking, this labor context in Islamic law is often represented by jurists as a form of contracting between two parties. The two forms it can take are *ijara* (contract for hire) or *ju'ala* (contract for beneficial use).

<sup>40</sup> Narrated Ibn Majah, <http://www.iqra.net/Hadith/work-rights.php>

<sup>41</sup> Marshall Hodgson, *The Venture Of Islam: Conscience And History In World Civilization, The classical Age Of Islam*, (1974), p.206

<sup>42</sup> Khalil-ur-Rahman, *The concept of labor in Islam*, 2010, Xlibris, Pakistan, p.69

<sup>43</sup> *Id.* at 81

<sup>44</sup> M. Umer Chapra, *Islam and the Economic Challenge* (1992), p.253

<sup>45</sup> There are two critical requirements for the employee-employer relationship. First, a wage must be fixed and, second, the action for which compensation is received must be defined

<sup>46</sup> *Op. cit.*, p.253

<sup>47</sup> Khalil-ur-Rahman, *The concept of labor in Islam*, 2010, Xlibris, Pakistan, p.76

<sup>48</sup> *Id.* p.77

al-Shatibi's useful division of goods into "necessities," "wants," and "luxuries."<sup>49</sup> He suggests that necessities are what are needed for subsistence and are "indispensable" for human survival.<sup>50</sup> Wants are items that improve one's "quality of life" while removing "bearable hardship and difficulty". Finally, luxuries are products that "add beauty" to one's life." For our purposes, the criterion set out by the International Labor Organization is particularly helpful since it specifically defines basic needs to include 'minimum requirements of a family for private consumption,' notably food, shelter and clothing, and 'essential services' provided by and for the community at large, such as safe drinking water, sanitation, public transportation, and health and education facilities."<sup>51</sup> Although this seems a bit of an extreme interpretation of the Islamic principles, it foreshadows the fact that an underlying egalitarian ethic is present. Furthermore, some basis for setting minimum requirements exists with Islamic law generally obliging Muslims to pay the poor-tax (*zakat*), but exempting all those whose net worth does not reach a minimum level (*nisab*).

### (c) Profit-Sharing

One mechanism that has been encouraged under Islamic law is that of *mudaraba* (also spelled *muzaribat* or *mudarabah*) or profit-sharing.' The basic principle at work is that "every firm should be required to establish a profit-sharing scheme for its employees."<sup>52</sup> In other words, this is a situation where one person invests while the other person works and "through mutual consent" they divide the profit."<sup>53</sup> How this would work is that an "agreed proportion of the firm's net profit" would be set aside annually to be partly distributed among the employees as a "profit-sharing bonus" and partly utilized to improve their benefits.<sup>54</sup> For instance, among other things, the proceeds could be used to better working conditions, purchase health benefits for workers, provide "food subsidies" or "educational allowances" for children, etc. This notion of profit sharing is even embodied in some interpretations of the welfare taxation scheme (*zakat*) in Islamic law which was previously mentioned.<sup>55</sup> In this scheme, 'labor' and 'capital' are considered as 'investments' and equal contributors to society and hence, taxation rates are set according to the return on one's investment of labor and/or capital. Revenue from goods or production is divided up into three separate categories describing the relationship of labor and capital used to generate the revenue. The first category is revenue generated from goods produced through the input of *both* an individual's labor *and* his capital. This will be taxed at five percent. The second category is revenue generated from goods produced through the input of *either* labor *or* capital. This category will be taxed at ten percent. The final category is when revenue is generated from goods produced through the input of *neither* labor *nor* capital, for instance, if you were to happen upon a pot of gold through no labor or investment of your own. This will be taxed at twenty percent. Hence, the more you invest in society, with your capital, labor or both, the less you get taxed.

### **Resolving Theoretical Puzzles**

The labour in Islam is governed by the Islamic laws of fairness, justice and reward that is equivalent to the job done. It has been also observed through literature survey that most of the conventional concepts, like theory of labour value, have been developed by earlier Muslim jurists. On the other hand it is also observed that most of the works in this area discussed the normative aspect of the labor market whereas few attempts can be seen discussing the positive aspect. The review of literature guides us that there is a need of the time to develop the new theoretical and empirical models for the Islamic labour , which should be different than the conventional one. This section presents a brief theory related to the economics of labor in Islam. There are some general and specific conditions observed in the current literature of Islamic economics regarding this subject.

<sup>49</sup> Monzer Kahf, *The Islamic State And The Welfare State: Similarities And Differences*, In Readings In Public Finance In Islam, Mahamoud A. Gulaid & Mohamed Aden Abdullah., 1995 , IDB, Jeddah .p.57,66

<sup>50</sup> *Idem*

<sup>51</sup> *idem*

<sup>52</sup> M. Umer Chapra, *Islam and the Economic Challenge* (1992), p.254

<sup>53</sup> Shah waliullah, *Hujjatullah al-Baligha*, Maulana Abdur rahim, trans urdu, al-faisal nashran 2003, Pakistan, p. 116

<sup>54</sup> *Op.cit*, p.254

<sup>55</sup> *Zakat* is considered one of the five pillars of Islam. The word *zakat* itself "derives from the verb *zaka*, which means to purify (also with the connotation of growth or increase)."

### (a) Production Theory

From the discussion in Section 2(b), the owner of work or known as labour is well recognized as a factor of production and as is participating in the process of production.<sup>56</sup> Tabakoglu (1983) states that there are two broad factors of production in the system of Islam, i.e. '*Labour and Ma'al*' (in very broad and generalized terms '*Ama'al*' is used by him for labour, i.e., composed of *Ama'al-i-saleh*, i.e., good deeds and '*Saiy*' i.e. efforts). Where enterprise and organization are included in labor, capital and natural resources are included in the concept of '*Ma'al*'. Uzair (1983) commented on the terminology presented by Tabakoglu (1983) and added that self employed people are not mentioned by the scholar, thus there is nothing un-Islamic in it. '*Ama'al*' means work not labor, it has a very broad sense. The term labor has become wider, to include not only the industrial worker in the limited sense, but also white collared personnel, as well as the managerial personnel in any production unit. Thus for all practical purposes the term labour now denotes all human resources (Uzair1980).

Many scholars, e.g. Sabazwari (1972), Qadri (1977), and Tabakoglu (1983) explained this concept in a different way. A worker is expressed with the term called '*Ajir*' in *Islamic fiqh*, i.e. a worker is the person whose labor is hired in return for a wage (everybody who works in return for a wage is considered a worker). It implies a classless society, whereas Islamic traditions consider society as a whole, not as a composition. Islam considers labor as a whole that consists of material and moral aspects. In a narrow sense labor is qualitatively a production factor only (Tabakoglu, 1983). '*Iktisab*' is the proper word that should be used, which means striving. It means that the basic factor of production is action (Qadri, 1977). Sabazwari (1971, 1972) made a difference between '*Ajir*' and '*Kasib*'; a wage earner is '*Ajir*' and only an earner is '*Kasib*'. '*Ajir*' is classified into two categories; '*Ajir al mushtarak*' (subject to labor), is obliged to compensate the damages to a particular commodity caused by him (Tabakoglu 1983). '*Ajir al-has*' (subject to time, working for an institution or for a person) is not responsible for damages occurring during the production process (Khan, 1969; Tabakoglu, 1983 and *Majalla* article 610).

Many scholars has have given arguments about the importance of manual as well as mental labour. Al-Farouqi (1980) explained that Islam does not distinguish between mental and manual work in social graduation, and both sorts of labor have their own importance and significance. Like the secular system, it is not permitted to make women and children work for less wages, because exploitation of human resources is not allowed in Islam (Qureshi, 1959; Tabakoglu, 1983). Labor is a basic factor of production (Sabazwari 1971). Qadri (1971) describes the professions adopted by the different Prophets of Allah (swt), e.g. Dawood (pbuh) was a blacksmith The qualities of labour are narrated in the Qur'an as *amin* (trustworthy) and *qawi* (strong). Islam discourages wildcat strikes and lockouts (Qureshi, 1959; Tabakoglu, 1983). Everyone has two roles: laborer and citizen, as a laborer (s)he is entitled to get his/her share in the form of wage from the wealth, which (s)he has produced.

In addition, as a citizen, he/she can demand equal opportunity and free competition. As a vicegerent to *Allah* (swt), (s)he has to control the economic activities and human value should be given to him (Qureshi 1960). Islam encourages the skilled labor force, it is the duty of everyone to learn and then apply whatever he learned (*Ibn Majah, Muqaddimah*). In any case no one can be regarded as a learned man as long as there is no application (*Darami, Muqaddimah*). Personal labor contracts are valid in Islam as a principle, *aqd al-ijarah* (contract of labor hiring) is permitted in Islam, no restriction is placed on the period and it might be full time or part time (Khan, 1968; Tabakoglu, 1983; Qureshi, 1959 and 1960; Sabazwari1972).

### (b) Labour and Equitable Distribution of Income

Islam emphasizes distributive justice and incorporates in its system a programme for redistribution of income and wealth so that every individual is guaranteed a standard of living that is humane and respectable and in harmony with the regard for the dignity of man inherent in the teachings of Islam.<sup>57</sup> A Muslim society that fails to guarantee such a humane standard is really not worthy of the name as the Prophet declared: "*He is not a true Muslim who eats his fill when his next-door neighbour is hungry*"<sup>58</sup>

'Umar, the second Caliph, explaining the redistributive justice in Islam, emphasized in one of his public addresses that everyone had an equal right in the wealth of the community, that no one, not even he himself, enjoyed a greater right in it than anyone else, and that if he were to live longer, he

<sup>56</sup> Islam also further differentiates between *Halal* and *Haram* economic activities, so a Muslim worker can only participate in the process of *Halal* activities.

<sup>57</sup> God's vicegerent on earth, al-Qur'an, 2:30

<sup>58</sup> Narrated Bukhori

would see to it that even a shepherd on the Mount *San'a* received his share from his wealth.<sup>59</sup> The Caliph 'Ali is reported to have stressed that 'God has made it obligatory on the rich to provide the poor with what is adequately for them; if the poor are hungry or naked or troubled it is because the rich have deprived them (of their right), and it will be proper for God to account them for it and to punish them.<sup>60</sup> The jurists have almost unanimously held the position that it is the duty of the whole Muslim society in general and of its rich in particular to take care of the basic needs of the poor and if the well-to-do not fulfil this responsibility in spite of their ability to do so the state can and should compel them, to assume their responsibility.

The Islamic programme for redistribution consists of three parts. One, as discussed earlier, Islamic teachings imply the tendering of assistance in finding gainful employment to those unemployed and those looking for work and a 'just' remuneration for those working; two, it emphasizes the payment of *Zakaat* for redistributing income from the rich to the poor<sup>61</sup> who, because of personal disability or handicaps (physical or mental or conditions external to them e.g. unemployment), are unable to attain a respectable standard of living by their own effort, 'so that', in the words of the Qur'an; '*wealth does not circulate only among your rich*'<sup>62</sup>; and three divisions of the estate of a deceased person, in accordance with a given formula, among a number of individuals so as to intensify and accelerate the distribution of wealth in society.

This Islamic concept of equity in the distribution of income and wealth and its concept of economic justice does not however require that everyone be rewarded equally, irrespective of his contribution to society. Islam tolerates some inequalities of income because all men are not equal in their character, ability and service to society (al-Qur'an, 6: 165; 16:71 and 43:32). Therefore, distributive justice in Islamic society, after guaranteeing a humane standard of living to all members through the institution of *Zakaat*, allows such differentials in earnings as are in keeping with the differences in the value of the contributions or services rendered, each individual receiving an Income corresponding to the social value of the services he contributes to society.

The Islamic stresses on distributive justice are so emphatic that there had been some Muslims who have been led to believe in absolute equality of wealth. Abu Dhar, a Companion of the Prophet, was of the opinion that it is unlawful for a Muslim to possess wealth beyond the essential needs of his family. However, most of the Prophet's Companions did not agree with him in this extreme view and tried to prevail upon him to change his position.<sup>63</sup> But even *Abu Dhar* was not a protagonist of equality of flows (income). He was in favour of equality of stocks (wealth accumulations). This, he asserted, could be attained if the entire surplus of income over 'genuine' expenses (*al-afw*) was spent by the individual in improving the lot of his less fortunate brothers. The consensus of Muslim scholars, in spite of being intensely in favour of distributive justice, has however always been that if a Muslim earns by rightful means and from his own income and wealth fulfils his obligations toward the welfare of his society by paying *Zakaat* and other required contributions, there is nothing wrong in his possessing more wealth than other fellow Muslims.<sup>64</sup> In reality, however, if the Islamic teachings of Halal and Haram in the earning of wealth are followed, the norm of justice to employees and consumers is applied, provision for redistribution of income and wealth are implemented and the Islamic law of inheritance is enforced, there cannot be any gross inequalities of income and wealth in Muslim society.

### (c) Moral And Ethical Responsibility Of The Labors In Islamic Economy

In the course of development of a country by creating income generating activities the entrepreneurs usually "produce means to combine materials and forces within our reach. To produce other things or the same things by different methods means to combine these materials and forces differently. In so far as the "new combination" may in time grow out of the old by continuous adjustment in small steps, there is certainly change, possibly growth, but neither a new phenomenon nor development in our sense. In so far as this is not the case, and the new combinations appear discontinuously, then the

<sup>59</sup> Nahj al- Balaghah , Cairo n.d., v. 3, p. 231.

<sup>60</sup> Abu 'Ubayd, *Kitab al-Amwal*, Cairo, 1353 A.D., p. 595: 1909. for slightly different wording, see Nahj al- Balaghah Cairo n.d., v. 3, p. 231

<sup>61</sup> The Prophet, while appointing Mu'adh as Governor of the Yemen, enumerated to him a list of duties, one of which was to educate people that God had made it obligatory upon them to pay the *Zakaat* which is to be collected from the rich and distributed to their poor' (Bukhari, v. 2, p. 124; Tirmidhi, v. 3, p. 21: 625 and Nisa'i, v. 5, pp. 3 and 41).

<sup>62</sup> Qur'an, 59:7

<sup>63</sup> See the comments on verse 34 of surah 9 of the Qur'an in the commentaries of Ibn Kathir, v. 2, p'352, and Jassas, *Ahkam al-Qur'an*. Cairo, 1957, v. 3, p. 130

<sup>64</sup> See the commentary of Ibn Kathir, v 2, pp. 360-53

phenomenon characterizing development emerges. Development in our sense is then defined by carrying out of new combinations.

“This concept covers the following five cases: (1) The introduction of a new good – that is one with which consumers are not yet familiar – or of a quality of a good. (2) The introduction of a new method of production, that is one not yet tested by experience in the branch of manufacture concerned, which need by no means be found upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially. (3) The opening of a new market that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before. (4) The conquest of a new source of supply of raw materials or half manufactured goods, again irrespective of whether this source already exists or whether it has first to be created. (5) The carrying out of the new organization of any industry, like the creation of a monopoly position (for example through trustification) or breaking up of a monopoly position” (Schumpeter, 1951).

These activities conducted by the entrepreneurs bring about changes in the tastes and behaviour patterns of the consumers in particular and the people of the country in general. The value judgments of the entrepreneurs may inspire the people of a growing economy to execute a change in tastes and in the behaviour patterns of the people that are not acceptable by religious, moral and ethical values. Consequently, the entrepreneurial or the business class that guides the economy forward needs to be cautious so that the religious sentiments of the people are not adversely affected and twisted away from traditional religious beliefs and practices. Here lies the responsibility of the entrepreneurs to mould their activities in a fashion so that instead of harming piety the entire community becomes pious and religious. Realizing this influence of the entrepreneurs/business community over the society full well, Prophet Mohammad (s) says, *‘in the day of Kiamot (Day of Judgment) the businessmen will be raised with the sinners. Of course, those performed business with piety, honesty and justice, their affairs are different’* (Hadith: Mishkat); although it has been recognized in Islam that ‘business is the greatest means of subsistence amongst all other economic activities in this world and it is the most permissible and sacred factor of advancement of civilization and culture over all others’ (Rahman, 1998, P. 201). So a great responsibility lies with the business community in shaping the mentality or mindset of the people of a country. Prophet Mohammad (s) said, *‘Allāh has prohibited the buying and selling of wine, dead body, swine and idols’* (Ibid, P.206). As a result care should be taken by the entrepreneur as to what kind of commodity is being produced and marketed in the economy in their effort to create full employment situation in an economy; entrepreneurs will have to be guided by the principles of Al Qur’ān and Sunnah in their entrepreneurial activities as it is said that *“help ye one another unto righteousness and pious duty.”*<sup>65</sup>

## CONCLUSION

The concept of work in Islam (called *‘amal*) is far broader and has different characteristics and objectives than that understood in the Western economic tradition. In Islam, work ethic is defined by the Quran itself. The Quran considers idleness - or squandering of time in pursuit of unproductive and non-beneficial work - as the manifestation of lack of faith and of unbelief. Man is called upon to utilize “time” in pursuit of work by declaring that God has made the day as means of seeking sustenance. A person who through hard work seeks God’s “bounty” - which includes all appropriate means of earning one’s livelihood - is most highly praised. All able-bodied persons are exhorted to work in order to earn their living. No one who is physically and mentally able is allowed to become a liability on one’s family or the state through idleness. The work which everyone is required to perform must be “good” or “beneficial” (*al-‘amal al-salih*), but no work is considered as inconsequential in terms of its rewards or punishments in this world and in the next. One will have to reap whatever rewards or retributions are done as a result of his work. (Quran 99:6-8). Work, therefore, is regarded not only as a right but a duty and an obligation. Islam extends to the individual the right to choose the type of work he desires, but along with this freedom comes the obligation to consider the needs of the society as well as the selection of the type of work permitted by the *Shariah*. Since all class distinctions are negated by Islam, no line of work permissible by the *Shariah* is considered demeaning by Islam, which countenances only diversification on the basis of natural talents, skills and technology, or personal inclinations. Based on its concepts of justice and contracts, Islam makes it an obligation for the worker to perform the tasks which he has contracted to the best of his ability, but since individuals are endowed with

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<sup>65</sup> Qur’an, 5:2

different abilities and talents, their productivities will differ. Justice, however, demands that return to work of every individual must be commensurate with his productivity

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