

ECONOMIC SYSTEM IN ISLAM

Now we come to the economic institutions which were developed in the same way as the political institutions. The economic institutions were the organs through which the economic ideology of the Islamic State was implemented. This ideology, briefly stated, consisted in giving the people proper initiative to private effort and enterprise in order to develop the social framework wherein all forms of exploitation may be eliminated and a truly welfare state be established. Private property was allowed but all forms of its misuse were forbidden. Interest and usury were abolished. Zakat (poor tax), enforced on Muslims economic life, was so organized that wealth may not concentrate in a few hands, but may circulate among all the sectors of the society, flowing, particularly, from the rich to the poor. The law of inheritance was used to distribute the wealth far and wide. A scheme of social security was introduced to help the poor and the needy. This ideology was implemented in its entirety during the period we are surveying. Now let us review the Institutions which were established during the period of the Pious Caliphate to foster the above ideology.

Diwan (Finance Department)

It was also one of the duties of the Caliph to collect revenue and to disburse it in accordance with the injunctions of the Divine Law (Sharia). And it was for this purpose that a regular department known as Diwan was established by Hazrat Uman. This department was divided into two sections Revenue and Expenditure.

Revenue Section

The sources of revenue during this period were as follows:

1. *Fai* or property, moveable or immoveable, which fell into the hands of the Muslim Government as no result of any fighting;
2. *Kharaj* or Land Tax collected from the Non-Muslims as sole owners of the conquered lands;
3. *Jazia*, a protection tax collected from the non-Muslims;
4. *Ghanima*, or one-fifth part of the booty captured during the war

- (fourth-fifths of the booty was distributed among the soldiers);
5. *Ushur*, a tax on merchandise collected from non-Muslim traders;
 6. *Zakat* to the extent of 2½ p.c. on the accumulated income of all the Muslims;
 7. *Ushr* or one-tenth part of the produce from landed property, chargeable against the Muslims;
 8. *Ushur*, a tax on merchandise collected from Muslim traders;
 9. *Sadaqat*, or alm taxes collected from the Muslims;
 10. *Aqaf*, or income derived from that property which was dedicated to God's purposes by the Muslims;
 11. *Karul Arz*, a kind of land tax collected from Muslims;
 12. *Zaraib*, an emergency tax collected from the Muslims; and
 13. *Amwal i Fazla*, or miscellaneous income.

There were four sections of the Central Treasury (*Baitul Mal*). The first section included the income derived from Khums (one-fifth of the booty, hidden treasure and Sadqat or alms).

The second section included the income derived from Zakat, Ushr and Ushur collected from the Muslims.

The third section included income derived from Kharaj and Fai, Jazia, Ushur collected from the non-Muslims. It also included income derived from Zaraib (extra-ordinary tax) and Karaul Arz or income derived from those lands which were given on fixed annual rental to the Muslims.

The fourth section included income from miscellaneous sources.

Expenditures

The income deposited under the sections 1 and 2 was to be spent on the following eight categories of expenditure: for the Poor, the Needy, the Way-farers, the Tax collectors, the Winning over of hearts, the Emancipation of slaves, the Settlement of debts of those who could not afford to pay, and lastly, in the way of God.

The income included in the third section was to be spent on every kind of allowance and also the expenses of administration used to be met from this section.

The income included in the fourth section was spent on public works, on the maintenance of heirless children and other charitable purposes.

The Caliph was empowered, however, to transfer money from

one section to another section in order to meet the expenses under that head as a loan or to adjust the accounts from one section to another in case of emergency.

Maintenance Allowance

It was during the period of Hazrat Umar that most of the civilized world was conquered by the principles of Islam and the treasures of Persian and Greek Emperors laden on Arabian camels flowed into the Treasury of Islamic Republic. The second Caliph, Hazrat Umar, therefore, established a very adequate and elaborate system for grants (Ataya) and the disbursement of Wazaif (maintenance allowance). The first was established in the 15th year of Hijra when Abu Huraira, Governor of Bahrain, brought in a huge amount of money, amounting to five hundred thousand dirhams. After due consultation with the Prophet's Companions, Hazrat Umar started compiling registers and rolls wherein details of persons and their grants were written. The rolls started with the nearest in the family of the Holy Prophet. Hazrat Umar established a preferential system in granting this money and put kinship with the Prophet above all. The second and the third conditions were priority in accepting Islam and the services rendered to the cause of religion. He began his stipened list with the widows of the Holy Prophet. They were given 12,000 dirhams each per annum. Those who took part in the battle of Badr were allowed an annuity of five thousand each and the same amount was assigned to each of the two grandsons of the Prophet, al Hasan and al Husayn, and to the uncle of the Prophet, al Abbas. The sons of the warriors of Badr were given 2,000 each. Those who became Muslims before the migration to Abyssinia were entitled to 4,000 each and those who became Muslims before the capture of Mecca to 3,000 each. Those who accepted Islam on the conquest of Mecca were allowed 2,000 dirhams each. Madina, being the seat of the Islamic Republic was the centre of this scheme of social security.

Perhaps the first systematization of maintenance allowance (Wazaif) occurred in the 16th year of Hijra when Iraq was conquered. The problem arose with regard to the lands conquered as to who should be the real owner. After due consultation with his Advisory Council, Hazrat Umar decided that it should not be distributed as

part of the booty among the Muslim warriors but should be regarded as the State property. Hence it was to be left in the hands of the original inhabitants, i.e., the non-Muslims. The income derived from these lands was to be spent on defense expenditure, and maintenance allowances. The principle which Hazrat Umar established was that every man has his right in the Central Treasury (Baitul Mal), and the one who deserves most is the slave. However, the stations on which the Quran and Sunnah (Traditions of the Prophet) have established the Muslims, would guide the distribution of this amount.

Hence the rolls were prepared of all the Muslims with the details of their particulars and after due survey of the population everybody was granted a certain amount from this income. The main categories of the population were: 1) those who took part in the War; 2) those who were engaged in the administration and in the judiciary; 3) those who were engaged in education and the propagation of Islam; and 4) the poor and needy persons. The money was mostly spent amongst the Muslims, because of the fact that the Caliph prevented them from possessing land, but this measure was only an expedient one. Land could be owned by the Muslims, as it is conclusively proved by various sayings of the Holy Prophet, but during this period political exigencies necessitated this measure, especially because he wanted the Muslims to be free for Holy War (Jihad). A list of all the Muslims was drawn up tribe-wise. The Arab soldiers and their Mawali (clients) were assigned 300 to 400 dirhams each. Hundred dirhams each was fixed for weaned children. Later, the limit of weaning was abolished. Every Muslim child, on birth, was entitled to the annuity. The amount of annuity rose as the child grew up. At the outset all Muslims received annuities without any racial distinction. Since the arrangement of the Finance Department (Diwan) was according to the Arab Muslims were granted stipends and not the non-Arabs.

This is the first instance in the History of the World where the Government took the responsibility of feeding and clothing the entire population of the State. Even the non-Muslims were not left out, as it was made a rule that all disabled, poor and sick should be provided with maintenance allowance, irrespective of caste, creed, colour or race. Beggar was prohibited and every able-bodied person was required to work or render State service.

Military Organization

The teaching of Islam, being in the interest of humanity at large, was naturally opposed to the vested interests; therefore we find the forces of evil and tyranny raising their heads on all fronts against those who wanted to establish the Islamic order. Thus soon after the demise of the Holy Prophet, the first Caliph Hazrat Abu Bakr found himself faced with insurmountable difficulties. Rebellions broke out in almost every part of Arabia. Hazrat Abu Bakr had no alternative but to declare Holy War (Jihad) against all these evil forces. He ordered general mobilization of all adult Muslims throughout Arabia and organized eleven expeditions and brought about the subjugation of the whole of the Arabian peninsula within his short reign of less than two years.

While Hazrat Abu Bakr was carrying out pacification of the country, he discovered that some of those tribes on either of the frontiers were instigated by the two neighboring Empires — Persia and Byzantium. These two Empires had become jealous of the rising power of the nascent Muslim State since the time of the Holy Prophet, and after his demise, they seized the opportunity of creating trouble even in the internal affairs of Arabia. Being a great statesman, Hazrat Abu Bakr, after pacifying his own country, took immediate steps to punish the offenders on either side of Arabia. He was thus involved in a perpetual state of warfare with the two most powerful Empires of the day. Such was the condition when Hazrat Umar assumed the reigns of the Caliphate in his hands. He had to continue the war which had been started during his predecessor's reign. Hazrat Umar soon realized that he will have to continue the war against the Persians and Byzantines to the finish. It was due to this consideration that he thought of putting the whole Muslim population on a war footing and of reorganizing the Muslim army.

He regarded every adult Muslim to be a warrior (Mujahid) in the way of God and as such his services were to be requisitioned at any time by the State. There were no exemptions in this respect. It was with this object in view that he had not only disallowed the distribution of conquered lands among the Muslim soldiers, but also disallowed Muslims on the whole even to purchase landed property from the non-Muslims for purposes of cultivation. In fact he did not want the Muslims to involve themselves in cultivation as, in his opinion, being

the soldiers of God, they would be required to move from one place to another at a moment's notice.

The Muslim population was divided into two categories:

(1) Regular soldiers who were stationed in the military cantonments built for them in every province, and (2) Volunteers who were also given military training, but received a smaller amount of allowance from the state. Their services were to be requisitioned when necessity arose. Larger and fixed allowances were to be paid to the regular forces.

Besides, the four-fifth booty that used to be divided among the soldiers, in the ratio of two shares to horseman and one to an infantryman, the lowest salary of a recruit was two hundred dirhams per year in the beginning. This was subsequently raised up to three hundred dirhams a year. The officer's salary ranged from seven thousand to ten thousand dirhams a year. On the whole the average salary of a soldier came to about six thousand dirhams a year. Besides, every wife and child of a soldier was given free rations, dress, foot wear etc.

From the very beginning the Prophet of Islam was very particular that Muslim soldiers should have very good morals. Since the Muslim soldiers were fighting in the way of God, they were called the soldiers of God and as such they had to show an exemplary conduct on the battlefield. They were completely free from the vices of drinking, gambling and adulterous indulgences which are so rampant in the armed forces of the present day. The soldiers of Islam were persons of exemplary character and were imbued with high ideals of Islam in rendering their duties to the State. In fact they were not concerned with worldly gains, but were inspired with the spirit of Holy War. Even to be a *Ghazi* for a Muslim soldier was a poor consolation. Every Muslim soldier was desirous of obtaining martyrdom. They were most wonderfully disciplined army that the world has ever seen and used to obey the orders of their superiors unquestioningly.

Military Divisions

For purposes of military organization, Hazrat Umar divided the whole state into nine military districts apart from the political divisions. Each one of them was called a *Jund*. The military districts were al-Madina, al-Kifah, al-Basrah, al-Mawsil, Fustat-Misr, Dimashq, Hims and Falastin. Big stables, containing four thousand horses fully

equipped and ready for service at short notice, were kept at every military centre with a view to having thirty-six thousand horses available for any emergency. There were regular barracks for soldiers in all these places. Much care was paid to their maintenance and the training of these horses. Pasture lands were reserved at four stages from the capital. The horses were branded on the thigh 'Fighter in the way of God'. In addition to these great centres, numerous cantons at big towns and other suitable points were built throughout the conquered lands.

Each of the military centres had a record office and a provision store. There was also a pay master (Al-Arif) attached to each military station through whom the salaries were disbursed. An idea of the huge numbers of soldiers that were entered on the pension list can be had from the fact that according to Ibn Sa'd, thirty thousand new recruits were enrolled every year. The soldiers were required to provide their own horses but in case some of them were not in a position to do so, they were provided from the State stables.

There was little provision for the commissariat in the beginning, but in course of time, a separate department of the commissariat, called Ahra was established. All the food stores were collected at one place and from there were disbursed on the first of every month at the rate of one maund, ten seers of grains, twelve seers of olive oil and twelve seers of vinegar per head. Besides, every soldier was required to keep with him several things of personal need, such as needles, one large needle, cotton, scissors, feeding bag and a sieve. Every army corp was accompanied by an office of the treasury, an accountant, *Qadi*, and a number of interpreters, physicians and surgeons.

Espionage and Intelligence

The espionage and intelligence services were well organized, for which means were readily found among the Arabs of Iraq and Syria, part of whom had embraced Islam. They had lived in these lands for ages and nothing could take place there without their knowledge. They were allowed not to disclose their identity. As in external appearance they resembled the Maginaas or Christians, they could mingle with the enemy's forces wherever they desired and obtain any information they liked. The notable feature of this regime was that

even the non-Muslims undertook to spy on their own co-religionist rulers who were not so sympathetic towards them as the New Muslim rulers were. Abu Yusuf says in *Kitabul Kharaj*, "When the Dhimmis saw the fidelity of Muslims in their covenants and their kindness of treatment, they began to befriend the Muslims against their enemies and sent from cities, which had entered into treaties with the Muslims, to spy on the Romans and informed the Muslims of their movement."

In pre-Islamic days, the manner of Arab warfare was very primitive. The hordes on both side stood facing each other without any order and combatants came single from each side and fought duels, while the armies stood by watching combats in silence. A number of such combats were followed by a general action. The idea of forming ranks was introduced by Islam. The Army was now divided into sections such as the right, the left, etc. But each section fought independently, there being no Commander-in-Chief for the whole force. From the time of Yarmuk, Khalid ibn Walid introduced the system in an organized manner under the command of one commander. The whole army was divided into thirty-six units, all of whom fought in co-ordination under the united command of Khalid.

Husaini, in his *Arab Administration*, says, "By the end of the pious Caliphate, the Muslims had organized a very efficient army of first class well-disciplined fighters with all the weapons of their age. They had efficiently built up a system of marching, transport, supplies and other essentials of a first class army and they had learnt and improved the technique of defense, of laying siege, of taking a fortress by storm and of fighting huge armies with a much lesser number. The Prophet of Islam had devised for them a unique method of warfare; and in every respect, in organization, in supplies, in weapons, in technical skill, the quality of the soldiers and commanders, in tactics, and above all in morale, the Muslims had outstripped all their contemporaries.

The Arab Navy

In the beginning, the Arabs were afraid of the sea. Even the great Umar would not trust the treacherous element any more after a small force sent across the Red Sea was completely lost in the sea. Umar refused permission to Muawiyah to invade the Byzantine

territories from the sea. But during the Caliphate of Uthman, Muawiyah succeeded in securing such a permission. However, the naval services was only made voluntary in the beginning. Once permission was granted to Muawiyah, when he was the Governor of Syria, he made rapid strides in this direction.

By A.H. 30 the Muslims had organized their navy to such a pitch that they conquered Rhodes from the Byzantines and the Muslim fleet struck terror in the hearts of the Greeks who were in constant dread of it.

In 34 A.H. Muawiyah sent an expedition of 200 ships against the Byzantines who could assemble 600 vessels against the invaders. It was through the bold action of the Muslims who sailed close to the enemy vessels that they won a great naval battle.

This naval victory of the Muslims established their naval supremacy in the Mediterranean Sea.

Provincial Organization

Realizing the historical fact that the efficiency of administration depends upon the division of the country in administrative units, such as provinces, districts and sub-divisions of districts, Hazrat Umar divided the Empire into eight provinces.

After dividing the whole Empire into various administrative units, the most important task was to determine and select the most suitable personnel for these units. The criteria for appointment were considered to be merit, character and service to the cause of Islam of the person who was to be considered for a particular post. As the personnel used to be selected from Medina, which was the capital, every candidate was personally known to the Caliph who was the appointing authority. The method of appointment was that all high officials were appointed by the Caliph in consultation with the members of his advisory Council, who were the principal companions of the Holy Prophet. Sometimes the inhabitants of the provincial capital and districts were asked to select honest and capable men and the persons so selected were appointed officers over them. Even in matters of appointment of high officials such as Governors and Commanders the wishes of the people were taken into consideration. If a Governor could not keep the people happy and contented, he was removed from his post on a complaint from the people concerned.

Personnel of the Provinces

The higher officials in the provinces were the Wali, or the Governor; Katib, or the Chief Secretary; Katib al-Diwan, or the Chief Secretary of the Army Secretariat; Sahib al-Kharhraj, or the Collector of Revenue; Sahib al-Ahdath, or the officer of the police; Sahibi-Bait al-Mal, or the Treasury Officer, and the Qadi, or Judge. Each Province had also a military officer, though in most cases the provincial Governor was also the Commander-in-Chief of the provincial army. The Governor had a large and permanent staff who had their appointment direct from the Caliph's Court. When Umar appointed 'Ammar to the Governor-ship of Kufa, he sent with him ten respectable men.

Instrument of Instructions

The man appointed to an office of state was given an instrument of instructions, in which the terms of his appointment, and the powers and duties of the official were specifically mentioned. It was witnessed by a number of prominent citizens in the capital, including the Muhajirin and Ansar. On arrival at the headquarters of his province, the officer concerned call the people together in the mosque and read the instrument of instructions before them, so that they became aware of his powers and duties, and could call him to account if he ever exceeded the limits of his authority. Hazrat Umar took great pains to see that every one knew the obligations of the state officials and addressed public assemblies at many places and on several occasions for the purpose. Addressing the officials in a public meeting on one occasion, he said, "Remember, I have not appointed you as commanders and tyrants over the people. I have sent you as leaders instead, so that people may follow your example. Do not praise them undully, lest they fall in conceit. Do not keep your doors shut in their faces, lest the most powerful of them eat up the weaker ones. And do not behave as if you were superior to them, for that is tyranny."

All the Governors were enjoined upon to lead a life of simplicity and austerity and were required not to ride a Turkish horse; not to wear fine clothes, not to eat sieved flour, and not keep a porter at the door so that he may be always accessible to the public. These terms were often entered in the letter of appointment and announced in public assembly.

Form of Government in the Provinces

The form of the Government in the provinces was on the model of the Central Government. The Governor being the representative of the Caliph in the province was the highest executive authority in the province. Just like the Caliph at the time of his accession, he would take charge of his office in the provincial central mosque, where he would gather the people and read the letter of his appointment, enumerating his duties and responsibilities so that the people should be well acquainted with them. As a representative of the Caliph, he was also required to lead the congregational prayers, on Friday and deliver addresses on Friday and on the Idain. His other duties were to guard the frontiers, maintain justice and collect taxes in accordance with the Shariat Law and to maintain order.

In the absence of the modern means of communication, the government was de-centralized in certain respects. For instance, the taxes collected in a certain province used to be spent on the needs of the province concerned; and any surplus left, used to be sent to the Central Treasury. In case of deficit in the province, it also used to be met with from the Central Treasury.