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The Islamic Revolutionary Case Study Against Sharī'ah-constrained Capitalist Economics in Pakistan

***Zain Razzaq* ***
PhD Scholar, Department of Islamic Studies, HITEC University, Taxila, Pakistan, Pakistan.
Rab Nawaz* *
Associate Professor/ Chairman, Department of Islamic Studies, HITEC University, Taxila, Pakistan.

ABSTRACT

Two contrasting strategies are employed to address the system's weaknesses: reforming or overthrowing the system. Both strategies are different as the reform strategy works within the existing system and attempts to bring about change within the system with the expectation that the system will eventually improve. On the other hand, the weaknesses of the existing system are addressed by not working within the system but developing alternatives alongside the system in such a way that a situation may be created where the parallel system can eventually overwhelm and replace the existing one. Throughout Islamic history, Muslims generally adopted the former approach to address the gap between Islamic standards and contemporary Muslim life even in the modern age. They seek to revise and reform to reconcile the modern Western system with Islam. In contrast to the revisionist approach, some Muslim scholars of the Indian subcontinent believe that the system dominated in the West is capitalism and is impossible to reform. They chose to overthrow the capitalist system through an Islamic revolutionary strategy. This study provides an in-depth analysis of Islamic revolutionary critique against revising and reforming the prevailing capitalist system. It employs an analytical research methodology with a qualitative approach. It prioritizes primary sources but also uses secondary sources when needed. Books, research papers, and online resources are utilized to analyze differing viewpoints.

Keywords: *Islamic Economics, Islamization of Economics, reform, revolution.*

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Introduction

Islam has a long and rich tradition of reform that addresses the gap between Islamic standards and contemporary Muslim life.[1] Reform has always been an ongoing process in Islamic history. This is because individual, social, and state actions rarely meet the desired standards and there is always room for improvement. Islamic reform refers to bringing individual and social actions closer to the essential Islamic teachings and standards.[2] After the advent of colonialism in the Indian subcontinent, some scholars, instead of advocating reforms, engaged in the revolutionary struggle against the West. Revolution not only changes the way of life but also changes the beliefs, ideas, preferences, and system of power.[3] The concept of revolution is found only in Islamic theological debates of the twentieth century, to which Islamic classical literature is unfamiliar. According to Islamic revolutionaries, the main reason for this is that for twelve centuries from the state of Medina to the advent of colonialism, Muslims did not need revolutionary struggle because all decisions were made in the context of Islamic disciplines.[4] It is anti-modern. It delegitimates Western rule and seeks to re-establish the *Sharī'ah* and Islamic knowledge (*fiqh, usūl, and kalām*).[5] In the modern era, Islamic reforms have been manifested in two ways in the Indian subcontinent; 1) Islamic modernism and 2) Islamic revisionism. The first approach involves reconstructing Islamic thought to make it compatible with modern scientific practices and procedures. The second approach seeks to revise and reform modern sciences on Islamic grounds.[6] The common factor between both reformation approaches is that both are conciliatory towards social sciences. However, there is a conflicted relationship between them. Islamic modernists interpret Islamic teachings on the basis of modern sciences while the Islamic revisionists do the opposite. They justify aspects of modern sciences as the basis of *Sharīa'h*.[7]

A Brief History of Reforming Capitalist Economics

For the Muslims of India under colonial rule, Western financial institutions were an instrument of colonial expansion and exploitation like other colonial institutions. Therefore, the introduction of banks and insurance companies into Muslim societies was always suspect.[8] Along with the struggle for freedom from colonial rule, it was also discussed that the economy of independent Muslim countries should be organized on what principles? In the second and third decades of the twentieth century, capitalism and socialism were discussed worldwide. The general opinion was that the independent countries would have to choose between these two. During the same era, influential Islamic movements presented Islam as a holistic way of life, asserting that it encompasses its own economic system

distinct from the extremes of capitalism and socialism.[9] In the Indian subcontinent, Sayyid Abul A'lā Mawdūdī (d. 1979) and his fellows (generally known as Islamic Economists) are recognized as one of the foremost scholars who developed the economic system of Islam as a distinct discipline.[10] Mawdūdī was not a professional economist but a reformer who wrote much of his discussion of Islamic economics in the context of *dīn* and the Islamic state. He outlined the fundamental principles of Islamic economics in keeping with these *Sharī'ah* objectives. Khurshīd Ahmad, Najātullah Siddīquī, and other Islamic economists developed a framework of Islamic economics based on the principles and objectives outlined by Mawdūdī. Islamic economists assert that the initial project of harmonizing Islam and economics was broad in scope, primarily focusing on outlining the fundamental principles of Islamic economics in alignment with the socioeconomic objectives of *Sharī'ah*.[11] However, the literature of the late twentieth century, when Islamic banking was becoming popular, is quite different from earlier. With the establishment of Islamic banks, the focus gradually shifted from *Sharī'ah* objectives to addressing partial matters in the light of Islamic *Fiqh*. The main objective of these private Islamic banks is to make the capital profitable by preventing interest-based transactions that require the guidance of the experts of *Sharī'ah*/Islamic *Fiqh*. Moreover, these banks were aimed at helping Muslim individuals who avoided transactions with usurious banks but were looking for an alternative way to protect their savings and use them profitably. The role of *Sharī'ah* experts in contemporary Islamic financial institutions is very technical and issue-oriented. They only address the partial issues faced by these institutions in the light of Islamic *Fiqh*.[12] Consequently, Islamic financial institutions, which were expected to play an important role in achieving the objectives of *Sharī'ah*, have not met the expected standards.[13]

Islamic Revisionist's conception of Islam

The discussion above makes it clear that there are two streams of Islamic reformers in Pakistan who have sought to revise capitalist economics in order to harmonize it with either Islamic authoritative text (*nusūs*) or Islamic historical tradition. Islamic economists are generally scholars with a modern educational background while *Sharī'ah* experts (*Ulamā*) are typically trained within a specific Islamic tradition. Islamic economists assert that Islam is not merely a set of scattered divine instructions, but rather a complete system of life that includes its own economic system. This does not imply that Islam has laid out a detailed, predetermined plan for all future matters concerning humanity. Instead, it means that Islam has given us fundamental principles and established essential guidelines, enabling us to develop a system that can meet our socio-political and

economic needs at any time and context.[14] In contrast, *Sharī'ah* experts such as Taqī 'Usmānī emphasized that Islam does not possess an economic system of its own and neither the Quran nor the hadiths provide an independent economic philosophy. Rather, Islam is a *dīn*, with principles and teachings that apply to all facets of life, including the economic circle. Islam gives a perfect code of life that applies to all ages and times. There is no need to change it according to different times because in itself Islam is resilient enough to cope with the demands of every age. The definite rules of Islam, which are eternal in nature, are not affected by the passage of time. However, for issues that changing circumstances may influence, Islam provides guiding principles, which allow new rules to be formulated in response to changing circumstances.[15]

Islamic Revisionist's Conception of Capitalist Economics

Both perspectives of Islamic revisionism agree to embrace the beneficial aspects of the capitalist economic model. They do not call for a total rejection of capitalist economics and want to recognize what is good and avoid what is bad. They also critique the aspects of capitalist economics that conflict with Islamic principles, offering the Islamic socio-economic system as a fair and just alternative to these extremes.[16] For instance, according to 'Usmānī, modern sciences were created from irreligious Western thought. He stated while discussing the capitalist model of economics that Islam embraces certain principles of capitalism, acknowledging that resolving economic issues often involves the profit motive and the application of market forces, such as the law of supply and demand, as these are inherent to human nature. However, Islam does not entirely negate the concept of private ownership.[17] In capitalism, the profit motive is left unchecked, which can lead to societal distortions.[18] In his view, the fundamental issue with capitalism lies in the unrestricted freedom to pursue profit without any limitations.[19] No divine directive imposes restrictions on the pursuit of profit. If there are limits, they are humanly imposed and subject to democratic legislation.[20] 'Usmānī holds similar views about socialism.[21] Similarly, Mawdūdī claims that modern sciences are an exclusive part of the West as they developed and flourished in the West. Regarding capitalist economics, Mawdūdī states that capitalism is grounded in seven fundamental principles. These principles are not introduced by capitalism for the first time; rather, they have served as the foundation of the human economy since ancient times.[22] The flaws of capitalism do not stem from its natural principles but instead result from the following reasons:

1. These fundamental principles were exaggerated. However, because they were natural principles, they retained their validity even when exaggerated, leading to their widespread acceptance.
2. Capitalism is not only based on these principles, but it has also incorporated many false principles with it.
3. Certain principles were neglected by capitalism which were as essential to the natural economic system as the rest.
4. Some of these capitalist principles were also rejected because they conflicted with self-interest.[23]

Mawdūdī contends that capitalism is centered around selfishness, which either increases the number of desires above what a person actually needs or maximizes the use of financial resources.[24]

	Islamic Revisionism	
	***Sharī'ah* Experts**	**Islamic Economists**
Similarities	Modern sciences were created from irreligious thought.	Modern sciences are an exclusive part of the West.
	They are critical of the aspects of capitalist economics that conflict with Islamic principles.	They are critical of the aspects of capitalist economics that conflict with Islamic principles.
	They do not advocate a complete rejection of economics but appreciate and accept its beneficial aspects.	They do not advocate a complete rejection of economics but appreciate and accept its beneficial aspects.
	Concerned to present an Islamic alternative to capitalist economics	Concerned to present an Islamic alternative to capitalist economics
	The socioeconomic system of Islam is in between extreme economic Ideologies	The socioeconomic system of Islam is in between extreme economic Ideologies

	Islam is not seen as a distinct civilization, but a means of reforming capitalism.	Islam is not seen as a distinct civilization, but a means of reforming capitalism.
Differences	*Sharī'ah* experts train within a specific Islamic tradition	Islamic Economists are scholars with a modern educational background.
	Reject the view that Islam is a system.	View Islam as a comprehensive system, instead
	Seek to harmonize the aspect of capitalism with Islamic historical tradition.	Seek to harmonize the capitalist procedures and practices with Islamic authoritative text.
	The role of *Sharī'ah* experts in contemporary Islamic financial institutions is very technical and issue-oriented	Islamic Economists focus on achieving the economic objectives of Shariah, which have little to do with technicalities.

Islamic Revolutionary Case Against the Islamic Revisionist Response to Capitalism

This section presents an Islamic revolutionary case against Islamic revisionists who provide Islamic justifications for capitalism. Islamic revisionist scholars conceptualize capitalism as an economic system and have no sense of its individual and social roots.[25] For Islamic revolutionaries, capitalism is a complete, comprehensive system and way of life, rather than an economic system.[26] Initially, capitalism was organized at the economic level, but over time it expanded beyond its economic domain to influence individuality, society, and the state. Eventually, the capitalist system came to dominate every aspect of human life.[27] Freedom is the central or core value of capitalism. Freedom as a value is the right to self-determination, the right to do what one pleases, as long as this does not interfere with the right of other members of society to do as they please.[28] The concept of freedom can be categorized into two distinct types: negative freedom and positive freedom. If I want to do something, and no one outside is stopping

me from doing it, then I am negatively free. Negative freedom refers to the absence of external constraints, which can be factual, normative/social. If there are no external constraints on what I want to do—factual or normative—I am negatively free. Positive freedom means having the desire to do as one pleases. If a positive constraint (factual and normative) is imposed on me by my own belief of which I am convinced, it is a self-imposed constraint called self-determination or autonomy.[29] The right of self-determination extends from individual to species such as humanity and even to the nation. At an individual level, it has taken the form of liberalism; at the species level, it has emerged as socialism; and at the national level, it has expressed itself as nationalism. These three ideologies are the concrete form of freedom and are closely related to capitalism. The scarcity of resources is the biggest obstacle to self-determination, which needs capital to overcome. Without capital, neither the individual, humanity, nor the nation can fully exercise their freedom. In this context, liberalism, socialism, and nationalism can be seen as capitalist ideologies, differing in their focus: liberalism concentrates on accumulating capital for the individual, socialism for humanity as a whole, and nationalism on securing capital for the nation.

Islamic revisionists criticize capitalism but do not oppose economics[30] because they conceptualize economic principles and procedures (science) to be natural and value-neutral.[31] In contrast, according to Islamic revolutionaries, Economics is one of the social sciences just like political science, psychology, and sociology, whose essential purpose is to legitimize, operationalize, and sustain capitalism. Capitalism is criticized by Islamic revisionists, not for the end it sets but;

- either for creating monopolies that paralyze market forces, hinder their natural operations, or disrupt the natural process of supply and demand.[32]
- or for failing to achieve a "balance" in the attainment of legitimately conflicting ends such as acquisitiveness vs cooperation, freedom vs equality, etc. Islam can achieve such a balance if we formally eliminate interest and introduce *Zakāt*.[33]

Transcending capitalism is inconceivable for Islamic revisionists,[34] as they view capitalism as a natural—rather than historical—order, something that cannot be transcended.[35] Instead of overthrowing capitalism, the Islamic revisionist approach involves a search for instrumental mechanisms and procedures within the capitalist system that can be used to promote Islamic individuality.[36] For them, capitalist practices and procedures can be separated from the purpose they were articulated to achieve, making it possible to create a *Sharī'ah*-compliant or *Sharī'ah*-constrained form of capitalism.[37] They attempted to revise and reform capitalism to make it compatible with Islamic injections. In contrast, Islamic

revolutionaries consider capitalism to be *jāhiliyyat-e-khālisah*, which rejects the idea that reform of the capitalist system is possible and insists that the capitalist system must be deconstructed comprehensively.[38] The nature of the capitalist order, according to them, is entirely different from previous Muslim historical experiences[39] such as the period of *Tātār* domination.[40] Islamic identity can neither survive nor flourish within the capitalist order. Any attempt to reform capitalism may pose a risk of assimilation, as it possesses a unique capability to integrate different value systems, including Islam.

Conclusion

The main argument of Islamic revolutionaries is that the capitalist system is fundamentally anti-Islamic, and harmonizing attempts inevitably result in the subordination of the Islamic system of life within this capitalist system. Islamic revisionists advocate a selective reform of capitalist procedures and believe that such reform facilitates Islamic incorporation within the capitalist system. Revisionist Muslim scholarship has grappled with the challenge of harmonizing Islam with capitalist practices and procedures and reinterpreting Islamic history to accommodate and legitimize such harmonization. Islamic revisionism provides Islamic justifications for capitalism by examining capitalist practice on the basis of Islamic authoritative texts (*nusūs*) without reference to Islamic social historical tradition. As a result, Islam was gradually incorporated into the capitalist system. Islamic revolutionaries claim that in modern times the Islamic way of life can neither be safeguarded nor made socially hegemonic without the explicit rejection of the capitalist values and ideologies. They conceptualize Islam as a distinct civilization instead of a means of reforming capitalist economics.

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