ECONOMIC INEQUALITY AND MORALITY

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Economic Inequality and Morality

DIVERSE ETHICAL PERSPECTIVES

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ISLAM, INEQUALITY, MORALITY, AND JUSTICE

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Introduction

Islamic thought on questions of property, income, equality, and justice is the product of numerous and diverse traditions that have interacted in different ways with the religious tradition of Islam. Prior to the nineteenth century, the most important philosophical tradition that influenced Muslim thinking would have been ancient Greek and Hellenistic philosophy, as interpreted by the Muslim philosophical tradition. Islamic thought over the last hundred and fifty years, however, has developed largely in response to classical liberal economic thought and Marxist economic thought, with leading figures of twentieth-century Islamism attempting to defend a particularly Islamic approach to questions of property, equality, income, and wealth that distinguishes it from both market capitalism and socialism.

Despite the different philosophical traditions that have influenced the way Muslims think about questions of economic justice throughout

the long history of Muslim civilization, a constant has been the revealed sources of Islam—the Quran and the practice of the Prophet Muḥammad (the *Sunna*)—and how Muslim jurists interpreted those sources to produce legal rules that regulated economic life in a Muslim society. Revelation's teachings on property, wealth, and justice, however, were not free of tensions. Islam began in the seventh century, in the west Arabian town of Mecca, which hosted both the important religious shrine known as the Ka'ba—the House of God—and had become an important trading center. The Arabian tribe of Quraysh, which came to dominate Mecca, not only enjoyed the religious prestige of organizing the annual pan-Arabian pilgrimage to Mecca, but also grew wealthy by virtue of its ability to control biannual trading caravans that linked trade from Yemen in the south to Syria in the north. The earliest Quranic teachings reflected the increasingly stratified character of Meccan society as it came to be transformed by its connections to international trade, and so it vehemently condemned the cruelty, arrogance, and moral blindness of Meccan pagan society. In numerous early verses, it condemned the Meccans for their obsession with the accumulation of property, falsely assuming an equivalence between wealth and virtue, and their failure to recognize their true ends as servants of God.

Side by side with its denunciations of the vices associated with private property and the pursuit of wealth, revelation posited an alternative ethic of property based in generosity and solidarity. As a result, it regularly encouraged believers to give freely of their property to those in need and for the furtherance of other pious ends. Yet neither revelation's criticism of Mecca's economic structure nor its emphasis on a counter-ethic of generosity led it to adopt a categorical condemnation of private property or acquisitiveness. Other texts of revelation recognized and even protected private property. One verse, for example, criminalized theft,[1] and others explicitly affirmed the legitimacy of trade and commerce,[2] with the longest verse in the Quran devoted to setting out the procedures for recording commercial debt contracts. The tension between the Quran's polemic against property and acquisitiveness on the one hand, and its protection of private property and recognition of legitimate commerce on the other hand, alongside its promotion of an ethic of generosity, would combine to form an important and productive source of reflection in the development of Islamic law, morality, and ethics in subsequent generations in which Muslims sought to balance individual rights in private property and the right to pursue profit against a countervailing ethic of generosity and social solidarity.[3]

The most important site for considered reflection on these questions in the pre-modern period was the work of Muslim jurists, and although many of their teachings have been superseded, they still represent a common store of reflection that in practice remains an important baseline for even contemporary Muslim reflections on questions of economic justice. Accordingly, analysis of legal doctrines, in addition to the writings of modern Muslims, will provide most of the raw material for my discussion of the questions raised in this book. A careful consideration of the premodern tradition of reflection on these questions discloses, in broad outlines, a basic conception of economic justice as lying, primarily, in following fair processes of exchange, with little concern for the distributive outcome of these processes, except to ensure that all individuals enjoy a minimally adequate standard of living. In modernity, leading twentieth-century Islamist thinkers expressed greater skepticism toward the distributive outcomes produced by market exchange, and vigorously advocated greater state intervention in the economy to ensure what they deemed to be just distributive outcomes.

The editors of this volume have asked us to address a series of topics related to how Muslim thinkers have conceptualized the structure of the economy and the economy's relationship to questions of human equality, the kinds of property rights recognized in the economy, ownership and use of natural resources, whether justice demands that individuals in society have a claim to specific outputs of the economy, the place of wealth in the economy, distribution of the income produced by the economy, employment, and attitudes toward taxation. I have organized my essay to respond directly to each of the questions they posed to the Islamic tradition. I have endeavored to answer their questions using the predominant views in the Islamic tradition as I understand it. I have also provided, however, more recent views on these questions in those circumstances where prominent modern Muslim thinkers have offered distinct solutions or novel theories.

Many of the questions posed by the editors are quintessentially modern questions insofar as they are only meaningful in post-industrial-revolution societies that, more or less, have transcended Malthusian constraints and whose economies are organized largely around the principles of capitalism and market exchange. Most of the Islamic tradition, however, was pro-

duced in the context of pre-industrial economies, and although Muslims valorized market exchange, markets prior to the industrial revolution were of a radically different character, insofar as they lacked, among other factors, the complex layers of intermediation characteristic of the infinitely more developed division of labor present in modern market economies. When using the resources of the pre-modern Islamic tradition to discuss the questions posed by the editors, one is forced to search for conceptual analogues in the pre-modern tradition to what are quintessentially modern problems. Nevertheless, in many cases, I believe that the pre-modern tradition provides a principled basis from which modern Muslims can reason about these questions, provided that they update those pre-modern precedents in light of the radical differences between contemporary markets and pre-modern ones. The following sections present to the reader one Muslim's understanding of how the Muslim tradition would respond to the questions posed. After answering those questions, I give a conclusion that synthesizes the various strands of argument discussed in the essay to provide a general statement regarding an Islamic conception of the ethical issues involved in organizing and sustaining an economy.

Equality

The equality of human beings as servants of God is a core teaching of Islam, with the only morally relevant distinction among them being their righteousness. With respect to the economic sphere, however, human equality takes precedence over righteousness. This primitive equality manifests itself in juristic conceptions of the state of nature in which every person had an equal right to things of this earth as affirmed in the Quranic verse that states: "And He created for you, all of you, what is in the earth," without regard even to a natural principle of prior possession. Stable property entitlements, therefore, are a product of political community and not nature, where the only law is that of effective possession. In the primitive state of human equality, where a person could only enjoy possessory rights, there were natural limitations on the extent of property.

Within a polity, however, legal rights to property are recognized that enable accumulation beyond what any one individual could effectively possess. Within the context of an Islamic polity, Islamic law adopted both procedural and substantive doctrines that gave effect to different conceptions of equality. The most fundamental manifestation of equality is in the equal capacity of all persons to contract, whether male or female, Muslim or non-Muslim. In market exchange, then, perfect, abstract equality is the norm: market relations are imagined to take place between sellers and purchasers each of whom is equally capable of pursuing his self-interest effectively, and as a result, their agreements are just insofar as they are a manifestation of each trader's rational will. Accordingly, Islamic law did not adopt a theory of a "fair price" that existed outside of the parties' specific agreement; rather, the bargain struck between two equal persons, negotiating at arm's length, determined what was just.

It may seem odd that classical Islamic law did not adopt a "just price" theory or something akin to what modern lawyers would recognize as "unconscionability," i.e., contract terms so onerous that even if they were freely agreed to, the court cannot, in good faith, enforce those terms. The answer to this puzzle may lie in two sources. First, Islamic contract law expressly prohibited interest-bearing loans, as well as speculative contracts whose material terms were not specified from the time of contracting.[4] The second is that most trade, in fact, was in the cash market, and so contracts were not very complex. Islamic law certainly had no experience with the kinds of complex contracts of adhesion typical in modern consumer finance contracts that gave rise to the doctrine of unconscionability in the first place. In the modern world, however, as many of the formal barriers found in classical Islamic law have given way, modern Arab civil codes have recognized something akin to a just-price theory, insofar as they give judges the right to rescind a contract if the agreed-upon price was materially off-market (*ghabn fāḥish*).

The conception of procedural justice that structured market exchanges, however, was not applied across all economic sectors. For example, partnership law imposed certain substantive conceptions of equality based on fairness that transcended the parties' agreement to the contrary. Accordingly, for most Muslim jurists, a partnership was not just (and therefore was invalid as a matter of law) if profits and losses were not divided proportionally in conformity with the amount of capital each partner contributed to the venture. The notion that justice in cooperative ventures required proportional distributions of both gains and benefits was rejected by only one group of Muslim jurists, the Ḥanafīs, but they did not accept the principle of free contracting with respect to allocations of the costs and benefits

of the firm. They permitted co-venturers to allocate the profits from their venture independently of each partner's respective capital contribution, but did not permit partners to allocate their losses except in accordance with their pro-rata ownership of the firm. The same obligation to share in risk underlies a fundamental Islamic principle of distributive justice: that the right to gain must be accompanied by the risk of loss.

Accordingly, one might say that in Islamic conceptions of equality, the formal equality of persons, which gives rise to contractual freedom, and the concomitant rejection of any kind of "just price" theory, is qualified by a substantive conception of equality that requires traders and joint-venturers to bear their fair share of risks. This mandatory principle of distributive justice seeks to prevent parties with greater economic power from using that strength to put losses, disproportionately, on their weaker counterparties. More generally, Muslim jurists endorsed the principle that "warding off harms is to be given priority to the attainment of unrealized goods" as a universal principle of distributive justice that they claimed was enshrined throughout various rules of Islamic law.

Modern Muslim thinkers, such as the Sunnī theorist Sayyid Quṭb, and the Shī'ī theorist, Muḥammad Bāqir al-Ṣadr, preserve elements of the classical tradition's attempt to balance formal equality and its respect for contractual freedom as determinative of outcome with substantive equality and its demand that individuals not use contract to evade their fair share of losses that arise from economic activity, albeit in language that goes beyond the legalism of the classical tradition. Contrary to Marxism, both Quṭb and Ṣadr reject any notion of distributive justice that would require strict equality of outcome as both practically impossible and normatively undesirable. They both point to the experience of the Soviet Union to argue that even in a Communist order, Marxists found it practically impossible to implement a substantive conception of economic equality. They also argue against substantive equality of outcome from a normative perspective: human beings, although they are generically equal, differ in numerous qualities that are economically relevant, in terms of talent, skill, and productivity, and so insisting on equality of outcome not only would be, according to Quṭb, unjust to exceptional individuals, it would also be harmful to society, which would be deprived of the benefits of their exceptional talents, skills, and productivity. For both Ṣadr and Quṭb, Islamic law provides the ideal balance between the formal equality of persons that

underlies market relations, which is the condition for achieving the good of maximum possible economic growth, and substantive equality, by prohibiting substantively unjust agreements, such as usurious contracts (*ribā*) or contracts entailing excessive speculation (*gharar*)—or unlawful modes of doing business that are the natural result of market forces, such as monopolies. Islamic law's prohibition of otherwise consensual market exchanges and the end result of free-market competition, among other things, distinguishes the Islamic conception of equality, in their view, from both the Marxist conception and the liberal capitalist conception of equality.

Both classical Islamic conceptions of equality, as well as modern discussion of equality, agree on the necessity of giving a priority to reducing the economic inequality that results from market forces over the right of those who benefit from the market to retain their earnings to invest in new opportunities. The difference is the degree to which justice requires interference in the results produced by free exchange. The classical tradition was focused largely on ensuring that each person in an Islamic polity received minimally adequate resources to survive. Both Quṭb and Ṣadr, however, go beyond this minimum requirement and believe that greater equality in distribution, all things being equal, is Islamically desirable. For Quṭb, this is because excessive wealth undermines the moral integrity of both the wealthy and the impoverished. In the case of the rich, excessive wealth tends to produce in them the kind of moral vices that the Quran condemns, such as avarice and the unrestrained pursuit of sensual pleasure. In the case of the poor, their poverty drives them to lose their dignity and self-respect in their pursuit of wealth and honor by placing themselves in the service of the rich. Ṣadr argues that the state must do more than ensure that everyone enjoys the bare essentials with respect to food, clothing, and shelter; rather, it must also provide to everyone, in appropriate quantities and quality, those items which are consistent with prevailing conditions in an Islamic society. As the general level of prosperity increases in an Islamic society, justice therefore requires the state to intervene so that the poorest enjoy the general improvement in living conditions and are not continued to be confined to subsistence levels of consumption.[5]

Quṭb and Ṣadr can both be understood as responding to the increasing influence of socialism in Muslim societies. Some prominent religious leaders who were active in attempts to reform Muslim society, such as Jamal al-Din al-Afghānī, came to identify socialism—understood as an ethic of

sharing excess wealth—to be the epitome of revelation's teachings on economics and distributive justice. This, in turn, produced a line of thought known as "Islamic socialism," which attempted to reconcile Islamic ideals of generosity and equality with socialist ideals of common ownership of at least the important means of production and a more egalitarian distribution of national income than market economics would allow.

For much of the twentieth century, one might say that "Islamic socialism" was the dominant economic paradigm in most of the Muslim world, with Pakistan being the most important exception. The fact that Egypt openly claimed to be adopting a path of Islamic socialism that made its experiment distinctive from either market capitalism or Soviet Communism played an important role in lending prestige to the idea. Pakistan, however, hewed a path closer to market capitalism, stressing classical Islam's ideals of market exchange combined with a voluntary ethic of redistribution, not state control of the economy, as the proper Islamic economic model. Despite the greater attractiveness of Islamic socialism to much of the Muslim world in the mid-twentieth century, its appeal radically diminished as a result of the palpable failures of socialist-inspired policies to produce either egalitarian societies or prosperous ones, *and* the rise of the petroleum economy, which produced an enormous windfall for the previously marginal states of the Arabian Peninsula. The conservatism of the Gulf Arab states, in alliance with Pakistan, articulated a different Islamic conception of economic justice, one that catered to the need of states flush with cash to find legitimate means to invest their windfall profitably. This model of Islamic economic justice might be called "Islamic neo-liberalism." In contrast to Islamic socialism, or the Islamic economics advocated by Ṣadr and Quṭb, this conception of justice was deeply committed to the inherent fairness of consensual market exchange, without regard to the social consequences, i.e., negative externalities, of the market. As long as trade followed the formal rules of Islamic law, and the wealthy fulfilled their Islamic obligation of charity to the less fortunate, this school of Islamic thought believed that distributive outcomes could not be criticized as unjust or un-Islamic. This model, in turn, led to the development of Islamic finance, which grew from very humble origins in the mid-1970s to becoming a recognized niche in the world of international finance, with trillions of dollars invested according to its own version of neo-liberal exchange. For adherents of Islamic finance, the most important manifestation of equality

in the economic sphere is the formal equality individuals have to trade in the market and to pursue their own self-interest.

Property

Property, in Islamic law, comes into existence through a direct act of successful appropriation by a person through his own effort. The paradigmatic example of the creation of a property interest is hunting: the hunter attains a property right by virtue of his successful effort to subdue and control a wild animal. The property right arises when the hunter wounds the animal, not merely by pursuit, and it lapses if he fails to track down his prey in a diligent and timely fashion. On the assumption that his hunt is successful, however, the animal belongs to him, to do with as he pleases. A similar approach applies to land: a person becomes entitled to unused land (*mawāt*) by successfully appropriating it through acts such as irrigating it, building a permanent structure on it, planting trees, clearing trees, draining it of excess water, or plowing it with a view to farming. The same principles apply in general to appropriating water from a stream, grass from pasture, and wood from a forest. But the basic model of successful appropriation through the application of human labor only accounts for possessory rights in a state of nature, which are contingent on having the strength to defend possession against potential enemies. Within a polity, Islamic law structures not only the transfer of pre-political possessory rights (which through the creation of a common polity mature into property rights as against everyone else within that polity, even if not against the entire world), but the creation of property rights ab initio within the borders of that polity.

Within an Islamic polity, certain kinds of property—water, pasture, and firewood, for example—must be maintained as a common property. No one is permitted to convert common property into private property, although each person is permitted to take from the common what they reasonably require for their own needs, provided that it does not undermine the ability of others to avail themselves of the resources of the common. Accordingly, the right to extract resources from the common is subject to the ceiling of reasonable individual use consistent with the equal usage of others entitled to the common. With respect to outsiders, however, the common has aspects of exclusive collective property: while the residents of

town A, for example, are co-tenants of town A's common and, therefore, cannot prevent each other from reasonable use of the common's resources, they are entitled to exclude residents from town B from benefitting from town A's common.

While the nature of common ownership places limits on the amount any co-owner may appropriate to his private property, no such limitation applies to unused land. Classical Islamic law recognized the right of individuals to become the owners of unused land through one or more positive acts of appropriation, such as clearing the land of trees, plowing it, draining it of water, etc. In contrast to the common that belongs to a town, classical Islamic law recognized no upward limit to the amount of unused land that a single person could own through recognized acts of appropriation. Likewise, the state could grant individuals licenses (*iqṭā'*) to develop particular tracts of land belonging to the state. Such licenses could only be granted on terms that furthered the public good, and the licensee was bound to abide by the terms of the grant in order to retain the property right. Other than the requirement that the terms of the license be consistent with the public good, however, there was no legal obstacle to amassing as many such grants as one could obtain from the government. On the other hand, however, it would clearly be a permissible exercise of state power to restrict eligibility for such licenses to individuals whose aggregate property holdings did not exceed a designated maximum, for example. And indeed, substantive Islamic principles of distributive justice provided that the state should use its powers to grant licenses over state land preferentially in favor of persons lacking land. Although classical Islamic law advised the state to give due concern to the landless, the state was under no obligation to do so.

One of the central demands of Islamic socialism in the twentieth century was to redistribute land from rich landlords to the cultivators. One of their primary arguments was a report attributed to the Prophet Muḥammad, in which he advised his followers who had land beyond their capacity to farm to give the surplus land to one of their landless brethren without demanding any compensation. To overcome classical Islamic arguments that were deployed against the legitimacy of such redistributionist schemes, various thinkers developed different theories to justify redistribution of land, the most sophisticated of which might be that of the aforementioned Ṣadr. Ṣadr, in a radical extension of Islamic theories identifying

the origin of property in the affirmative act of appropriation, argued that Islam did not recognize absolute title in real property. Instead, Islam only recognized a right to use based on an original act of appropriation. The difference between privately owned land and public land, essentially, was that the "owner" of privately owned land could transfer his right to use to others without permission of the state, whereas the land owned by the state could never be transferred except in accordance with the rules established by the state for the use of that land. In both cases, however, the possessor of the land enjoyed his possession by virtue of the state's permission for possessor to maintain possession—provided, in each case, that the possessor is making good use of the land through his own labor.

Ṣadr goes so far as to take the remarkable position that labor is such a crucial factor in producing recognition of the entitlement in Islamic law that a usurper who wrongfully occupies another's land and then cultivates crops on that land is entitled to the output of the land by virtue of his labor. In such a case, the owner's recourse is limited to the fair rent of his land. He further develops his notion of labor as the only contribution to production that mandates recognition, to argue that the state can and should redistribute land in favor of the cultivators and against the interests of landlords. He also applies his labor theory of entitlement to industrial production to argue that the mere contribution of physical capital, such as machinery or animals or land, only entitles the capitalist to rent; the output of the venture belongs to the worker who produced the goods. Ṣadr's theory that only labor authorized the recognition of a property entitlement was no doubt intended to achieve a redistributive effect in favor of the working class and to the detriment of those in society whose only contribution to production was financial or physical capital.

Quṭb, by contrast, does not radically depart from accepted Islamic principles of property ownership, but instead argues that in a properly constituted Islamic society, the ethic of generosity should lead the wealthy to share their property with the poor so that they enjoy a sufficient amount of property to ensure their well-being. Moreover, it is crucial, according to Quṭb, that this sharing be, in an important sense, voluntary; otherwise, dependence on an unreasonable amount of coercion would suggest the absence of proper motivation and so would be worthless in promoting the kind of just society that Islam seeks to achieve.

Muslim theories of the origin of property bear an unmistakable resem-

blance to aspects of John Locke's theory regarding the origin of property. It is beyond the scope of this essay, however, to investigate whether there is any historical link between Islamic conceptions of the origin of property and Locke's theory. That possibility, however, is certainly worthy of further scholarly investigation. In any case, the presence of analogous concepts in Islamic thought and Lockean ideas provides a useful starting point for dialogue between liberal and Muslim theories of property holding.

Natural Resources

In classical Islamic law, natural resources were part of the commonly held property, in which case anyone had the right to appropriate for his personal use a reasonable amount of such resources while respecting the right of others to make use of the common for their needs as well. In such a case, the conversion from a common right to a private right found its justification in the human labor that manifested itself in the act of appropriation. As noted previously, the same logic applied to the right of individuals to hunt wild animals and fish in commonly owned bodies of water, e.g., rivers and lakes, or unowned bodies of water, e.g., the ocean. Individuals also owned natural resources that existed on the surface of their own property, such as a tree growing naturally on one's property. A wild animal that wandered onto one's property, however, did not give rise to an entitlement to that animal as against a hunter who had wounded that animal and was hot in pursuit. A person could also own water resources found on his land if, for example, he obtained that water by virtue of digging a well on his own land, in which case he could sell to others water that he did not need, or keep it for himself. A well dug in the countryside or the deserts, however, gave the person (or group of people) responsible for digging it only a right of first use, not ownership, and accordingly, they were obliged to permit others to use it after their herds were sated. Naturally flowing water, resulting from a flash flood or the like, could not be monopolized by those on higher ground to the detriment of those located at a lower elevation: those on higher ground were only entitled to keep a portion of the water and then were required to allow the remainder to flow down to those at lower elevations.

These cases provide examples of the legitimating role labor plays in transforming natural property held in common to private property belonging to a particular person with the right of exclusive use. As the example of a well dug in the countryside indicates, that use of labor can only provide a right of first use, but not exclusive ownership of the water that is found. Where water is extracted by effort from land that is already privately owned, however, the owner of the land also owns the water he finds on his property, which gives him the right not only to use it, but also to exclude others from using it except with his permission, including by means of sale.

With respect to mineral resources, classical Islamic law provided that mineral wealth, whether visible or underground, if located on state property, could not be privately owned. Rather, the state could grant licenses to specific individuals on specific terms to permit them to mine those resources for a defined period of time. Some jurists also concluded that underground mineral wealth, if discovered on private property, did not belong to the owner of the surface rights, but rather, belonged to the state, just like any other property that lacked an owner. In any case, the modern view of Muslim thinkers is that mineral wealth belongs to the public, wherever located, and can never be privately owned; rather, the state, in its capacity as owner of public resources, may authorize specific individuals to exploit those resources for the benefit of the public.

As classical Muslim doctrines concerning the common indicate, all persons had an inalienable right to access the common to satisfy their reasonable needs. At the same time, there was no place for the spirit of profit-maximization in the common. A person could only appropriate from the common that which was necessary for his needs, and were he to collect firewood from the common for the commercial purpose of sale to the townsfolk, presumably the fact that the common was the exclusive property of the town attached to it would limit the possible size of the market for products from that common in such a way that it would remain sustainable for its beneficiaries. Along these lines, Ṣadr argued in the twentieth century, more radically along the lines of his labor theory of entitlement, that the property rights that arise out of appropriation from the common are restricted to the person who does so directly. Accordingly, a person was not allowed to appoint another as his agent for gathering items from the common, and if he did, whatever goods were appropriated belonged to the appropriator, not the principal who retained him. Private persons were allowed, however, to exploit commercially natural resources found on their

property, such as water, in circumstances where they made a productive investment, such as digging a well, to render that resource accessible to themselves. With respect to wells in the desert and the countryside, however, successful digging of a well only gave a right of first use, whereupon the "owner" of the well was obliged to allow others to water their animals from what remained of the water of his well. So, again, we see the same pattern confirmed: natural resources may be converted to private property, but only after reserving a certain portion of those resources for common use, and in the case of mineral wealth, it would be managed by the state for the public good, not the private benefit of the person exploiting the mine, although presumably he would be entitled to take a portion of the value of the extracted mineral in accordance with the terms of the license granted by the state.

Products

Classical Islamic legal doctrines also imposed certain distributive requirements with respect to the distribution of products of the economy in addition to guaranteeing equal access to the common and unowned land for purposes of reclamation. Specifically, through the institution of *zakat*, a scripturally mandated act of charity, classical Islamic law attempted to secure for every Muslim a sufficient amount of food to last him for a year. Aside from guaranteeing access to life's necessities, however, Islamic law generally allowed other products to be distributed through the market mechanism. Islamic law obviously distinguished between those products of the economy that are necessary to sustain human life and those that are not, and subjected only the former to a non-market scheme of distribution. This obligation arose out of the duty of solidarity that was an inherent part of the obligations arising out of being a Muslim. While non-Muslims were technically not eligible to receive *zakat* (they were also exempt from paying it), certainly by the late Middle Ages and the early modern period, if not earlier, large public endowments providing food to the urban poor without distinguishing between Muslim and non-Muslim had made their appearance in the Arab Middle East.

As mentioned above, classical Islamic law was largely indifferent to the distribution of products in society except to ensure that everyone had a sufficient supply of food to eat. While the *zakat* ensured, or sought to ensure, that the poor did not suffer from starvation at times of famine or other crisis, classical Islamic law also contemplated intervention in the distribution of food supplies to ensure an adequate supply of food for the urban population as a whole, not just the poor. Accordingly, in times of crisis, the state could take extraordinary anti-hoarding measures to intervene in the market by, for example, forcing local grain retail merchants to open their warehouses to the consuming public in the hope that increasing the supply of grain would drive down the price. Foreign merchants, or local merchants who imported grain to the city, however, would typically be exempt from such rules in the hope that increasing local prices would induce them to secure new sources of supply. When forcing local grain retailers to sell their inventory was insufficient to bring down prices, the state could also take further measures, such as setting maximum prices for grain or, in the most extreme case, displace the market mechanism entirely and set prices for retailers and consumers. As far as I know, however, such measures, which were always controversial, never extended to products other than staple foods; luxury goods and fruit and meat were never proper subjects of price restraints or controls in the eyes of the law.

Wealth

Islamic thought on wealth has been shaped by the conflicting messages of revelation regarding wealth. On the one hand, it ought not to be the end that organizes human life; but on the other hand, revelation respects the rights of property and even recognizes that if wealth is used for godly ends, consistent with its ethic of generosity, wealth can be a positive good. In classical Islamic law, a person was wealthy to the extent that he owned sufficient assets to oblige him to pay *zakat*. This minimum amount was calculated depending on the nature of the person's property holdings, but the rationale of the system, even if not always fully implemented through its positive rulings, was that a person was "rich," and therefore under the obligation to pay alms, if he could feed himself for a year. This minimum amount was known as *niṣāb*. Certainly, entitlement to the receipt of alms was also defined by reference to this amount, so that a person who did not own a year's worth of food was eligible to receive alms.

The most important legal justification for the accumulation of wealth was the extent to which it was gained through licit activities. To the extent

that a person acquired a vast amount of wealth using licit means, there could be no ethical objection to the mere fact that a person had successfully acquired a vast amount of wealth. But there was also the element of luck, signified in the notion that God gives to and withholds His bounty from whom He wills without limit, not necessarily as a sign of favor or election, but rather as a test. Wealth and poverty, then, from the perspective of revelation, are both tests from God. To the extent a person is grateful for divine blessings, and is generous with the wealth God has bestowed upon him, he is blessed and may even expect that his worldly prosperity will only increase. Indeed, the early community is replete with stories of followers of the Prophet Muḥammad who sacrificed enormous amounts of their personal wealth for the support of his prophetic mission, and they subsequently provided models of the "engaged" wealthy, who use their wealth to further the good of the community. Institutionally, prior to the twentieth century, this resulted in the ubiquity of the pious endowment in Muslim societies. Such endowments were used for numerous purposes, both for the transmission of private wealth across generations and to fund religious and charitable organizations, such as hospitals, schools, poorhouses, or lodges for orphans and widows. In all cases, however, even endowments in favor of one's descendants had to have a residuary beneficiary that was charitable or religious. The impetus for the establishment of endowments was at least in part a response to a teaching of the Prophet Muḥammad that upon an individual's death, he loses all hope of earning additional merit before God except from three things: children of good character, who pray for him; a legacy of learning that is beneficial to others; or an act of ongoing charity. An endowment is precisely an act of ongoing charity, its income being dedicated to a charitable end in perpetuity, and therefore earning its founder merit from the time he established it to the end of time.

One historically controversial feature of Muslim laws of endowments was the fact that endowments for the benefit of the family were not legally distinguished from public endowments for the benefit of religion or charity, although both were perpetual. The British, in fact, tried to apply the rule against perpetuities to dissolve what they called family endowments in British India, which produced a great hue and cry by the Muslim population there. In classical Islamic thought, providing for one's descendants is itself understood to be a form of charity, in reliance on a prophetic teaching, in which he limited the testamentary disposition of one of his

companions to one-third of his estate, saying "one-third is a lot" and that it is better to leave one's heirs prosperous than to give away one's wealth to needy strangers. Family endowments were structured in such a way then as to preserve an individual's wealth over generations until such time as the founder's lineal descendants died out, whereupon the endowed property would be applied to the charitable or pious cause the founder had specified.

Family endowments were often a preferred method for the intergenerational transfer of wealth because of its flexibility—the founder had almost unlimited freedom in allocating the income produced by the endowment property to the specific descendants he wished to benefit—and its ability to preserve intact real estate, whether agricultural or urban. The Muslim law of inheritance, by contrast, provided no flexibility to an owner of wealth, with precise rules determining the statutory share of each heir that could only be reallocated through the heirs' agreement at the time of the decedent's death. Islamic inheritance law, moreover, did not permit testamentary dispositions to exceed a third of the estate's value at the time of death, after the decedent's debts had been repaid, and in no case could the decedent, according to Sunni Muslims at least, make a testamentary disposition in favor of an heir. The final tool that was used to transfer wealth between generations was the inter vivos gift, which was an especially popular and religiously commendable mode of transfer of wealth to a daughter, usually at the time of her marriage.

A common criticism of the Muslim law of inheritance is that it made capital accumulation difficult because it allocated a mandatory share to every one of the decedent's children as well as a surviving spouse. It is beyond the scope of this paper to engage in the debate about whether such rules acted as an obstacle to economic development in the Muslim world relative to Europe and Great Britain, where different inheritance norms prevailed. From the perspective of this piece, however, the important point to emphasize is the egalitarian nature of Muslim inheritance law whereby each person in the family was given a predetermined share of the estate, albeit at the ratio of 2:1 in favor of male heirs to female heirs within the same class, e.g., brothers and sisters. Founders of family endowments typically followed the same pattern—although they were free to depart from it—in the terms of their endowment deeds so that the benefits of property holding would be distributed across subsequent generations in a manner

that approached equality and tended to diminish concentrated holdings of property with the passage of time. But the broad sweep of Islamic inheritance law was not only intended to support an egalitarian distribution of wealth: it also was reinforced on the liabilities side, insofar as the kin that stood to benefit from mutual rights of inheritance were also under mutual duties of support. Accordingly, the kin was under a duty to support a family member who became impoverished, as well as under a duty to discharge liabilities arising out of a non-intentional tort committed by a member of their kin.

In the rules regarding the intergenerational transfer of familial wealth and the mutual duties of maintenance and of acting as insurers of family members' non-intentional torts, one sees another manifestation of the Islamic principle previously mentioned: that benefit comes only with responsibility for loss. This principle—that benefit must come with responsibility for loss—explains classical Islam's rejection of interest-bearing loans. Lending money at interest was deemed to violate this fundamental principle of Islamic commercial law because the debtor, insofar as it guaranteed the return of the principal, relieved the creditor of any risk of loss to his capital. Accordingly, the creditor had no legitimate claim to the profit that the borrower earned from his use of the capital. This is the basis for the common belief that Islam and commercial banking are incompatible. Indeed, the common belief that this is so has given rise to the creation of a niche sector in the financial market known as Islamic banking, a topic I will touch on below.

The prohibition against interest-bearing loans in classical Islam, however, did not result in an absolute prohibition against passive investment as a legitimate means of acquiring wealth. Rather, classical Islamic law authorized a passive investment vehicle—known as *muḍāraba* or *qirāḍ* in Arabic, and *commenda* in Latin—pursuant to which the investor would give a certain amount of money to an entrepreneur who invested it in a profit-generating venture. The investor and the entrepreneur would divide any realized profits from the venture in accordance with a pre-specified, pro-rata formula. Before the entrepreneur could realize any profits, however, he had first to return the investor's capital.

Unlike the case of a loan, which transfers title to the debtor, the capital of the *commenda* was understood to remain the property of the investor at all times. Accordingly, the entrepreneur did not guarantee the investor's

capital, but the investor had a priority on the *commenda*'s assets until he recouped all his investment. Profits distributed to the entrepreneur are not understood to flow from a capital share in the venture, but rather understood to be compensation for the entrepreneur's labor. Classical Islam, therefore, permitted profit through financial intermediation—without a requirement that the investor engage directly in productive activities, but it did insist, following the universal principle that profit follows responsibility for loss, that the investor's capital be responsible for losses arising out of financial investments.

Modern Muslims, sympathetic with neo-liberal commitments to market exchange, have vastly expanded the opportunity for finance-driven profits divorced from productive activities in the real economy. Modern Islamic banking and finance, which some dismiss as *shari'a* arbitrage, is based on synthesizing conventional financial instruments, beginning with an interest-bearing loan, and going so far as to include various derivative instruments, such as options and swaps, using contractual forms borrowed from classical Islamic law. Two features of classical Islamic contract law lent itself to this modern appropriation.

First, classical Islamic contract law permitted implicit interest to the extent that the charge for credit was embedded in the price of a good offered for sale on credit. Accordingly, Muslim jurists recognized that the price of goods was determined in part by the element of time, so a credit sale (*al-bay' ilā ajal*) in which payment of the purchase price was deferred to the future justified a markup relative to the good's price if sold in the cash market. Likewise, a sale in which the purchase price was advanced to the seller prior to the date of delivery (*bay' al-salam*) justified a discount on the price relative to the good's price in the cash market.

Second, classical Islamic law had its own divisions between formalists and substantivists, with many jurists who would uphold a set of contracts—so long as each on its own was formally valid—even if, when viewed together, they produced a prohibited result. One common strategy to circumvent the classical prohibition against interest-bearing loans was to engage in back-to-back sales that would result in one party holding a certain sum of money against an obligation to return that sum plus some amount in excess of it, which would convert interest on a loan into a profit on a sale. For example, the lender would "purchase" object X from the borrower, for the sum of money that the borrower needed. The borrower

would then re-purchase that object, or another object, at a price in excess of the price in the first sale, but with the obligation to pay on the second sale deferred to sometime in the future, such as a year. The object that is being bought and sold is irrelevant to the transaction except to hide the loan behind a veneer of sales.

Modern Islamic banking and finance systematically exploits similar strategies to avoid the form of interest-bearing loans while replicating them in substance. For example, conventional interest-bearing loans are synthesized using the fiction of a credit sale. The borrower approaches the bank, representing to it that it wishes to purchase a certain good. The bank agrees to acquire that good in the market, provided that the borrower/purchaser agrees to enter into a contract to purchase that good from the bank once the bank acquires it. The bank will purchase the good in cash, and will sell it to the borrower/purchaser on credit terms, thereby earning for the bank a "profit" from the sale of the good rather than interest from the loan of money.

Finally, financial intermediation—which is the prerequisite for creating an opportunity to realize profits from financial activity unrelated to production—was achieved through the use of back-to-back *commenda* arrangements in which the "entrepreneur"—the Islamic bank—takes capital investments, i.e., depositors in a conventional bank, and uses the funds so collected to act as an investor in a second *commenda*, with an entrepreneur in the real economy, who is the functional equivalent of a borrower in conventional banking. Insofar as the money provided to the entrepreneur/borrower is on terms that mimic conventional interest-bearing loans, the Islamic bank successfully replicates the practices of conventional banks, albeit using Islamic forms.

Modern Islamic finance also came to recognize the legitimacy of the limited-liability company, despite classical Islam's requirement that profit be commensurate with risk. This was justified largely on the theory that parties who choose to contract with limited-liability entities do so with the knowledge that their shareholders are not personally liable and, accordingly, are not injured by the limited liability of the entity.

Ṣadr, who wrote before the rise of organized Islamic banking, perhaps anticipated how Islamic forms could be wed to the ideals of market capitalism to justify a for-profit financial sector. Accordingly, he roundly condemned the back-to-back *commenda* structure, saying that if it occurs, the

first "entrepreneur," i.e., the bank, would not be entitled to any profit that arises out of the second *commenda*, but rather whatever profits are realized should be divided between the second entrepreneur and the original investors. He based his argument on two points: the first is that the entrepreneur's return is based on his contribution of work, but in the back-to-back *commenda*, the bank does not perform any work; and, second, the capital of the first partnership belongs to the investors in the first *commenda*, and so the capital of the second partnership, unless the bank contributes its own capital, remains the exclusive property of those who funded the first *commenda*, not the property of the "bank" in its role as an investor in the second *commenda*. In this connection, he also rejected the classical Islamic maxim that profit follows responsibility for loss, at least insofar as it had been used to justify the structure of the back-to-back *commenda*. Rather than assumption of risk being the determinant of entitlement to profit, he argued that it was the presence of labor that justified profit. In the back-to-back *commenda*, the banker is not, in reality, contributing any labor and, accordingly, should not be entitled to any of the profits attained by the second *commenda*.

Income

The institution of *zakat* can reasonably be understood to represent a commitment to providing all Muslims a minimum income at least sufficient for subsistence. It was the most practical economic manifestation of intra-Muslim solidarity. Only Muslims were eligible to receive *zakat* funds, for the simple reason that it was considered a religious duty that applied only to Muslims. (The relevant doctrines of classical Islamic tax law will be discussed in greater detail below.) As mentioned previously, however, Islamic states provided other kinds of social welfare programs that distributed benefits to eligible members of the public on a non-sectarian basis, but eligibility would have been determined on a case-by-case basis in light of the terms of the specific endowment that established the benefit. It was only the *zakat* that provided an unconditional claim on the public treasury for a minimum income without requiring, for example, proof of poverty, or even an inability to provide for one's self through work.

While classical Islamic law was clearly concerned with providing a minimum subsistence level of income to Muslims, it did not show any con-

cern with establishing a maximum ceiling of income—provided, of course, that income was obtained from licit sources, such as trade, investment, or labor. While there was no legally enforceable obligation to redistribute excess income from the well-off to those less well-off other than through the *zakat*, Islam established an ethic of generosity that was intended to counteract the spirit of acquisitiveness that it permitted, even as it did not fully embrace that spirit. This ethic of generosity generates supererogatory duties to share the benefits of one's good fortune with others, not so much out of a sense that one's good fortune is in itself unjust, but rather out of gratitude for the very fact that one is fortunate: a recognition of the role that luck plays in life's outcomes. Accordingly, the Quran declares: "If you show gratitude, I shall certainly increase you in abundance," an attitude that contradicts the smug, self-satisfied view toward wealth entertained by non-believers who believe their good fortune is theirs by virtue of their own merit and skill. The Quran personified this latter attitude in its recounting of the story of Qārūn, a wealthy Israelite at the time of the Hebrews' settlement in Egypt, whom the Quran described as having so much wealth that it would have taken a mighty band of men just to carry the keys to his treasure houses. When the learned of the Hebrews chastised him for his haughtiness, godlessness, and failure to share his good fortune with others, he dismissed them by claiming his wealth was his by virtue of his own effort and merit. He received his just deserts, however, when God brought down his palace upon him in an earthquake, reinforcing the lesson that all we have in this life is due to God's arbitrary plan for us, rather than our own personal qualities. The failure to recognize this fundamental fact literally leads to our own destruction, thus making imperative the duty to share as a manifestation of gratitude.

The idea that an Islamic society must maintain a distinction between compelled redistribution—practiced through the obligatory duty of *zakat*—and the supererogatory duties of generosity places important limits on the power of the state in the thought of an Islamist like Sayyid Quṭb: it is crucial that an Islamic state produce subjectivities that are morally motivated to perform what are supererogatory duties, but not to compel them to do so, if it would undermine the possibility of creating the very ethical virtue of generosity and gratefulness that Islam seeks to cultivate in its followers.

Employment

Classical Islamic law recognized the validity of employment contracts, albeit with some conceptual difficulty. One formal problem of theorizing employment contracts is that classical Islamic contract law required the consideration to be present at the time of the contract in order for the contract to be binding. Because an employment contract was understood to be a sale of the laborer's labor power—itself a usufruct of the person of the laborer—this created a conceptual difficulty to the extent that the usufruct promised only came into existence during the future performance, and was not fully "present" at the time of the contract. The intangible nature of what the laborer sells, in turn, led jurists to stipulate additional prerequisites, relative to a contract for the sale of goods, to the validity of an employment contract. One way to understand their insistence on requiring strict conditions for the validity of an employment contract is their concern that the employment relationship is inherently exploitative and, therefore, degrading. Classical Muslim jurists were reluctant to recognize free contracting in the context of employment not because they held labor in contempt, but rather because they believed the employment contract violated the natural freedom of the laborer insofar as the employer "owned" the laborer's labor power and, accordingly, could compel him to work for the benefit of the employer. Thus, the usual remedy for an invalid employment contract was to give the worker a "fair wage" for work already performed, and transform the employment contract from a binding bilateral obligation to one that was terminable at will by the employee, thereby ensuring that the employee did not alienate, i.e., sell, his physical liberty by virtue of the employment relationship.

Classical Muslim jurists, as far as I know, neither required a minimum wage nor placed a maximum limit on wages, but rather enforced the terms of the parties' bargain, just as they did in the context of the sale of goods or other kinds of property. The most important limitation placed on wages was that a valid and binding bilateral employment contract could not come into existence unless the nature and quantity of the work was specified in reasonable detail, *and* the compensation for the contractual work was also defined, using a specific quantity of money or property that is not payable out of, and therefore contingent on, the worker's own output, e.g., paying a farmhand out of the sale of the oil that is pressed from the

olives that he is hired to harvest. By converting such an arrangement to a unilateral contract, which gives the worker the option but not the obligation to perform, the worker is in an effective position, at least formally, to maximize the returns to his labor while not alienating his labor to the employer. From the perspective of law and economics, the classical rule of Islamic law invalidating bilateral labor contracts whose wage was dependent on the success of the venture can be understood as a response to the relative inability of the laborer—compared to an owner—to diversify firm-specific risk and, accordingly, would serve to limit the use of binding bilateral-wage contracts to those employers who had sufficient liquidity to pay their workers a determinate cash wage.

However, to the extent it recognized slavery, classical Islamic law legitimated a category of uncompensated labor, at least in the sense that the slave performed work for his master. In the case of slavery, the slave had a right not to wages from his employer but to reasonable maintenance in accordance with the means of the master. In addition, Islamic law, at least theoretically, placed limits on the amount of labor a master could extract from his slave by prohibiting the master from imposing excessive burdens on the slave. According to some jurists, if a master abused his slave, for example, by inflicting excessive and disproportionate punishments, the slave would, by operation of law, be mandatorily manumitted from his master. Labor in the household was also exempt from the monetary economy and, accordingly, gave rise to no claim for wages. On the other hand, classical Muslim jurists were divided regarding the extent to which a wife, for example, was under a *legal* obligation to perform household tasks. One school of jurisprudence rooted such an obligation in social custom, but limited it to the extent that she would engage in household work for her own benefit, i.e., that she is obliged to sweep and clean if that is something customary for a woman of her station in life, but only to the extent that she would do so for herself, not to the standards of another, e.g., her husband. Any task that was customarily procured in the market, on the other hand, if the wife discharged it, in theory could serve as grounds for a claim to compensation, and the Mālikī school in particular recognized a doctrine of "toil and striving (*kadd wa siʿāya*)," pursuant to which a woman could claim property belonging to her deceased husband as a creditor, and not an heir, based on her contributions to the husband's business. Modern Moroccan family law

jurisprudence has relied on this notion to justify redistribution of family property legally owned by the husband to the wife.

Modern Muslim thought does not problematize the employment relationship in the same way that classical Islamic thought did, and instead of seeing it as an inherently exploitative or even degrading relationship (insofar as it compromises the laborer's autonomy), they come to see having access to a job as a right that must be guaranteed by the government. I have already mentioned that, in accordance with Ṣadr's labor theory of ownership, labor is entitled to appropriate the products of the workplace. So far from being concerned that compensating laborers out of the fruits of their labor exposes them unfairly to the firm's commercial risks, Ṣadr's theory of labor seeks to invert the traditional hierarchy of property rights, vesting ownership of the products in the laborers, and giving capital only a rent for the use of the machines and other factors of production they contribute. For modern Muslim thinkers, regardless of the nature of their economic theory, it is crucial that able-bodied persons have access to work appropriate to their circumstances and training, and that they receive wages for their work that allows them to live a dignified life. Within such a scheme, however, they reject the idea of a perfectly egalitarian system of compensation, generally agreeing that the more highly skilled the labor, the higher returns it is entitled to claim. They implicitly deny, therefore, that wages are set by the relative supply-demand curves for specific kinds of labor, and instead assume that wages should be set on what they must believe are the objective considerations of the employee's relative merit.

Taxation

Classical Islamic law took an extremely narrow view of taxation, with Muslim jurists generally concluding that the imposition of taxes, other than those imposed by revelation, was illegal. The judgment that taxation, as a general rule, was illegal derived from the Muslim jurists' conception of the sacrosanct nature of private rights—in particular, the right to property. Taxation, insofar as it threatened the very existence of a person's property, was viewed as contradicting the very essence of a property right, namely, the right of an owner to the exclusive benefit of his own property and his right to exclude others from it, save with his own freely granted

consent. Accordingly, only revealed laws could trump this foundational premise of Islamic property law. The two principal taxes that revelation explicitly endorsed are the aforementioned *zakat* and the land tax, *kharāj*. The obligation of *zakat* is mentioned repeatedly in the Quran, while the revelatory basis of the land tax is established through the normative practice of the Prophet Muḥammad.

The Quran not only repeatedly demanded that Muslims pay *zakat* as a manifestation of their obedience to God, it also described it as a right of the poor, and implied that the wealthy could be compelled to pay it. The Quran specified eight classes of persons eligible to receive the *zakat*: the needy, the weak, those who collect it, those whose hearts are to be reconciled to Islam, to purchase the freedom of slaves, debt relief, the path of God, and the stranger. It did not, however, specify the kinds of properties that were subject to the *zakat*, nor the minimum amount of property required before *zakat* became obligatory, nor the applicable rate at which it would be calculated. Muslim jurists developed detailed rules covering the types of property that were subject to *zakat*, the minimum amount of each that triggered liability, and the applicable rate based on the practice of the early community and interpretation of historical precedent.

While the *zakat* clearly is a redistributive tax, the public authorities had greater discretion in deciding how to allocate revenues obtained from the land tax. Even here, however, the Quran, when it discussed the status of land surrendered by the enemy, stated that it should only be used to achieve public goods or to benefit "the orphaned, the weak, and the stranger, so that it does not circulate exclusively in the hands of the wealthy among you." Public revenues, therefore, could either be spent to support public works, such as roads, hospitals, schools, defense, etc., or be given directly to the less fortunate of the community to relieve their burdens. This priority toward the needy is another reflection of the principle of Islamic jurisprudence mentioned above, "warding off harms is to be given priority to the attainment of unrealized goods." When applied to questions of public spending, classical Islamic conceptions of distributive justice meant giving priority to the needy over those less so.

At the same time, because of the normative aversion to non-scriptural taxes, prior to the nineteenth century, Muslim states often resorted to ad hoc measures to raise money that were not necessarily reflective of a well-thought-out theory of taxation. Indeed, in many cases, Muslim states

raised revenue through the imposition of user fees that could be justified on the grounds of payment for a service provided by the state to the public and hence would take the guise of a consensual transaction. It is likely, however, that such user fees were highly regressive and worked at cross-purposes with the redistributivist bent found in the *zakat* and in the principles governing public expenditures.

Modern Muslims have largely come to accept the legitimacy of the state's power to tax for the purpose of raising revenue to pursue the public good, and not just to further the ends of distributive justice, although it is not unusual to come across religious figures continuing to teach that all taxation, other than that expressly provided in revelation, amounts to an unjust taking of property, a position that no doubt has inhibited the efficiency of tax collection in many post-colonial Muslim states. The acceptance of the legitimacy of general powers of taxation, however, has had the unintended effect of stalling efforts at reinterpreting the doctrine of *zakat*, with the result that in the modern age, it has taken on more of a purely ritual function than an effective tool of redistribution. This is because the rules that were developed by Muslim jurists to operationalize the obligation of *zakat* were developed in agrarian societies in which animal husbandry and agriculture—rather than financial capital—were the chief sources of wealth. While there have been halting attempts by some contemporary Muslim jurists to rationalize the historical rules of *zakat* in light of the realities of modern economies and our increased understanding of finance, the fact that the obligation of *zakat* has become almost entirely privatized means that efforts at a broad reinterpretation of the principles of *zakat* have fallen largely on deaf ears, and as a result, from a modern perspective, it appears, at first glance at least, to be an irrational system of revenue generation.

Conclusion

Given the nature and space limitations of this essay, my analysis is necessarily high-level and a simplification of the kinds of answers Muslims have given and may yet give to the questions posed by this book. Nevertheless, there are important strands of thought that provide a certain coherence to the various views of Muslims as expressed over the centuries. The first is the commitment to the sanctity of private property and respect for consen-

sual trade as the primary means of distribution. At the same time, Islamic ethical teachings are intended to inculcate in Muslims a general disdain for the impulse to acquire, at least if that is a goal in itself. One can say then that economic growth, in Muslim economic thought, cannot be understood to be a goal in itself. It is a good if it leads to better outcomes for humanity, but whether growth in any particular society does, in fact, lead to better outcomes for humanity depends more on the political economy of the state in which the economic growth is taking place than on the mere fact of growth as such. If growth is taking place in such a way that it does not foster unbridled acquisitiveness, its benefits are shared with the most vulnerable in society, it preserves a reasonably equal opportunity for all to live a decent life, and it preserves earth's resources for future generations, then we can conclude that economic growth is good. But if growth comes at the expense of these larger ends, then it is either a matter of indifference or even evil if it actively works in opposition to the achievement of these goals.

At the same time, a good society is one that is not only concerned with distributive justice in the aggregate, but also in the individual case. Therefore, distributive justice cannot be achieved at the expense of individual rights, or at least the arbitrary violation of individual rights, including the right to own property and trade on one's God-given talents in an attempt to enhance one's own position in the world. It is here that the Quranic ethic of gratitude in Muslim thought is supposed to do its work: instead of taking success as a sign of divine entitlement, a Muslim is supposed to reflect on the fortuitous nature of worldly success and be spurred to acts of generosity that countermand the worst impulses of a market economy. Distributive justice, throughout Muslim thinking, therefore, cannot be thought of independently of the justice of the individuals who make up society. Religion is supposed to motivate us, as individuals, to live just lives as individuals and as a collective.

Notes

1. *Al-Mā'ida*, 5:38 (providing for the amputation of the hand of a thief).

2. See, for example, *al-Muzzammil*, 73:20 (describing believers journeying on long-distance trading ventures), and *al-Nisā*, 4:29 (prohibiting appropriation of other's property unless the exchange was based on mutual consent in the course of commerce).

3. The reader interested in various Quranic teachings that mention property (*māl*) might consult the following verses: *al-Baqara*, 2:177, 2:247, 2:264; *Āl 'Imrān*, 3:14; *al-An'ām*, 6:152; *Hūd*, 11:29; *al-Isrā'*, 17:34; *al-Kahf*, 18:34, 18:39, 18:46; *Maryam*, 19:77; *al-Mu'minūn*, 23:55; *al-Nūr*, 24:33; *al-Shu'arā'*, 26:88; *al-Naml*, 27:36; *al-Qalam*, 68:14; *al-Ḥāqqa*, 69:28; *Nūḥ*, 71:21; *al-Muddaththir*, 74:12; *al-Fajr*, 89:20; *al-Balad*, 90:6; *al-Layl*, 92:11, 92:18; *al-Humaza*, 104:2, 104:3; *al-Masad*, 111:2. The word *amwāl*, the plural of *māl* (property), appears in the Quran fifty-five more times. Numerous other verses condemn the human tendency to conflate worldly prosperity with spiritual success, see, e.g., *al-Kahf*, 18:32–40, while others condemn acquisitiveness, e.g., *al-Takāthur*, 102:1–8 and *al-Humaza*, 104:1–3. Others warn humans that their wealth will not save them from divine punishment if they otherwise deserve punishment, see, e.g., *Āl 'Imrān*, 3:10 and *Saba'*, 34:37. For two of the many Quran verses encouraging generosity, see, e.g., *al-Baqara*, 2:261 and 2:177.

4. These are the doctrines of *ribā* and *gharar*, respectively. *Ribā* is often translated as "interest," but the doctrine is, in fact, much broader than economic interest. *Gharar* is often translated as "speculation," but it also covers doctrines of indefiniteness and indeterminacy of the consideration as well. The best common-law analogue to *gharar* is the concept of aleatory contracts.

5. Muḥammad Bāqir al-Ṣadr, *The Islamic Economic Doctrine*, trans. by Kadom Jawad Shubber (London, Great Britain: MECI Ltd., 2010), 386.