

Discuss Islamic Financial system as Golden mean between communism and capitalism

1- Introduction

Islamic Financial System is one of the fundamental concepts in Islam.

It promotes Social Justice, ensures equal distribution of wealth, and well-being of the society. It provides comprehensive framework to individuals who do economic transaction, ensuring that their economic transaction aligns with the Divine will of Allah Almighty.

"One of the ethical Foundation of the economic life is that it does not overemphasize"

↳ Leonard Keynes

This statement resonates with guidelines that Islamic Financial System provide, ensuring moral integrity and well-being of the community. Simultaneously the core principle of

Communism and Capitalism is well-being of certain individual, neglecting everything else.

2- Understanding Capitalism and Communism

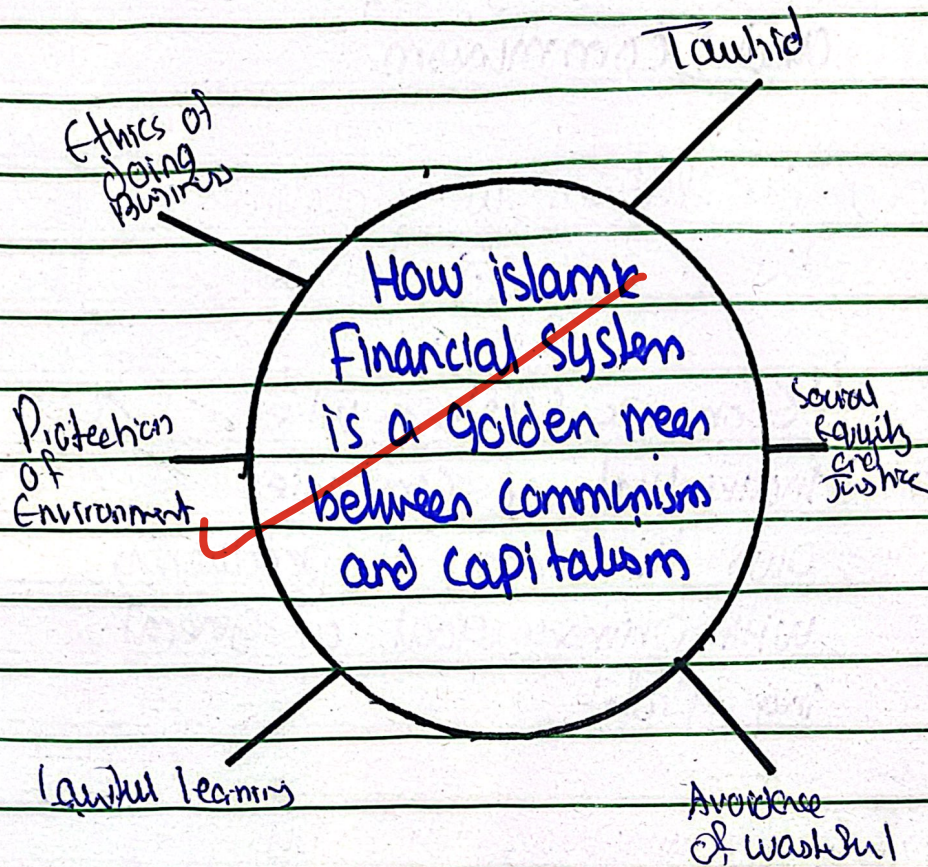
a) Capitalism was defined by Noam Chomsky as

"Economic system where individuals or companies own the means of production, with primary goal of generating profit"

b) Communism was defined by Karl Marx in his book "The Communist Manifesto" as;

"Economic system where the companies and business are owned by the government i.e. Public sector, with little or no say from the Private Sector"

3- How Islamic Financial System is a golden mean between Communism and Capitalism



do not use one word headings. they should be elaborate and self explanatory.....

3.1.1 Tawhid

- Islamic Financial System

In Islamic Financial System, Allah Muslims deal with everything knowing that everything belongs to Allah and they will be held accountable on the Day of Judgement for any transaction. As the

Quran Says

try to add the arabic of quranic ayats.....

"Allah Shall hold you accountable"

↳ Al-Quran

- Communism and Capitalism

In Communism and Capitalism, either the property is owned by Government or certain individuals, overlooking dignity and doing everything what they like.

3.2. Ethics of Doing business

- Islamic Financial System

- Islam has strict rules of doing business, that is no Fraud or mischief. Holy Prophet was an exemplary as when was a Merchant, he traded in utmost honesty, setting example. His honesty was well-known and he got the title "Al-Amin" that is trustworthy. Moreover, when Holy Prophet was migrating to Medina,

he left Hazrat Ali in charge of returning goods to the people, who trusted Prophet^ﷺ. The Holy Prophet^ﷺ himself said;

"The truthful Merchant will be Martyrs, Prophets and the righteous".

- Communism and Capitalism

The core principle in Communism and Capitalism is profit maximisation. Individuals will go to any extent to earn profit, even ~~whether~~ it is causing harm to bystanders, innocent civilians.

3.3. Protection of Environment

- Islamic Financial System

Islam has emphasised on all protection of all the things Allah has created ~~specifically~~ Nature ~~such as trees~~, and in Islamic ~~Financial~~ System, the Merchants are bound to ensure that their businesses do not

harm the creation. The Quran
Says;

"And Allah has created ~~tree~~
Green trees, fire for you to
ignite"

↳ Al-Quran

This verse asserts that Merchants have
to protect environment.

- Communism and Capitalism

Communism and Capitalism are
contrary to Islamic Financial System.

Communist and capitalists will go
to any extent to ~~ensure~~ profit,
even at ~~harming~~ trees or species.

It is evident because of communism
and capitalism, many species
have gone extinct because these
two ideologies hunted them for
Market res.

3.4. Social Equity and Justice

- Islamic Financial System

↳ Islamic Financial System emphasizes

On Social equality and has provided many methods that is Zakat. Zakat ensures that the wealth is equally distributed in a society. This was evident in case of Haraz Umar's Caliphate, where he established Bait-ul-Mal (Public treasury) and ensured that every department get access to money and insured eradication of Poverty.

"Each of you is Shepherd, and each one of you is responsible for his flock."

✓ K Hadith - Bukhari)

• Communism and Capitalism

Communism and Capitalism

Only provide for individuals' needs. If they do not care about others'. For instance, in Communism; two classes are created

a) ^{Owner} Bourgeoisie → The ~~working~~ class

b) Proletariat $\rightarrow$ The Slaves.

Moreover, it is safe to say that because of capitalism, many wars have waged e.g. Panama War.

3.5. Lawful Earning

- Islamic Financial System

This Earning has been distinguished into

- i) Halal $\rightarrow$ Earning that is Permissible
- ii) Haram $\rightarrow$ Earning that is prohibited
e.g. usury and Riba

Islamic emphasizes on Halal, ensuring that individuals earn from their own hard ~~worked~~ worked money.

The Holy Prophet ^ﷺ said

"Seeking lawful livelihood is the greatest duty of the Muslims after the duty of daily Prayer"

(Bukhari)

- Communism and Capitalism

Communism and Capitalism do not

~~Get~~ Care about means of earning,
they only care about money.
They considered Gambling, interests
as lawful.

3.6. Avoidance of wasteful

- Islamic Financial System

Islam abhors any waste
let it be food, money or
anything. Allah Almighty
asks His followers to be
moderate (instead).

"~~Indeed~~ "indeed, the wasteful
are the brothers of Devil"
(Al-Quran)

- Communism and Capitalism

- Communist and Capitalist are
used to wasteful, luxurious lifestyle,
throwing away food. Instead
of helping shape the society,
they are used to
wasting or let it be food
or clothes.

4- Conclusion

In essence, It is evident that Islamic Financial System is a holistic approach that is integrated into everything → From personal life to professional. This not only helps individuals grow closer to Allah but also bestow Allah's blessings upon them.

"Islamic Financial System is a system that emphasizes the moral dimension of economic activity, where wealth is seen a trust from God, and is used for welfare of all"

— Dr. Muhammad Nejatullah Siddiqi

improve the structure, references, paper presentation and the headings quality part...