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العرفان

An Islamic Response to Capitalism: A Study of Mawdūdī's Writings on Islamic Economics

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ABSTRACT

Sayyid Abul A'la Mawdūdī (1903-79) is recognized as one of the foremost scholars and religious revivalists of the twentieth century. Mawdūdī is widely famous for his views on Islamic economics as he is for his discourses on the Islamic state. He was not a professional economist but a reformer who proposed the foundations of an Islamic state economy in keeping with the central objective of Sharī'ah rather than systemizing a scientific discipline. He mostly wrote on economics as an Islamic response to capitalism and socialism. It may be said that in the Indian subcontinent, he played a leading role in developing the economic system of Islam as a distinct discipline. This paper aims to study the Islamic economy vis-à-vis capitalism, employing Mawdūdī's writings as primary sources. This paper is divided into three sections, the first section of which deals with Mawdūdī's conception of capitalism. The second section of the paper examines Mawdūdī's critique of capitalism in order to identify the flaws in the capitalist economy. The final section involves identifying the principles of Islamic economics proposed by Mawdūdī as an alternative to capitalism.

Keywords:

Islamic economy, capitalism, Islamic State, economics.

Introduction

Most of the cultural, political and economic problems of Muslims are due to the dominance of the Western system in the Muslim countries. Since gaining independence from colonial rule, Muslims have consistently felt the necessity to replace the capitalist economy imposed on the Islamic world with an economic system deeply rooted in Islamic principles and way of life. In a situation where Muslim countries are suffering from economic and political crises and capitalist and communist countries are rich and powerful, Mawdūdī's proposal of an untested Islamic economic system is very daring.(1) Mawdūdī is recognized as one of the foremost scholars and religious revivalists of the twentieth century. He is equally renowned for his views on Islamic economics as he is for his discussions on the concept of the Islamic state. He wrote mostly on Islamic economics, not with the intention of structuring a scientific discipline, but as a natural extension of his discussions about dīn and the Islamic state.(2) Mawdūdī is credited with being the founder of Islamic Economics and having developed the idea of an Islamic Economic System.(3) He played a very significant role in shaping the economic system of Islam as a separate Islamic discipline in the Indian subcontinent.(4) Islamic economics is inherently an integral part of the Islamic way of life. He highlighted the philosophy of Islamic economics(5) and derived its essential principles and contours directly from the *Quran* and *Sunnah*.(6) Mawdūdī developed an Islamic economic order by outlining the principles of capitalism, identifying its flaws and addressing them through Islamic

(1) See, M. Umer Chapra, 'Mawlana Mawdūdī's Contribution to Islamic Economics', *Muslim World*, 94.2 (2004), 163–80 <<https://doi.org/10.1111/j.1478-1913.2004.00046.x>>.

(2) Seyyed Vali Reza Nasr, *Mawdudi and the Making of Islamic Revivalism* (New York: Oxford University Press, 1996) p. 196.

(3) See, for example, Rodney Wilson quoted in Syed Abul 'Ala Mawdudi, *First Principles of Islamic Economics*, ed. by Khurshid Ahmad (United Kingdom: The Islamic Foundation, 2011). Timur Kuran in Timur Kuran, 'The Genesis of Islamic Economics: A Chapter in the Politics of Muslim Identity', *Social Research*, 64.2 (1997), 281–338. Seyyed Vali Reza Nasr, *Mawdudi and the Making of Islamic Revivalism* (New York: Oxford University Press, 1996). The issue is discussed by A.A. Islahi Abdul Azim Islahi, 'The Genesis of Islamic Economics: Revisited', *Islamic Economic Studies*, 23.2 (2015), 1–28 <<https://doi.org/10.12816/0015019>>. and Arshad Zaman, 'Maulana Mawdudi and the Genesis of Islamic Economics', *Turkish Journal of Islamic Economics*, 8.2 (2021), 597–622 <<https://doi.org/10.26414/a036>>.

(4) M. Umer Chapra, 'The Economic System of Islam', *Islamic Quarterly*, 14.1 (1970); Farooq Aziz and Muhammad Mahmud, 'Islamic Economics System in the Eyes of Maulana Mawdudi - An Analysis', *Indus Journal of Management & Social Sciences*, 3.2 (2009), 45–50.

(5) Syed Abul 'Ala Mawdudi, *Maashiyat-e-Islam* (Lahore: Islamic Publications, 1988), p. 14.

(6) Nasir Nabi, 'The Economic Thought of Sayyid Abul A'la Mawdudi', *Insight Islamicus*, 17.2011 (2017), 61–72.

reforms. He viewed Islam as a comprehensive way of life with a separate economic system of its own, positioned midway between capitalism and communism.(1)

For Mawdūdī, some people look at the economic problem from a purely economic perspective, while some exaggerate its importance to such an extent that economic problem becomes the sole problem of the whole human life. Some go so far as to build the entire system of human life and morality on economic foundations.(2) However, the actual reality is that it is only one aspect of human life which has a particular significance. Man needs food, clothing and shelter to sustain his life. In this way, economics plays a significant role in his life; however, as man is more than just an animal that eats, wears and builds a house to live, economics cannot serve as the foundation for his whole philosophy of life.(3) For Mawdūdī, with the development of society, it was natural that individuals in any society have different abilities, with the result that some may earn more than they need, while others earn less. Through inheritance, some have good resources to begin life, and some begin life with fewer resources and some with no resources at all. Due to natural causes, there are people in every population who are not able to participate in the work of livelihood and share in the exchange of means of life. In a society, some people receive services while others are service providers, thus creating different types of employment.(4) All these are natural consequences of human society and the emergence of these phenomena is not an evil to worry about their elimination. Any attempt to suppress the essential aspects that emerge from human nature and its evolutionary process is ignorance with a high probability of harm. The real economic problem is how to stop collective oppression and injustice while maintaining the progress of social life and how to overcome the barriers that cause many human beings to lose their potential simply because of a lack of resources.(5)

MAWDŪDĪ'S CONCEPTION OF CAPITALISM

The solution proposed by Capitalism

Capitalism proposed a solution to this economic problem. This system is grounded in a few fundamental principles. Capitalism, as an economic system, is based on several fundamental principles:

- The first principle of capitalism is the ownership rights. It includes personal items such as clothing and furniture, as well as resources used to produce various commodities for sale, such as machinery, land, etc. All systems

(1) Syed Abul 'Ala Mawdudi, *Sud (Interest)* (Lahore: Islamic Publications, 1984), p.29.

(2) Syed Abul 'Ala Mawdudi, *The Economic Problem of Man and Its Islamic Solution* (Lahore: Islamic Publications, 1992).

(3) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 7.

(4) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p.15.

(5) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p.16.

recognize individual property rights for personal goods, only capitalism recognizes this right for productive assets and resources.(1)

- Individuals have the right to freely use their resources individually or collectively in any field. They are responsible for both the benefits and losses that arise from this attempt. No limitations may be imposed on their benefits, and they will be responsible for bearing the risk of loss. They are completely free to increase or decrease production as much as they want. They are free to determine any value of their products. They can determine any value for their products and hire as many employees as they want. All matters to the extent of business between seller and buyer, owner and workers are freely settled and enforced by their mutual consent.(2)
- The third principle highlights personal profit as a driving force compelling individuals to work hard in order to produce the essentials of life. Reducing profit opportunities can lead to a decrease in human labour. Conversely, increasing profit possibilities tends to increase production and improve its quality.(3)
- Competition, the fourth principle, plays a pivotal role in capitalism by restricting individual selfishness. In an open market with multiple traders and buyers of the same product, the product itself sets a standard and prevents profits from falling above or below a certain limit. It automatically establishes equitable wage standards between labour and employer, provided competition is open and free.(4)
- The fifth principle focuses on differentiating the rights of employers from employees. The profit of a business rightfully belongs to the individual who shares in the loss and bears the risks associated with the business. While the labourers or employees, who contribute time and effort to the business and receive a fixed wage without involvement in profit or loss. Employers will want to minimize costs and maximize profits, so they will tend to keep wages low and the labourers would like their needs to be met as much as possible and their standard of living to be high, they will always want to increase their wages.(5)
- The maximization of profit, the sixth principle, relies on minimizing costs and maximizing production. Therefore, the self-interest of the employer motivates

(1) Syed Abul 'Ala Mawdudi, *Islam Aur Jadid Maashi Nazriyat* (Lahore: Islamic Publications, 1981), p. 21.

(2) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 22.

(3) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, pp. 22-23.

(4) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 23.

(5) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, pp. 23-25.

them to continually adopt improved and standardized scientific methods for production.(1)

- The seventh and final principle emphasizes the non-interventionist role of the state in economic activities. The role of the state is to maintain law and order. The role of the state is to maintain peace and order. Its responsibilities include protecting property rights, upholding contracts through legal enforcement, and protecting the nation and its businesses from external threats.(2)

Mawdūdī's Critique of Capitalism

None of these principles have been newly adopted by capitalism, but the human economy has been based on them since ancient times. The flaws of capitalism do not stem from its natural principles but instead result from the following reasons:

1. These fundamental principles were exaggerated. As these were natural principles, they had validity despite the exaggeration and hence they were universally accepted.
2. Capitalism was not only based on these principles but also included many false principles.
3. Certain principles were ignored which were as necessary for a natural system economy as the above principles.
4. Some of these capitalist principles were also disregarded due to self-interest.(3)

According to Mawdūdī, numerous flaws in capitalism arose due to these factors. For example, if an individual utilizes their capital in a way that adversely affects a large number of people or seeks to increase their profits in a manner that harms the health, morals, or welfare of society, it is inappropriate to allow unrestricted freedom. In such cases, the law must impose limits to ensure that the exercise of individual rights does not undermine the collective good.(4) These flaws caused by the over-exaggeration of capitalist principles became more evident after the Industrial Revolution. The replacement of humans with machines led to the employment of a few individuals, leaving thousands of others unemployed.(5) Therefore, with the advent of mechanized production, a permanent issue of unemployment emerged in human society. For Mawdūdī, establishing a large-scale industry on the basis of exaggerated principles of capitalism cannot be justified without taking into account the unemployment of thousands of individuals.(6) The hoarding of commodities with the intention of reducing market supply and increasing demand to maximize profits by artificially inflating

(1) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, pp. 25-26.

(2) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, pp. 26-27.

(3) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 27-28.

(4) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, pp. 29-30.

(5) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 30.

(6) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 31.

commodity prices is also a consequence of these factors.(1) By citing these examples, Mawdūdī claimed that if individuals are allowed to act unrestrictedly to pursue their self-interests, it threatens the collective interest.(2) Moreover, within the capitalist system, lending at interest is considered entirely reasonable and deemed the only appropriate foundation for the financial system. (3) The society that arose from capitalism lacked sympathy, cooperation, mercy, and compassion. Instead, it was a selfish society.(4)

Mawdūdī claims that capitalism is based on selfishness which suppresses all those human qualities that are necessary for societal well-being (5) and is the starting point of economic system failure. Then, supported by a corrupt political structure, this attitude intensifies, eventually corrupting the entire economic structure and gradually spreading its toxic effects to other areas of life. This selfishness either causes the increase of innumerable desires over the real needs of man or leads to the maximization of economic resources. (6) In capitalism, each person is the sole owner of the wealth he earns. No one has any right to his earnings. Within such a system, the sense of compassion and mutual support dissipates in society, compelling each individual to rely solely on their personal resources. Cooperation becomes scarce, as members of society find themselves engaged in a perpetual hostile struggle for survival against one another. If examined solely from an economic perspective, disregarding moral considerations, the inevitable outcome of this theory is the disruption of the distribution balance of wealth. Economic resources progressively concentrate among the elite, leading to the division of society into two classes.(7) The first class has resources more than it needs and utilizes these resources to acquire more resources. The second class has resources less than its needs or has no. The interests of these two classes are not only opposed to each other but inevitably clash between them and thus the economic system turns into an antagonistic competition.(8) Then, as this adversarial competition increases, the number of the rich class increases and the number of the poor class decreases. Because the enmity is such that the more rich one takes the resources of the less rich people on the strength of his wealth. This conflict starts at a limited level, then continuously spreads to the entire country, and then enters the international arena.(9) In this global rivalry, a small group of rich people dominates the economic means and resources of the whole world in such a way that it is now almost

(1) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 35.

(2) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 37.

(3) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, pp. 37-38.

(4) Mawdudi, *Islam Aur Jadid Maashi Nazriyat*, p. 40.

(5) Mawdudi, *Sud (Interest)*, p. 22.

(6) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 17.

(7) Mawdudi, *Sud (Interest)*, pp. 22-23.

(8) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 21.

(9) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 22.

impossible for man to work freely according to his ability and get his share of the means of life.(1)

Human beings do not have sufficient time in economic struggles to dedicate themselves to moral, intellectual, and spiritual progress or to pursue purposes beyond livelihood. (2) People are encouraged to save a portion of their income by depositing it in a bank, purchasing insurance policies, or investing in company shares. Unfortunately, these elements, which have contributed to the erosion of humanity, have now become societal norms. In terms of political power, rather than serving to rescue individuals from such oppression, it has transformed into a tool of further oppression.(3)

ISLAMIC ALTERNATIVE TO CAPITALISM

Principles of Islamic Economy

Islam possesses an economic system; however, it does not entail a prescribed economic framework for all ages, encompassing all details of economic life. Instead, Islam has outlined the boundaries, within which an Islamic economic system can be formulated for any given situation, need, and time. (4) Before mentioning the principles Mawdūdī described the objectives of Islamic economics:

1. In matters of the economy, the foremost consideration in Islam is to uphold human freedom, restricting it only to the extent necessary for the well-being of humanity.

Islam gives great importance to human freedom. The reason for this is that in Islam, each and every person is accountable to Allah in his individual capacity. For this accountability, it is necessary that the human being is given maximum opportunity to evolve his personality according to his inclinations, according to his abilities and according to his choices. Therefore, Islam prioritizes individual freedom not only in economic matters but also in the realms of morality and politics.(5)

2. Islam gives primary importance to the moral development of man. Rather than relying solely on legal frameworks to establish economic justice, Islam emphasizes the internal transformation of individuals through education and moral training. His way of thinking should be changed and a strong moral sense should be developed in him, through which he would stick to righteousness on its own. When moral measures become ineffective, the Muslim society should

(1) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 25.

(2) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 26.

(3) Mawdudi, *The Economic Problem of Man and Its Islamic Solution*, p. 27.

(4) Syed Abul 'Ala Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid* (Lahore: Islamic Publications, 1979), p. 4.

(5) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, p. 6.

have enough spirit to keep people bound by their societal pressure. If none of the above-mentioned measures proves effective, Islam resorts to enforcing the law to establish justice.(1)

3. Islam advocates human unity and brotherhood while opposing division and conflict; hence, it does not stratify human society into classes. Even within the naturally existing classes, Islam advocates sympathy and cooperation instead of encouraging class struggle. In human society, two types of classes exist, one of which is formed artificially by an oppressive system like capitalism or a feudal system. Islam neither creates such classes nor intends to sustain them; instead, it eliminates them through its reformative and legal measures. Other classes are those that arise naturally from variations in human abilities, differences in human conditions and continual changes. Islam neither eradicates these classes nor transforms them into permanent classes. Rather than prompting conflict between them, Islam fosters fair cooperation, encouraging mutual sympathy and support among individuals.(2)

Taking these objectives into account, Mawdūdī formulated some principles for the economic system of Islam. Islam affirms private ownership within certain limits, without distinguishing whether it is ownership of means of production or ownership of consumer goods, or whether it is hard-earned wealth or unearned wealth. Rather, Islam distinguishes whether wealth has come from legitimate or illegitimate sources and whether it is being used legitimately or illegitimately.(3) Similarly, an equal distribution of resources is not practically possible and will produce false results whenever it is attempted. Islam wants equitable distribution of wealth instead of equal distribution and for this purpose, it lays down some principles: (4)

1. On the one hand, Islam gives the individual the right to earn wealth freely and to own what he earns. On the other hand, Islam has set harām and halāl guidelines regarding the means of making wealth. One is not considered the rightful owner of wealth acquired through harām means. Depending on the nature of his crime, he will also be punished with imprisonment, fine or confiscation of property, and measures will be taken to stop him from committing the crime.(5)
2. Subsequently, certain limitations are imposed on the use of wealth. One form of consumption is that a person spends on himself -Islam imposes certain restrictions on its personal use to ensure that such usage of wealth does not

(1) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, p.7.

(2) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, p. 8.

(3) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, pp. 9-11.

(4) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, p. 11.

(5) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, p. 12.

morally harm society.(1) The second case involves saving a part of wealth. Islam does not encourage hoarding; instead, it advocates the continuous circulation of wealth through legitimate means. Islam imposes zakāt on the stagnant wealth, necessitating its utilization for the benefit of the deprived classes and community services. In addition to zakāt, Islam has instituted the right of the entire society and the state over the wealth of Muslims, commanding them to spend for the sake of Allah. Islam has also proposed the laws of inheritance to ensure that the wealth a person leaves upon death is distributed as widely as possible.

Difference between Islam and Capitalism

Islam provides both the moral principles and legal foundations necessary for forming an Islamic economic system positioned midway between socialism and capitalism.(2) The purpose of this is that there cannot be an unusual accumulation of wealth in any place, the wealth and its resources should always circulate and the circulation should be such that every member of the community gets its proportionate share. For this purpose it has organized the economy in a different way which is different in its spirit, its principles and its methods from both capitalism and communism.(3)

- Distinction between lawful and forbidden means: Islam does not give individuals unrestricted freedom to accumulate wealth; instead, it establishes a distinction between lawful and forbidden means of livelihood based on collective interests. The criterion for this distinction is rooted in the principle that any means of earning wealth is deemed illegitimate if it relies on the loss of another person or persons. Conversely, methods are considered permissible when wealth is exchanged fairly among the concerned persons. (4)
- The accumulation of Wealth: Wealth produced through legitimate means must not be allowed to accumulate, as it disrupts the flow of wealth and leads to an imbalanced distribution of resources. Someone who tends to accumulate wealth not only causes harm to himself but also commits significant wrongdoing against the whole community, leading to ultimately adverse consequences for himself. The foundational principle of capitalism lies in accumulating wealth and investing it to generate further wealth. (5)
- Money is to Spend: Instead of accumulating, Islam encourages spending, but its purpose is not to spend wealth in luxury. It enjoins us to spend in the way of

(1) Mawdudi, *Islami Nazm-e-Maeishat k Usool Aur Maqasid*, p. 7.

(2) Mawdudi, *First Principles of Islamic Economics*, p 103.

(3) Mawdudi, *Sud (Interest)*, p. 29.

(4) Mawdudi, *First Principles of Islamic Economics*, p. 103.

(5) Mawdudi, *First Principles of Islamic Economics*, p. 106.

Allah, whatever is left over from necessities for the well-being of society. The capitalist belief is that spending leads to financial decline while amassing wealth leads to richness. Islam takes a fundamentally different stance from capitalism. It contends that spending increases wealth. The capitalist believes that wealth increases by accumulating wealth and engaging in interest-based transactions. Islam contended that interest reduces wealth. The way to increase wealth is to spend it in the way of Allah. Similarly, the capitalist's view is that whatever he spends is consumed, contrary to what Islam tells us, the better benefits are ultimately returned to us. (1) Furthermore, Mawdūdī claimed that in the capitalist framework, the "cooperative movement" requires individuals to make a financial contribution to a "cooperative society" for membership. Upon joining, members become eligible to get loans from the cooperative, often at reduced interest rates. However, if an individual lacks financial resources, cooperation from the cooperative is limited. In contrast, Islam's approach to cooperation is different. It encourages financially stable people to step forward and provide loans to those in need under favourable terms, instead of seeking "special" interest rates on the principal amount. Moreover, they are enjoined to assist the debtor in repaying the loan. This act is not merely a benevolence but is motivated by the desire to seek Allah's pleasure.(2) The capitalist allocates funds to charitable causes primarily to enhance his public reputation, as the most he can anticipate from his charity is the promotion of his name and public acknowledgement. In contrast, Islam prohibits the pursuit of glory and an exhibitionist approach to charitable endeavours.(3)

- Zakāh: In Islam, financially capable individuals must donate a specified amount, known as Zakāh, for the betterment of society. Zakāh holds a crucial role in the Islamic economic system, identified as one of the five pillars of Islam. One can spend their lawfully earned wealth only after fulfilling the obligation of paying the prescribed Zakāh on their earnings.(4) Here again, Islam and capitalism fundamentally differ in their principles and approaches. Capitalism emphasizes saving, investing, and charging interest to multiply savings for the benefit of the capitalist. In contrast, Islam advocates for the unrestricted flow of capital. If any capital becomes stagnant, Islam suggests releasing it through Zakāh channels, allowing it to reach every part of society.(5)

(1) Mawdudi, *First Principles of Islamic Economics*, pp. 106-107.

(2) Mawdudi, *First Principles of Islamic Economics*, p. 110.

(3) Mawdudi, *First Principles of Islamic Economics*, p. 111.

(4) Mawdudi, *First Principles of Islamic Economics*.

(5) Mawdudi, *First Principles of Islamic Economics*, p. 112.

- Law of Inheritance: The philosophy guiding the Islamic Law of Inheritance aims to avoid the monopoly of property and wealth within a few descendants. It advocates for a systematic distribution among heirs, whether distant or close, irrespective of the estate size. In cases without legal heirs or relatives, the responsibility rests with the Bayt-ul-māl (public treasury) of the Islamic state to manage the property of the deceased for the public benefit.(1)
- Injunctions about the economy and balance: Islamic teachings advise all Muslims to exercise prudence and balance in their spending, aiming to avoid any individual upsetting the economic balance through imprudent use of their income. This principle obliges every member of the Muslim community to maintain a lifestyle in accordance with their financial capacity. It prohibits individuals from surpassing their income with their expenditures.(2) Islam not only offers moral guidance but also regulates extreme behaviours of stinginess and extravagance. It aims to maintain a balanced distribution of wealth by prohibiting activities like gambling, intoxicants, adultery, and the sex trade. Islam declares unlawful any pastimes that lead to the wasteful use of time, money, and valuable resources.(3)

Conclusion

He was not a professional economist but a reformer who proposed the foundations of an Islamic state economy in keeping with the central objective of *Sharī'ah* rather than systemizing a scientific discipline. He mostly wrote on Islamic economics in the context of his discussion about *dīn* and the Islamic state. For him, the principles adopted by capitalism are not new, but the human economy has been based on them since ancient times. The flaws of capitalism do not stem from these principles but instead result from their exaggeration. These principles had validity despite the exaggeration and hence they were universally accepted. In contrast to capitalism, Islam also possesses an economic system; however, it does not entail a prescribed economic framework for all ages, encompassing all details of economic life. Instead, Islam has outlined the boundaries, within which an Islamic economic system can be formulated for any given situation, need, and time. Islam provides both the moral principles and legal foundations necessary for forming an Islamic economic system positioned midway between socialism and capitalism.



(1) Mawdudi, *First Principles of Islamic Economics*, p. 114.

(2) Mawdudi, *First Principles of Islamic Economics*, p. 116.

(3) Mawdudi, *First Principles of Islamic Economics*, p. 117.