

Mawlana Mawdudi's Contribution to Islamic Economics

**By
M. Umer Chapra***

*Dr Chapra is Research Adviser at the Islamic Research and Training Institute (IRTI) of the Islamic Development Bank (IDB). The views expressed in this paper do not necessarily reflect the views of IRTI/IDB. He is grateful to Munawar Iqbal, Ausaf Ahmad, Fahim Khan, Nejatullah Siddiqi and Ibrahim Abu Rabi' for their valuable comments on an earlier draft in the light of which the paper was finalized. He is also grateful to Khurshid Ahmad and Jalil Asghar for providing him some of Mawdudi's works which he did not have, and to Shaikh Muhammad Rashid for his efficient secretarial assistance

TABLE OF CONTENTS

	Page
THE VISION, THE WORLDVIEW AND THE STRATEGY	1
WHY THE ISLAMIC ECONOMIC SYSTEM?	2
THE REALITY	3
MAWDUDI'S MISSION	4
REALIZING THE VISION: COMPREHENSIVE REFORM	5
Reform of the Individual	5
Socio-Economic and Political Reform	5
The Role of the Family	6
Political Reform	7
Economic Reform	8
Redistribution, Abolition of Interest and Economic Development	10
Taxation, Insurance, External Borrowing, Family Planning	12
HIS OVERALL CONTRIBUTION TO ISLAMIC ECONOMICS	13
WHY THE LACK OF SIGNIFICANT HEADWAY?	14
A PEEP INTO THE FUTURE	17

Mawlana Sayyid Abul A'la Mawdudi was a reformer and not a professional economist. He should not, therefore, be expected to be focused on the theoretical discussions in Economics. His main concern was the well-being of mankind in keeping with the central objective of the *Shari'ah*. Accordingly, he tried to analyze the problems of mankind and to offer solutions in the light of Islamic teachings. His immediate concern, however, was the Muslim *ummah* which had become engulfed in a number of difficult problems as a result of several centuries of degeneration followed by exploitative foreign occupation.¹

These problems encompassed all walks of life and included moral laxity, political illegitimacy, stagnation of *fiqh*, poverty, illiteracy and lack of education, overall economic decline, inequalities of income and wealth, social tensions, and anomie. Since all these problems were in utter conflict with the ethos of Islam, they were extremely disturbing for someone like him who was concerned with the well-being of his society. Nevertheless, little could be done during the period of foreign occupation. The independence of most Muslim countries in the middle of the 20th century offered the long-awaited opportunity to mend the affairs.

THE VISION, THE WORLDVIEW AND THE STRATEGY

The most crucial task that needed to be performed was to find a proper strategy that would help solve the problems of these countries. The strategy cannot, however, be laid down without first specifying the society's vision, which indicates its dream of what it would like to be in the future and the goals that it aspires to achieve. It is the vision which enables a society to channel its resources and energies in the desired direction and thereby prevents their ineffective and wasteful use. The vision may be difficult to realize. It, nevertheless, serves to inspire the society to persist in the struggle for its realization and keeps the faith in the future perennially kindled. The vision is, however, itself a reflection of the society's worldview, which answers questions about how the universe came into existence, the meaning and purpose of human life, the ultimate ownership and objective of the limited resources at the disposal of human beings, and the relationship of human beings to each other (including their rights and responsibilities) and to their environment.

The worldview, the vision and the strategy are all, therefore, closely interlinked and together determine the economic system of a society. The vision may

be realized only if the strategy is in harmony with the vision. This indicates that if the function of Economics is to help a society realize its vision,² then there is no escape from discussing also the worldview of which this vision is the outcome, and then indicating the kind of strategy that is needed to make the vision a reality. One of Mawdudi's major contributions was to discuss, in his usually clear and forceful style, the worldview, the vision and the strategy of Islam and also to show how these differed from those of the prevailing economic systems.

WHY THE ISLAMIC ECONOMIC SYSTEM?

Two economic systems with similar worldviews but different visions and strategies were dominant at the time when Muslims were struggling for independence from foreign domination. These were Capitalism and Communism. Since the countries following these systems were materially more prosperous than Muslim countries in general, the crucial question which the newly-independent Muslim countries, including Pakistan, were faced with was whether they should adopt the worldview, vision and strategy of either one of these two systems or opt for a different system that would be more conducive to the realization of the Islamic vision.³

The point that gave prominence to the above question was the absence of a moral foundation in the strategies of both Capitalist and the Communist systems. This does not mean that people in these societies were devoid of moral values or that justice was not one of their goals. All it means is that the system's paradigm did not assign a crucial role to moral values in the allocation and distribution of resources and the actualization of socio-economic goals. The primary emphasis in Capitalism was on the market, while that in Communism was on central planning. The goals were to be realized in the former through the interaction of market forces in a competitive environment, and in the latter, through central planning in a totalitarian system where means of production were collectivized. Moral values had little direct role to play.⁴

This disregard of the role of moral values in the efficient and equitable allocation and distribution of scarce resources may be the reason why a preponderant attention was given to just the operation of the market or central planning and very little emphasis was placed on the reform of the individual who operated in the market as consumer, producer, manager or worker, or performed different roles in the collectivized system. His tastes, preferences and behaviour were taken as given in Capitalism. Suggesting any changes in these to enhance social well-being would

involve value judgements which were not allowed because this would infringe upon individual freedom. Market forces would by themselves lead to the serving of social interest. Similarly in Communism, the human being was considered to be just a pawn on the chessboard of history and, therefore, his reform was of hardly any significance in resolving the power struggle between different economic classes. The only way to serve social interest was to abolish private ownership of all means of production which was arbitrarily assumed to be the primary source of all exploitation. The family which was the source of the most important input of the market as well as the state, received little attention in both the systems.

The vision that Islam projects is, in sharp contrast, that of a society where the imperative is to ensure spiritual as well as material well-being of all; where the individual is free to earn his livelihood provided that he does this within the constraints of values and goals laid down by Islam;⁵ where all members of society are tied to each other through strong bonds of human brotherhood; where justice prevails, the basic needs of all individuals are fulfilled, and an equitable distribution of wealth has been attained; where the family continues to be strong and the children receive the love, affection and care of both parents; and where crime, tensions and anomie are minimized and social harmony prevails.⁶ The vision has, thus, moral as well material dimensions which are interdependent. Emphasis needs to be placed on both if justice, brotherhood and the well-being of all, which occupy a predominant place in this vision, are to be realized.⁷ The strategy lies in reforming the individual and all those institutions that affect his or her behaviour. The strategy cannot and does not thus rely predominantly on any one mechanism, like the market or the state to realize the vision. It rather relies on a number of spiritual as well as material mechanisms.⁸

THE REALITY

In an environment where the Muslim countries were weak and poor and the capitalist and communist countries were far stronger and richer, it would be extremely daring for anyone to talk of a different system which had not been tested in modern times. Not only this, there was inadequate understanding of the worldview, vision and strategy of the Islamic economic system even among Muslims, in spite of their emotional attachment to Islam and their intense desire for its revival.⁹ Moreover, it was also necessary to counter, in a rational and convincing manner, the opposition to the Islamic system from those, both inside and outside, who had a vested interest in

the continuation of the prevailing unjust system. The task was rather difficult¹⁰ and the crucial question was about who was going to bell the cat?

MAWDUDI'S MISSION

Mawdudi was one of those daring souls who took up the challenge. A favourable intellectual climate had already been created to some extent by the writings of a number of scholars, the inspiring poetry of Iqbal in the Indo-Pakistan sub-continent, and the movements for the revival of Islam in other Muslim countries. Even the struggle for the creation of Pakistan, along with the speeches of Mr. Muhammad Ali Jinnah during the independence struggle, had prepared a helpful basis for the revival of Islam and raised a hope that Pakistan would try to realize the Islamic vision. It was this vision, as distinct from the secularist and socialist worldview of the Indian National Congress leadership, which provided the rationale for Pakistan. Without projecting this vision, the call for the creation of Pakistan would have had no meaning and, might have, hence, received little popular support.

Mawdudi started earnestly the mission of anchoring Islam in all aspects of the Muslim society of undivided India. He wrote and lectured extensively on the Islamic vision,¹¹ different aspects of the Islamic way of life, and the strategy required for making the Islamic vision a reality.¹² The economic system of Islam was naturally an inseparable adjunct of the Islamic way of life. He indicated the essential principles of the Islamic paradigm and also defined the contours of the Islamic economic system as early as 1941, long before the creation of Pakistan, in a lecture he delivered at the Aligarh Muslim University.¹³

In this and other lectures and writings, Mawdudi argued that, since the worldview and vision of Islam had a moral foundation with an overwhelming emphasis on brotherhood and justice and reform of the individual, they were entirely different from those of both Capitalism and Communism. He, therefore, concluded that the strategy of neither of these two systems could help Muslims actualize the Islamic vision. Accordingly, he stood for the revival of Islam in a way that would ensure material prosperity along with spiritual uplift. The egalitarian tilt of Islamic values made him lay considerable emphasis on need fulfillment, redistribution, and availability of equal opportunities to all individuals to help them develop their personalities in accordance with the full-potential of their aptitudes and innate abilities.¹⁴ He considered the optimum use of all human and material resources

necessary for realizing the Islamic vision. Such an optimum use would not be realized unless justice was ensured through satisfaction of the basic needs of the poor and the needy,¹⁵ and education was imparted to them to enable them to stand on their own feet.¹⁶ To make resources available for this purpose, it is necessary to adopt a simple life-style, which may not be possible without kindling a moral flame in the human being.¹⁷ Protecting the rights of property acquired rightfully is also indispensable.¹⁸

REALIZING THE VISION: COMPREHENSIVE REFORM

Reform of the Individual

Mawdudi realized fully well from the very outset that opting for the Islamic economic system would require a profound change in the individual himself.¹⁹ Accordingly, he emphasized that “maximum attention should be given to the reform of the individual’s attitude and character so that the root cause of evils in the human personality is uprooted.”²⁰ This was, however, not something new or unexpected. All the Prophets of God had given maximum priority to the reform of the individual who was the end as well as the means of all reform and development. Moral reform of the individual was, thus, the most crucial task that lay ahead.

He classified moral values into two categories. One of these was referred to by him as basic human values and the other as Islamic values. He considered both of these to be indispensable for human development and well-being.²¹ In the former category he included a number of character traits, some of which are: strong will- and decision-making power, courage, diligence, self-control, discipline, truthfulness and integrity.²² The general presence of these qualities in the individuals in Western societies was one of the causes of their rise. Some of the traits which he included in the second category are: kindness, mercy, scrupulous fairness, and purification of the self from greed, self-centredness, egotism, tyranny, wantonness and indiscipline so that the individual becomes, in the words of the Prophet, peace and blessings of God be on him, “the key to good and the barrier against evil.”²³ He acknowledged frankly that both these sets of qualities were missing from a substantial proportion of the Muslim population and that this was the “crucial reason” for their decline.²⁴

Socio-Economic and Political Reform

However, he realized at the same time in several of his other writings that there were so many different social, economic, political and historical forces

influencing individual behaviour that placing reliance on merely sermons to create these qualities would not be helpful. Muslims had been listening to sermons for centuries without any transformation in their personalities. There was, therefore, need for comprehensive socio-economic and political reform.²⁵ Thus, in step with the spirit of Islam and the writings of other great Muslim thinkers of the past, like Abu Yusuf (d.182H/798G),²⁶ al-Mawardi (d. 450/1058), Ibn Taymiyyah (d.728/1328), Ibn Khaldun (d.808/1406) and Shah Waliyullah (d.1176/1762), he did not concentrate merely on economic variables in his economic writings. Unlike Conventional Economics, he considered all aspects of an individual's life as well as his society to be interrelated, and concentrating only on economic variables to solve even economic problems would not take the Muslim society very far in its goal of realizing the Islamic vision. In his 1941 Aligarh University address referred to above, he emphasized this clearly by saying, "the primary reason for the difficulty to understand and solve the economic problem of man is that some people look at it purely from an economic point of view."²⁷ Khurshid Ahmad has rightly reflected this idea of Mawdudi in his "Introduction" to Mawdudi's *Islamic Law and Constitution* by saying: "Life is a unity. It cannot be divided into watertight compartments."²⁸

The crucial problem, however, was how to bring about such a comprehensive reform. The task was bound to be extremely difficult in an environment where the governments were insensitive to the need for such reform and were doing little to restructure the educational system for this purpose, and where most of the '*ulama*' were engrossed in bickering over trivial issues which had little bearing on the revival of Islam and the uplift of Muslims.²⁹ In such an environment the odds were too great against an individual scholar, no matter how hard he tried. This did not, however, shake Mawdudi's determination or his faith in the future. He established a well-disciplined organization, the Jama'at-e-Islami, with sincere, hardworking, and motivated members to help him in the task.

The Role of the Family

Since, the human-being is the most important input for any economy, and the family is the primary source of this input, he attached a great deal of importance to the role of the family in the realization of human well-being. This role of the family has, however, not received worthwhile attention in both Conventional and Socialist Economics. The state, the society and the economy as well as the individual would all

suffer if the family disintegrates. It is the family which creates the right environment for the proper moral upbringing and character uplift of the new generation. It is also the family which provides love and affection to the individual and thereby creates a proper climate for the promotion of not only peace of mind and emotional stability in the individual but also cooperation and harmony in the society. Disintegration of the family promotes bitterness and ill-will and creates an environment in which the new generation does not get the kind of attention that it needs. The quality of the individual deteriorates and with him the quality of all aspects of his society, including the economic.³⁰ It becomes difficult to sustain the economic as well as spiritual well-being of the society in the long-term.

Mawdudi enumerated a number of measures that were necessary for ensuring the stability and integrity of the family.³¹ While most of what he wrote in this connection is valuable, it would be difficult to agree with his emphasis on the necessity of the veil and the confining of women's role to the fulfillment of primarily household responsibilities. This would not only limit her contribution to the development of society but also make her dependent on her husband for the fulfillment of practically all her needs, and thereby prevent her from asserting herself and obtaining the rights that Islam has given her. It is highly unrealistic to aspire for human well-being, but simultaneously confine half of the population to a limited role in life. A number of eminent Muslim scholars do not consider the veil or female segregation to be a part of the Islamic values prescribed for preserving the solidarity of the family.³²

Political Reform

In step with what Ibn Khaldun wrote 600 years ago,³³ Mawdudi also realized that directly or indirectly, the political authority exercised a tremendous influence on the individual and that one of the major causes of Muslim decline was political illegitimacy.³⁴ It vitiated all those factors which promote development. It led to wars of succession, authoritarianism, and end of the institution of *Shura*. It impaired the independence of the judiciary and curbed freedom of expression. It promoted luxury of the royal court, corruption, misuse of power and resources, inequalities of income and wealth, and social unrest.³⁵ So, political reform was, according to Mawdudi, as indispensable as individual and social reform for even economic development.³⁶

This led Mawdudi to the question of how to reform the political system? Unlike the leftists in Pakistan and elsewhere, he did not stand for the overthrow of the government. The use of force and violence has only led to destruction and misery and he, therefore, believed in gradual change through the democratic process.³⁷ It was necessary to win over the hearts of people in the same way as the Prophet, peace and blessings of God be on him, did.³⁸ Mawdudi “threw his weight in favour of the establishment and maintenance of a truly democratic order in Pakistan.”³⁹ For this purpose, he laid maximum emphasis on “education,” “resort to public pressure to prevent people from being subject to injustice”, “change of leadership in the broader sense of the term”, and “ultimately also political leadership.”⁴⁰ He thus made individual, social and political reform an important adjunct of economic reform.⁴¹

Economic Reform

Economic reform was also to be attained, like political reform, in a gradual democratic framework. He argued for a careful examination of the existing system “with a view to finding out what is malignant and hence deserves to be changed, and what is healthy and as such deserves to be preserved.”⁴²

Mawdudi did not, unlike Communism, blame private ownership of property for all the ills of human society. He argued that Islam allows private ownership of property and means of production⁴³ and makes it an obligation of the Muslim society to protect the life, honour and property of all individuals.⁴⁴ Nationalization of all means of production was, thus, in conflict with the basic principles of Islam.⁴⁵ “The control of businesses, factories and farms by the same people who control the army, the police, the courts and the parliaments would give rise to a viciously repressive system the like of which the devil has not been able to conceive so far.”⁴⁶ Means of production must in principle remain in private hands.⁴⁷ There is no justification for concentrating all decision-making in a few hands and then allowing the imposition of these decisions on the populace by all means, fair or foul.⁴⁸ Economic freedom to enable a person to earn his livelihood freely in keeping with the dictates of his conscience was as indispensable as political and social freedom.⁴⁹ He was, however, not against state ownership of some enterprises which cannot be managed effectively by the private sector or which it is not in the larger public interest to allow the private sector to manage.⁵⁰

This raised the question of whether it was possible for the private sector to manage property in a way that would help realize general well-being. The answer of Communism was no, but that of both capitalism and Islam is yes. However, while capitalism generally believes that competition is by itself sufficient to rein self-interest and serve social interest, Mawdudi asserted that competition, though necessary, was not sufficient for this purpose. He took pains to emphasize that even the competition that fitted well into the ethos of Islam was one that was fair and humane, based on the spirit of brotherhood and cooperation rather than on the concept of survival of the fittest.⁵¹ A number of measures were needed to make competition fair and humane for the purpose of safeguarding social interest. Two of these were: the injection of a moral dimension into the economy, and the playing of a positive role by the government in the economy. Problems created by private ownership of property need to be resolved, not by wholesale nationalization and regimentation, but rather by moral and institutional reform and a positive government role.

The injection of a moral dimension into the economic system would help create a sense of responsibility in the individual and make him realize that he is accountable before the Almighty. This implies that, while individuals are allowed to own and manage private property, they are not its real owners. They are rather only trustees.⁵² They must acquire and use the property in accordance with the terms of the trust, which are defined by moral values.⁵³ They must submit themselves to these values, which are meant to safeguard the rights of all members of society.⁵⁴ The instilling of the concept of accountability before the Almighty in the sub-conscious of all agents operating in the market can help moderate their pursuit of self-interest, induce them to fulfill their social obligations, and, thereby, help in establishing a just equilibrium between the interests of the individual as well as the society.⁵⁵ In other words his emphasis was on bringing about “a happy integration of the economic and the moral.”⁵⁶ Thus the economic problem cannot be solved by relying merely on the interaction of market forces in a competitive environment. The ‘economic’ must be integrated with the “overall scheme of life based on the ethical concepts of Islam.”⁵⁷

The problem, however, is that moral norms may not always be practiced fully. While it is the moral obligation of the individual to be just and honest, to fulfill his obligations conscientiously, and to abstain from doing something that would hurt others, he may not necessarily do so.⁵⁸ He or she needs proper upbringing (in which the family plays

a crucial role) and education (in which religious education needs to receive emphasis along with the mundane). Such upbringing and education will help make all participants in the economy understand their responsibilities clearly.⁵⁹

Experience, however, shows that such upbringing and education, even when accompanied by the role model of the pious elite as well as social pressures, may not be sufficient to eliminate the excessive greed and self-centredness of some people.⁶⁰ There is need for incentives and deterrents. There is, thus, no escape from the playing of an important role by the state.⁶¹ It would have to ensure that moral values were reflected in the laws of the country and that these laws were truly observed by the high and the low through the effective operation of the legislative, judicial, and executive wings of the government.⁶² Mawdudi was fully aware of this need.⁶³ Therefore, in step with the great Muslim thinkers of the past like Abu Yusuf, al-Mawardi, Ibn Taymiyyah, Ibn Khaldun and Shah Waliyullah, he considered it the duty of the state to provide such incentives and deterrents.⁶⁴

He, however, took special care to emphasize that the state should not exceed the limit set by the *Shari'ah*. It should use its coercive power only where it is absolutely necessary,⁶⁵ by placing greater reliance on moral reform. This is because it is also the obligation of the Islamic state to safeguard the rights of the individual and not just the rights of the society.⁶⁶ The function of the state is not to become an industrialist or a trader or landlord, but rather to establish justice and to use its powers and resources for the well-being of the people by promoting all that is good and eradicating all that is evil.⁶⁷ Thus, within the framework of Mawdudi's thought, the state is neither laissez faire, as it is in Classical Economics, nor totalitarian, as it is in Communism.⁶⁸

Redistribution, Abolition of Interest and Economic Development

In keeping with the analysis of a number of '*ulama*', Mawdudi's emphasis was primarily on the transfer of resources from the rich to the poor for realizing the goal of need fulfillment and rapid improvement in the economic condition of the poor. For this purpose, he originally (1941) went to the extent of indicating that the immediate solution lay in motivating the rich to adopt the simple life-style of the early Muslim society and to distribute the surplus income (not wealth) to the poor after fulfilling their own genuine needs (*al-'afw* in the Qur'anic terminology).⁶⁹ However, he seems to have realized later on the difficulties that lay in the adoption of this approach in

modern societies where the altruistic spirit of the early Muslim society did not exist. He, therefore, adopted the more moderate position of allowing a person to save and invest the amount left after taking care of his or her own genuine needs and fulfilling the social obligations (*zakat*, *'ushr* and *sadaqat*) enunciated by Islam.⁷⁰ He, however, continued to lay emphasis on simplicity of life-styles and the giving to the poor as much of the surplus as possible. He also laid emphasis on the establishment of cooperative societies⁷¹ and the equitable distribution of a deceased person's estate in keeping with the *Shari'ah*.

His stress on the role of *zakat*, *'ushr* and *sadaqat* and the equitable distribution of a deceased person's estate, was undoubtedly well-deserved for realizing the goals of need fulfillment and equitable distribution of income and wealth. This would help avoid the mistake that the welfare state committed by putting the entire responsibility for this purpose on the public exchanger. However, he did not give worthwhile attention to the various techniques adopted by the Western welfare state to remove poverty, improve wages and working conditions, promote redistribution, and provide relief to the unemployed, the old, and the sick. This may perhaps have been because he believed in the need for adopting the good things that the West had to offer and to reject its vices.⁷² Accordingly, he may not have felt the need to specify in detail all the different ways in which Muslims could benefit from the West.

He also argued strongly in favour of the role that the prohibition of interest can play in the establishment of a just social order. He, therefore, tried to show how an interest-free financial system could be successfully established.⁷³ His primary stress in this, as of most other scholars writing on the subject in the initial phase, was on profit-and-loss sharing (*mudarabah* and *musharakah*) modes of finance. The way the Islamic financial system is evolving is, however, somewhat different from this.⁷⁴ It also includes a substantial proportion of sales-based modes of financing (*murabahah*, *ijarah*, *salam* and *istisna'*),⁷⁵ which create debt but only through the purchase and sale of real goods and services, and thereby link the expansion of credit to the growth of the real economy. This is in sharp contrast with the excessive credit expansion that the interest-based financial system tends to promote by the absence of a direct link between lending and the real economy. The difference in cash and credit prices which some modes of sales-based financing involve (particularly *murabahah*) was considered by Mawdudi to be equivalent to *rībah* (doubtful income) even though it was not *riba* (interest).⁷⁶

While there is a great deal of the traditional emphasis in his writings on redistribution, there is near total absence of a discussion of the ways of accelerating growth in Muslim countries.⁷⁷ Primary reliance on redistributive methods for alleviating poverty, fulfilling needs, and reducing inequalities may not lead the Muslim world very far. It is also important to enlarge the national income pie through economic development. Crosland rightly pointed out in the light of socialist experience that “any substantial transfer involves not merely a relative but also an absolute decline in the real incomes of the better-off half of the population ...and this they will frustrate.”⁷⁸ The experience of Muslim societies may not tend to be significantly different even when moral transformation has taken place if excessive reliance is placed on redistribution. Therefore, while capitalism lays greater stress on growth than on redistribution, Muslims cannot afford to ignore the role of economic development in reducing poverty and inequalities. When they do this, they will have to promote a cultural transformation in favour of hard and conscientious work, punctuality, efficiency, research, orderliness, team work, and a number of other individual and social characteristics which Islam emphasizes but which do not get much importance in the mosque sermons or the ‘*ulama*’ lectures. They will also have to get into a discussion of how development could be accelerated in Muslim countries, the kind of monetary, fiscal and commercial policies that are needed, and to draw upon the experience of other countries to the extent to which the methods used by them are *Shari‘ah* compatible. In step with the general attitude of most ‘*ulama*’, Mawdudi did not get into a discussion of these.

Taxation, Insurance, External Borrowing, Family Planning

To enable the state to play its welfare role truly, he was, unlike some Muslim scholars, realistic enough to accept the need for income tax, provided that it was imposed with moderation and justice, and the proceeds were used efficiently and honestly for the well-being of the people.⁷⁹ He also accepted the institution of insurance, provided that the elements in it which were objectionable from the Islamic point of view were reformed.⁸⁰ He also allowed external borrowing on interest to the extent to which it was absolutely unavoidable.⁸¹ He was also in favour of flexibility in the application of Islamic laws.⁸² However, he took an extreme position on the question of birth control. He considered it to be unacceptable except when it was

considered medically indispensable.⁸³ Here he was out of step with a number of other scholars who allow it within certain constraints.⁸⁴

HIS OVERALL CONTRIBUTION TO ISLAMIC ECONOMICS

We may, thus, conclude that Mawdudi's horizon was far wider than that of Conventional Economics. He was a reformer who wanted to help mankind solve the problems it was facing, and in particular his own society, which had fallen into an abyss during the centuries of degeneration and foreign occupation. This would not be possible by holding on to the extremely narrow role assigned to an economist in Conventional Economics. He visualized the need for "carrying out a total reconstruction of human life and establishing a new social order and state and thereby ushering a new era in human society."⁸⁵ Such a transformation could not be brought about by concentrating only on economic variables. Even economic development, which was not Mawdudi's main concern, but which receives great emphasis in Conventional Economics, cannot be accelerated by such a limited approach.

Therefore, in conformity with the comprehensive reform programme pursued by the Prophet himself and emphasized by Muslim scholars, he stressed the interdependence of all aspects of society, including the moral, the social, the political and the economic. In the economic field, his major contribution was to specify clearly the vision, the worldview and the strategy of the Islamic economic system. At a time when it was fashionable to pay allegiance to 'Islamic socialism', he did not only abstain from using this term in his writings, but was also bold enough to indicate that socialism was not in harmony with Islam because of its false worldview and strategy. He discussed how moral values, closely-knit families and societies along with the market and the state could together help in the realization of the Islamic vision in spite of private property. He also argued how the abolition of interest would promote social justice and how an interest-free financial system could be established successfully. Thus, in spite of not being a professional economist, his contribution to Islamic Economics was significant. He will, therefore, go down in history as one of the few great scholars of the day who laid down the foundation for the development of this discipline in modern times. Nearly all those writing on it in the Indo-Pakistan subcontinent as well as other Muslim countries have been influenced by, and owe a gratitude to, him.⁸⁶

WHY THE LACK OF SIGNIFICANT HEADWAY?

The question that, therefore, arises is why, in spite of being a powerful writer and speaker and in spite of being successful in rallying around himself a team of dedicated and selfless workers, he could not make a significant headway during his lifetime in bringing about economic reforms that would have helped solve the economic problems of Pakistan and also improve the condition of the underprivileged. In fact, Pakistan seems to have moved farther and farther away from the Islamic vision. It has suffered from high budgetary and balance of payments deficits and is consequently engulfed in a heavy debt and debt-serving burden. The rate of economic growth is low, poverty, unemployment and illiteracy are all high, and some of the basic necessities of life (education, housing, transport and health facilities, clean water, electricity, sewage, etc.) remain inadequately supplied, particularly in areas inhabited by the poor. Even the exploitative landlord system continues unabated. The Jama'at cannot in any way be held responsible for these problems. It could have, nevertheless, helped reduce their magnitude. Its failure to do so could be due to a number of reasons, some of which are indicated below.

Firstly, as rightly indicated by Mawdudi himself in his writings, Pakistan is dominated by illegitimate governments, with hardly any accountability of the corrupt generals, feudal lords, aristocrats and bureaucrats who have tried to serve their own vested interest at the expense of the people and the country. The Jama'at, hoped to reform this state of affairs by taking part in elections. It misjudged its vote-getting ability in an environment where the feudal lords and aristocrats have the power and resources to swing the elections in their favour. It, therefore, failed to win the elections in a significant way. However, in the process it came into confrontation with practically all political, and even some religious, parties. This has proved to be one of the most serious obstacles in the political acceptance of its programme. This does not necessarily mean that taking part in elections directly is not proper for a religio-political party. All it means is that the decision would necessarily depend on circumstances. Given the conditions prevailing in Pakistan, the better route for a small party like the Jama'at might have been to avoid conflict and confrontation as much as possible and to concentrate on creating consensus through confidence-building dialogue (al-Qur'an: 16:125) on issues which are of greater importance for moral, educational, social, economic and political reform. The adoption of this route might

have in the long-run proved to be less costly in terms of human and material resources and more productive in terms of revival of Islam and realization of the Islamic vision.

Secondly, economic reform and uplift have not enjoyed a priority in the Jama'at's programme. While it has carried out several campaigns for "Islamic Constitution", it has hardly ever carried out a campaign for reducing corruption and promoting land reforms, slum clearance, and reconstruction of fiscal policy to redress the condition of the poor. These are of greater importance to the poor than the constitution which has been set aside and amended several times by illegitimate governments to suit their vested interest. Such social-service-oriented campaigns might have helped reduce resistance to its reform programme, increased the support for its agenda, and ultimately helped enlarge its vote bank.

Thirdly, his views on a number of controversial issues brought him into conflict with a number of '*ulama*' and religious groups in Pakistan.⁸⁷ The major political parties exploited this to their advantage. While opinions on these issues by a non-political scholar might not have raised eyebrows, they created antagonism when they came from him as a political leader. Consequently, he could not get the kind of support he needed to win elections. If he had abided by the Qur'anic advice of first calling towards commonly agreed principles (al-Qur'an, 3:64), and the Jama'at had translated his writings into concrete policy proposals for economic reform and uplift of the poor, it might have met with greater success in winning the support of political parties as well as religious groups.

Fourthly, as Mawdudi himself pointed out in his analysis of the causes of failure of Sayyid Ahmad Sirhindi (d. 1034/1624) and Shah Isma'il Shahid (d.1246/1831), they wanted to establish an Islamic state in a society which was not mentally and morally prepared for this and thus not capable of shouldering the responsibilities associated with it.⁸⁸ There is great need to educate the people about the high moral standards that Islam expects from its followers. This is time-consuming. Even though the Jama'at has made some progress, it has not been able to make the kind of headway that is needed to bring about the moral, cultural and social revolution that Mawdudi considered to be a prerequisite for establishing an Islamic state. Consequently, even if the Jama'at had won elections, the feudalistic power structures and the corrupt administrative machinery around it might have frustrated its efforts to fulfill the promises that it had made to the electorate. Such failure would

have become an obstacle in the way of realizing its ultimate goal and may even have hurt the cause of Islam.

A PEEP INTO THE FUTURE

Even though Mawdudi was unable to make a significant headway during his lifetime in realizing the Islamic vision in the economic field, he helped pave the way for its realization in the future. Along with a number of other scholars and reformers, he did succeed in bringing about an Islamic awakening among the masses and in creating a better understanding of the kind of individual, society, economy and polity that Islam wishes to create. This is itself a great achievement considering the difficulties that lay in bringing about such a change in a society where an adequate understanding of Islam did not exist and where a number of ills had become locked-in through the operation of path dependence and self-reinforcing mechanisms over centuries of degeneration and decline in an environment of feudalism and political illegitimacy. However, he might have been more successful if he had avoided political confrontation as much as possible and tried to build consensus by rallying together all reform-oriented parties for improving the moral and socio-economic condition of the people. It should still be possible for a well-knit and disciplined organization like the Jama'at to develop and effectively implement such a strategy. If this is done, it might be able to accelerate its progress towards the Islamic vision that has been clearly laid down by Mawdudi in his writings.

END NOTES

1. Abul A'la Mawdudi, *Islam awr Jadid Ma'ashij Nazariyye* (Lahore: Islamic Publications, 5th ed. 1968, 1st ed., 1959), p.89.
2. For a discussion of this role of Economics, which is not generally recognized by Conventional Economists, see M. Umer Chapra, *The Future of Economics: An Islamic Perspective* (Leicester, UK: The Islamic Foundation, 2000). There is a difference of opinion among economists on the goal of Economics. Positivists and operationalists, like Samuelson, emphasize that the role of Economics is only to describe. Logical empiricists, however, insist that explanation is the goal of Economics. By contrast instrumentalists, like Friedman, emphasize that prediction is the primary function of Economics (see Bruce Caldwell, *Beyond Positivism: Economic Methodology in the Twentieth Century* (London: George Allen & Unwin, 1982). There is another goal, persuasion, which has also been emphasized (D.N. McCloskey, *The Rhetoric of Economics* (Brighton, UK: Harvester Wheatsheaf, 1986). This, however, does not differ from explaining and predicting because it is generally not possible to persuade without convincing explanation and reliable prediction.
3. Abul A'la Mawdudi, *Islami Nizam-e-Zindagi awr us ke Bunyadi Tasawwurat*, (Lahore: Islamic Publications, 3rd ed., 1968; 1st ed., 1962), pp.403-4
4. Moral values did play an indirect role to the extent to which they influenced the behaviour and preferences of individuals. Moral values did not, however, get integrated into conventional economic analysis on the assumption that their influence was not measurable. It was also not considered desirable to educate individuals in a way that would change their tastes and preferences in conformity with moral values to realize the humanitarian goals of society. This is because such a move would infringe on individual freedom. Nevertheless, it was not considered wrong for corporations to influence individual tastes and preferences through advertising for raising their sales and profits.
5. Moral values essentially indicate the way in which individuals are expected to behave if the humanitarian goals of brotherhood, justice, equitable distribution, strong families and freedom from crime and anomie are to be realized.
6. Discussion of the Islamic vision is spread all over the different writings of Mawdudi. It is not, therefore, possible to give a complete citation (see Muhammad Akram Khan, *Mawlana Mawdudi ke Ma'ashi Tasawwurat* (Lahore: Maktabah Ta'mir-e-Insaniyat, 1990), pp.28-39.
7. Mawdudi, *Ma'ashiyat-e-Islam*, ed, Khurshid Ahmad (Lahore: Islamic Publications, 1969), pp.379-400.
8. Mawdudi, *Islami Nizam-e-Zindagi, awr us ke Bunyadi Tasawwurat, op. cit.*, pp.402-6.
9. *Ibid.*, p.403.
10. *Ibid.*, p.404.
11. See Khurshid Ahmad and Zafar Ishaq Ansari, "Mawlana Sayyid Abul A'la Mawdudi: An Introduction to His Vision of Islam and Islamic Revival" in Khurshid Ahmad and Zafar Ishaq Ansari. *Islamic Perspectives: Studies in Honour of Mawlana Sayyid Abul A'la Mawdudi* (Leicester, UK: The Islamic Foundation, 1979), pp.365-73.
12. Some of these lectures have been collected in *Islami Nizam-e-Zindagi awr us ke Bunyadi Tasawwurat*, 1968, *op. cit.* See also, Mawdudi, *Let Us be Muslims* tr. and ed. Khurram Murad (Leicester, UK: The Islamic Foundation, 1985); and *The Islamic Movement: The Dynamics of Values, Power and Change*, tr. and ed. Khurram Murad (Leicester, UK: The Islamic Foundation, 1984).

-
13. This lecture was delivered in October 1941 at a function organized by the Islamic History and Culture Society, Aligarh University. The lecture was published under the title "*Insan ka Ma'ashi Mas'alah awr uska Islami hall*, and has so far gone through numerous editions. The one referred to in this paper is the 1983 edition. English translation: *The Economic Problem of Man and its Islamic Solution* (Lahore: Islamic Publications, 18th ed. 1983; 1st ed., 1941).
 14. Mawdudi, *Insan ka Ma'ashi Mas'alah awr uska Islami hall*, *op.cit.*, p.453. See also Mawdufdi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.453,
 15. Mawdudi, *Khilafat-o-Mulukiyyat*, (Lahore: Islamic Publications, 1966), p.48.
 16. See Ahmad and Ansari, *op.cit.*, p.379.
 17. Mawdudi, *Insan ka Ma'ashi Mas'alah awr uska Islami hall* , *op.cit.*, p.17.
 18. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.452.
 19. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, pp.407-8.
 20. Mawdudi, *Insan ka Ma'ashi Mas'alah awr uska Islami hall*, *op.cit.*, pp.31-32, see also Ahmad and Ansari, *op.cit.*, p.380.
 21. See his *Islamic Movement: Dynamics of Values, Power and Change*, *op.cit.* This booklet essentially consists of Mawdudi's address in August 1941 at the time of formation of the Jama'at-e-Islami. See in particular pp.94-99.
 22. Myrdal includes some of these qualities in what he called the "modernization ideals" which he considered necessary for development but which were "alien" to developing countries because they "stem from foreign influences "Gunnar Myrdal, *Asian Drama* (New York: Twentieth Century Fund, 1968), Vol. 2, p.73; see, also Chapra, 1992, footnote 9 on p.189)
 23. Mawdudi, *Islamic Movement: Dynamics of Values, Power and Change*, *op.cit.* See in particular, pp. 94-9.
 24. *Ibid*, p.105.
 25. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, pp.400-2.
 26. Wherever two years are given together hereafter, the first one refers to the Hijri year and the following to the Gregorian year.
 27. Mawdudi, "Economic and Political Teachings of the Qur'an", in M.M. Sharif, ed., *A History of Muslim Philosophy* (Wiesbaden: Otto Harrasowitz, 1963, 2 Volumes), Vol.1, p.9.
 28. Mawdudi, *Islamic Law and Constitution*, tr., Khurshid Ahmad (Lahore Islamic Publications, 3rd ed., 1967; 1st ed., 1955), p.3.
 29. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, pp.387-402.
 30. Mawdudi, *Pardah* (Lahore: Islamic Publications, 19th ed., 1987; 1st ed.,1359/1940),pp.92-3.
 31. *Ibid*.
 32. See, for example, 'Abd al-Halim Abu Shuqqah, *Tahrir al-Mar'ah fi 'Asr al-Risalah* (Kuwait: Dar al-Qalam, 1990), 6 Volumes.
 33. For Ibn Khaldun's analysis of the rise and fall of societies and its application to Muslim history, see Chapra, 2000, pp.145-172 and 173-252
 34. Mawdudi, *Tajdid-o-Ihya-e-Din*(Lahore: Islamic Publications, 25th ed., 1992, 1st ed. 1940), pp.36-40.

-
35. .See, *Khilafat-o-Mulukiyyat*, (Lahore: Islamic Publications, 1966), particularly pp.157-205.
 36. This idea has now become a part of even Conventional Economics. The World Bank has, accordingly, emphasized that: "Development requires an effective state, one that plays a catalytic, facilitating role, encouraging and complementing the activities of private businesses and individuals. Certainly, state -dominated development has failed. But so has stateless development. History has repeatedly shown that good government is not a luxury but a vital necessity. Without an effective state, sustainable development, both economic and social, is impossible" (World Bank, *World Development Report*, 1997, p.111).
 37. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.412.
 38. Mawdudi, *Khilafat-o-Mulukiyyat*, *op.cit.*, p.55; and Ahmad and Ansari, *op.cit.*, p.381.
 39. Ahmad and Ansari, *op.cit.*, p.380.
 40. *Ibid.*, pp.379-80.
 41. *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.402.
 42. Ahmad and Ansari, *op.cit.*, p. 381.
 43. Mawdudi, *Islam awr Jadid Ma'ashi Nazariyyat*, *op.cit.*, p.127.
 44. Mawdudi, *Khilafat-o-Mulukiyyat*, *op.cit.*, p.45.
 45. Mawdudi, *Mas'alah Milkiyyat-ē-Zamin* (Lahore: Islamic Publications, 3rd ed. 1969, 1st ed., 1950), 1969, p.105
 46. *Ibid.*, p.106
 47. *Ibid.*, p.106. Also Mawdudi, *Rasa'il-o-Masa'il* (Lahore: Islamic Publications), Vol. 4, 1983, pp.149-50.
 48. Mawdudi, *Mas'alah Milkiyyat-ē-Zamin*, *op.cit.*, p.108.
 49. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.456.
 50. Mawdudi, *Rasa'il-o-Masa'il*, *op.cit.*, Vol. 4, 1983, pp.149-50.
 51. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, pp.454-5.
 52. Mawdudi, *Khilafat-o-Mulukiyyat*, *op.cit.*, p.33.
 53. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op. cit.*, pp.454-8
 54. *Ibid.*, p.89.
 55. *Ibid.*, p.456.
 56. Mawdudi, "Economic and Political Teachings of the Qur'an", *op.cit.*, Vol.1, p.189.
 57. *Ibid.*, p, 189.
 58. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*,p.459, and Mawdudi, *Rasa'il-o-Masa'il*, *op.cit.*, Vol. 4, p.151.
 59. Mawdudi, "Economic and Political Teachings of the Qur'an", *op. cit.*, Vol.1, 1963, pp.189-90.
 60. Mawdudi, *Insan ka Ma'ashi Mas'alah awr uska Islami hall*, *op.cit.*, .p. 35.
 61. Mawdudi, "Economic and Political Teachings of the Qur'an", *op.cit.*, p.182; and *Insan ka Ma'ashi Mas'alah awr uska Islami Hall*, *op.cit.* p.35.
 62. Mawdudi, "Economic and Political Teachings of the Qur'an", *op. cit.*, p.185; also *Khilafat-o-Mulukiyyat*, *op.cit.*, pp.43-4 and pp.66-9.
 63. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.411.

-
64. Mawdudi, "Economic and Political Teachings of the Qur'an", *op.cit.*, Vol.1, p.190.
65. Mawdudi, *Insan ka Ma'ashi Mas'alah awr uska Islami hall*, *op.cit.*, p.32.
66. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.456; and *Islami Nazim-e-Ma'ishat ke usul-o-Maqasid*, *op.cit.*, pp.6-7.
67. Mawdudi, "Economic and Political Teachings of the Qur'an" (1963), *op.cit.* pp.178-98 and 195; and *Islam awr Jadid Ma'ashi Nazariyyat*, *op.cit.*, p.173, Other scholars of the past held the same view. For example, while Ibn Khaldun considered the state to be the greatest market, as a result of its large spending for the well-being of the people, he considered it undesirable for the state to get directly involved in economic activities (Ibn Khaldun, *Muqaddimah*, Cairo: Al-Maktabah al-Tijariyyah al-Kubra, n.d., pp. 286, 403, and 281). This would not only reduce opportunities for the people, but also ultimately hurt the state (*ibid.*, pp.281-3). Al-Dimashqi(d.570/1175) also argued against the direct involvement of the state in business, saying that if the ruler participates with the subjects in their businesses, they are ruined (Abu al-Fadl Ja'far ibn 'Ali al-Dimashqi, , *Al-Isharah ila Mahasin al-Tijarah*, ed., al-Bushra al-Shurbaji, (Cairo: Maktabah al-Kulliyat Al-Azhar, 1977, p.61).
68. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, p.456.
69. Mawdudi, *Insan ka Ma'ashi Mas'alah awr uska Islami hall*, *op.cit.*, pp.34-6.
70. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, pp. 455 and 458.
71. Mawdudi, *Islam awr Jadid Ma'ashi Nazariyyat*, *op.cit.*, p.130..
72. Mawdudi, *Islami Nizam-e-Zindagi awr us kē Bunyadi Tasawwurat*, *op.cit.*, pp.397-402 and 406.
73. Mawdudi, *Sud* (Interest) (Lahore: Islami Publications, 1st ed. 1951, 4th ed. 1968).
74. See M. Umer Chapra and Tariqullah Khan (2000), *Regulation and Supervision of Islamic Banks*, (Jeddah: IRTI/IDB),for some details on how the system has actually evolved.
75. For a brief explanation of these terms, see *Ibid*, pp.xiii-xv.
76. Mawdudi, *Rasa'il-o-Masa'il*, *op.cit.*, Vol. 5 (Delhi: Markazi Maktaba, Jama 'at-e-Islami, 1st ed. 1983). p.321. While a preponderant majority of the *fuqaha'* allow the difference in cash and credit prices, some *fuqaha'* like Abu Zahrah argued against it (Abu Zahrah (1970), *Buhuth fi al-Riba* (Kuwait: Dar al-Buhuth al-'Ilmiyyah, pp.58-60).
77. My attention was drawn towards this point by M. Nejatullah Siddiqi in his comments on the draft of my paper.
78. Crosland, C.A.R., *Socialism Now* (London, Jonathan Cape, 1974).
79. Mawdudi, *Rasa'il-o-Masa'il*, *op.cit.* Vol. 3, 1965, pp.30-78, Vol. 4, 1983, pp.155-6; and *Qur'an ki Ma'ashi Ta'limat*, *op.cit.*, p.64.
80. Mawdudi, *Rasa'il-o-Masa'il*, Vol. 3, 1965, *op.cit.*, pp.312-4; Vol. 5 (Delhi: Markazi Maktaba, Jama 'at-e-Islami, 1st ed. 1983), pp.195-8; and *Ma'ashiyat-e-Islam*, *op.cit.*, pp.408-9.
81. Mawdudi, *Rasa'il-o-Masa'il*, *op.cit.*, Vol. 4, pp.172-5.
82. Mawdudi, *Ma'ashiyat-e-Islam*, *op.cit.*, pp.422-36.
83. Mawdudi, *Rasa'il-o-Masa'il*, Vol. 3, 1965, pp.288-93; *Islam awr Dabt-e-Wiladat* (Lahore: Islamic Publications), *op.cit.*, p.135.
84. The *Fiqh* Committee of the Organization of the Islamic Conference (OIC) allows family planning if parents consider it necessary through their mutual consent, provided that it does not cause any harm, and the methods used for this purpose do

not violate the rulings of the *Shari'ah* (*Majma' al-Fiqh al-Islami, Qararat wa Tawsiyat li al-Dawrat: 1-10* (Jeddah: Majma' al-Fiqh al-Islami, 1st ed. 1988, *Qarar* (Resolution) No. 29, p.89). Shaykh Mustafa al-Zarqa, one of the prominent jurists of this century and a Faysal Laureate, also expressed a similar opinion (*Al-Zarqa, Fatawa*, ed. Majd Ahmad Makki, Damascus, Dar al-Qalam, 1999), pp.287-8.

85. Ahmad and Ansari, *op.cit.*, p.369.
86. His writings have been translated into nearly 39 languages (see Khurshid Ahmad's introduction in Khan, *op.cit.*, p.s).
87. Certain views expressed by him in his book, *Khilafat-o-Mulukiyyat*, *op.cit.*, raised a great deal of controversy and severely hurt his standing in the country among the '*ulama*'.
88. Mawdudi, *Tajdid-o-lhya-e-Din*, *op.cit.*, pp.122-3.