



---

**RESEARCH PAPER**

**The Diffusion of Prosperity and Peace in Islamic Economy: A Case Study of Pakistan**

Dr. Hina Ali\*<sup>1</sup> Tayyaba Naveed<sup>2</sup> Javeria Masood<sup>3</sup>

1. Assistant Professor, Department of Economics, The Women University, Multan, Punjab, Pakistan
2. Lecturer, Department of Psychology, University of Sahiwal, Sahiwal, Punjab, Pakistan
3. Visiting Lecturer, Bahauddin Zakariya University Multan, Punjab, Pakistan

---

**PAPER INFO      ABSTRACT**

**Received:**  
March 14, 2021

**Accepted:**  
June 05, 2021

**Online:**  
June 10, 2021

**Keywords:**  
Islamic  
Civilization,  
Islamic Economy,  
Peace,  
Prosperity

**\*Corresponding  
Author**

hinaali@wum.ed  
u.pk

The objective of the research is to investigate the Islamic Economic fundamental principles derived from the Holy Quran which is also supported by hadith literature. The organization of the Islamic financial system, to give people the courage and financial support of people, which is to teach the Holy Quran. Assistance in the event of a natural disaster, or even in normal conditions of use. Islam is perfect for social and economic system, which includes a tool for charities, Sadaqa, Fitrana, and Zakat. The organization of the Islamic socio-economic system is developing the potential of individuals and institutions of the state. The method, which refers to the concept of the four supports of the economy (production, distribution, exchange, and consumption of wealth, it has been mentioned in the Holy Quran 1400 years ago. Islam attaches great importance to the equal distribution of wealth, and not much to the interests of institutions that are involved. The organization of the Islamic system, which provides financial support, in the different structures of the national governments to enhance peace and prosperity. The establishment of small businesses, as well as contribute to social norms, as individuals in any society. Islamic economic principles enjoin economic equitability according to which wealth should circulate throughout the society, which also contributes to the economic welfare, development, and prosperity of the people living in the society

---

**Introduction**

Thus, socio-economic well-being and peace were created and the creation of peace, stability, security, a sense of responsibility, as well as the socio-economic sphere of Muslims and other religious communities. These are both useful tools and labels for socio-economic development and solving problems related to the emerging

needs of society. To assess, it is useful and effective to use the tools of Islamic social finance to meet the academic needs of researchers. This document should describe the coordination of knowledge, education, training, and academic needs. Therefore, the purpose of this study is to study the usability of Islamic values in enhancing the peace in Islamic society for the financial system.

Thus, social problems and burdens, poverty, unemployment, poverty, theft, and other harmful methods, could be avoided. Financial strategies of the Islamic Waqf society are very relevant, in this case, because in this project the Islamic State has created a financial instrument. It has a wide range of educational institutions, libraries, hospitals, sports fields, as well as new road construction and the government of the Islamic religion.

### **The Distinguishing Elements of Islamic Economics**

The Organization of the Islamic Economic System is not designed to combat economic inequality, injustice, and inequality. According to Indian Muslims, being a fly-on-the-1940s means that they are created with the desire to protect it and its organization of Islamic civilization, as well as other countries that are culturally impacted. As for government and social security, the system has undergone significant changes over the past few years turned into one moment of "Islamic economics", and I, her latest literature contribution, I see that the new strategy, and economics, consisted in creating or reorganizing Islamic power locally, attempts to influence them with Western ideas. Changes in the West in the economic practice of a lot of people, and will, I hope, both restore for themselves in the organization of the Islamic community, but also to strengthen the solidarity of the community. The organization of Islamic Economics, is designed to achieve cultural and political goals based on scientific analysis, consistently, clearly, and in a real way. Just to be different, and he, intellectual traditions that managed to replace the work done. Therefore, the contribution to the country's economy consists precisely in identifying the features of the organization of the Islamic economy in the world. The most important of these features was the ban on interest rates. The other two were the United States of America to get, to the forefront, the old system was restored, and its solutions through various spiritual filters.

### **Islamic Redistribution**

According to the support of the Islamic economy, the characteristics of the organization of the Islamic economy, structural adjustment system, the system is called the system of levy of tax on the wealth of the Muslims to Finance the eight factors, including the support of the poor, free and slave, and support those who belong to the Muslim faith. Both the collection and payment of the order are the largest anal (Iqbal Khan,1983). Some Islamic economists were aware of the speed and scale of these prevalent in pre-industrial times, only by the economy in seventh-century Arabia. However, with more and more digital, the proposed update of the collection, and on the other to provide the coverage, which is still active, and nothing is known of the 14th century. Paid website will be the cost of which will be allocated

in front of the eight original classifications; second, the vast majority, it must be allowed the costs, according to the changing trend of social needs. Therefore, in the former case, there should be only one-eighth of the social Fund allocated to the free and slave labor, as they realize that such an expenditure, which is unacceptable in a society in which slavery does not exist.

### Devoutness

It's a clause of the human soul formed by the apprehension of Allah Almighty and, the wisdom of accountability which evident in every life phase. The principle of devoutness usually means appealing to the kindness of Allah & evading His Wrath.

Allah says:

فَإِنَّ خَيْرَ الزَّادِ التَّقْوَى

*"Verily devoutness is the finest of the entire provisions" (2:197)* in economics provisions, consumption of affluence involves the consumption of wealth on such goods & services that openly accomplish men's requirements for example; foods, clothing, lodgings, and education facilities via. The steering standard of the Islamic economy in the affair of consumption of material goods is:

ع

*"eat and drink but do not transgress" (7:31)*

This suggests that a man should use all things that are pure and lawful. Consumption of impure things is not allowed. Moreover, it's prohibited to consume possessions on utilization of that thing which have been affirmed illicit by the Sunnah & Holy Quran. Moreover, Quran forbids extravagance and luxurious spending. Islamic economic system orders a person to utilize only legal & complete ways to receive one's occupation and must avoid unlawful means of earning a livelihood. The steering standard of Islamic economic concerning the exchange of assets is:

لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۗ

*"O Believers don't gulp down one another's possessions by prohibited means: (in its place) do dealings with joint consent" (4:29)*

Islam emphasizes exchanging goods through joint ventures and that trade must set in harmony with Allah's commands. All transaction's concerning the trade of commodities, misconducts such as lies, frauds, deceits, and misrepresentations must be fatally evaded. Unauthentic influences & evaluations must not be utilized.

False pledges shall not be used. Moreover, the necessary step must be utilized to endorse the movement of possessions or resources. Fiscal agrarian, & also exchange strategies must be outlined in such a manner that essential commodities & services must be reachable to every member of the world. Rate of interest & many other illegal ways of returns which encumber transmission of resources & deliberate wealth in a small number of hands must be eradicated.

حَدَّثَنَا الْعَبَّاسُ بْنُ الْوَلِيدِ الدِّمَشْقِيُّ، حَدَّثَنَا وَهْبُ بْنُ سَعِيدِ بْنِ عَطِيَّةِ السُّلَمِيِّ، حَدَّثَنَا  
بْنُ زَيْدِ بْنِ أَسْلَمَ، عَنْ أَبِيهِ، عَنْ عَبْدِ اللَّهِ بْنِ عَمْرٍ، قَالَ قَالَ رَسُولُ اللَّهِ ﷺ  
" أَعْطُوا الْأَجِيرَ أَجْرَهُ قَبْلَ أَنْ يَجْفَأَ عَرْقُهُ "

*"disburse earnings to the employee earlier than his sweat dries up"*

If piety is incorporated into the economy, then it will be easy to eradicate evils that creep into the system.

يَا الْمُؤْمِنُونَ إِخْوَةٌ فَأَصْلِحُوا بَيْنَ أَخَوَيْكُمْ وَاتَّقُوا اللَّهَ لَعَلَّكُمْ تُرْحَمُونَ ۝

"The supporters are brothers to one another, therefore; form settlement betwixt your brother's & fear Allah, so that you may be exposed mercy" (49:10)

### Islamic Financial Standards Organization

The ultimate and distinctive elements of the Islamic economy, say, economists, are its agents operating under the guidance of standards that draw from the traditional sources of Islam (Siddiqui, 1981). This means "ordering good" and "forbidding evil." They will help you avoid unnecessary luxury and glamour. Restriction of activity, including the ability to generate externality software. They promote generosity of spirit. They also encourage people to work hard, building their databases on one side and the other. The intended economic effect is that they are selfish and money excavating, homo economicus is a pattern-based type. Homo Islamic property, acquires its freedom, but never the speculative, out-of-control, accumulation, or destructive nature of competition. And even though it is usually a prohibited profit of the temporary and it is always right to respect its trading partners fair contract.

### Zakat

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَأَطِيعُوا الرَّسُولَ لَعَلَّكُمْ تُرْحَمُونَ ﴿٥١﴾

*"And establish prayer and give Zakat, and whatever good you put forward for yourselves – you will find it with Allah." (2: 110, Qur'an)*

As one of the pillars of Islam, a zakat is a form of obligatory charity that has the potential to ease the suffering of millions. With the literal meaning of the word being 'to cleanse,' Muslims believe that paying zakat purifies, increases, and blesses the remainder of their wealth.

It is not clear, however, that Paul is not very serious, mainly about Zakat. Research recently created in the mandatory system shows that the buyer sponsored by the state charity, not always and not primarily, belongs to the poor there are places where the buyer of a loan receives assistance, as a rule, more than the typical employer, as well as completely poor regions, they do not receive any support. In addition, it turns out that the difference between voluntary and mandatory schedules is that they are the connections that ZakAT evaluates. Under the voluntary system, the best option to use zakat -is to be rich and have an employer. Under the forced system, it is still something to live in that escapes vulnerable in the city, work experience in administration, or be enrolled in a religious school (El-Sheikh, 2008). It is the Zakat system, created over the past few decades, that is up to Kin partly because of its widely known injustices, and partly because it has at least some say in how its rights are used. This observation confirms the results that most zakat payers would have their donations made to private charities, if not directly to private individuals of their own choice (Haq, 1992).

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَدْمِلِينَ عَلَيْهَا وَالْمَوْلَاتِ  
 قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَامِينَ وَفِي سَبِيلِ اللَّهِ وَأَجْنَ السَّبِيلِ قَرِيبَةً  
 مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴿٦٠﴾

The poor-due (Zakat) is only for those who are poor and needy and those who collect it, and for those whose hearts are to be conciliated for Islam, and for the freeing of slaves, and for debtors, and for spending in the way of Allah and for the traveller. This has been ordained by Allah. And Allah is Knowing, Wise (Surah At-Tauba : Verse No 60 of 129).

The third main goal of Islamic finance, as the reader will remember, was to teach Muslims the norms of behavior drawn from classical sources. This is Islam, in most countries, the implementation of this goal is restricted, educational programs like mass media and the application of Islamic economics to the school curriculum.

## Justice

The Quran says:

## اعْدِلُوا هُوَ أَقْرَبُ لِلتَّقْوَى

*“Do justice for it is analogous to devoutness”*

Word justice signifies the unprejudiced & balanced range on which Allah has formed all human beings. A fair dealing sparkle man's God-given inventive ability & facilitates to release his responsibilities like a deputy of Allah. ( Afzal-ur-Rahman, 1980). The Foundation of impartiality is an essential stipulation for conveying authentic contentment & harmony addicted to an individual's life. Economic fairness entails stability & impartiality in the amount of consumption, output, allocation & trade of possessions. So, that economic activity could scuttle on jingle vigorous ranks & components of culture might execute their economical requirements in reputable mode. The Islamic system of economic justice has the following components:

- Over-spending & extreme consumption have been harshly prohibited. The Holy Prophet (PBUH) said:
- *“Whoso ascertained restraint (in consumption), he in no way face poverty”*



Fig. 2 summarizes the nature of justice from the Islamic point of view:

### **Benevolence**

Ehsan or benevolence indicates that a person ought to deliver attachment and conformity to Allah in such a manner like if, someone were considering Him or on the other hand also believed that He is considering you. The entire system of life formulated by men by their reasoning & intellectual power had one target, for instance, the foundation of justice or fairness. However, the structure of life proposed to mankind by Islam, has an objective ahead of justice; like benevolence. Its initial pace is the repression of injustice & oppression. The next pace is the organization of justice & its peak is benevolence or Ehsan.

## Cooperation

Cooperation indicates serving everyone in the effort of the existence & in the creation of joint effort to attain a universal target. The Quran says:

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ ۖ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ

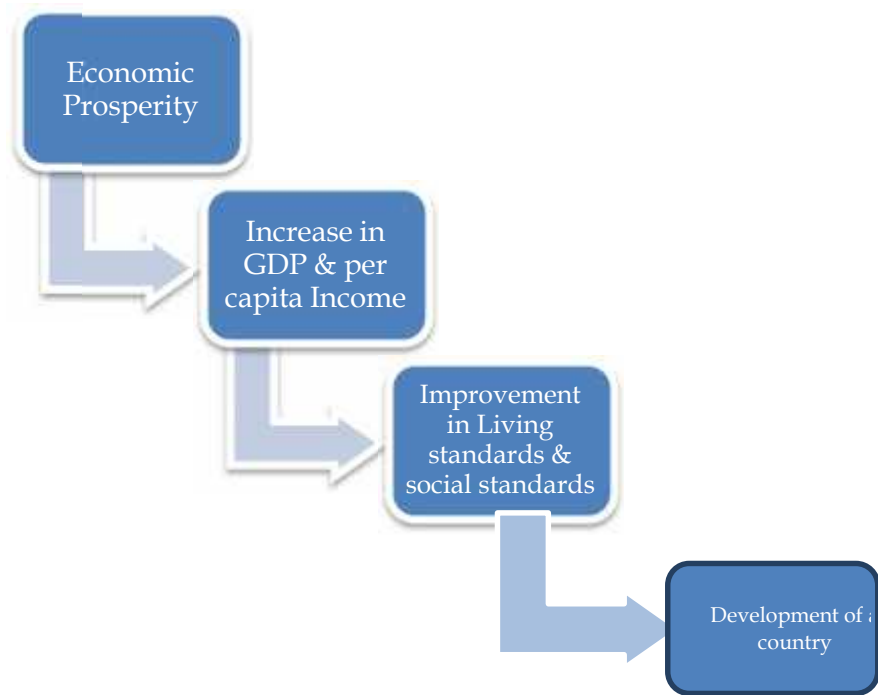
*“Co-operate with one another in virtue & devoutness, and do not co-operate in wrongdoing and transgression”.*

The economic system is referred to as a societal sphere that emphasizes the practice, discourses & substance terminology connected with production & consumption as well as the execution of assets. A certain economic system is the outcome of a collection of activities that involve its culture, educational system, technical development, societal connotation, political formation, as primal components. These components provide context, content, and put some situations, parameters in which economic systems encompass all actions connected to the output, utilization, exchange of production in an entity. The economic system commits to everybody from individual to the entity as Corporation. Government. The economic system of a specific domain or nation is organized by its customs, law, history & Geographic betwixt further components & it develops owed to necessities. Due to this basis, no two economies are equivalent.

This world has been divided into two parts:

- 1) One part of the world follows Western Civilization and the economic and social rules set by that civilization.
- 2) The second part of the world follows the Islamic Civilization and the economic and social rules set by that civilization.

No matter what the economic rules of each civilization are, the purpose of each civilization is to achieve economic prosperity. Because its economic prosperity increases the GDP of a country. An increment in the GDP of a country directs to an increment in the per capita income. The increase in the per capita income results in the improvement of the living standards of society. The improvement in social standards eventually results in the development of the country. Fig. 1 shows this relationship.



The growth rate in an economy allows purchasers to take advantage of further commodities & services moreover have the advantage of an improved standard of livings. Apart from that, it helps in creating employment opportunities. Through elevated production & affirmative economic growth, the firm tends to utilize new employees that may create further employment opportunities. Growth in an economy generates elevated tax revenues & there are fewer who want to use the money on assistance for example redundancy benefits. Therefore, the growth levels of an economy help to trim down administration borrowings. Growths in an economy also play a function in plummeting debts to GDP proportion. Through a high real GDP rate, an economy can allocate further possessions to promote reprocessing & utilization of renewable possessions. Growth in an economy persuades a firm to invest more in sequence to assemble potential demand levels. High speculation enhances the range for the potential growth rate of an economy through producing an honorable round of economic growth & investments. High economic growth leads to increased profitability for firms, enables furthermore spending's on research & development and persistent growth amplify self-confidence & encourage firm's to acquire risk & innovations.

Since growth in an economy is of such keen importance we must understand the rules laid down by the Islamic economic system. The Islamic economic system has then been compared with the western economic system, to comprehend which one is more suitable for the development of a country.



## كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ ۗ

*Hence, accept [willingly] whatever the Apostle gives you [thereof], and refrain from [demanding] anything that he withholds from you; (Al Hashr 59:7)*

### Islamic Structure of Economics

Islam is not only a religion settled only on a collection of ritual norms. It's an inclusive convention of individuals & social lives. Islam is more than a faith; it's a mode of existence. Its target is the well-being of men. In the Islamic way of life ethical principles is the cornerstone of political, economic, social relation & dealing aspects. Islam has more forfeited these ethical principles via asserting them to be the main ways of captivating the kindness of Allah Almighty & by considering men responsible.

The structure of the Islamic economic organism has been elevated on basis of following ethical principles. Overall decisions yet technological & organizational procedures in economics should match the Following principles. The structure of spending and allocation of possessions shall be a stand on these principles.

### Conclusion

Part of the answer is that some of the Islamic reform is driving political decision-making. Convulsion is trying to show one's commitment to the Islamic ideals." In Pakistan, on the other countries the policies, it is well known that there are reservations in the context of the organization of the Islamic environmental Workshops need to be accepted and prohibited content of Interest. At the same time, the Islamic banking industry has been developing and growing, even in countries where It is still legal. What is the reason for the organization of the Islamic banks in other countries? Many sites are now non-financial companies, commercials. The actual organization will be a Muslim, just because they stop, whether it is before or after, to comply with Islamic means. Standard and make a conscious effort to support and encourage other reasons. For example, in schools, and political organizations. Islamic economics is a better option for the prosperity and the development of the country because the major goal of uplifting the economy is to improve the social standards of the country. Improvement in the social standards will eventually result in the development of the country. Western economic system does give importance to uplift the economy but it ignores the importance the society. In fact, on its road to economic prosperity, it damages the social and moral values of a country. Islamic economy on the other hand not only focuses on improving the economy but also the society so clearly, it's a better option.

## References

- Afzal-ur-Rahman, (1980). *Economic Doctrines of Islam*, Islamic Publications, Lahore
- Afzal-ur-Rahman, M. A. (1974). *Economic doctrines of Islam*. Islamic Publication.
- Ahmad, I. (1997). Economic Doctrines of Islam: A Study in the Doctrines of Islam and Their Implications for Poverty, Employment, and Economic Growth (by Irfan Ul Haq)(Book Review). *American Journal of Islamic Social Sciences*, 14(2), 283.
- Ali, A. J. (1992). The Islamic work ethic in Arabia, *The Journal of Psychology*, 126(5), 507-519.
- El-Sheikh, S. (2008). The moral economy of classical Islam: a fiqhi economic model. *The Muslim World*, 98(1), 116-144.
- Haq, I. U. (1992). *Economic doctrines of Islam: A study in the doctrines of Islam and their implications for poverty, employment and economic growth* (Doctoral dissertation, University of California, Davis).
- Haq, I. U. (1996). Economic doctrines of Islam: A study in the doctrines and their implications for poverty, employment and economic growth. *The International Institute of Islamic Thought, Herndon, USA*.
- Holy Quran, English Tafseer and Translation by Ibn-e-Khateer.
- Khan, M. A. (1992). *Economic System of Islam*.
- Mervyn K. Lewis & Latifa M. Algaoud, (2001). "Islamic Banking". Books, Edward Elgar Publishing, number 1488.
- Siddiqui, K. (1981). Struggle for the supremacy of Islam—some critical dimensions. *Issues in the Islamic Movement*, 82.
- Sahih Al-Bukhari (2014). English translation by M. Muhsin Khan.
- Sahih Muslim (2013). English translation by Abdul Hamid Siddiqui.
- Sunan Abu-Dawud (2013). English translation by Prof. Ahmad Hasan.