

An Analysis of Compatibility of Alleviation of Poverty with distribution of wealth: A Study of Islamic Perspectives in comparison with the Alternative Economic Systems

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Abstract

This study aimed to find the compatibilities between the provisions of alleviation of poverty with the distribution of wealth in the Islamic Perspectives and the provisions of alleviation of poverty in the alternative economic systems with the use of existing secondary sources found in the books, web-based documents, Islamic books, Journals, research papers and the Holy Quran. The methodology used in this study to achieve the objective of the study was descriptive using the secondary data collected from the secondary literatures. The direct care giving and Zakat for destitute, donation motive, circulation of money and provision of subsidy, establishment of social equity, ownership of resources, law of will, and law of inheritance were some of the qualitative variables found in this study, which contributed to alleviate the burning issue of poverty from the Islamic society . The alternative economic systems primarily such as capitalist and socialist were practicing and implementing some of the policy measures known as fiscal policy and monetary policy to eradicate the issues of poverty being faced by the society. This study found that the above qualitative variables or factors being implemented to alleviate poverty in the both economics systems were directly related with redistribution of income and wealth and therefore compatible with the alleviation of poverty. But the effectiveness of the alleviation of poverty in both economic systems varied due to the practical issues.

Keywords: Poverty, the Holy Quran, Zakat, Law of Inheritance, Fiscal and Monetary Polic

1. Introduction

In the language perspective, poverty refers to the implication of necessity. Therefore, the Faqara (the individual who is need of something) is the verb in the Arabic language. In the nature of poverty, any individual is able to be trapped with the needs. He/she could not have that much of livings in the current life by which he/she is content themselves. *Faqir* (It is the Arabic word derived from 'Faqara') is the needy person in the Shari'a of the Islamic religion and also he/she is in a weak and pathetic condition and can't be in a position of begging from the other people in the society.

Islamic economic system inspires and helps economic activity and commercial activities dealing with the eradication of deadly poverty and unequal distribution of income. It also launches financial and social and leads to promote broad human development and equity (Friedman, 1979).

Allah (SWT) the Almighty said in the Holy Quran: *"My Lord I am (in need) for whatever good You send down to me."* [Al-Qasas: 24]. It implies that the mankind says that I am the Faqir (the needy) for anything of goods or supplements whether something is large or tiny that the Almighty sends to him or her. *"And feed therewith the unfortunate (al ba'is), the poor."* [Al-Hajj: 28]. This revelation of the holy Qur'an clearly delineates that the unfortunate (Al-Ba'is) is the person who is distressed with Bu's (destitution), and the Faqir (the needy) is the individual who is undermined due to the needs of livings. These verses of the Holy Quran and the narrations of these verses from the linguistic points of views refer to that the Arabic word-Faqr (poverty) stands for the necessities of livings of people.

The poverty is taken into consideration as a relative issue of concern in the Market economic system and it does not refer to a name considered for an exact thing that is stable and is not subject to change. As a result, the poverty is the lack of ability so as to fulfill the needs along with the required goods and services for the livings of the mankind. The necessities of the mankind are greater and are renovated due to the progress in urbanization. Accordingly, the fulfillment of the needs is different from individual to individual and country to country. In the less developed countries, the needs of the general public are insufficient. Thus, they are satisfied with the least essential goods and services.

Whereas the needs and wants are numerous in the highly progressed, developed and civilized countries, and therefore their fulfillment is connected with the requirements of more goods and services; the poverty is viewed differently in these countries from that of the underdeveloped nations. For instance, the nature of absence of fulfillment of the luxury goods in the countries of America and Europe is defined as poverty, while the absence of fulfillment of the luxury goods in the countries such as Iraq and Egypt, even if the basic needs in these countries are fulfilled and satisfied, is not categorized into poverty. This short of views and concepts in the Market economic system is rather difficult to be

accepted in the contemporary world because it is concentrated into the issues and problems in the comparative concepts rather than real concepts.

The poverty is considered in Islamic economic system as the same matter and issue for a mankind in any civilization and in any nation in the world. The concept of poverty is defined in the view of Islam as the nature of absence of fulfillment of the basic needs in an absolute way. Shari' in the Islamic economic system has categorized these basic needs into three components such as food, clothing and shelter. The Almighty Allah (SWT) says in the Holy Quran:

"The duty of feeding and clothing nursing of mothers in a seemly manner is upon the father of the child. No person shall have a burden laid on him greater than he can bear. No mother shall be treated unfairly on account of her child, and nor father on account of his child. And on the (father's) heir is incumbent the like of that (which was incumbent on the father)." [Al-Baqarah: 233] And Almighty (SWT) says in the Holy Quran: "Lodge them where you dwell, according to your wealth." [At-Talaq: 6]

In Ibn Majah reported from Abu Al-Ahwass that he said, the Apostle of Almighty Allah said: *"Beware! Their right upon you is to provide them their clothes and food seemly."*

From the above narration and message of the apostle of the Almighty, it is vivid that the basic needs of the mankind, whose absence of fulfillment is viewed as poverty, are food, clothing and shelter. In addition to the other kind of needs, they are categorized as the luxury commodities. Therefore, any individual is not viewed as the poor in the society after having fulfilled his/her basic needs of the livings, even if he/she does not fulfill the luxury commodities. Islamic economy implies that poverty is the failure of fulfilling the basic needs of the mankind and it is taken into consideration of the society as one of the issues that leads to the causes for the destruction and underdevelopment of society (the Ummath). In Islamic economic system, the poverty is one of the promises of Satan. The Almighty Allah (SWT) says in the Holy Quran: *"The devil promises you destitution (poverty)." [Al-Baqarah: 268]. In Islamic economic system, poverty is studied in the view of a weakness, and thus, in this system, the looking after the poor people in the society is motivated by the Almighty. Thus, the Almighty Allah (SWT) says: "If you reveal your almsgiving, it is well, but if you hide it and give it to the poor (people) it will be better for you." [Al-Baqarah: 271] And Allah (SWT) says in the Holy Quran: "And feed therewith the unfortunate (al ba'is), the poor." [Al-Hajj: 28]*

In Islamic economic system, the fulfillment of these basic needs and their provision are imposed on other individuals in the society as a right for the individuals who cannot meet with the fulfillment of the basic needs. If the individuals provide himself with them then it will be good enough, however ever if he/she is not able to do so because he/she does not have the adequate property or wealth that is available

to him/her or because of his absence of ability so as to get the required wealth or property, then Shari in the economic system of Islam is to impose a special type of duty upon other individuals in the society in order to facilitate him/her until all of his/her basic needs are fulfilled in the presence of the coexistence in the society. Shari⁷ in the economic system of Islam has clearly clarified the detailed ways in which a person in the Islamic society (Ummath) is likely to be aided to fulfill his/her basic needs of livings. The Islamic economic system implements this sort of help as an obligatory measure in the civil society on his/her unmarriageable relations (called in Arabic language as Mahaarim). In general, the distribution of wealth can be achieved by the government from the implementation of various provisions reserved from the Holy Quran and the sayings (Hadhid) of the Prophet Muhammad (PBUH) for targeting the alleviation of poverty in the Islamic society (Ummath) in the Islamic economic system.

2. Literature Review

Mehwish Darakhshan Zia and Nida Nasir-Ud-Din (2016) brought to light the configuration of Islamic Economic System and the distribution of wealth in Islam with a comparatively analytical view of the alternative socialist economic system in the world arena using the secondary sources such as the Holy Quran, various written documents and web based literatures. They found that all the contemporary economic systems which are equipped with the materialist conceptualization which is only related to based on humanitarian motive. Further, the Islamic economic system is built upon together for the sake of humanitarian motive and the guidance of Almighty. The realization of the material, spiritual, social, moral, intellectual, physical, and mental well-beings of the personal life of the individuals in the present world and thereafter (after the demise of the individuals) is targeted through the allocative decisions and distribution of the productive resources which are having the alternative uses in a properly regulated market system which automatically protects and meshes the consumers and the producers benefited. And also, they concluded that the capable ways of solution to all the defects experienced by the other contemporary economic systems rather than experiencing in the Islamic economic system are the distributive instruments of wealth which are the strict observations in the Islamic economic system. Finally, it is concluded that the framework which is practiced in the Islamic economic system is greater than the contemporary economics systems in the world arena.

Syeda Hina Rizvi (2015) aimed to find that how the Islamic economic system operated uniquely and differently in comparison to other economic systems by employing descriptive approach under the uses of the secondary sources of data collection. He found that Islam was a perfect code of life of human beings along with finding solid solutions to day to day issues and problems faced by individual and collective level. Islam had been on equilibrium on the basis of its contractions in which it complemented one another. Islam did not guide to make the individuals into cast system or class system. Thus, Islam was an economic system where a welfare society was insisted and no one could become too rich or too

poor to get on begging in the society. Islam did not lead to the asymmetrical development of human society. However it built up the societies with regulated social welfare throughout the world arena. Finally he concluded that Islam fought against distribution and poverty and insisted on the circulation of property and wealth. Further Islam put forward a pessimistic response to the challenges of communism economic system and capitalism economic system.

Ghiasul Haq (2013) studied to find that how an Economic System in Islam at its perfect implementation could prevent extreme accumulation of property and wealth and also guarantee an equity on the distribution of income by using descriptive approach under the support of the secondary sources of data collection. The significant variables used in this study were Zakaat/Ushr, Inheritance Laws in Islam and Elimination of Interest in Islam. He found that there was a noticeable dampening impact of Zakaat/Ushr on the excessive accumulation of property and wealth, thereby minimizing unequal income distribution in the Islamic society. The second was the Elimination of interest which was essential so as to further minimize inequity in the distribution of income. Third, Inheritance Laws in Islam emphasized and ensured the fair distribution of wealth accumulated and concentrated with a person or few hands after his/her demise. Finally, he recommended that if all these three key aspects in Islam were implemented together and properly, the anticipated effects on fair distribution of income and wealth could be achieved in the Muslim community all over the world.

Ali Almasiand Muhammad SadeghAmindin (2013) aimed to find a brief sketch of his perspectives on Islamic economic system and the criticisms on capitalist economy by employing descriptive approach under the use of secondary data sources. He found that Islam had an exact economic system for the economic life and benefits of a Muslim community and also this economic system was built upon ethics with some of the fair principles which could ensure the benefit and welfare of everybody in the economic status free from exploitation. Further, he asserted that as per the practices of Islam, usury-free banking system and settling down the Islamic-obligator taxation i.e. *Khums* and *Zakāt*, could lead to an economic utopia. Whereas he found that the capitalist system was built upon the individualistic system in which the market had to respond as per the interest and benefits of each person and make sure his benefits and interests. Thus, capitalist economic system admired the selfishness of a lucky person and was obligatory to give him Freedom in the ownership, Freedom in the interest, and Freedom in the consumption that he wanted to achieve his goals. In this view, the capitalist economic system did not consider the damages that might be caused and the dominations maybe he endorsed.

Nur Barizah Abu Bakar and Abdul Rahim Abdul Rahman (2007) aimed to critically argue the concept of zakah in Islamic economic system and the practice of taxation in the alternative economic systems

by employing descriptive approach under the use of the secondary sources of data collection. Thus, the primary of objective of their study was to compare and contrast the concepts of both Zakath and taxation especially on the basis of socio-economic, legal, spiritual and ethical perspectives. The second was to investigate the problems and issues connected with the implementation and practices of Zakath in the modern time and in the earlier Islamic time in the country of Malaysia. They found the great differences between the practices of Zakath and the system of taxation. The concept of Zakath aimed to not only target the religious values but to take part in the modern fiscal policies being implemented in the modern states in the world and to play a major rules in eliminating unequal income distribution of wealth and property in the Islamic community. Moreover, they argued that due to the absence of implementation of practices of Zakath in the Islamic countries, there was a limitation of success in achieving the noble objectives of Zakath.

3. Objective of the study

To find the compatibilities between the provisions of alleviation of poverty with the distribution of wealth in the Islamic Perspectives and the provisions of alleviation of poverty in the alternative economic systems

4. Research question

Are there any compatibility between the provisions of alleviation of poverty with the distribution of wealth in the Islamic Perspectives and the provisions of alleviation of poverty in the alternative economic systems?

5. Methodology

The data have been collected from the secondary sources in order to achieve the objective of this study. The most of the data being used in this study have been collected from the secondary sources such as books, written documents, web-based documents, journal articles, Islamic Hadith books, and the Holy Al-Quran. Thus, the analysis of the collected data is based on the descriptive and qualitative ground. The qualitative variables or factors used in this study in relation to the Islamic economics system can be listed as the direct care giving and *Zakat* for destitute, donation motive, circulation of money and provision of subsidy, establishment of social equity, ownership of resources, law of will, and law of inheritance. The qualitative variables or factors used in this study in connection with the alternative economic systems to achieve the objective are two major policies such as fiscal and monetary policies.

6. Criteria of Alleviation of Poverty in the Islamic Economic System and the Alternative Economic Systems

5.1 Direct Care giving and *Zakat* for Destitute

The Almighty Allah (SWT) says in the Holy Quran: *"The duty of feeding and clothing nursing of mothers in a seemly manner is upon the father of the child. No one should be charged beyond his capacity. A mother should not be made to suffer because of her child, nor the father because of his child. And on the father's heir is incumbent the like of that (which was incumbent on the father)"* [Al-Baqarah: 233]. That is, the inheritor (the heir) is alike the father to whom the child is belonging to with regard to the provision of food, shelter and clothing. Thus, the inheritor in Islamic economic system is not the individual who actually inherits but the individual who is allowed to inheritance or birthright. For him/her, if there are no relatives who are indebted to financially or materially aid him/her, then the material or financial support for him/her is implemented by Bait ul-Mal from *Zakat* which is the obligatory payments collected by the government from the eligibility of the individuals applicable to collect the *Zakat* obligatory payments in the society. One of the companions of Prophet Muhammad (PBUH), Abu Hurairah (ra) says, the apostle (PBUH) says: "Whoever leaves after him a wealth, it belongs to his inheritors and if he left weak (Kall), they will be of our responsibility," (Narrated by Muslim – one of the books of sayings of Prophet Muhammad). Al-Kall means that the individual who hails no son and no father. The entire responsibility of this individual in connection with the provisions of the daily livings in the Islamic economic system is entitled to the government in the economy. The Almighty Allah (SWT) says in the Holy Quran: *"The alms are only for the poor and the needy..."* [At-Tauba: 60]

If the collection of revenue in the Bait ul-Mal is not sufficient to fulfill and satisfy the necessities or the needs of the poor and the needy, the Islamic government or State in Islamic economic system is indebted to allocate the financial resources on them from the other revenue collection of the Bait ul-Mal (treasury). If the sufficient funds are not found there in the Bait ul-Mal, the Islamic government or State imposes a system of taxation upon the property and wealth of the rich in the Muslim society and target the collection of revenues in addition to the collection of obligatory payment, *Zakat* from them so as to allocate the financial resources on the poor and the needy in the Islamic economy. The expenditure on the poor of the Muslim community is the duty and responsibility of the immediate clan and relatives of the relevant poor, but if no relatives are found in the society, the expenditure on the poor is a duty and responsibility raised from the collection of the revenues of the treasury (Bait ul-Mal – House of wealth and property). If no collection of *Zakat* revenue is found there in the House of Wealth and property, then it is a duty and a responsibility on the collection other revenue sources of the Bait ul-Mal. In the

final phenomena, If no collection of revenues are found there in the Bait ul-Mal, at last the duty and the responsibility cover up all the Muslims in the society.

The Apostle of the Almighty Allah, Muhammad (PBUH) says: *"In any local community, if there became amongst them a hungry person, Allah has nothing to do with them,"* which is narrated by Ahmed. The Apostle, Muhammad (PBUH) says from his Lord-the Almighty Allah, *"He would not have believed in me, the one who slept with his stomach full when his neighbour on his side was hungry and he knew that"*, which is narrated by Al-Bazzar from Anas. The Almighty Allah (SWT) says in the Holy Quran: *"In their wealth is a due right to the beggar and the deprived."* [Az-Zariyat: 19]. During the migration from Mecca to Medina, the Prophet Muhammad (PBUH) compels the helpers who are in Medina so as to spend on the poor emigrants migrated from Mecca. It clearly implies that it is a duty and responsibility upon all the Muslims for the Muslims in the world until the needs of the Muslim community are fulfilled. In respect of the duties and responsibilities forced on all the Muslims in the world, the Khalifah (the Representative of the Muslim community) who is the responsible king-like for the loyal consideration of all the affairs of the Muslim community within his administrative and territorial limit is to collect the wealth from the Muslims with the intention of implementing the duties and responsibilities enforced on him for sake of the deprived in the society. As a result, the duty and responsibility with regard to the allocation of livelihood for the poor in the society are shifted from all the Muslims who contribute by way of collection of revenue from *Zakat* and all to the Bait ul-Mal (treasury) which ultimately executes the implementation of providing and feeding the poor and the needy in the society.

The poor or the needy individual in the society is initially obliged to achieve expenses for his livelihood by himself, if he fails, then his unmarriageable relatives are indebted to spend upon the needy or the poor under the condition that they are of that much of relations declared in the Holy Qur'an for abiding by the duty and responsibility of expenses. As the relatives of the poor was unable or there was no relative for the poor, the *Zakat* from all revenue collection of the Bit ul-Mal takes the duties and responsibilities on the expenses with regard to the poor and then it falls upon all the Muslims Ummath until the revenue from *Zakat* is collected sufficiently for all the poor and the needy in the Muslim community.

5.2 Donation Motive

In respect of the relatives of the poor and the needy who are indebted to pay the financial aid of the poor and needy, it does not apply on the individual who does not anticipate any sort of need of others in the society. Such sort of wealthy individual is demanded to pay charity (Sadaqah). It is the narration from Bukhari from Said Ibn Al-Musayyab that he heard Abu Hurairah (RA) utter the Prophet (SAW) said:

"The best Sadaqah is that which (was given) out of sufficiency (Ghina)." Here sufficiency (Ghina) implies that the amount of anything that the individual wants to fulfill his/her needs. This is, those who are in "sufficiency" in the society are not in anticipation of any need of help from other individuals in the society. Thus, financial support is voluntarily collected from those who are well off not in need of other individuals.

The Almighty Allah (SWT) says in Holy Quran: *"Let him who has abundance spend of his abundance, and he whose provision is measured let him spend of that which Allah has given him."* [At-Talaq: 7]. It is the narration from Muslim from Jabir (RA) that the Apostle of the Almighty (SAW) said, *"Start with yourself and make charity for it, and if anything is left give it to your family, and if anything is left after that give it to your relatives, and if anything is left after that, do it like that, and that i.e. to that in front of you, at your right hand and at your left hand."* Initially the financial support of the individual is fulfilling his needs upon himself, which has the requirement of more than only fulfilling of his/her basic needs such food, shelter and clothing. The leftovers of the finance from anybody can be used for the expenses of his/her family members and then it must be used for his/her close relatives. Finally the charity should be started from the neighbours around his/her dwelling. So that every individual who is the rich in the family is having the duties and the responsibilities earnestly encouraged by the Almighty and the Apostle of the Almighty to share and distribute among the needy and the poor with the anticipation of the alleviating the deadly poverty in the society.

5.3 Circulation of Currency and Provision of Subsidy

The Islamic Economic system has guided for the essential measures and principles so as to circulate the money or the currency of the country among all the members in the society and also it has explicitly stressed it is as an obligation of the members of the society followed by preventing the limitation of such circulation among a particular group of individuals with the marginalization of other individuals in the society. The Almighty Allah (SWT) says in the Holy Quran: *"Lest it circulates solely among the wealthy from amongst you."* [Al-Hashr: 7]. If an excessive inequality among individuals within society prevails in terms of protecting the needs of people, the Islamic government is obligatory to rectify the present condition through the distribution of financial aid to the people who are in need of the basic living until the basic needs of the individual such as foods, shelter and clothing are fulfilled and until an equilibrium in the distribution of income, wealth and the eradication of poverty in the society is achieved.

5.3 Establishment of Social Equity

The Islamic government is to concentrate on the provision of goods and services because the objectives of the government are not only to satisfy the needs of individuals in the short term, but to consider the means which is leading to help the individual in his/her pursuit of satisfying his/her own needs required for over the long period of time. If the government lacks of financial strength and the revenues collected by the government are not adequate to achieve the equilibrium in the society, the imposition of taxation on the citizens of the country so as to achieve the equilibrium is not the appropriate way because this practice is not applicable to the duties and responsibilities of all the Muslims in the society. Thus, if the government comes to know the presence of an inequality in the economic equilibrium within society, it is found as an obligation of the government to minimize this inequality by allocating financial resources from the treasury of the government to the individuals who are in needs of financial support for their daily living.

When the Prophet Muhammad of Almighty Allah (SAW) understand the existence of an imbalance in income and wealth between the Muhajireen (the society from Mecca) and the Ansar (the society from Madina), he (PBUH) distributed the treasure received from Bani Nadheer entirely among the Muhajireen, so as to achieve a minimization of imbalance in the society. When the Prophet Muhammad of Almighty Allah (PBUH) serenely dominates Bani Nadheer and thereafter chases away the Jews from this area, the Muslims request the Prophet Muhammad (PBUH) of Almighty Allah to distribute the treasures of the Jews among them; therefore the Almighty Allah (SWT) says in the Holy Quran: *"What Allah has bestowed on His Messenger from them, for this you have made no expedition."* [Al-Hashr: 6]. From this verse, it is vivid that the Almighty Allah (SWT) has positioned the wealth received from the Bani Nadheer exclusively at the disposal of the Messenger of Allah (SAW), to spend in whatever ways he considered it correct. The Prophet Muhammad of Almighty Allah (SAW) shares the wealth among the Muhajireen and but he does not distribute any sort of this wealth to the Ansar other than Abu Dajana Sammak ibn Kharsha and Sahl ibn Haneef . At that time, both of them are poverty-stricken just like the Muhajireen. From Ibn Abbas (RA), the Prophet Muhammad (PBUH) of the Almighty Allah (SAW) says to the Ansar: *"If you wish I could ask you to share your homes and your wealth with the Muhajireen and divide among you this booty, otherwise if you wish you could keep your homes and your wealth and I shall not have to give you anything from this booty."* In response to it, the Ansar says: *'We would rather share our homes and wealth with our brothers and let them have the booty as well.'* The Almighty Allah (SWT) in the Holy Quran then reveals that: *"But they give them preference over themselves even though poverty was their own lot."* [Al-Hashr: 9]. Therefore, the Almighty Allah (SWT) says in the Holy Quran: *"Lest it circulates solely among the wealthy from amongst you."* [Al-Hashr: 7]. It implies that lest the wealth circulates only among the rich people in the society. And also, it indicates to the circulated wealth amongst the people. Accordingly, from the above verse, it is meant that the treasury

that should be circulated by right to the poor and the needy so as to assist them in order to earn a living should not be exclusively distributed only amongst the rich people in the society.

So the wealth of Bani Nadheer, being the part of the treasury of the government, is solely distributed amongst the poor people along with the exemption of the rich people in the society with the intension of achieving equilibrium in the supply of the basic needs required within the society. The financial assistance from the treasury should be performed by the government, under the condition that these financial aids should not be collected from the Muslims in the country, but it should be collected only from the warfare booties. The funds collected from the Muslims cannot be used on the achievement of such a balance within the society. This practice and approach must be implemented by the government at all the times because the guideline is based on the generalization of expression not in the individuality of the cause. Thus, the Khalifah representing all the people in the country must make sure that this sort of economic equilibrium has been achieved by handing out the financial aid absolutely to the poor individuals in the society from the funds of the government in the treasury (Bait Ul-Mal), thereby making sure that the economic equity within the society is achieved. Conversely, it is not regarded to be a part of the permanent expenditure of the treasury, but only just a remedial operation for a specific situation of the relief from poverty from this particular financial assistance.

The unequal distribution of income and wealth within the society is one of the facts exposed clearly and currently in all the elements of daily living in the contemporary world. The Capitalist economy is trying to implement the several attempts by the monetary policy and fiscal policy together at dealing with this type of phenomenon but finally nothing by this economic system can be achieved so as to minimize the inequity with the society and to alleviate poverty from the poor community. In the capitalist economic system, the theory of income and wealth distribution within the society perfectly neglects the unequal distribution of wealth and income, and the economists are satisfied with the publication of figures and statistical information without suggesting any solution to the issues of inequity and the alleviation of poverty.

5.4 Ownership of Resources

In addition to the quantitative limits of ownership of economic resources, the Socialist economic system is not able to call up a solid solution to this issue of phenomenon. The solution of communist economic system is the perfect prohibition of ownership of the productive resources. On the other hand, Islamic economic system has led to ensure the efficient and effective distribution of income and wealth by considering the appropriate means of ownership and the appropriate method of disposal, and also by distributing the poor and the needy financial aid that can be used to secure for them an equal parity in fuelling the needs of the poor and the needy with the other individuals of society. As a result, Islamic

economic system has solidly made a provision of solution to the phenomenon of misdistribution of income and wealth within the society. Nevertheless, in spite of the comparative parity of income and wealth among people as far as the poverty prevails without fulfilling the basic needs of the poor and the needy, there may be some of highly wealthy individuals in the Muslim community; in Islamic economic system, there is no imposition of the parity on ownership, but it is only obliged that each individual within the society is independent from the others within the society in his/her ordinary and daily needs. It is narrated from Bukhari that the Apostle Muhammad (PBUH) of the Almighty Allah says: "*The best Sadaqat is that which is given out of one's wealth after sufficiency.*"

The huge amount of income and wealth paves the way for the owners of the wealth and the income to save, and support them to accumulate the large incomes generated from the income and the wealth. Accordingly, the income and the wealth stay intact and they can be used to generate the income and the wealth further, while the entrepreneurial attempts plays a significant role in accumulating those income and wealth and in increasing the considerable opportunities so as to invest the income and the wealth further in the production activities. It leads to the economic growth and development in any economic system. Therefore, it increases the economic benefits of the community accompanying along with the individuals within the economy. But the practice of hoarding of income and wealth by the certain individuals is one of the perils in the economy with very higher fortunes, which leads to the fall in the standard of living and income and causes the catastrophe of extensive unemployment in the economy and thereby making the community into the risk of poverty. That is why it is required to essentially tackle the hoarding of wealth, income and money. One of the functions of money in the economy is the medium of exchange because it acts as a means and measure to exchange the goods and services produced and supplied in the market between both buyers and sellers. Therefore, if a scarcity of supply of currency exists within the economy, a challenge of accessing it will arise within the economy. Thus, the exchanging goods and services diminishes down in a radical trend among the people in the economy and the cycle which accompanies the economy to be run comes towards a halt. The higher the currency is circulated from hands to hands in the economy, the higher economic activity proceeds.

5.5 The Law of Will and the Law of Inheritance in Islam

In Islamic perspectives, this law means that any individual who departs his life away from this temporary world to the next eternal world is having an ever growing opportunity to deposit his earnings during lifetime in search of profits from fixed deposits promised solidly by the Almighty of the mankind. In general, this Law of Will perseveres and leads on the wealthy Muslim individuals so as to distribute down their richness and wealth in the pathway of Almighty Allah for the benevolent outcomes known as various relief measures of the poor, medical assistance, improvement of useful education, the overall improvement of community, and etc. With the assistance of this Law, trusts, hospitals, and

educational institutions can be established in the Islamic society. Alleviation of poverty, lowering beggary, combating against disease, removing marginalization of the community, reducing ignorance and lowering illiteracy can be deliberately achieved by this Law.

Accordingly, the Law of Will plays a major role of cause of assistance and therefore, it has been an instrumental assistant in the equitable allocation of wealth among the victimized economically and the needy. In elaboration of this Law, the verses of Holy Al-Quran initiate this Law to be introduced among the mankind: *“It is prescribed for you, when one of you approaches death, if he leaves wealth, that he bequeaths to parents and near relatives in fairness. (This is) a duty upon the pious. And whoever changes (the will) after he has heard it, the sin thereof is only upon those who change it. Lo! God is Hearer, Knower. But he who fears from a testator some unjust or sinful clause, and makes peace between the parties (by making amendments in the will according to mutual consent), (it shall be) no sin for him. Lo! God is Forgiving, Merciful.”* (Al-Baqra: 180-182). This verse of Holy Al-Quran very clearly guides the mankind to abide by the Will left after the demise of anybody to the alive after him in the world. So that it is the greatest duties and responsibilities of the relatives or anybody who heard the Will from the demise so as to accomplish the Will fair and free. As per the direction of the Prophet Muhammed (PBUH) of the Almighty, the portion of the wealth that can be left by the dead from his whole wealth as the Will is around one third and the rest of the wealth can divided and distributed among the heirs of the dead. This direction of Almighty coincides directly with addition of values to this Saying of Prophet Muhammed (PBUH) as well.

Ibn Omar (one of the companions of the prophet) reported that the Messenger of Almighty Allah said:

“It is not befitting for a Muslim who has something to make a Will of, to remain for two nights without having one’s last Will and testament written and kept ready with one” (Narrated by Bukhari and Muslim).

The Prophet Muhammed says that any of us can’t pass even two nights without writing our Will on our entire wealth so as to expose and guide in respect of the distributing of his wealth for those who are present after him. Saad-bin-Abi Waqqas (one of the companions of the prophet) reported:

“The Holy Prophet came to me while I was ill. He asked: Have you made bequest? Yes, said I. He asked: To what extent? I replied: To the extent of the whole of my property in the way of Allah. He asked: What then have you left for your children? I replied: They are rich in wealth. He said: Bequeath one-tenth. Then I continued to think it little till he said: Bequeath one-third and one-third is too much (Narrated by Tirmidhi).

Here, in this saying of prophet, the Will is encouraged by him along with the encouragement of Law of Inheritance that also leads the mankind to distribute the wealth of the dead among his children and the close relatives. Then there is the Law of Inheritance introduced by the Almighty through the revelation of the verses in the Holy Al-Quran.

Before this revelation, the Will must be subject to the distribution of wealth of the dead among the children, the parents, and close relatives. But the Law of Inheritance paves the way to disseminate and defines the precise portion of the wealth left by the departed among those such as children, parents, spouses and close relatives who inherit after the departed. As such, the Will is no longer applicable to distribute and divide the whole property of those whoever are departed because the Law of Inheritance solidly determines the exact fraction calculated by the Almighty Allah in his verses of the Holy Quran. That is what, the Prophet Muhammad (PBUH) insists on the least amount of the one third of the whole wealth of the departed to be willed and the rest of the wealth must be divided among all the heirs and the relatives. Those two laws in the Islamic society are ever established policies designed by the Almighty Allah before 1500 years, through which the equitable distribution of one's wealth and income targeting the immediate relief measures from the inequity existing among the Islamic society and thereby alleviating poverty.

5.6 Operations of Alternative Economic systems

The pure capitalism is basically constructed based on the motive of personal or firms' profit. To answer the basic economic question in the economic system of "What and How much to Produce", the capitalists in the pure capitalist economies are driven on the primary force of profit at the expense of any risk in this economy. To answer this question and to solve this problem known as "the basic economic problem" in this economic system, all the pure capitalist countries are facing a great challenge. This is one of the problems in which the allocation of scarce resources or productive resources in this economic system is connected with. Accordingly this basic economic problem of allocation of resources is simply solved on the basis of the motive of profit in this economic system. The more the profits of the producers are higher in the economy at the expenses of allocating the productive resources to a certain commodity, the more such sort of goods are produced and supplied in the perfectly competitive market. At this time of solving this basic economic problem, the poverty-stricken community is severely affected with the absence of some of the inferior commodities that are staple and essential in fulfilling their basic needs of their daily livings. So that this economy does not target the type of the commodities commonly consumed by these vulnerable people and there is no even a fundamental concentration about the poor even in the allocation of the productive resources nor the direct alleviation of poverty in this economy. Accordingly, there is no any sort of provision of

alleviation of poverty in this economy. The victimized due to the presence of poverty in the society becomes more victimized due to the vicious circle of poverty whereas the rich becomes richer due to the capital accumulated by a certain group of people in the capitalist economy. The absence of the intervention of government and solid provision on the alleviation of poverty together in the capitalist economy firmly ensures the absence of the consideration of the poor in the economy.

But in the regulated capitalist economy which is only likely in the contemporary world, the poor and poverty are taken into consideration of the government through the various measures of intervention in the regulated capitalist competitive market. Through the fiscal operation of the government, the poor in the community are benefited by the tax, subsidy and direct poverty alleviation programmes which are not definitely defined by the government as the solid and fixed measures for the betterment of the community in the economy. In the planned economic system, the planning authority is the apex body in the economy so as to solve the basic economic problems being raised in the economy. In comparison of the capitalist economy with the planned economy, the poor and the poverty are more concentrated as the social benefits are mostly taken into consideration than those of the private benefits. However the social benefits are biased due to the political instability and partial political consideration in the economy. And also it is only effective so as to alleviate poverty in the economy if the provisions are established through the constitution of government. All in all, due to the corruption, bribery, political consideration, political instability, bureaucratic administration, and red tape, there are weaknesses and threats in implementation of all the policy measures to achieve the goals of these economic systems.

7. Findings and Conclusion

It is concluded that the Islamic economic system has been in a position to present an effective and friendly way of income distribution which is one of key measures with the intension of alleviating poverty. Moreover, the distribution of income and wealth in Islamic economic confirms a sort of practical and rational system of economy which facilitates all the individuals in the Islamic society so as to satisfy their basic daily needs equitably and gets rid of the concentration of income and wealth among the individuals. Thus, In Islamic economic system, there are the rigid policy measures such as direct care giving and *Zakat* for destitute, donation motive, circulation of money and provision of subsidy, establishment of social equity, ownership of resources, law of will, and law of inheritance that can be implemented at any circumstances with the intension of solving the critical social issue of eradication of poverty as all these are originally generated by a supernatural power – the Almighty Allah and thereby all these policy measures are concretely effective in the Islamic economic system to alleviate the poverty. And also the mankind in Islamic economic system is obligatory at all the policy measures revealed in the Holy Quranic verses through the messenger of the Almighty. Even though

there are a number of measures and policy decisions so as to get rid of the critical social issue of poverty, due to the political instability and consideration, it results in differently unstable achievements among the members of the society. It is found that the above qualitative variables or factors being implemented to alleviate poverty in the both economics systems were directly related with redistribution of income and wealth and therefore compatible with the alleviation of poverty. But the effectiveness of the alleviation of poverty in both economic systems varied due to the practical issues.

8. Recommendation

The officials and the policy makers in the both Islamic economic systems and other alternative economics systems can interchangeably adopt their policy measures in terms of alleviating poverty and exchange the lessons learnt in the implementation of the policy measures endemic to their own economic system.

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