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# **IMAM AL-GHAZALI'S VIEWS ON ECONOMIC ACTIVITIES<sup>\*</sup>.**

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# Imam al-Ghazali's Views on Economic Activities

## ***ABSTRACT***

*The failure of the different regulatory measures to prevent the frequent occurrence of scandals in the marketplace is proof that ethics is an essential element in all spheres of life. This paper investigates Imam al-Ghazali's views on economic activities with emphasis on the ethical aspects. As a starting point, he considers maal (wealth) as a mere means, hence its status is function of the motive for its acquisition, the way to acquire it and the way to spend it. The most common way of acquiring maal is through economic activities (kasb) that al-Ghazali thoroughly discusses in one of the chapters in his book Ihya. To al-Ghazali economic activities could be a means to attain the highest level of "al-muqarrabun" if they are carried out within a normative framework that he outlined with some details. In line with one of his favorite argument, al-Ghazali opines that the first step in the right direction is to have a correct conception of the reality of this world (a journey to the Hereafter), then maal as well as the economic activities will be conceived and dealt with in a right manner to attain eternal happiness (saadah).*

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## **I. INTRODUCTION.**

In the contemporary financial markets the existence of several regulatory and supervisory bodies has not prevented the occurrence of many financial scandals and crises. This is, certainly, proof that even strong regulation and supervision may not be sufficient to ensure the stability and the soundness of the financial industry. The ethical behavior of the agents in the marketplace is indeed a crucial condition to the stability of system. In this regard, it could be useful to look into our heritage to see how previous Muslim scholars had dealt with the issues similar to what we are facing today to extract some lessons from their works. Imam al-Ghazali is one of the most prominent Muslim scholars who have contributed in the area of

Islamic economics. His mastery of the Islamic sciences as well as the secular disciplines of his time, gave him opportunity to get a deep insight of all the issues that he used to discuss. The present paper investigates some of his views on economic activities, with a particular emphasis on their ethical dimension. At the outset of our discussion it will be important to indicate some limitations with regard to the study. Firstly, al-Ghazali did not dedicate one special book to Economics; instead his economic thought can be found, disseminated throughout his work, particularly, in *Ihya ulumuddin*. Second, economics is a dynamic subject, which evolves with respect to time and space; so, since al-Ghazali's demise, nine centuries ago, it has undergone profound and various changes. Therefore, one should take into consideration, when analyzing al-Ghazali views, the level of the economy during his time which is by far lower and less sophisticated than what it is in the contemporary world. So, the method used in this article will be content analysis of the relevant chapters in *Ihya*, particularly the chapter on wealth and the one on earnings. Thus, we shall briefly expose in the next section al-Ghazali's life and environment. This will help us better understand the context of al-Ghazali's views to be able to translate them into our time. Section III, will be consecrated to al-Ghazali's discussion on maal (wealth). The pertinence of this section relies on the fact that maal is an important element at the beginning as well as at the end of all economic activities. In section IV, we will discuss al-Ghazali's views on some issues related to economic activities with an emphasis on the normative aspects. The conclusion will constitute the last section.

## II. AL-GHAZALI: LIFE AND ENVIRONMENT.

In 450 A.H (1058 A.D) was born in Tus (situated in contemporary Iran) one of the most prominent scholars in Islamic history, Abu Hamid Mohammad ibn Mohammad al-Ghazali, surnamed Hujjatul Islam (the proof of Islam). He was orphaned in the early stage of his life. His education was left to a sufi (Muslim mystic) who was a friend of his father. Later in his life, al-Ghazali left Tus to study with Imam al-Haramayn al-Juwaini, a leading figure of the Asharite doctrine, in Niisabur. At the death of al-Juwaini, al-Ghazali was already an accomplished scholar mastering various disciplines: Fiqh, Usul al-Fiqh, Kalam (theology), philosophy, logic... His erudition was remarked by the vizier of the Seljuk government, Nizam al-Mulk, who appointed him, in 1091, as professor in the prestigious Nizaamiyyah College in Baghdad. Al-Ghazali's scholarship became very well known, and scholars came from different places to attend his classes. After four years of teaching, and at the peak of his glory he decided to resign from that position which was the highest post for a scholar at that time. The resignation was, in fact, the result of an internal crisis which necessitated, to his view, a change of environment as he explained in his autobiography, *al-Munqidz min al-dalal*:

*"...Next I considered the circumstances of my life, and realized that I was caught in a veritable thicket of attachments. I also considered my activities, of which the best was my teaching and lecturing, and realized that in them I was dealing with sciences that were unimportant and contributed nothing to the attainment of eternal life. After that I examined my motive in my work of teaching, and realized that it was not a pure desire for the things of God, but that the impulse moving me was the desire for an influential position and public recognition."<sup>1</sup>*

When al-Ghazali left Baghdad in 1095 he went to Damascus and Jerusalem and visited the tomb of the Prophet Ibrahim (pbuh) in Hebron. He performed the pilgrimage in 1096, and returned via Damascus and Baghdad to his hometown Tus, where he founded a small private school and a Sufi convent. He devoted his time to teaching, Sufi practices, and writing. It is contended that his book *Ihya*, was written during this period. In 1106, al-Ghazali returned to teach at the state-sponsored Nizamiyyah College in Nishapur, where he himself had been a student. To his followers he justified this step with the great amount of theological confusion among the general public and pressure from authorities at the Seljuk court. Later on al-Ghazali returned to Tus and continued to teach there in his Zawiyah until his death in 505 A.H. (1111 AD.).

Al-Ghazali lived during the Seljuk reign (334 – 590 AH). At that time, the political authority of the Muslim community has started its disintegration with the establishment of Islamic states in Andalusia by the Umayyad and in Egypt by the Fatimid, both challenging the authority of the caliph in Baghdad. A consequence of this decline is the attack of the Crusaders which started in 490 AH, and remained an external challenge to the Muslims for two centuries. More dramatically, was the fall of the caliphate in Baghdad under the Mogul aggression, later on, in 656 AH.

The pursuit of the worldly pleasures was widespread in the society; even the ulemas were caught by such temptation. Thus, the acquisition of the religious knowledge was a means to occupy a post in the state services or to get notoriety among the populace. In reaction to this trend, many people adopted the asceticism as a way of life.

Al-Ghazali's time was also an epoch of hot debate between different sects in the Muslim world in general, and in Baghdad in particular. In theology the controversy between the Mu'tazilites and the Ash'arites was going on. Similarly the Sufis and the Fuqahas were unable to speak the same language to solve their divergences. Even the Fuqahas themselves

disagreed in many legal issues due to the influence of their respective school of thought. Thanks to his multidisciplinary dimension, al-Ghazali successfully participated in all these debates. Furthermore, he attempted to reform the deplorable situation of the Muslim community through a fresh look to the sciences and the educational system to spread the ethical and spiritual values of Islam.

### **III. AI-GHAZALI'S DISCUSSION ON MAAL (WEALTH).**

Al-Ghazali, consecrated a special chapter to maal, and thoroughly discussed many related aspects. Since maal (capital) is almost a necessary factor to start any economic activity and at the same time it is, in the form of revenue, the *raison d'etre* of all economic endeavors, we consider it pertinent to start the discussion by looking into the status of maal to al-Ghazali, and his views on its related benefits and risks.

#### **1. The Status of Maal to al-Ghazali.**

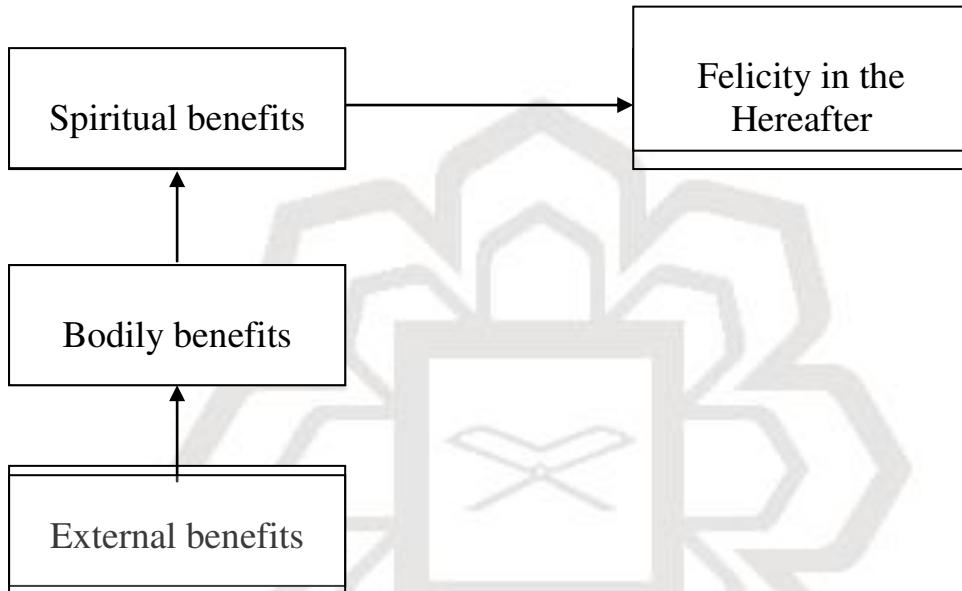
To al-Ghazali, maal is the element whose presence makes a person rich and its absence makes him poor. In other words, riches and poverty are determined based on the presence or absence of wealth. He considers maal as one of the 5 Necessities (al-dharuriat) that Shariah aims at protecting and at the same time the most serious fitnah (temptation) of this world (dunya)<sup>2</sup>. Al-Ghazali cited many verses (62:9; 64: 14; 96: 6-7) and hadiths<sup>3</sup> from which one could infer a blamable status of maal. On the other hand, he quoted other verses (2: 180; 18: 82; 71: 12) and hadiths<sup>4</sup> which seem to accord a praiseworthy status to wealth. To solve this contradiction al-Ghazali<sup>5</sup> pointed out the necessity to understand the status and function of maal, which is not good or bad by itself but is a means to either of them. To him, the smart

people are those who seek felicity in the Hereafter that can be attained through three means classified in a decreasing order of importance:

- the spiritual benefits, like knowledge –as conceived by al-Ghazali- and good characters;
- the bodily benefits, like good health and safety;
- the external benefits, like maal.

Based on this classification, the spiritual benefits are at the highest level and can be considered as an end since they will last even in the Hereafter. The bodily benefits are means and servant to the spiritual ones and they are acquired through food, clothes, shelter, and marriage. Maal should be a means for the acquisitions of the two previous benefits. Thus, maal is a servant to others and does not have any servant, it is a means no an end in itself. Since it is just a means, its status depends on the objective for which it is used; it is praiseworthy if it is used to realize a good objective (maqsud) that helps attain success in the Hereafter and blameworthy if otherwise.

The gravity of the maal-related temptation stems from the fact that the human being is inclined by nature to pursue lusts; and wealth facilitates their realization. By this al-Ghazali explained why the Prophet (pbuh) used to pray to be provided with just what is sufficient in this life.



Al-Ghazali's classification of the benefits.

## 2. The Benefits and Risks Related to Maal.

Al-Ghazali was of the view that having wealth comports benefits as well as risks. He divided the benefits into two categories: the worldly benefits and the religious ones. The former needs no elaboration, since they are self-evident to every body, otherwise people would not engage themselves in the different economic activities despite all the related risks and discomfort.<sup>6</sup> Al-Ghazali further divides the religious benefits into 3 types in relation to the uses of the maal:

- What the Muslim spends on himself and which is directly or indirectly related to the devotional activities: the examples given are the pilgrimage and jihad which are among the most important devotional activities. The basic necessities of the life such as food, clothes, shelter and marriage, are means without which the devotional acts cannot be done properly. They are, therefore, part and parcel of the worship process based on the ruling which stipulates that "whatever is necessary for the accomplishment of a wajib (an obligatory act) is also a wajib"

- What he spends on the others in Shariah recommended ways like paying for needed services rendered to him, giving charity, offering hospitality, and even giving away to protect his honor.
- What he spends for the public interest in the form of waqf such as mosques, schools, hospitals and bridges... as it is well known that these kinds of expenditures are of the nature to ensure continuous rewards to their authors.

From all expenditure enumerated above, worldly benefits could be derived; however they are not the main motives.

As for the risks related to maal, al-Ghazali discusses 3 types:

- The risk of involving in sinful acts; this is explained by the fact that, maal is an empowering factor which can facilitate the perpetration of sins.
- Having wealth may favor the enjoyment of the permissible worldly pleasures. The danger is once one becomes habituated to this kind of enjoyment he will not be able to live without it; therefore he may attempt to acquire it even through prohibited ways.
- The management of the wealth is likely to divert one from the remembrance of Allah, and by doing so he will be among the losers (64: 9).

The above discussion by al-Ghazali on maal can be seen as focusing on the ways of spending one's wealth to achieve the felicity in the Hereafter. In this respect, al-Ghazali considers that "the consumer's utility" must not be conceived as being only material, but it should essentially be spiritual. Furthermore, the satisfaction of the material needs should be done with the intention to ultimately fulfill the spiritual ones.

By ruling out any 'enjoyment of the permissible worldly pleasures' to only be content with the basic necessities in the area of material consumption, al-Ghazali adopts the sufi

view which is for the asceticism in this world. However, in the Quran as well as in the Sunnah there are evidences that do not support this position. All the good things in this world can be enjoyed by the Muslim who is enjoined to prioritize his needs and to be moderate in consumption. Allah says:

*"Say (O Muhammad): 'Who has forbidden the adornment given by Allah, which He has produced for His slaves, and good food?' Say: 'They are, in the life of this world, for those who believe, (and) exclusively for them (believers) on the Day of Resurrection (the disbelievers will not share them).' Thus We explain the Ayat (Islamic laws) in details for people who have knowledge." (7:32).*

#### **IV. AL-GHAZALI'S VIEWS ON ECONOMIC ACTIVITIES.**

Al-Ghazali discusses the economic activities from both positive and normative perspectives.

##### **1. A Positive Discussion on Economic Activities.**

From the positive perspective, he explains how and why the different productive activities come into existence, starting from the very beginning of mankind until his time. He argues that human being has three basic needs namely: food, shelter, and clothes. To satisfy these needs, man is obliged to make efforts and use the resources in his environment. This leads to the creation of the 5 basic productive activities:

- Farming (food for people);
- Grazing (food for animals);
- Hunting (including exploration of mineral and forest products);

- Weaving (textiles, or clothing); and
- Building and construction (for shelter).

He further elaborates to show how and why marketplaces come into existence and how these basic activities engender more and more other related productive activities

*"It happens that farmers live in a place where farming tools are not available.*

*And, blacksmiths and carpenters live where farming does not exist. So, the farmer needs blacksmiths and carpenters and they in turn need the farmers. Naturally, each will want to satisfy his needs by giving up in exchange a portion of what he possesses. But, it is also possible that when the carpenter wants food in exchange for some tools, the farmer does not need the tools. Or, when the farmer needs the tools from the carpenter, the carpenter does not need food. So such situations create difficulties. Therefore, there emerge forces leading to the creation of trading places where all kinds of tools can be kept for exchange and also the creation of warehouses where farmers' produce can be stored. Then, customers come to obtain these goods and markets and storehouses are established. Farmers bring their produce to the markets and if they can't readily sell or exchange what they possess, they sell them at a lower rate to the traders who in turn store the produce and try to sell to the buyers at a profit. This is true for all kinds of goods and services." ...*

*"Then, such practices extend to different cities and countries. People travel to different villages and cities to obtain tools and food and transport them. People's economic affairs become organized into cities which may not have all the tools needed and into villages which may not have all the foodstuffs needed. People's own needs and interests create the need for each other and for transportation. Then, a class of professional traders who carry goods from one place to another is*

*created. The motive behind all these activities is the accumulation of profits, no doubt*<sup>7</sup>.

In his analysis, al-Ghazali explains the apparition of specialization and division of labor. Since it is practically impossible for one individual to satisfy all his needs through his own labor, there is a need for exchange which, in turn, assumes the existence of other individuals offering different products and services. This mutual need leads to the establishment of villages and cities, with an agreed upon social order to ensure the satisfaction of human needs which gradually become more sophisticated.<sup>8</sup>

Al-Ghazali's discussion and analysis of the productive activities from a positive perspective, shows his deep understanding and insight of the subject. However, it is important to mention that his analysis aimed, in the first place, at highlighting how man was diverted by the means (the increasingly sophisticated economic activities) from giving due attention to the end (Allah).

To avoid this pitfall, it is obligatory for a Muslim to carry out these economic activities within a normative framework derived from the Islamic Shariah. Al-Ghazali elaborates on this normative aspect of economic activities particularly in the chapter of *Ihya* consecrated to "Earnings, Trade, and Commerce".

## **2. A Normative Discussion on Economic Activities.**

To al-Ghazali, "*Allah has made the next world the place of reward and punishments and this world the place of effort, troubles and earnings. Earnings is not the aim of human life but it is a means to an end.*"<sup>9</sup> He further divides the society, with respect to earnings, into three groups:

- (1) Those who forget the return (to the Hereafter) and make the earnings of livelihood as the sole object of their life. They will be destroyed.
- (2) Those who make the return to the next world their sole object of life at the expense of worldly life. They will succeed.
- (3) Those who follow the ‘middle path’ and engage in worldly affairs, including economic activities, according to the rules of Shariah -- they will achieve salvation<sup>10</sup>.

In the chapter of Ihya that he consecrates to "Earnings, Trade, and Commerce" al-Ghazali addresses several related issues, in details. In this section we shall discuss few of them and try to relate them to the contemporary life.

### ***2.1. The legal status (hukm) and merits of involving in economic activities.***

Al-Ghazali, through induction (istiqraa) of many Quranic verses and hadith, and a critical analysis of their impact on the society, concludes that these activities are fard kifayah (collective obligation). That is, it is sufficient that one group of the community carries them out; however, if nobody discharges them the whole community will be sinful. Thus, al-Ghazali quotes many verses from which we can infer that carrying out these activities is intended by the Lawgiver:

*"And surely, We gave you authority on the earth and appointed for you therein provisions (for your life). Little thanks do you give." (7: 10), "Then when the (Jumu'at) prayer is ended, you may disperse through the land, and seek the Bounty of Allah (by working, etc.), and remember Allah much: that you may be successful." (62: 10), "And We have made the day for livelihood" (78: 11), etc.*

From the Sunnah as well as the tradition of the early generations of Muslims, al-Ghazali narrates many stories to support his views. In a hadith the Prophet (SAW) said: "*The truthful*

*tradesmen will resurrect on the Resurrection Day with the truthful (as siddiqiin) and the martyrs (as shuhadaa).* In another hadith reported by al-Tabarani it is mentioned that one day, the Prophet (SAW) was seated in the mosque of Medina with his companions, when a stout and strong young man was going to his shop running by the mosque. The companions said: Alas for this young man! Had his body and health run in the way of Allah! The Prophet (SAW) then said: *"Don't say like this. If this young man runs with the intent of not depending on others and refraining from begging, he is in the way of Allah. If he makes efforts for livelihood of weak parents or weak children, he is in the way of Allah. If he tries to show his health out of pride, he is in the way of devil"*<sup>11</sup>.

To al-Ghazali there are two possible objectives for engaging in economic activities at individual level:

- To gain necessary livelihood for oneself and family.
- To increase one's wealth.

The former is without doubt praiseworthy from the Shariah point of view. The evidences quoted above substantiate this opinion. On the other hand, the status of latter depends on the aim for which the wealth is sought, as we have discussed it in the previous section.

At the community level, al- Ghazali rationally justifies the status of involving in economic activities on the ground that: *"If the various kinds of trade and industry are given up, it will be difficult for the people to manage their livelihood and the majority of the people would be destroyed. One group should be responsible for one kind of work. If all remain busy in only one kind of work, all other work will remain idle and hence the people would be destroyed"*<sup>12</sup>. In other words, these kinds of activities are maslahah (interest), and as such their realization and preservation are recognized as objectives of Shariah, which aims at protecting life and social order.

The way that al-Ghazali rationalizes the necessity of engaging in the economic activities for the community is interesting in the sense that it allows the extension of this principle whenever the conditions are met. This maslahah (or maqasidi) approach may be very useful in handling many issues in this contemporary world, which did not arise during the early days of Islam, and were not dealt with specifically.

For instance, nowadays there are many new areas of knowledge that did not exist during the glory period of Islam; based on the maqasidi approach the Muslim community could identify and prioritize the branches which are crucial for the preservation of the public interest of the Ummah and consequently make the necessary arrangements for their acquisition.

Since the status of these productive activities is clarified, the next stage of the discussion will be the ethics of conducting such activities.

## 2.2. Ethics of economic activities.

Ethics occupy a central place in Islam.<sup>13</sup> Imam al-Ghazali himself is known for his emphasis on ethics in almost all the issues that he discusses in Ihya. In the area of "Earnings and Commerce" al-Ghazali warns: "*nobody should forget his religion and the next world during the course of his trade, commerce and earning livelihood. If he does, he will then be ruined and will be one of those who sell their next world in lieu of this world; but the wise man is he who protects his capital. His real capital is his religion and matters related to the next world*"<sup>14</sup>.

We can distinguish two categories of behavior in business that al-Ghazali addresses: the first category has an obligatory status and the second is recommended.

### **2.2.1. The obligatory category.**

In different places in the chapter on "Earnings", al-Ghazali puts emphasis on different attitudes that the Muslim involving in economic activities must observe. We present them in the following lines.

#### **Acquiring the knowledge of the lawful and unlawful about the business.**

In a well known hadith the Prophet (SAW) states that: "*The research of knowledge is compulsory on every Muslim*". To Al-Ghazali the knowledge whose acquisition is compulsory varies, in function of the need and the person. So knowledge related to prayer is compulsory on every Muslim, since all Muslims are required to perform the prayers on daily basis. On the other hand, knowing what is lawful and what is unlawful in matters related to earnings is obligatory on only those who engage in such activities. The general knowledge of the Shariah rulings on these matters will enable them to avoid the unlawful, or to recognize the issues which need the fatwa of a learned person. That is why the second caliph Omar Radyallaahu anhu (RA) used to visit the markets and instruct some inexperienced tradesmen on whipping them and said: "*Nobody shall carry on business in our markets who has got no knowledge of business. Otherwise he would involve in riba willingly or unwillingly*". Thus, al-Ghazali devotes an entire section to discuss the fiqh aspects of the contracts endorsed by Shariah like murabahah, shirakak, ijarah, etc. At that time, business was carried out through these contracts, and what he discussed was the required knowledge for businessmen.

#### **Formulation of intention.**

Since al-Ghazali classifies the involvement in the economic activities into the category of fard kifayah, it follows that the formulation of intention at the beginning is

determinant to give them the status of worship. In this regard, al-Ghazali indicates that the worker should have as intents:

- to save himself and his family from depending on others;
- to earn what will enable him to perform the various commands of Islam;
- to perform the *nasiiyah* (advice) in the workplace;
- to execute his duties with equity and benevolence;
- to perform one of the *furud kifafayah*.

Today, Muslims do not seem to give due attention to these two important points, in the conduct of their economic activities. For instance, an application of the first principle in Islamic banking industry would imply that all the staff should have working knowledge in *fiqh mu'aamalaat* which could vary from one employee to another depending on the nature of his involvement in the bank operations. As stated by Seydina Omar, a lack of required knowledge, in this area, is likely to open the door to *riba*. Yet, in financial transactions the risk is very high.

As for the second point, the principle can be applied to the individual worker as well as to the business entity. The equivalent of formulation of intention, for a business entity, would be the statement of the objectives. In light of al-Ghazali theory, the maximization of shareholders' value, as sole and main objective of the firm, is hardly acceptable in an Islamic framework. The business being established to discharge a *fard kifayah*, by satisfying a need of the Muslim community, the management is, therefore, expected to take into account the interest of all the stakeholders not only that of the shareholders.

## **Being equitable and avoiding injustice.**

Under this section al-Ghazali discusses different kinds of actions which are indeed harmful to the individuals and the society, even though they may seem to be acceptable in appearance.

- **Hoarding.** Al-Ghazali considers hoarding of food stuffs as condemnable by Shariah on the ground that it causes harm to the public. He cites a hadith of the Prophet (SAW) saying that: "*If a man hoards up food stuffs when they are dear for forty days to get higher price. He is displeased with Allah and Allah is displeased with him*"<sup>15</sup>.

If we looked superficially at hoarding we could conclude that there is no issue with it! Since Islam recognizes property right, the owner of any asset can hold it or sell it according to his will. However, by looking into the objectives and effects of his action it appears clearly that the intention of the hoarder is simply to take advantage of the need and suffering of the others. From this angle we can understand the severe condemnation of Shariah of this kind of action. Therefore, hoarding should not be limited to food stuffs, but it is extendable to all the things which are necessary for a normal life of the community.

- **Use of counterfeit coins.** To al-Ghazali the use of counterfeit coins is comparable to introducing a bad custom. The first one who introduces it will get the sins of every person who subsequently transfers it to other persons.

- **Telling the truth about the commodity.** The principle which governs this part is, according to al-Ghazali, the hadith of the Prophet (SAW) stating: "*love for the others what you love for yourself*".

Ghazanfar, M. and Islahi, A.A. (1997) discussed in a pertinent way al-Ghazali's opinion in this respect:

*"Al-Ghazali considers false advertisement also as one of the evils of the markets which must be prohibited. He admonishes the businessmen against false praise and*

attempts to hide the defects of a good. Further, “they should not give false information about the weight, quantity, or the price. Engaging in such a practice is a fraud, which is to be strictly prohibited.” He also quotes the Prophet (SAW), who had declared a person as “not among us (Muslims)”, because this individual had mixed wet and dry grain together in order to cheat the buyers. The purpose of advertisement, according to al-Ghazali, should be to provide proper information to the potential buyers. However, it will be wasteful on the part of the seller to point out the obvious qualities of the goods to the buyer, though the seller may describe the less obvious aspects to the buyers, without exaggerating them. Further, among some of the other evils of the markets that must be avoided, al-Ghazali warns all those who deceive others by activities such as not giving full measure or weight in their transactions, will be subject to the doom expressed in the Holy Qur'an “Woe to those that deal in fraud”(86:1). Deceptive grading or marketing of goods, adulteration, and other kinds of cheating will be considered *tatfif* (defrauding), condemned by the Qur'an and subject to severe punishment in the Hereafter. Al-Ghazali is very emphatic concerning truth in price quotations, contractual obligations, and in the use of prevailing market prices in all transactions. He strongly condemns any secret dealings and price manipulations on the part of buyers and sellers. He advises them to be truthful in all economic transactions, and in this context, he reminds them of the Prophet's (SAW) statement, “A person will have the right to review the contract if he is deceived in any way.” Thus, al-Ghazali's idea of the proper functioning of the markets requires that they be free from the defects and evils mentioned above”<sup>16</sup>.

### **2.2.2. The recommended category.**

At the beginning of his discussion of this category, al-Ghazali indicates:

*"Allah has enjoined both adl (justice) and ihsaan (benevolence) (16: 90). If adl is the condition for salvage it would be the equivalent of capital, in commerce. Whereas ihsaan, which is the condition for success and felicity, would have profit as equivalent. In this world, is not considered wise the person who only seeks to preserve his capital in his trading activities. Likewise, a Muslim, whose objective is to succeed in the Hereafter, should not give up the various kinds of ihsaan, to limit himself to adl."*<sup>17</sup>

In line with the above, al-Ghazali enumerates a series of behaviors that the merchant has to adopt towards his clients to get rewards and ranks, though they are not compulsory. Besides this kind of actions, al-Ghazali enumerates few instructions which aim at preserving the religion of the merchant.

Ihsaan should be manifested in different ways and at different stages of the transactions. There is a hadith which can be used as guideline in this regard. The Prophet (SAW) says: "*May Allah show mercy on easy purchase, easy sale, easy payment of price, and easy payment of debt*"

As for pricing, al-Ghazali, suggests moderate profits, which is a form of ihsaan, although taking greater profit is not unlawful. What should be avoided by the seller is to take advantage of the need of the buyer or of his lack of proper information. Further, he proposes that the merchant is supposed to accept sometime selling on credit or suffering a loss, for instance, in the case where a poor client needs some necessary items<sup>18</sup>. Besides the rewards that the merchant can get from such behavior in the Hereafter, al-Ghazali justifies that "a cut

*in profit margin by decreasing the price will cause an increase in sales and ultimately an increase in total profit".*

Another form of ihsaan is, to al-Ghazali, in relation with debt. The lender should demand in a good manner and grant time when realizing the dues.

On the other hand, practicing ihsaan for the debtor may be in the form of clearing the debt before demand, going to the creditor personally and not to wait for its demand, and paying more than the principal. The advice given by al-Ghazali in this part is very relevant for Islamic bankers as well as the customers. Its observance by both parties could prevent the occurrence many disputes between the banks and the customers.

Al Ghazali also mentions, as a form of benevolence by the seller, for him to accept the return of a sold item if the buyer thinks that he has suffered loss.

The last issue discussed by al-Ghazali on "Earnings, trade, and commerce" is in the form of 7 guidelines to preserve one's religion and his interest in the next world. To him, the Muslim should keep in mind that the next world is the final destination and the most important, this world is merely a "seed ground for the next world." We have already discussed two of them in the obligatory category. Here we enumerate the remaining items of the list of instructions that make the religion of a business man perfect:

- Let not the worldly markets distract you from the Hereafter markets, which are the mosques. Allah praises the behavior of some of His servants by saying: "*(In the mosques there are) men whom neither trade nor sale diverts from the remembrance of Allah, nor from performing salah (prayer), nor from giving zakah. They fear a Day when hearts and eyes will be overturned (out of the horror of the torment of the Day of resurrection)*" (24: 37).
- Be attached to the zikr of Allah.

- Don't be too greedy in the markets and in business.
- Keep away from doubtful things even after giving up unlawful things.
- Adjust accounts of your business with every body.

Al-Ghazali maintains that a businessman can attain the high ranks depending on the degree of his observance of the instructions and guidelines discussed above. Thus, if he observes adl (justice) by only doing the obligatory category, he will be among the saalihun (righteous). If, in addition to that, he practices ihsaan by performing the recommended category he will be among the muqarrabun (those brought near to Allah). If, on the top of that, he carries out the guidelines mentioned in the last section, he will then attain the grade of siddiqiin (truthful).

## V. CONCLUSION.

In this paper we have investigated al-Ghazali's views on wealth and economic activities. The main idea that we can draw from the foregoing discussion is that both economic activities as well as wealth are mere means in our journey to the Hereafter. As such, they can be a source of harm to the Muslim if he takes them as ends in themselves or if they are used in a way contrary to the guidelines provided by Islam. On the other hand, they may participate in the realization of the felicity for the Muslim if they are used according to the Shariah principles. We have presented these Shariah principles, as per al-Ghazali, in the section devoted to his normative views on economic activities. His maqasidi approach to derive the legal status of the productive activities is interesting. It may be helpful to the Muslim scholars to solve many new issues in the contemporary world. Al-Ghazali looks at worship (ibadah) in an integrative way. To him the concept of ibadat encompasses activities other than the devotional ones, as long as they are carried out in accordance with Shariah

indications. . In line with one of his favorite argument, al-Ghazali opines that the first step in the right direction is to have a correct conception of the reality of this world (a journey to the Hereafter), then maal as well as the economic activities will be conceived and dealt with in a right manner to attain eternal happiness (saadah).

The current global financial crisis, which involves a lot of ethical issues, puts forward the importance of ethics in all activities including the economic ones. There are many regulatory and supervisory bodies, at both local and global levels, which aim at ensuring soundness and stability in the financial industry; however, the frequency of the scandals in the contemporary financial markets proves that regulation and supervision will be ineffective if the agents do not behave in an ethical way.

In this context, Muslim businessmen as well as non-Muslim can extract guidance from al-Ghazali views, in order to adjust the objectives of their endeavor in addition to conducting business in a more ethical manner for the benefit of mankind.

## **Endnotes**

<sup>1</sup> Al-Ghazali, al-munqidz, as available at [www.al-ghazali.org](http://www.al-ghazali.org).

<sup>2</sup> Al Ihya, V. 3, p. 231.

<sup>3</sup> Ibid V. 3, p. 232.

<sup>4</sup> Ibid V. 3, p. 234.

<sup>5</sup> Ibid

<sup>6</sup> Ibid V.3 p. 236.

<sup>7</sup> Al-Ghazali, as cited by Ghazanfar, M. and Islahi, A.A. (1997)

<sup>8</sup> Ihya, vol. 3, p.228.

<sup>9</sup> Ihya, vol. 2, p. 62.

<sup>10</sup> Ibid

<sup>11</sup> Ihya, vol. 2, p. 62. It is worth mentioning that many scholars have criticized al-Ghazali for his use of weak hadith to support his views. However, in my view, these weak hadith do not diminish the value of al-Ghazali's views, since he uses generally these kinds of hadith to supplement and complement other verses and authentic hadith.

<sup>12</sup> Ihya, vol. 2, p. 83.

<sup>13</sup> In a hadith the Prophet (SAW) affirms that the objective of his mission is to complete the good characters.

<sup>14</sup> Ihya, vol. 2, p. 83.

<sup>15</sup> Ihya, vol. 2, p. 72.

<sup>16</sup> Ghazanfar, M. and Islahi, A.A. (1997), p. 21.

<sup>17</sup> Ihya, vol. 2, p. 79.

<sup>18</sup> Ihya, vol. 2, p. 80.

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