

THE RELEVANCE OF IBN TAYMIYYAH ECONOMICS IN ADDRESSING POVERTY AND INCOME DISTRIBUTION

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Abstrak: Relevansi Pemikiran Ekonomi Ibnu Taymiyyah terhadap Perekonomian Modern dalam Menangani Kemiskinan dan Distribusi Pendapatan. Artikel ini mengkaji pandangan Islam menurut Ibnu Taymiyyah terhadap kebijakan pemerintah dalam menangani kesenjangan sosial akibat distribusi pendapatan yang tidak merata, serta menganalisa permasalahan apa yang terjadi dalam penanganan kemiskinan dan distribusi pendapatan? Dan bagaimana cara menghapus ketidakadilan distribusi pendapatan dalam suatu tatanan ekonomi? Menurut Ibnu Taymiyyah, pemerintah bertanggung jawab dalam mengatur distribusi pendapatan dari orang-orang kaya kepada orang-orang miskin secara adil, dan menyeimbangkan tingkat taraf hidup. Pernyataan Ibn Taymiyyah tersebut dapat direalisasikan pada otoritas pemerintah masa kini untuk memungut pajak pada orang kaya dan penerimaan pajak didistribusikan untuk pengembangan infrastruktur dan biaya lainnya yang akan meningkatkan pembangunan manusia dan menciptakan lapangan kerja. Pemikiran Ibn Taymiyyah tentang distribusi pendapatan ini relevan dengan kondisi perekonomian di Negara-negara muslim saat ini dalam mengurangi pengangguran dan kemiskinan.

Kata kunci: Ibn Taymiyyah; kemiskinan; distribusi pendapatan.

Abstract: The Relevance of Ibn Taymiyyah Economics in Addressing Poverty and Income Distribution. This paper examines the view of Ibn Taymiyyah of state or government in Islamic law and the state role in the distribution of wealth and removing the class differences and income injustice within an economic order, and analyze the various problems in most of modern government to tackle poverty and income distribution? And how to remove class differences and income injustice within an economic order? According to Ibn Taymiyyah, the government is responsible for regulating the distribution of income of the rich people to the poor people equitably, and balancing the level of life of the people. Ibn Taymiyyah above statement can be realized on the government's authority to levy taxes on the rich and tax revenue is distributed to the development of infrastructure and other expenses that will improve human development and create employment. The idea is relevant to reduce unemployment and poverty in today Muslim countries.

Keywords: Ibn Taymiyyah; poverty; income distribution.

Introduction

Most of contemporary analytical economists date their origins from the late eighteenth century before where the doctrine of economics was frequently subservient to particular political or religious dogma. At present, entire economist should not ignore what Islamic scholars have contributed to the economy; more or less the entire economies are organized on Islamic principles. Islam is explicitly concerned with worldly life and provides numerous guidelines for the conduct of economic affairs¹, Ibn Taymiyyah economical thoughts is very

popular, he assume that Islam in principle is a religion, so Islam is not aim to establish economic regime or political regime but it sets general rules concerning their individual and social relations in this world or in the hereafter².

There are 57 countries on the World considered to be Muslim countries and all of them are the

Neoclassical-Keynesian Synthesis! A Review Essay," *Research in the History of Economic Thought And Methodology*, 1992, Vol. 9, p. 230.

² Minarni. *Falsifikasi Kebijakan Fiskal di Indonesia Perspektif Islam; Menemukan Relevansi Pemikiran Ibnu Taimiyah Tentang Keuangan Publik Sebagai Potret Khazanah Kebijakan Fiskal Periode Klasik Islam*, (Yogyakarta: Graha Ilmu, 2015), 1st edition, p. 53.

¹ S. Behdad, *Islamic Economics: "A Utopian-Scholastic-*

members of OIC. Muslim population constitutes almost the quarter of World population; their economic indicators are mostly very poor SD; which is again, very low. Regarding the total external debt, it stood at approximately 627.8 and 694.6 billion US dollar in the OIC countries between 2000 and 2004, while the percentage of total developing countries ranged between 26.8 and 27.2 percent for the same years. The figures actually reflect the heavier burden of the external debts in the case of the OIC countries even as compared to developing countries. Debt is still a big problem for OIC countries. Among the OIC groups, the debt burden is highest in the case of the MDC group, and lowest in the LDC and FEC groups³. According to Dr. Walid Hejaz, the Muslim countries at the moment are facing difficulties due to their low GDP growth, the GDP is only \$9.9 Trillion annually over the total population of Muslim world is 1.6 billion. There are three pillars of institutional development: social and political system, infrastructure development and easy of doing business⁴. The reasons why most of the Muslim countries are still very poor in their GDP per capita are due to the imperfections of their market system. The market system is an impersonal mechanism, and the distribution of income to which it gives rise may result in more inequality than society desires.⁵

Some of the enlightened governments of the Muslim countries (particularly Qatar, Dubai, Jordan, Oman and to some extent, Bahrain, Saudi Arabia, and other UAE emirates) are more progressive and pro-growth than their populace. So, there's probably a necessary government role in starting the process, but the state needs to get out of the way after giving an initial push.

If we continue to believe that the conventional economic theories are the best way to practice in Muslim countries, we'll never understand

the effects and results of the economic policies practiced in today's Muslim countries regarding social injustice, and we will continue to have trouble with poverty, class differences, unequal income distribution, debt crisis on households and governments. The conventional economic theories can't explain why it is failed to be practiced in most of Muslim countries.

Redistribution is one of the important topic in the economic systems, like wise in the theory of Islamic Micro Economics, redistribution is crucial as it is not only related to economics, but also related to the social and political aspect.

By rethinking our approach to Islamic perspective, and understanding the Ibn Taymiyyah thought on social injustice and how to optimize the source of revenue and government expenditure, and to rethinking the goal of state to reach the prosperity, we can fix the problem of class differences and unequal of income distribution in most of Muslim countries.

Ibn Taymiyyah emphasizes on noble character, to be justice and honest in any economic activities, he agreed that the proportional taxes are the fair taxes. And when the economy is at it's peak then there is no "bubble of economic", the government and public must use *fai'* and *zakat* the source of equal income distribution among the people.

Prevention of malice to everyone in any form is compulsory. According to Ibn Taymiyyah and many other scholars, injustice is not acceptable to anyone or anything. The use of the word 'anything' means that injustice to animals, birds, insects, and the nature is as prohibited as it is to human beings. With respect to human beings, injustice is not allowed to any one, irrespective of whether he is a Muslim, a non-Muslim, or even an unjust person⁶.

Ibn Taymiyyah also emphasizes that the government should rethinking the goal of state, many Muslim countries are involved in political crisis, geopolitical instability. In general, lack of stability doesn't lead people to make long-term

³ Kabir M Hasan, "Economic Performance of the OIC Countries and the Prospect of an Islamic Common Market," *Economic Research Forum*, Working Paper 2009, No. 461, p. 8

⁴ Walid Hejazi, *Factors Impacting the Transition of OIC Countries*, Finance. Retrieved from <http://blogmile.org> on 2015, August 8

⁵ Campbell R. McConnel & Stanley L. Brue. *Economic, Principles, Problems, and Policies*, Singapore: (McGraw-Hill Book Co., 1990), 11th edition, p. 88.

⁶ M. Umer Chapra, *Socio-Economic Justice and the Muslim World*, (Islamabad, Institute of Policy Studies: 2008), Vol. 5 No. 1, p. 15.

investments in the future⁷. Most of the Muslim countries are stagnant with the source of oil, no serious action has been taken to develop other alternative source. Corruption. It's a combination of an inefficient official process and a small number of wealthy and powerful families, able to either change the law as needed, or ignore it.

Ibn Taymiyyah had a great deal to say on problems of income-wealth distribution, poverty and so forth, He put more stress on social justice, a just society based on God given, fair economic principles. As for the pursuit of economic activities, he says wealth is superior to poverty even in the moral sense, for while poverty gives rise to rights, wealth imposes obligations such as mutual help and sharing. He also put stress that the state must pursue positive economic goals such as eradicating of poverty, amelioration of gross income and wealth inequalities, regulation of markets to minimize the evils of market imperfections, economic planning to provide the necessary socio-economic infrastructure, just and efficient enforcement of the laws (including taxation), and so forth⁸.

One of the highly important roles of most modern government is how to tackle poverty and income distribution? And How to remove class differences and income injustice within an economic order? It is fundamental economic problem of any government. And one of the motives of forming governments was probably the desire for abolishing poverty and fair economic. Reality in society today shows that many of the injustice, inequality and distortion distribution of goods and services that result in scarcity, and the impact on prices of goods on the market.

Looking at the above phenomena, this paper will examine two parts; part one is a critique of the western system of distribution, market failure and poverty and part two will focus on the issue in the light of Islamic perspectives specially the

view of classical scholar Ibn Taymiyyah. In the first part, the critique of the western system will be explained in according to the fact and phenomena experienced in most modern government that will be properly laid up. And in part two it will be explained in Islamic prospective, it is found that Ibn Taymiyah did support redistribution and justice in addressing poverty and income distribution.

A Critique of the Western System of Distribution

The distribution system of capitalist economy still contains some weaknesses. This is due to the dominance of the market economic system (capitalist) who tend to have weaknesses, including inequality and social inequality, disharmony arise, profit maximization, materialistic, and moral crisis and the exclusion of well-being⁹. The value based in capitalist economic is the doctrine of materialism-hedonism and secularism, where the wealth is every things, this doctrine had changed the mindset of people to focus on wealth, pleasure and sheer physical pleasure while ignoring the spiritual dimension. And the secularism is trying to separate between religion and science, and even tend to ignore the normative or moral dimension. These doctrines enforce that man's right to determine her own life¹⁰.

Thus, all the rules of public life including the economy, it is not taken from religion, but it is left entirely to the human, what is deemed beneficial. With the principles of this benefit, the good is giving large amount of material benefit to human and the bad is vice versa. So that happiness in this world is nothing but the fulfillment of all the needs that are material, both the material that can be felt in the form of goods or services.

The tendency of the market economy, as noted above led to deviation of distribution, at least there are several contributing factors; First is moral hazard, this is due the doctrine of materialism-hedonism and secularism, these

⁷ Adrianna Lukaszewicz, "The Economic System of Muslim Countries. The Case of Arab Countries", . *Ekonomia Journal*, 2002, vol. 5, p. 5.

⁸ Tubagus Treshna Irijanto, M. Azlan Shah Zaidi M. & Abdul Hafar Ismail, "The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution" *Trikonomika* , 2013 Vol. 12 No. 2. p. 170.

⁹ Heri Sudarsono, *Konsep Ekonomi Islam, Suatu Pengantar*, (Yogyakarta: Ekonisia ,2002), 1th edition, p. 53.

¹⁰ Hendrie Anto, *Pengantar Ekonomika Mikro Islami*, (Yogyakarta: Ekonisia, 2003), p. 33.

doctrine of capitalist change the orientation of human life to the tendency of wealth, pleasure, and sheer physical pleasure, and ignore the spiritual dimension. This issue caused the eradication of human behavior such as act of fraud *Tadlīs*, fraud in the quality or quantity of product, in price, and time of good delivery, *Taghrîr* the obscurity, and *ihitiqâr* stockpiling. Second is the role of government in the economic such as distribution of goods and services. Third is the effort of law enforcement is not maximal against perpetrators of irregularities distribution of goods and services.

Related to the problem of distribution, market economic system (capitalist) using the principle that to overcome the poverty, the country must increase domestic production and providing the freedom for people to take up production (wealth) of their production to the state. By solving the problem of poverty, then it also solve the problem of individual's poverty, because of their attention on production that can break their poverty problems. Then the best solution to solve the problems of the society is to increase production¹¹. Thus, the economy is only focused on providing the tools to satisfy the needs of society as a macro by raising production levels and increasing the national income, by increasing the national income, it will led the people to joy their freedom for free enterprise, so that each individual is left free to obtain as much wealth according the factors of production owned.

The principle applied by the distribution of market economic system (capitalist) eventually has an impact on the reality that the real rulers are the capitalists (owners of capital and conglomerates). Therefore, it is reasonable, if the policies issued by the government always sided with the owners of capital or conglomerate and always sacrifice the interests of the people, so that there was inequity (injustice) distribution of income and wealth.

In general, fundamental criticism of the free market capitalism is the concept of freedom of

the market which is really too free. This freedom has spawned what is known as "social Darwinism" in aspects of the allocation and distribution of economic resources. The market has created a selection system, which only pro-life to rich people, so there is no place for the poor. The market will close their eyes to poverty and unemployment, and not in favor of morality or equity considerations. Finally, the marginalized and the poor will get poorer. Poverty is regarded as a logical and natural consequence - because it must be happened due to the consequence of a competition. In fact, poverty is not only considered as a logical consequence of defeat in economic competition, but also convicted for merely lazy and stupid attitude of the poor that cannot compete. The poor people productive effort and their hard work do not get decent award due to lack of adequate capital. Poverty occurs because of a vicious circle that seemed really cannot be interrupted or terminated so as to be taken for granted. In the end, poverty is not considered economic problem but a social and religious issue that can be solved by giving alms¹².

In a capitalist economic system raising the level of production and increase national income can solve that poverty. But, this theory cannot be justified and even the poverty occurs due to the unfair distribution of wealth in the capitalist economics system. Empirical facts show that it is not because there is no food that makes people suffer hunger but poor food distribution. Injustice is also reflected in the utilization of technical progress achieved by science can only be enjoyed by people who are relatively rich, whose income exceeds the income limit for daily living, while those who live just enough to eat everyday are forced to remain suffered from poverty lasting.

Constructive criticism above leads us to the idea to build a distribution system of Islamic economic perspective which is expected to be able to realize justice and welfare of the community, both in the world and the hereafter.

¹¹ Che Seman Azizi &, Nor Aini, "Economic Thoughts of Redistribution of Income and Wealth: A Comparative Analysis, "Jurnal Syariah, 2004, Vol. 12 , No. 2, p. 29.

¹² Hendria Anto, *Pengantar Ekonomika...*, p. 57.

The Relevance of Ibn Taymiyyah Economics in Addressing Poverty and Income Distribution

According to Ibn Taymiyyah, the government is responsible for eradication of poverty. But Ibn Taymiyyah does not praise the poverty, in his view, every man should seek prosperity and independence in seeking life, it is obligatory to every mankind to work and do business and condemn the idleness as it also encouraged in religious duties¹³. It is the duty of the state to maintain the regulation of distribution of income of the rich people to the poor people equitably, and balancing the level of life of the people. Ibn Taymiyyah said that it is the best of deeds for the authorities to differentiate between the deserving and the undeserving and to do justice in the distribution of means of livelihood and of public offices¹⁴. It is the duty of the ruler to collect the money from where it is due and to expend it equitably to give the money for those who are right to be given and proper to do so and never to deprive the deserving as the Qur'an points, *in order that it may not circulate (only) between the wealthy among you*¹⁵. Ibn Taymiyyah above statement can be realized on the government's authority to reduce inequality and bridge the gap between rich and poor, to levy taxes on the rich and also a commitment to wealth creation, the state has the right to oblige producers and workers to provide those goods and services which people need but which are in shorty supply.

Ibn Taymiyyah's idea emphasizes the teachings of noble character, honesty, avoiding fraud and deceit in any economic activity. Although Ibn Taymiyyah agreed on postal revenues of the tax sector, but its supposed to be temporary and subject only to the rich. Fair tax is a proportional tax. When the economy was at its peak (booming) then there is no bubble, otherwise if the economy is declining, it is not a crash¹⁶.

This indicates that the zakah, *waqf* and *fai'* should be the main revenue source and elements of Islamic principle or prescription directed towards the removal of poverty. But the question appeared whether the state might impose new taxes and demand more money over and above *zakat*. This issue has been very controversial in modern government. Some thinkers said that the government has no right to impose more money after payment of zakah except in the emergency condition such as war, or when the *bayt al-mâl* is running out of funds¹⁷. Ibn Taymiyyah does not agree with this opinion, the contribution to ruler during the war is a must and very clear, even though the ruler is not very just. But to contribute to war effort is to protect them selves from allowing an enemy to take all their property unrightfully.

According to Ibn Taymiyyah the state is responsible for caring the possibility of financial deficiency, it is therefore legitimate to impose other financial obligations upon Muslims apart from zakah. He strongly criticizes the thinkers who deny the right of the state to impose new taxes. He said the jurists should aware the tradition reported by Fatimah in the book of Tirmidhî that there is a claim on one's property other than zakah. Ibn Taymiyyah said that zakah must be paid when one's property is in excess and has reached a provision to pay zakah, and also known as wealth tax. As for financial obligation other than zakah, the reason for these is not the mere fact of property or wealth above a certain minimum, but the emergence of need in the society. For example, expenditure on or other help to relatives in time of calamity, etc. in this case, each must contribute according to his means. Thus, it is clear, for Ibn Taymiyyah, that there are rights other than zakah when needs arise in the society, a positive response to which the shari'ah has stressed regardless of the level of one's wealth¹⁸.

Natural resources should be maximized to the maximum for the welfare of the people by way of a business entity managed by the state.

¹³ Azim A. Islahi, *Economic Concepts of Ibn Taymiyyah*, (London: The Islamic Foundation 1988), p 87

¹⁴ Duriana. "Principles of Economic Ibn Taymiyyah (Moral Analysis)", *Journal Al Ulum*, 2015, Vol. 15 No. 1, p. 192.

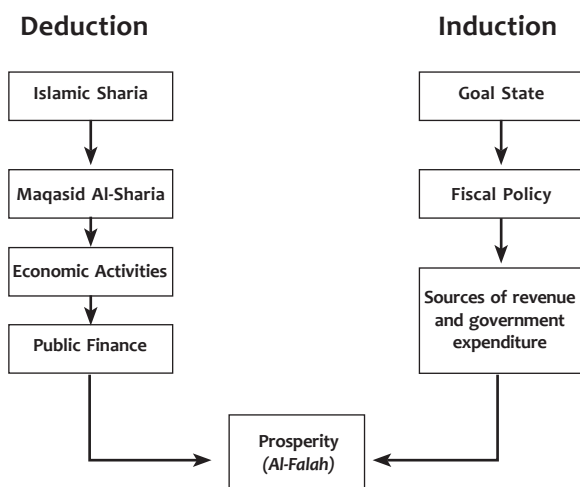
¹⁵ Al-qur'an, Al-Hasyr [59]: 7.

¹⁶ Adiwanan Karim, *Ekonomi Makro Islami*, (Jakarta: Raja Grafindo Persada 2007), p. 101.

¹⁷ Al-Mawardi. *Al-Ahkâm As-Sulthânîyyah*. (Egypt: al-Babi al-Halabi, 1973), p. 201.

¹⁸ Azim Islahi, *Economic Concepts...*, p. 80.

Contextualization of Ibn Taymiyyah thought in today Muslim countries could be summarized in the following chart:



Fiscal and monetary policy is sensitive factor related to the prosperity of mankind. In formulating the state government budget, state administrators must believe in the teaching of *qur'an* and *sunnah* it should take into account to compare *Halâl* and *Harâm*. People may say that the Western people life are prosperous, but their life are far away from the spirituality. According to Ibn Taymiyyah, people should not only prosper materially but also spiritually, the religious value should be guidance in realizing *al-fallâh* by using the principle of *maqâshid as-sharî'ah* specially in *mashlahah mursalah*.

In case the source of revenue in the country does not meet the need, Ibn Taymiyyah accepting the government to borrow the fund from other country or individual. However, the government should reconsider of borrowing the money whether there is an element of interest *ribâ*. In order to ensure the prosperity, the government should establish institution controller (Al-Hisbah), who responsible to take care of economic activity. The government should ask the help of experts who has a high moral integrity and broad knowledge, consisting of experts in craft, experts in agriculture, development of natural resources and so on.

Ibn Taymiyyah recognizes the property of rights of individuals, the same as the views of liberal capitalist society. He also recognizes the right of state property the same as the views

of the socialists. However, the use of that property rights should not ignore the provisions of Sharia and moral rules. Property of the collective should not be owned by individuals, which would make it difficult for others to use¹⁹. Therefore, the state's obligation is to prevent exploitation by individuals or groups against public ownership. This kind of thinking should be preserved and used as the basic guidelines in the management of natural resources in Muslim countries.

State Revenues from the Post Tax, Zakat, Grants, Customs and Fines

The fiscal policy puts the taxation sector as the main source of state revenue and that goes for many years as folk dues to the state. As for Ibn Taymiyyah argued, the state should collect taxes when the state treasury was not able to finance state spending, but it's only temporary. Although Ibn Taymiyyah allowing the taxes, he limited taxes are levied at a fair rate. Taxpayer also must not act unjust to avoid paying taxes²⁰.

Ibn Taymiyyah thought the aspects of justice in order to achieve prosperity, while tax collection commonly levied throughout the year regardless of the condition of the state treasury. It can burden the people. At this stage, the concept of Ibn Taymiyyah thought more feasible and more just by humanity. The main source of state revenue according to him is *zakat*. As for the income from the grants, customs and fines can be applied to see a case-by-case basis.

Lately there are issues about whether *zakat* equal to the tax? And what are their similarities and differences? Here are the similarities and differences between *zakat* and tax;

Elements	Zakat	Tax
Obligation	Muslim	All citizens (Muslim and Non Muslim)
Subject	Muslim who are able	All citizens

¹⁹ Azim A Islahi, *Economic Concepts...*, p. 83.

²⁰ S.M. Ghazanfar, *Medieval Islamic Economic Thought*, (London: Routledge Curzon, 2003), p. 94.

Allotment	Citizen who are deserved to receive	Depending on government policy
Tariff	It rates unchanged	Depending on government policy
Aim	Welfare distribution	Welfare distribution

Revenues from Postal *Ghanîmah* and *Fai'*

Ghanîmah meaning of the terminology is the booty of war, this only applies when the Islamic state still exist do battle with an enemy state of Islam. In the event when the Islamic state is in victory, it is entitled to *ghanîmah* or spoils. But *ghanîmah* according to literal meaning is everything cultivated and yield economic benefits, understanding the meaning of *Ghanîmah* in this way make it is relevant to state revenue in this modern era.

As for the meaning of *kharaj* etymologically means rental, while according to the terminology is a right given by God to Muslims from the *kuffâr* are imposed on the rights of land seized from the hands of infidels, either by war or peace. *kharaj* is taxation of land conquered by force of arms, regardless of whether the owner of the underage person, adult, free, slaves, Muslims or non-believers. In the context of modern government, *kharaj* equal to levy tax on land and buildings. According to Ibn Taymiyyah, *kharaj* including one of the sources of income for the state treasury are used for the benefit of the state and society according to Islamic guidelines²¹. Therefore, it is relevant to the administration in modern times it is viewed in terms of the aim of *kharaj* and property taxes for the purposes of financing the state and national development that also has the function of the budget and social issues.

State Financial Expenditure on Defense and Security Costs, Salaries of State Officials, the Construction of Public Facilities, Education and Health Facilities

The most important thing to note from spending state budget to finance the defense and security sectors, salaries, construction of

public facilities such as roads, bridges, irrigation canals, hospitals and schools is to monitor how the implementation of the financial outlay so that the country can be spared from injustice, such as corruption and wastage of public finance.

The government needs to pay attention to operational efficiency in institutions and avoid waste, so that finance can be saved and transferred to the sectors that are more useful, and then the government must clean up the posts that are dangerous and disobedient and undisciplined.

This is the reason why it takes the value of honesty and moral ethics in every activity of government. Ibn Taymiyyah denounces officials who acted arbitrarily. He prescribes how the principles that state spending can be precisely targeted, so that the country's goal could be realized.

Control Over Market Prices and Fair Wages

Market intervention ever conducted during the first four caliphs, both on the supply side and demand. Example on the supply side at the time of Umar Bin Khattab when he was importing wheat from Egypt to control the price of wheat in the medina. This is due to the famine that wheat production in the country is not able to meet the needs of the population. Whereas the intervention of the demand side is done by embedding a simple gesture and keep away from consumerism. When price increases were suffocating, fiscal policy is a mainstay of modern government is to import goods and market monitoring. Whereas, the price increase is not always caused by insufficient production. Often there is a shortage due to hoarding and price speculation.

The price increases actually can be predicted from the habits of the public, in general prices of goods will go up if it is close to religious holidays, such as Eid, Christmas and New Year. Economic motives for seeking the maximum profit by the seller is often not balanced with the moral ethics, resulting in the hoarding of goods. The solution is in a way an adequate stock management, so that the supply of goods can be kept balanced in any condition.

²¹ Azim A Islahi, *Economic Concepts...*, p. 106.

Pertaining with the occurrence of monopolistic pricing in the market, it could just be because of space or opportunity for the offender to manipulate that way. Solution offered is to make laws that regulate this issue. On the other hand, it is also possible the injustice happens against the seller of goods. Ibn Taymiyyah supports the government intervention in the market in case of injustice. The high price will be very profitable for the seller but the buyer be burdened. He suggested that the government needs to control this by monitoring a market fairly. In the absence of legislation, businesses will tend to speculate to achieve large profits because of the absence of the threat of fines or criminal.

Likewise when the stock of goods overflow, the inflow of goods into the country must be regulated so that local vendors were not harmed. Unfortunately most modern government supports the integrated economic system in favor of a free market, with the excuse to increase global cooperation. However, we should not scare of globalization it is a challenge as well as an opportunity, the examples of a few successful countries are being unduly emphasized to show how liberalization helps development. It is not being borne in mind that Taiwan, Korea and a number of other countries, which have succeeded in promoting their exports, had resorted to a substantial degree of protection initially. They did their best to minimize their imports of non-essential goods. Moreover, most historical examples of development from Germany, the U.S. and Japan have also involved protection. Asking developing countries to do what even the developed counties did not themselves do in the past, and are not doing even now, is unrealistic advice²². We should fight for the justice and at the same time reforms our economics and utilizing our resources effectively to meet the global challenges.

In the field of employment, according to Ibn Taymiyyah, a worker is not entitled to demand wages that exceed the reasonable prices

and the employer will not be allowed to pay wages under the reasonable price. What becomes the standard fair wages in accordance with the necessities of life is the primary fair and equitable. Therefore, one must know the traditions reported by Abdullah ibn Umar: The Messenger of Allah, peace and blessings be upon him, said, "Pay the worker his wages before his sweat has dried."

Conclusion

As we could see from the discussion above, the phenomenon of irregularity distribution of goods that occur at this time can not be separated from the economic system and the lack of proper economic policy, which is still dominated by the market economic system (capitalist). Distribution system in a capitalist economic system is turned out to cause injustice and inequality in society and creating poverty for the community because this system has implications for the accumulation of wealth in a minority party only.

Islamic economic system offers economic distribution system that featuring the value of freedom in accordance with religious teachings and values of justice. The system is involving the role of government in economic activity productive and non-productive, so as to realize distributive justice.

The government is responsible of the eradication of poverty, the state must be obeyed, but the state is also obliged to fulfill his people's rights. Ibn Taymiyyah argued that re-distribution of the income of the rich to the poor is something that is fair and balances the level of life of the population, and it is the responsibility of the state. Therefore the government has the authority to raise taxes on the rich and tax revenue is distributed to the construction of infrastructure, schools, projects, sympathize poor and other spending that will improve human development and create employment. But the most important thing in the state financial expenditure was to monitor the implementation of financial, so to avoid the corruption and peculation.

According to Ibn Taymiyyah, the main source of the government revenue towards

²² M. Umer Chapra, "Islamic Economic Thought and the New Global Economy," *Islamic Economic Studies*, IRTI Journal, September 2001, Vol. 9, No. 1, p. 23.

the removal of poverty is *zakat*, *waqf* and *fai*', However, there is some controversy about whether the government should collect taxes after the payment of *zakat*? According to Ibn Taymiyyah *zakat* taxation beyond that may be made by looking at the government's financial condition, and the condition of the need in the community. Basically, *zakat* different from taxes, because *zakat* is obligatory for every Muslim to pay and handed over to the less fortunate. While the tax is the duty paid by each community and the pay is determined in accordance with the law.

When the condition of the country is in crisis or the source of revenue in the country does not meet the need, Ibn Taymiyyah accepting the government to borrow the fund from other country or private sector. But, the state should take care whether in the borrowing of money contain *ribâ* (interest) or not. In order to insure the prosperity, the government should establish financial institution controller (*al-Hisbah*), who responsible to take care of economic activity, which consist of economics experts in various sectors.

Pertaining with the inflation and the occurrence of monopolistic pricing in the market, Ibn Taymiyyah supports the government intervention in the market in case of injustice. He suggested that the government needs to control this by monitoring market fairly, to make laws against the perpetrators who commits hoarding and manipulate the prices. When the stock of goods overflows, the inflow of goods into the country must be regulated, so that the local businessmen were not harmed. Related to the free market and globalization, Muslims should not fear such a system, because behind these issues there are a challenge and an opportunity, but we need to fix our economic system and utilize the resources of the country to effectively address global challenges.

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