

## The Contribution of Muslim Economists in the Development of Modern Economics: A Chronological Perspective

### 1. Saamia Rehman

Bachelor in Islamic Studies, Sheikh Zayed Islamic Centre  
University of the Punjab Lahore, Pakistan  
[saamiarehman9a@gmail.com](mailto:saamiarehman9a@gmail.com)

### 2. Dr. Muhammad Imran Malik

Visiting lecturer, SZIC, Punjab University, Lahore.  
[Imranmalik.ier@pu.edu.pk](mailto:Imranmalik.ier@pu.edu.pk)

### Abstract

The contributions of Muslim economists to the development of modern economic theories and practices are profound yet often overlooked in contemporary economic discourse. This paper explores the contributions of ten notable Muslim economists from different periods of Islamic history, each of whom played a pivotal role in shaping the economic thought and policies of their time. These scholars, ranging from the early Islamic period to the contemporary era, laid the foundations for various economic principles that resonate even today, such as the prohibition of interest (riba), the concept of fair trade, the importance of wealth distribution, and the regulation of markets. From Imam Abu Yousuf and Abu Hasan Shibani to modern-day scholars like Maulana Maududi and Mufti Taqi Usmani, this research examines their distinct economic ideas, which have contributed to shaping the ethical framework and social welfare approach of Islamic economics. Their works, such as Abu Yousuf's "Kitab al-Kharaj," Al-Mawardi's "Ahkam al-Sultaniyya," and Ibn Khaldun's "Muqaddimah," provide valuable insights into taxation, state finance, labor markets, and economic policies. This paper not only highlights the unique contributions of these scholars but also traces the chronological development of Islamic economic thought, showing how their ideas have influenced and can continue to influence contemporary economic practices. In particular, it focuses on their role in promoting socio-economic justice, equitable wealth distribution, and sustainable economic policies. The findings of this research underscore the relevance of integrating traditional Islamic economic principles with modern economic systems, offering a holistic approach to addressing current economic challenges.

**Key Words:** *Muslim economists, Contributions, Economic Thought, Policies, Islamic Economics, Social Welfare, Consumer Protection in Islam.*

## 1. Introduction

Islam has provided a comprehensive economic system rooted in justice, equity, and social welfare, which has significantly contributed to shaping economic thought and practices over the centuries. The foundation of Islamic economics is built on principles such as the prohibition of interest (riba), promotion of risk-sharing, and emphasis on ethical behavior in trade. The Prophet Muhammad (PBUH) established these principles, laying down the guidelines for a just and equitable economic system. Islamic economics is founded on a set of ethical principles derived from the Quran and Sunnah (the teachings and practices of Prophet PBUH), which emphasizes justice, equity, and the moral use of wealth. And they lead an economic system to successfully operate and function. A notable example of early Islamic economic governance can be found during the reign of the second Caliph, Hazrat Umar ibn al-Khattab (RA), who implemented economic policies that aimed to support the welfare of the community and promote sustainable development. One of the earliest books on Islamic economics, which includes the teachings of the prophet, Kitab al-Buyoo' (Book of Transactions), outlined various rules on trade, market regulations, and business ethics, setting the stage for future Islamic economic thought. His introduction of the Bait-ul-Mal (public treasury) and structured tax systems, such as Zakat and Jizya, established a model for economic governance that sought to balance wealth distribution while ensuring state revenue for public welfare.<sup>1</sup>

Islamic economic thought continued to evolve as scholars from different periods addressed emerging economic challenges and offered solutions rooted in Islamic principles.<sup>2</sup> This paper will delve into the contributions of ten key Muslim economists who have shaped the development of Islamic economics over the centuries. From the early period scholars like Imam Abu Yousuf and Al-Mawardi to the contemporary figures like Maulana Maududi and Mufti Taqi Usmani, this research presents a chronological exploration of their works, ideas, and lasting impact on modern economic theories. This research not only explores the contributions of these scholars but also seeks to integrate their ideas into a cohesive framework that can inform modern economic policies.

## 2. Research Question

How have the economic ideas and principles developed by classical and modern Muslim economists influenced the foundations and evolution of modern economic thought?

---

<sup>1</sup> Dr. Khalid Mahmood, at all, Administration and Reforms in The Period of Hazrat Umar: Analytical View (Faisalabad: Webology, 2021) pg:881.

<sup>2</sup> Abdul Hassan, M.A Choudhry, *Islamic Economics Theory and Practice* (Saudi Arab: Routledge, 2019) pg:4.

---

### 3. Objectives of the Research

The primary objective of this research is to trace the chronological development of Islamic economic thought through the works of notable Muslim economists and analyze their contributions to modern economic theories. By exploring the economic ideas and policies of these scholars, the paper aims to:

1. Understand the foundational principles of Islamic economics and how they have shaped economic thought over time.
2. Highlight the contributions of individual Muslim economists in the context of their era and socio-political environment.
3. Evaluate the relevance and applicability of their economic theories in addressing contemporary economic challenges.
4. Provide a framework for integrating traditional Islamic economic principles into modern economic systems.

### 4. Foundational Principles of Islamic Economics its Historical Development and Lasting Influence

Islamic economics is founded on a set of ethical principles derived from the Quran and the Sunnah (the teachings and practices of the Prophet Muhammad PBUH), which emphasize justice, equity, and the moral use of wealth. Key concepts like *riba* (interest), *zakat* (mandatory almsgiving), *gharar* (uncertainty), and *mudarabah* (profit-sharing) form the backbone of Islamic economic thought.<sup>3</sup> The chapters of 'muamlat' in Islamic Fiqh (jurisprudence) deal with economic and social laws.<sup>4</sup> These principles have significantly shaped the evolution of economic systems, both historically and in contemporary times.

The prohibition of *riba* (interest) is one of the core tenets of Islamic economics, reflecting the belief that wealth should be earned through productive and risk-sharing means rather than by exploiting others. Early scholars like Abu Yousuf and Abu Hasan Shibani institutionalized these principles in their works. Abu Yousuf's *Kitab al-Kharaj* formalized tax policies that were equitable, prioritizing the state's responsibility to redistribute wealth for public welfare. He also emphasized the proportional taxation system to ensure that individuals only paid taxes based on their capacity. This idea of progressive taxation has been mirrored in modern economic thought.

Another foundational concept is *zakat*, which is compulsory charity. This system ensures that wealth is circulated within the economy and that it benefits all members of society, particularly the needy. Al-Ghazali reinforced this in his *Ihya Ulum al-Din*, where he argued that wealth accumulation without giving back to society was

---

<sup>3</sup> Muhammad Fawad Abdul Baqi, *Al Lulu Wal Marjan* (Lahore: Islamic Book Publishers, 1997) vol:1, pg:362.

<sup>4</sup> Abdul Hamid Dar, Mian Muhammad Akram, *Islamic Economics* (Lahore: Ilmi Kitab Khana, 2023) pg:504.

detrimental to both spiritual and economic well-being. His thoughts on moderation in wealth and ethical business practices highlighted the balance between material success and moral responsibility, influencing both Islamic and Western scholars. Ibn Khaldun, in his seminal work *Muqaddimah*, introduced theories on labor value, taxation, and economic cycles. He argued that a strong labor force and efficient governance were key to economic prosperity, while heavy taxation could lead to the downfall of civilizations.

These foundational principles of Islamic economics—justice, fairness, risk-sharing, and wealth redistribution—have shaped the way modern Islamic banking and finance operate today. Islamic economics has sought to offer ethical alternatives to conventional capitalist systems, emphasizing social responsibility and moral investment practices.

## 5. Contributions of Key Muslim Economists

Muslim economists from different eras contributed to Islamic economic thought based on the socio-political realities of their time. These scholars responded to the needs of their societies by addressing issues of taxation, public finance, market regulation, and wealth distribution.

### 1. Imam Abu Yousuf (731–798 CE)

Yaqub ibn Ibrahim al-Ansari, commonly known as Imam Abu Yousuf a prominent Islamic jurist, was born in Kufa, Iraq. He was a leading disciple of Imam Abu Hanifa, the founder of the Hanafi school of thought. Abu Yousuf eventually rose to prominence,<sup>5</sup> serving as the chief judge (Qadi al-Qudat) under the Abbasid Caliph Harun al-Rashid. His close relationship with the Abbasid rulers gave him a unique platform to influence Islamic legal and economic policies. Abu Yousuf's profound knowledge of Islamic jurisprudence and his political role made him one of the most influential scholars of his time. Qazi Abu Yousuf is one of the foundational figures in early Islamic public finance.

He authored the book "*Kitab al-Kharaj*" (The Book of Taxation). This book is considered a seminal work on public finance and state revenue management, focusing on the role of the state in ensuring economic justice and equitable distribution of wealth. He argued for a fair tax system that balances state needs with the welfare of the taxpayers, emphasizing that taxation should not hinder economic productivity.<sup>6</sup> He stressed the importance of proportional taxation, advocating for a system that was just and equitable. He also suggested infrastructural investments like building roads and canals to boost productivity. His ideas about fairness in taxation and efficient public expenditure were revolutionary for the time, laying the groundwork for many modern fiscal policies.

---

<sup>5</sup> Philp K. Hitti, *History of the Arabs*, ter. R. Crecp Lukman dan Dedi Slamet Riyadi, (Jakarta: Serambi, 2013) pg:381.

<sup>6</sup> Abu Yousuf, Yaqub ibn Ibrahim al-Ansari, *Kitab al-Kharaj*, (Riaz: Darr-ul-uloom,2019) pg:177-178.

Another book that he authored was “*Kitab al-Athar*” (The Book of Traditions) which is a collection of rulings and traditions (Ahadith) related to Islamic jurisprudence, including financial transactions. It focuses on ensuring fairness in economic dealings, ethical governance, and the proper distribution of wealth according to Islamic principles. This book complements *Kitab al-Kharaj* by providing practical rulings on economic matters based on the teachings of Imam Abu Hanifa. Abu Yousuf advocated for the principles of fairness in taxation, suggesting that taxes should be proportionate to an individual’s ability to pay.<sup>7</sup> This system was intended to avoid overburdening taxpayers while still meeting the needs of the state. One key feature of his thought was the development of socio-economic infrastructure through taxation,<sup>8</sup> which he believed would enhance productivity and ensure public welfare.

### Specific Contributions:

- Advocated proportional tax systems over fixed taxes.
- Opposed tax farming practices that exploited citizens.
- Promoted state-led infrastructure projects such as bridges and canals to improve the economy.
- Encouraged ethical governance of public funds.

### Influence on Modern Economic Systems:

Imam Abu Yousuf’s work, particularly *Kitab al-Kharaj*, has greatly influenced modern public finance and taxation systems. His ideas on proportional taxation—where taxes are levied based on the taxpayer’s ability to pay—have been foundational in shaping progressive taxation models. His emphasis on just taxation and state responsibility to invest in public infrastructure resonates with modern governance policies that aim to balance state revenue needs with public welfare.

## 2. Abu Hasan Shibani (749–805 CE)

Muhammad ibn al-Hasan Shibani, born in Kufa, was a leading scholar of Islamic jurisprudence and one of the most prominent students of Imam Abu Hanifa. Shibani became an expert in both law and theology, and his contributions to Islamic legal theory were vast. His works helped shape the development of Islamic international law (Shari’ah), making him a highly regarded figure in both the academic and judicial circles of his time. He is remembered for his contributions to the Hanafi school of thought and for being a key figure in advancing Islamic legal traditions during the Abbasid period.

Abu Hasan Shibani is often regarded as a pioneer in Islamic international law and economics. His works, such as “*Kitab al-Asl*” and “*Al-Mabsut*”, delve into complex economic transactions, contract law, and trade ethics. Shibani’s economic

---

<sup>7</sup> Ibid, pg:108

<sup>8</sup> Munif, Nasrullah Ali, Critical Analysis of Abu Yousuf Thought: The role of Government in Islamic Economic, (Tulungagung: Jurnal Eksyar, vol.7 no.4 , June 2019) pg:5.  
<http://ejournal.staim-tulungagung.ac.id/index.php/Eksyar>

thought focused on ethical trading practices, fair labor contracts, and the regulation of markets, providing a framework for both domestic and international trade rooted in Islamic legal principles.<sup>9</sup> In *Kitab al-Asl* and *Kitab al-Siyar*, he explored the legal and ethical frameworks for both domestic and international trade. He emphasized fairness, transparency, and the enforcement of contracts.

*“Kitab al-Siyar”* (The Book of International Relations) is a foundational text that outlines principles of ethical trade, international commerce, and war treaties based on Islamic ethics.<sup>10</sup> It emphasizes fairness, transparency, and mutual benefit in cross-border transactions, making it essential for understanding Islamic commercial law.

*Kitab al-Asl* (The Foundation Book) delves into Islamic jurisprudence, addressing complex economic transactions, market regulation, and contract law. His approach to trade ethics is vital in modern discussions of Islamic economics as it ensures that trade benefits all parties involved while adhering to Islamic moral values. He also worked on establishing guidelines for international trade based on Islamic ethics, which later influenced Islamic commercial law.

### Specific Contributions:

- Pioneered Islamic international trade law and ethics.
- Emphasized fairness in trade and ethical labour contracts.
- Established principles for regulating cross-border economic transactions.

### Influence on Modern Economic Systems:

His contributions to Islamic commercial law have laid the foundation for international trade ethics in modern Islamic finance. Shibani's principles of transparency and ethics in trade have influenced modern Islamic banking and finance practices, particularly in contract law such as *mudarabah* (profit-sharing) and *murabaha* (cost-plus financing) are commonly used. His thoughts continue to shape the legal frameworks governing cross-border Islamic finance transactions.

### 3. Abu Qasim bin Ubaid (9th Century CE)

Abu Qasim Ubaid Allah ibn Abd Allah al-Khufi was an Islamic scholar from the 9th century whose background is less widely documented compared to other scholars. However, his contributions to Islamic scholarship were significant during the early Abbasid period. He is acknowledged for his role in developing key aspects of Islamic governance and economic regulation during this era.

---

<sup>9</sup> Muhammad Nazir Khan, Muhammad Mushtaq Ahmed, Hafiz Fazal e Haq Haqqani Glimpses of Economic Thought of Muhammad bin Al-Hasan Al-Shaibani: An introductory study, (Turkey: Al-Aijaz Research Journal, vol 4 no. 2, 2020) pg. 25-26.  
<https://doi.org/10.53575/E3.v4.01.23-30>.

<sup>10</sup> Muhammad al-Hasan al-Shaybani, (trans) Mahmood Ahmad Gazi, *Kitab Al-Siyar Al-Saghir*, (Islamabad: Islamic Research Institute, 1998) pg:58.



Abu Qasim bin Ubaid was a lesser-known figure in Islamic economics, yet his contributions laid the groundwork for understanding business ethics and trade practices. His treatise on market regulations and fair trade emphasized transparency, the prohibition of deceptive practices, and the protection of consumer rights. “*Kitab al-Amwal*” (The Book of Wealth) provides a detailed exploration of Islamic public finance, covering taxation, state revenue, and mechanisms like zakat (mandatory charity) for wealth redistribution. Abu Qasim argued for ethical market practices and the state's role in regulating markets to ensure fairness and prevent exploitation.<sup>11</sup> *Kitab al-Amwal* also includes guidance on protecting consumer rights and ensuring that taxation policies align with Islamic principles of justice. His other writings focused on ensuring fairness in trade by advocating transparency and protecting consumer rights. He emphasized the role of the state in overseeing markets to prevent fraudulent practices and ensure economic justice.

### Specific Contributions:

- Advocated for state regulation of markets to prevent exploitation.
- Focused on ensuring transparency and fairness in trade.
- Provided guidelines for the ethical behaviour of traders.

### Influence on Modern Economic Systems:

His work on market regulation and business ethics has had a lasting impact on Islamic economic thought, particularly in consumer protection and fair trade. His emphasis on transparency in pricing and state oversight of markets laid the groundwork for modern Islamic finance regulations that ensure ethical trading and prevent exploitation, particularly in Halal certification and Islamic auditing practices.

## 4. Al-Mawardi (972–1058 CE)

Abu al-Hasan Ali ibn Muhammad ibn Habib Al-Mawardi was a renowned jurist and political theorist from Basra, Iraq. He served as a chief judge and diplomat under the Abbasid Caliphate, playing a crucial role in the political and legal affairs of the state. His career was marked by his diplomatic missions on behalf of the caliphate and his extensive writings on governance, law, and ethics. Al-Mawardi's deep involvement in both the intellectual and political life of his time solidified his reputation as one of the foremost scholars in Islamic governance.

In Islamic Economics Al-Mawardi is known for his book “*Al-Ahkam al-Sultaniyya*” (The Ordinances of Government). This comprehensive guide to Islamic governance outlines the economic responsibilities of rulers, emphasizing just taxation, ethical public fund usage, and market regulation.<sup>12</sup> He emphasized the

<sup>11</sup> Abdul Qasim Bin Salam, *Kitab Al-Amwal*, (Eygypt: Dar ul Kutab Misriyah, 2008) pg:58. Doi: <http://www.new.dli.ernet.in/handle/2015/470711>

<sup>12</sup> Jaelani, Aan, *Economic Philosophy of al-Mawardi: Review of economic Behavior in Islamic Economic*, (2018) vol 13 no. 3 published in the Social Sciences, pg. 13. Doi <http://mpira.ub.uni-muenchen.de/84488/>

role of the state in promoting public welfare and ensuring economic stability, advocating for policies that encourage economic productivity while maintaining social justice.<sup>13</sup> Al-Mawardi's model of governance included not only fiscal responsibility but also the regulation of markets to ensure fairness.

His other work "*Nasihat al-Muluk*" (Advice to Kings) argued that the state should act as a caretaker of economic welfare,<sup>14</sup> balancing taxation and public expenditure to ensure economic stability. He also proposed that rulers are trustees of public funds, with the responsibility to use them for the welfare of the people.

### Specific Contributions:

- Proposed a balanced taxation system to promote social welfare.
- Advocated for market regulation to ensure just pricing.
- Emphasized the ruler's duty to use public funds ethically and responsibly.

### Influence on Modern Economic Systems:

Al-Mawardi's ideas about the ethical management of public funds and the role of the state in maintaining social welfare continue to influence modern economic governance models. His thoughts on just taxation and market regulation align with contemporary discussions on ethical governance and fiscal accountability. His work remains a reference for modern Islamic financial systems, particularly in ensuring that state resources are used for the public good.

## 5. Al-Ghazali (1058–1111 CE)

Abu Hamid Muhammad ibn Muhammad Al-Ghazali, born in Tus (modern-day Iran), was one of the most influential Islamic philosophers, theologians, and mystics. After a prestigious academic career that included teaching at the Nizamiyya School in Baghdad, Al-Ghazali withdrew from public life to focus on spiritual development. His works had a profound impact on Islamic philosophy and ethics. Al-Ghazali's writings transcend disciplines, covering theology, philosophy, jurisprudence, and spirituality, making him one of the towering figures in Islamic intellectual history.

Al-Ghazali made significant contributions to Islamic economic thought through his works on ethics and philosophy. In his book "*Ihya Ulum al-Din*" (Revival of the Religious Sciences), he addressed economic issues such as wealth accumulation, poverty, and the ethics of trade. Al-Ghazali viewed economic activity as a means of fulfilling human needs and achieving spiritual well-being, emphasizing moderation, justice, and social responsibility. He discussed the moral and spiritual implications of wealth accumulation, trade, and poverty. Al-Ghazali viewed

---

<sup>13</sup> Abul-Hasan al-Mawardi, trans. Asadullah Yate, *Al-Ahkam as Sultaniyyah* (The Laws of Islamic Governance) (London: Ta-Ha Publishers, 2021) pg: 116.

<sup>14</sup> Samsuddin, Nur Amini Aisyah, at all, *Islamic Economic Thought of Prominent Muslim Scholars in Abbasid Era*, (2020) vol. 10, no. 12 *International Journal of Academic research in Business and Social Science*, pg. 30. Doi: 10.6007/IJARBSS/v10i12/8212



economic activity as a means of fulfilling spiritual duties, advocating for moderation in wealth accumulation and ethical behaviour in trade.<sup>15</sup> His work influenced the development of Islamic social welfare systems, emphasizing the importance of Zakat and charity. Another book that complements *Ihya Ulum al-Din* by providing practical legal foundations for implementing ethical economic practices in society is “*Al-Mustasfa*” (The Essentials of Usul al-Fiqh) which is a treatise on Islamic jurisprudence, where Al-Ghazali extends his thoughts on economic justice.<sup>16</sup> It delves into the legal frameworks for financial transactions, addressing issues like contracts, market ethics, and wealth distribution.

He emphasized moderation in wealth accumulation and argued that economic activities should ultimately serve spiritual purposes. His thought also encouraged charitable activities like zakat (almsgiving) to reduce inequality and poverty.

### Specific Contributions:

- Linked economic activity with spiritual well-being and ethical conduct.
- Advocated for wealth moderation and equitable distribution of resources.
- Stressed the moral obligation to provide for the poor through Zakat and charity.
- Established a connection between ethical trade and Islamic jurisprudence.

### Influence on Modern Economic Systems:

Al-Ghazali's emphasis on moral economics, where wealth accumulation is balanced with social responsibility, remains highly relevant in Islamic finance today. His advocacy for zakat and ethical business practices has shaped the framework for Islamic social welfare systems. His ideas continue to inspire modern Islamic economists who seek to integrate ethics with economic activity, especially in areas of wealth redistribution and poverty alleviation.

## 6. Ibn Taymiyah (1263–1328 CE)

Taqi al-Din Ahmad Ibn Taymiyah, born in Harran (modern-day Turkey), was a Sunni Islamic scholar and theologian who lived during a time of political turmoil, including the Mongol invasions. He is best known for his rigorous stance on Islamic law and his critique of certain religious practices that he viewed as innovations. He was a prolific writer, and his ideas on governance, law, and ethics have had lasting influence, especially in the reform movements of later centuries. His life was marked by his resistance to Mongol rule and his commitment to Islamic reform.

Ibn Taymiyah was an advocate for market regulation and fairness in pricing. His work “*Al-Hisbah fi al-Islam*” (Market Supervision in Islam) discussed the dangers of monopolies, hoarding, and unethical pricing strategies, and he argued

<sup>15</sup> Al-Ghazzali, Imam Abu-Hamid, trans. Fazl-ul-Karim, (Karachi: Darul Ishaat, 1993) vol:1, pg: 176.

<sup>16</sup> Ahmad Zaki Mansur Hammad, Abu Hamid Al-Gazali's Justice Doctrines in *Al-Mustasfa Min Ilm Al Usul*, (Chicago: The University of Chicago Press, 1987) vol:2, pg:302.

that the state should intervene to protect public welfare. Ibn Taymiyah's thoughts on economic justice continue to influence modern Islamic market regulations, especially in relation to competition and fair trade. Ibn Taymiyah was known for his critique of unjust market practices and his emphasis on market regulation. He argued against monopolies and hoarding and advocated for a competitive market system that ensures fair pricing<sup>17</sup> and prevents exploitation. In "*Majmu' al-Fatawa*" (Collection of Fatwas) it can be seen that his economic thought was centered on the concept of Maslahah (public interest) and the role of the state in safeguarding the welfare of society. He argued for state intervention to prevent exploitation and ensure that prices remained fair. His ideas on market regulation, competition, and justice continue to influence Islamic market practices today.

### Specific Contributions:

- Opposed monopolies and unethical market practices.
- Advocated for state intervention in ensuring fair pricing and competition.
- Emphasized public welfare and justice in economic transactions.
- Introduced the concept of Maslahah (public interest) as a guiding principle in market regulation.

### Influence on Modern Economic Systems:

Ibn Taymiyah's advocacy for market regulation, particularly his opposition to monopolies and price manipulation, has influenced modern market practices in Islamic economies. His call for state intervention to ensure fair pricing and market competition resonates with current Islamic banking regulations, which seek to prevent unethical practices like hoarding and market exploitation. His work on public welfare also continues to guide economic justice discussions in Islamic governance.

## 7. Ibn Khaldun (1332–1406 CE)

Abu Zayd Abd al-Rahman ibn Muhammad Ibn Khaldun was born in Tunis to a family of Arab descent that had a long history of service to the Islamic state. He received a classical Islamic education before entering into public service. Ibn Khaldun's career spanned numerous administrative roles across North Africa and Spain. Later in life, he turned to scholarship, producing his magnum opus, *Muqaddimah* (Introduction to History), which is regarded as one of the earliest works of social science. Ibn Khaldun's insights into history, sociology, and economics<sup>18</sup> have made him one of the most important intellectuals of the Islamic Golden Age.

Ibn Khaldun is often regarded as the father of modern sociology and economic thought due to his work "*Al-Muqaddimah*" (Introduction to History). He

---

<sup>17</sup> Islahi, Dr. Abdul Azim, *The Economic Thought of Imam Ibn-e-Taymiyah*, (Karachi: Tahqiqat-e-Islamia, 1971) pg. 122.

<sup>18</sup> Dr. Saima Shafique, Dr. Abu Bakar, *Economic Thought of Ibn-e-Khaldun: A Guideline for Contemporary Islamic Policy*, (June 2018) vol 2, no.40 *Al-Qalam*, pp. 42.

introduced concepts such as labor value, the economic cycle, and the role of the state in economic development.<sup>19</sup> His analysis of social and economic dynamics laid the foundation for modern theories on economic growth and development, making him a pivotal figure in the history of economic thought. Ibn Khaldun's *Muqaddimah* is one of the most influential texts in both sociology and economics. His cyclical theory of civilization, which linked the rise and fall of societies to their economic health, introduced key concepts such as labour value,<sup>20</sup> division of labour, and the role of the state in economic development. His theories on the dynamics of taxation and labour were centuries ahead of their time, and they laid the groundwork for modern economic theories on economic growth and development. He also wrote essays and proposed a dynamic theory linking economic strength with the rise and fall of civilizations, which laid the groundwork for modern economic theories on labour and economic growth.

### Specific Contributions:

- Developed a cyclical theory of economic and social development.
- Introduced labour value and division of labour concepts.
- Provided foundational ideas for taxation and state economic policies.

### Influence on Modern Economic Systems:

Ibn Khaldun's theories on labour value, economic cycles, and state roles in economic development have significantly influenced modern macroeconomic thought. His ideas on how taxation affects productivity and societal stability have informed modern tax policies in both Islamic and Western contexts. Economists today still reference his cyclical theory of economic growth,<sup>21</sup> which mirrors modern economic fluctuations and crises. His cyclical theory of economic and social development predated the ideas of later Western economists like **Adam Smith** and **Karl Marx**, thus establishing Islamic economics as a precursor to modern economic theory.

## 8. Shah Waliullah (1703–1762 CE)

Shah Waliullah, born in Delhi, India, was an Islamic scholar and reformer during the decline of the Mughal Empire. He is best known for his efforts to revive Islamic practices in the Indian subcontinent, advocating for the return to authentic Islamic principles. Shah Waliullah sought to reconcile different schools of thought within Islam and worked to spread Islamic education. His reformist ideas and scholarly works made him a pivotal figure in the intellectual and religious life of 18th-century India.

---

<sup>19</sup> Mujahidin, Muhammad, *The Concept of Economic Thought of Ibn Khaldun*, (2018) vol 2, MPRA Paper no. 87143, Fakultas Syariah dan Ekonomi Islam, pg. 4

<sup>20</sup> Ibn-Khaldun (1967). *Muqaddimah*, Terj, Franz Rosenthal (vol 3) New York.

<sup>21</sup> Ulum, B. (2016). Kontribusi Ibnu Khaldun Terhadap Perkembangan ekonomi islam, *journal Iqtishodia* 1(2), 17-32, pg. 28.

Shah Waliullah's economic thought focused on social justice and the equitable distribution of wealth.<sup>22</sup> He emphasized the importance of Zakat and Sadaqah (charitable giving) in reducing poverty and achieving social cohesion. In this influential work, "*Hujjat Allah al-Baligha*" (The Conclusive Argument from God) Shah Waliullah discusses the principles of wealth distribution and social justice. He emphasizes the importance of zakat (mandatory charity) and sadaqah (voluntary charity) in reducing poverty and ensuring social harmony. The book outlines the moral and spiritual obligations of individuals and the state to address economic disparities. In Additional Treatises on Wealth and Ethics Shah Waliullah's other writings focus on balancing material and spiritual needs, advocating for the ethical use of wealth. He argued for state-led policies that ensure the equitable distribution of resources, particularly in support of the poor and vulnerable segments of society.

### Specific Contributions:

- Emphasized the importance of wealth redistribution through Zakat.
- Advocated for state policies that protect the poor and ensure social harmony.
- Highlighted the moral responsibility of individuals and the state to promote economic justice.

### Influence on Modern Economic Systems:

Shah Waliullah's focus on wealth redistribution through zakat and social justice policies has shaped modern Islamic economic policies aimed at poverty reduction and wealth equity. His call for the state's role in ensuring fair wealth distribution has influenced welfare programs in many Muslim-majority countries, which integrate zakat as a formal part of their social welfare systems.

### 9. Maulana Maududi (1903–1979 CE)

Syed Abul A'la Maududi was born in Aurangabad, India, and became one of the leading Islamic thinkers of the 20th century. He founded the Jamaat-e-Islami movement in British India, advocating for the establishment of an Islamic state based on Sharia law.<sup>23</sup> Maududi was a prolific writer, producing numerous works on Islamic law, politics, and economics. His thoughts on Islamic governance and social justice have had a lasting impact on Islamic finance.

Maulana Maududi made significant contributions to the development of modern Islamic economics. He was a pioneer in articulating an Islamic economic system that addresses contemporary economic issues such as banking, finance, and the role of the state in economic development. His writings emphasized the ethical and social dimensions of economics, advocating for an economy that balances material and spiritual well-being. Maulana Maududi was a modern Islamic thinker who developed a comprehensive Islamic economic system that integrated Islamic values

<sup>22</sup> Saffia B.B, Wahaab Khan, (2015) The Economic Theory of Shah Waliullah, vol 2, no. 1 *Alhamd Islamica* pg. 54.

<sup>23</sup> Mawdudi Abul 'Ala, Deen ke Char Bunyadi Istalahat, (New Dehli: Markazxi Maktabah Islami, 1985) pg. 124

with modern economic practices. His work *“First Principles of Islamic Economics”* is a foundational book that outlines the core principles of an Islamic economic system. It emphasizes interest-free banking, ethical investments, and wealth redistribution mechanisms like zakat. Maududi argues that Islamic economics should prioritize human welfare over profit maximization, integrating moral values into economic activity. The book critiques the flaws of capitalism and socialism, offering an Islamic alternative rooted in justice and social equity.

Another book by Syed Maududi *“Economic Problem of Man and Its Islamic Solution”* critiques conventional economic systems and proposes Islamic solutions to address issues such as poverty, inequality, and exploitation. He discusses the importance of ethical business practices, the prohibition of interest, and the role of the state in regulating economic activities to promote social welfare. This book has been instrumental in developing modern Islamic finance frameworks.

### Specific Contributions:

- Developed an Islamic economic system integrating modern practices with Islamic principles.
- Focused on interest-free banking and social welfare systems.
- Advocated for the state's role in ensuring economic justice.

### Influence on Modern Economic Systems:

Maulana Maududi's advocacy for an Islamic economic system that integrates modern banking practices with Islamic ethics has been foundational in the development of Sharia-compliant banking. His ideas about interest-free banking and ethical investment continue to shape the modern Islamic finance industry,<sup>24</sup> which has grown into a global alternative to conventional finance systems, offering ethical and equitable financial solutions.

## 10. Mufti Taqi Usmani (Born 1943)

Mufti Muhammad Taqi Usmani is a contemporary Islamic scholar born in Deoband, India, and one of the most respected figures in Islamic finance today. He has served as a judge on the Sharia Appellate Bench of the Supreme Court of Pakistan and is known for his extensive contributions to Islamic jurisprudence and financial systems. Mufti Usmani has played a critical role in developing Sharia-compliant financial products, and his work in Islamic finance has made him a global figure in the field. He continues to influence modern Islamic financial practices through his scholarship and advisory roles.

Mufti Taqi Usmani is a leading figure in modern Islamic finance and has been instrumental in developing Sharia-compliant financial products and Islamic banking systems. *“His comprehensive book Islamic Finance: Principles and Practices”* provides a detailed overview of Sharia-compliant financial systems. It

---

<sup>24</sup> Dr. Nasir Nabi, *The Economic Thought of Sayyid Abul A'la Mawdudi*, (vol. 17, 2017) Insight Islamicus pg. 65.

discusses the principles of interest-free banking, the ethical foundations of Islamic finance, and the development of financial instruments such as Sukuk (Islamic bonds). Mufti Usmani's insights have helped establish a robust framework for modern Islamic banking. As a key figure in the establishment of modern Islamic finance, Mufti Usmani's contributions have shaped the practices of Islamic banking and finance around the world, offering viable alternatives to conventional interest-based systems.<sup>25</sup> His foundational text *"Introduction to Islamic Finance"* serves as an introduction to the principles and practices of Islamic finance. It covers the basics of financial instruments, such as mudarabah (profit-sharing) and ijarah (leasing), and explains how they align with Sharia law. The book has been widely used by students, scholars, and practitioners of Islamic finance globally. His work has helped create the foundation for modern Islamic finance, which offers an alternative to conventional, interest-based financial systems.

### Specific Contributions:

- Pioneered Sharia-compliant financial products.
- Played a key role in the global development of Islamic banking and finance.
- Advocated for ethical investment and interest-free banking models.

### Influence on Modern Economic Systems:

Mufti Taqi Usmani's pioneering work in developing Islamic financial products, such as Sukuk (Islamic bonds), has had a profound impact on the global financial system. His efforts in creating Sharia-compliant financial structures have made Islamic banking a viable alternative to conventional interest-based systems. His contributions continue to influence the practices of Islamic financial institutions around the world.

## 6. Contemporary Relevance of Islamic Economic Theories Addressing Modern Economic Challenges

The economic theories put forth by Muslim scholars continue to hold relevance in addressing many of today's economic challenges, particularly in the areas of ethical finance, social welfare, and market regulation.

### 6.1. Interest-free Banking:

Interest-free banking, as championed by figures like Maulana Moududi and Mufti Taqi Usmani, has become a cornerstone of modern Islamic finance. In a global financial system where conventional banks are heavily reliant on interest, the Islamic prohibition of *riba* (interest) offers a viable alternative that promotes profit-sharing, risk-sharing, and ethical investment. Islamic banking's rapid growth, especially in countries like Malaysia, the UAE, and Saudi Arabia, shows the contemporary relevance of these ideas.

---

<sup>25</sup> Usmani, Taqi, *Islam and Modern finance and Business*, (Karachi: Maarif-ul-Quran, 2020).



---

## 6.2. Wealth redistribution:

The concepts of wealth redistribution and social justice, as emphasized by Al-Ghazali and Shah Waliullah, continue to be critical in addressing global inequality and poverty. Mechanisms like zakat and waqf (charitable endowments) offer structured ways to redistribute wealth and provide social safety nets. In modern welfare states, these ideas have influenced policies on taxation, social benefits, and public welfare programs.

## 6.3. Market regulation:

Market regulation, a key concern for Ibn Taymiyah and Ibn Khaldun, remains highly relevant today. Their arguments against monopolies, price manipulation, and unfair trade practices can be applied to modern markets, where issues of corporate monopolization and market exploitation are pervasive. Their ideas support modern regulatory frameworks aimed at ensuring market competition and protecting consumers from unethical practices.

## 6.4. Economic Growth:

Furthermore, Ibn Khaldun's theory on the cyclical nature of economic growth is highly applicable to modern economies that experience boom-and-bust cycles. His insights into how taxation and labor productivity affect economic growth remain influential in shaping macroeconomic policies in both Islamic and Western economies.

In summary, the economic theories of Muslim scholars continue to provide valuable frameworks for addressing contemporary challenges such as financial inequality, unethical trade practices, and the need for more inclusive and just economic systems.

## 7. Integrating Islamic Economic Principles into Modern Economic Systems (A Proposed Framework)

Integrating traditional Islamic economic principles into modern systems requires the adaptation of foundational Islamic values like justice, fairness, and ethical behavior into contemporary institutions, especially banking, finance, and governance.<sup>26</sup> A framework for such integration can be established by focusing on three key areas: ethical finance, social welfare, and market regulation.

### 7.1. Islamic Finance:

Modern Islamic finance can serve as a model for integrating ethical principles into the global financial system. Interest-free banking, as practiced by Islamic banks, promotes profit-sharing and ethical investment. These principles could be adopted

---

<sup>26</sup> Islahi, Abdul Azim, Contributions of Muslim Scholars to the History of Economic Thought and Analysis up to 15<sup>th</sup> Century, (Jeddah: Islamic Economics Institute, King Abdulaziz University, 2005), pg:93-95.

[https://mpira.ub.uni-muenchen.de/53462/1/MPRA\\_paper\\_53462.pdf](https://mpira.ub.uni-muenchen.de/53462/1/MPRA_paper_53462.pdf)

---

by conventional financial institutions seeking to create more socially responsible and sustainable products. Moreover, Islamic financial instruments like Sukuk (Islamic bonds) provide alternatives to traditional bonds, allowing for risk-sharing between investors and issuers.

## **7.2. Wealth Redistribution:**

The principles of zakat and sadaqah can be incorporated into modern welfare systems to ensure

that wealth is distributed more equitably. Governments and institutions can develop tax systems that mirror the progressive nature of zakat, ensuring that the wealthy contribute a fair share of their income to support public welfare programs. Additionally, charitable endowments (waqf) can be established to fund public goods like education, healthcare, and infrastructure.

## **7.3. Market Regulation:**

The regulatory frameworks proposed by Ibn Taymiyah and Ibn Khaldun, which focus on preventing monopolies and market manipulation, can be integrated into modern economic systems to promote fair competition and consumer protection. Regulatory bodies can adopt these principles to ensure that businesses operate ethically and that markets remain competitive and free from exploitation.

By incorporating these Islamic economic principles into modern economic systems, policymakers can create more just, inclusive, and ethical economies that prioritize social welfare, reduce inequality, and ensure that markets serve the public good.

## **8. Conclusion**

This research not only explores the contributions of these scholars but also seeks to integrate their ideas into a cohesive framework that can inform modern economic policies. The contributions of these ten Muslim scholars have been pivotal in shaping both classical and modern economic systems. Their thoughts on taxation, wealth distribution, market regulation, ethical trade, finance, and social welfare were not only innovative for their time but remain to shape both Islamic and conventional financial institutions today.

For instance, Abu Yousuf's ideas on proportional taxation and public finance predate similar developments in Western economic thought by centuries. Shibani's work on international trade laid down ethical principles that resonate with modern trade laws, while Al-Ghazali's emphasis on ethical wealth management and charitable giving continues to inspire Islamic social welfare programs today. Ibn Khaldun's analysis of the labour market and his cyclical theory of economic development were revolutionary, influencing both modern sociology and macroeconomics. His insights into the role of the state in promoting economic growth are echoed in modern theories of governance and economic development.

In modern times, scholars like Maulana Maududi and Mufti Taqi Usmani have carried the legacy of these early thinkers into new arenas, particularly with the

---

---

development of Islamic banking and finance. Maududi's call for an interest-free economy and Usmani's Sharia-compliant financial products offer viable alternatives to conventional, interest-based systems, providing ethical and equitable solutions for financial institutions around the world.

To sum up, these scholars' contributions have not only shaped the historical development of Islamic economics but continue to offer valuable insights into how modern economic systems can balance material prosperity with ethical considerations. Their pioneering ideas on justice, equity, and social welfare remain as relevant today as they were centuries ago, offering a framework for addressing the moral and practical challenges of contemporary economic governance.

## Bibliography

- Abdul Hassan, M.A Choudhry, Islamic Economics Theory and Practice (Saudi Arab: Routledge,2019)
- Abu Yousuf, Yaqub ibn Ibrahim al-Ansari, Kitab al-Kharaj, (Riaz: Darr-ul-uloom,2019)
- Abu Ya'la, 1966. Al-Ahkam al-Sulthaniyah. Al-Bab al-Halabi, Egypt.
- Abu Yusuf, 1987. Kitab al-Kharaj. Dar al-Matba'ah al-Salafiyah, Cairo.
- Ahmad, M., 1999. Business Ethics in Islam. Kitab Bhavan, New Delhi.
- Ahmad, Z.A., 1974. State Fair and Prosperous According to Ibn Sina. Bulan Bintang, Jakarta.
- Al-Arzanjani, 1328. Minhaj al-Yaqin 'ala Syarh Adab al-Dunya wa-al-Din. Al-Haramain, Semarang.
- Al-Baidhawi, 1984. Anwar al-Tanzil wa-Asrar al-Ta'wil. Beirut: Dar al-Fikr, Beirut.
- Al-Dimasyqi, A.F.J., 1977. Al-Isyarah ila Mahasin al-Tijarah. Maktabah al-Kuliyyat Azhariyah, Cairo.
- Al-Ghazali, A.H., 1998. Ihya' 'Ulum al-Din. Dar al-Nadwah, Beirut.
- Al-Isfihani, R., 1992. Mu'jam al-Mufradat Alfadz Al-Qur'an. Dar al-Fikr, Beirut.
- Al-Jahiz, B., 1966. Kitab al-Tabassur bi-al-Tijarah. Dar al-Kitab al-Jadid, Tunis.
- Al-Kasani, A. B. I. M., and Bakr ibn Mas'ud. "Bada'i al-Sana'i fi Tartib al-Shara'j", Beirut: *Dar al-Kutub al-Ilmiyyah*, 1986.
- Al-Syathibi, Abu Ishaq Muhammad, Al-Muwafqat fi Ushul al-Ahkam, Beirut: *Dar al-Fikr*, Economic Heritage, 2019.
- Al-Awadi, Rifat, Doi: Minalturasiliqtisadililmuslimeen, *Rabita Al-alam*, 1987.
- Al-Mawardi, A.H.A., 1960. Al-Ahkam al-Sulthaniyah wa-Wilayat al-Diniyah. Dar al-Fikr, Beirut.
- Al-Mawardi, A.H.A., 1987. Tashil al-Nazhar wa-Ta'jil al-Zhafar fi Akhlaq al-Malik wa Siyasah Al-Mulk. Dar al-Fikr, Beirut.
- Al-Mawardi, A.H.A., 1995. Adab al-Dunya wa-al-Din. Dar al-Fikr, Beirut.
- Al-Mawardi, A.H.A., 2006. Al-Nukat wa-al-'Uyun fi Tafsir al-Mawardi. Dar al-Kutub al-'Ilmiyah, Beirut.

- 
- Al-Misri, R.Y., 1999. *Fi-al-Fikr al-Iqtishadi al-Islami: Qira'at fi alTurats* (On Islamic Economic Thought: Readings in the Heritage). Markaz al-Nashr al-Ilmi, KAAU, Jeddah.
- Al-Razi, F., 1993. *Al-Tafsir al-Kabir*. Al-Mathba'ah al-Bahiyah, Cairo.
- Al-Subki, T., 1906. *Tabaqat al-Shafi'iyah al-Kubra*. Matba'ah al-Hushayniyah al-Misriyah, Cairo.
- Al-Syaibani, H., 1986. *Al-Iktisab fi-al-Rizq al-Mustathab*. Dar al-Kutub al-'Ilmiyah, Beirut.
- Al-Tabari, A.J., 1974. *Jami' al-Bayan 'an-Ta'wil Al-Qur'an*. Bab al-Halabi, Cairo.
- Al-Zamakhshari, M., 1996. *Al-Kasysyaf 'an Haqa'iq al-Tanzil wa-'Uyun al-Aqawil*. Bab Al-Halabi, Cairo.
- Arkoun, M., 2010. *Essais Sur La Pensee Islamique*. Vrin.
- Azmi, S., 2002. *Islamic Economics: Public Finance in Early Islamic Thought*. Goodword Books, New Delhi India.
- Baeck, L., 1994. *The Mediterranean Tradition in Economic Thought*. Routledge, London and New York.
- Davis, K and Moore, W., (1967). *Some Principles of Stratification*. In Bendix, R and Lipset, S (eds). *Class, Status and Power*. Routledge and Kegan Paul, London.
- Ekelund JR, R.B. and R.F. Hebert, 1983. *A History of Economic Theory and Method*. McGraw-Hill, New York.
- Essid, Y., 1995. *A Critique of the Origins of Islamic Economic Thought*. E.J. Brill, Leiden.
- Ghazanfar, S.M. (ed.), 2003. *Medieval Islamic Economic Thought*. Routledge Curzon, London and New York.
- Ibn Khaldoun, Abd ul Rahman, *Al-Muqaddimah*, Beirut: *Darul kutub Al-ilmiya*, 1943)
- Ibn-Khaldun (1967). *Muqaddimah*, Terj, Franz Rosenthal (vol 3) New York.
- Islahi, Dr. Abdul Azim, *The Economic Thought of Imam Ibn-e-Taymiyah*, (Karachi: Tahqiqat-e-Islamia, 1971)
- Islahi, Abdul Azim, *Contributions of Muslim Scholars to the History of Economic Thought and Analysis up to 15<sup>th</sup> Century*, (Jeddah: Islamic Economics Institute, King Abdulaziz University, 2005).
- [https://mpira.ub.uni-muenchen.de/53462/1/MPRA\\_paper\\_53462.pdf](https://mpira.ub.uni-muenchen.de/53462/1/MPRA_paper_53462.pdf)
- Jaelani, Aan, *Economic Philosophy of al-Mawardi: Review of economic Behavior in Islamic*
-

- 
- Economic, (2018) vol 13 no. 3 published in the Social Sciences. Doi <http://mpra.ub.uni-muenchen.de/84488/>
- Kauder, Emil. History of marginal utility theory. Vol. 2018 no. 09 University Press, 2015.
- Dr. Khalid Mahmood, at all, Administration and Reforms in The Period of Hazrat Umar:  
Analytical View (Faisalabad: Webology, 2021)
- Maududi Abul ‘Ala, Deen ke Char Bunyadi Istalahat, (New Dehli: Markazxi Maktabah Islami, 1985)
- Muhammad Fawad Abdul Baqi, Al Lulu Wal Marjan (Lahore: Islamic Book Publishers, 1997)  
vol:1,
- Muhammad Nazir Khan, Muhammad Mushtaq Ahmed, Hafiz Fazal e Haq Haqqani Glimpses  
of Economic Thought of Muhammad bin Al-Hasan Al-Shaibani: An introductory study, (Turkey: Al-Aijaz Research Journal, vol 4 no. 2, 2020).  
<https://doi.org/10.53575/E3.v4.01.23-30>
- Munif, Nasrullah Ali, Critical Analysis of Abu Yousuf Thought: The Role of Government in  
Islamic Economic, (Tulungagung: Jurnal Eksyar, vol.7 no.4, June 2019).  
<http://ejournal.staim-tulungagung.ac.id/index.php/Eksyar>
- Mujahidin, Muhammad, The Concept of Economic Thought of Ibn Khaldun, (2018) vol 2,  
MPRA Paper no. 87143, Fakultas Syariah dan Ekonomi Islam
- Dr. Nasir Nabi, The Economic Thought of Sayyid Abul A’la Mawdudi, (vol. 17, 2017) Insight  
Islamicus.
- Pettinger, Tejvan, Sectors of the economy. Economics: *Helping to simplify economics*, (2014).
- Philp K. Hitti, History of the Arabs, ter. R. Crecp Lukman dan Dedi Slamet Riyadi, (Jakarta: Serambi, 2013)
- Saffia B.B, Wahaab Khan, (2015) The Economic Theory of Shah Waliullah, vol 2, no. 1 *Alhamd Islamica*
- Samsuddin, Nur Amini Aisyah, at all, Islamic Economic Thought of Prominent Muslim
-



---

Scholars in Abbasid Era, (2020) vol. 10, no. 12 *International Journal of Academic Research in Business and Social Science*, Doi: 10.6007/IJARBSS/v10i12/8212

Saffia B.B, Wahaab Khan, (2015) The Economic Theory of Shah Waliullah, vol 2, no. 1 *Alhamd Islamica*

Ulum, B. (2016). Kontribusi Ibnu Khaldun Terhadap Perkembangan ekonomi islam, journal Iqtishodia 1(2), 17-32.

Usmani, Taqi, Islam and Modern finance and Business, (Karachi: Maarif-ul-Quran,2020).