

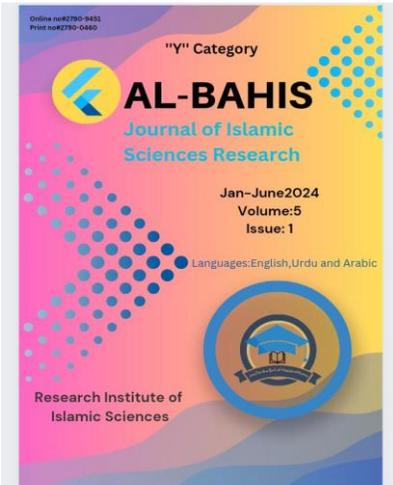
## Economic system of the state of Medina and the existing usurious System, a research review

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## **Economic system of the state of Medina and the existing usurious System, a research review**

### **Abstract**

After the arrival of the Prophet (S.A.W.W) in Medina, the foundation of the Prophet's Mosque was immediately established, that is, the secretariat for the state was established. Along with this, the economic resources of the society were given priority. Because there was a state of emergency and on the other hand, there were Ansar Medina, some of whom were middle-class and some were quite rich, that is, practically the shape of Pakistan today was similar to that of Medina. In our country, one section is suffering from poverty due to economic oppression and the other section is quite wealthy.

In the modern era, the problems faced by the Muslim countries, especially Our country Pakistan, are usury system, economy, poverty and bankruptcy, unemployment, inflation, debts of other foreign countries, imbalance of international trade.

Muslim countries, especially Pakistan, can get rid of these problems if they decide their economic policies in accordance with the Qur'an and Sunnah. But employment opportunities can be created and poverty and unemployment can be eradicated.

In all this situation, the state should ensure the implementation of Zakat system instead of controlling its financial policy by interest rate, which is a distinguishing aspect of Islamic economy and stability of the state.

**Key words:** Economic, Brotherhood, Islamic State, Seerah of Holy Prophet.

### **Introduction**

Islam is the religion of nature. And nature covers every aspect of human life. In the same way, Prophet Muhammad came to the world as a universal prophet and his teachings are also natural and universal like the religion of Islam. That is the reason why today's Even in the age, guidance and leadership is given from Seerat Tayyaba in every aspect of life.

The Prophet ﷺ announced his prophet hood in a place where there was a tribal system and it was a very difficult matter to place the natural system and the religion of nature in this tribal system. The results were expected, but when the results did not come, the Prophet of Mercy turned to Taif that maybe the results would be good from there and work should be done with the city of Taif as the center, but maybe it was not a blessing for him either.

Mentioning the main reason for the defection Peoples of Taif , Naeem Siddiqui write:

"طائف ایک بڑا سرسبز قطعہ تھا پانی، سایہ، کھیتیاں، باغات نسبتاً ٹھنڈا مقام۔ لوگ بڑے خوشحال تھے اور دنیا پرستی میں بری طرح سے گھگھن۔ انسان ایک مرتبہ معاشی خوشحالی پالے تو پھر وہ خدا فراموشی اور تکبر میں دور تک چلا جاتا ہے یہی حال اہل طائف کا تھا۔۔ اس کے ساتھ ساتھ اہل طائف پوری طرح لالہ بلی ڈھب کے تھے اور پھر سود خوری نے ان کے اچھے انسانی احساسات کو بالکل ملیا میٹ کر دیا تھا۔ حضور ﷺ گو یا مکہ سے بدتر ماحول میں قدم رکھ رہے تھے" <sup>1</sup>

Taif was a large green area with water, shade, fields, gardens, a relatively cool place. People were very prosperous and badly engrossed in worldliness. Once a person grows economic prosperity, then he goes far away in forgetfulness of God and arrogance. This is the situation. He was from Ahl Taif. At the same time, the people of Taif were completely irresponsible, and then usury completely mixed their good human feelings. It was as if the Holy Prophet was stepping into an environment worse than Makkah.

It was found that the main reason for the defection of the people of Taif was economic prosperity and profiteering, due to which their morals were corrupted and they had lost the ability to accept the truth.

### **Economic conditions of Medina at the time of migration:**

After seeing the situation in Makkah and Taif, the Holy Prophet (peace be upon him) was still under the influence of this mournful answer when a soft voice of Yathrib came from a distance saying that I am ready to become Madinah-ul-Nabi. I will give light to the world. A system of goodness will grow in my lap and a new history will grow in my cradles. And I will give this world such a system of society and economy that people will continue to give examples of the state of Medina until the dawn of judgment. New states will be established keeping in mind the principles of this state.<sup>2</sup>

After the arrival of the Prophet ﷺ in Medina, he immediately paid attention to the construction of mosques, first Masjid Quba Which is mentioned in the Holy Qur'an in Surah Towbah in this way:

لَمَسْجِدٍ أُسِّسَ عَلَى التَّقْوَىٰ مِنْ أَوَّلِ يَوْمٍ أَحَقُّ أَنْ تَقُومَ فِيهِ ۚ فِيهِ رِجَالٌ يُحِبُّونَ أَنْ يَتَطَهَّرُوا <sup>3</sup>

"Do not stand [for prayer] within it - ever. A mosque founded on righteousness from the first day is more worthy for you to stand in. Within it are men who love to purify themselves; and Allah loves those who purify themselves."

Abu Saeed Al-Khudri (may God be pleased with him) says that a man from Bani Khadra and a man from Bani Amr bin Awf argued about which mosque was founded on piety, See Hadith as evidence

عَنْ أَبِي سَعِيدٍ الْخُدْرِيِّ، قَالَ: امْتَرَى رَجُلٌ مِنْ بَنِي خَدْرَةَ وَرَجُلٌ مِنْ بَنِي عَمْرٍو بْنِ عَوْفٍ فِي الْمَسْجِدِ الَّذِي أُسِّسَ عَلَى التَّقْوَى، فَقَالَ الْخُدْرِيُّ: "هُوَ مَسْجِدُ رَسُولِ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ، وَقَالَ الْآخَرُ: هُوَ مَسْجِدُ قُبَاءَ، فَاتَّيَا رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فِي ذَلِكَ، فَقَالَ: هُوَ هَذَا يَعْنِي مَسْجِدَهُ وَفِي ذَلِكَ خَيْرٌ كَثِيرٌ." <sup>4</sup>

Khadri said: It is the Masjid of the Messenger of God (i.e. the Prophet's Mosque), another said: That is Masjid Quba, so they both came to the Messenger

<sup>1</sup>.Naeem Siddiqui , Mohsan e Insaniyat , Nashir Ashaat , Islami 11 , Alkarim market Urdu Bazar Lahore , Ashaat 19 , Pg 193-194

<sup>2</sup>. Ibne Hasham , Abdul Malik Bin Hisham , Seerat Un Nabi ( urdu Tarjuma) Mutarajim , Syed Yaseen Ali Husni , Idara Islamiyat , Lahore , Tibbah 1994 A.H , Vol. 1 , Pg 80-85

<sup>3</sup>.Al-Quran 9 : 108

<sup>4</sup>. Abu Isa, Muhammad ibn Isa al-Tirmidhi, Sunan al-Tirmidhi, Abi al-Masjid al- 'Asi, al-Muktaba al-Shamla. Hadith 32

of Allah, may God bless him and grant him peace, and he said: "That is this mosque, that is, the Prophet's Mosque, and it (i.e., in the Quba Mosque) also has a lot of blessings.

After Masjid Quba ,Masjid Nabawi was founded in the city of Medina. And the first regular secretariat was established for the state of Medina.

### **Economic and social effects of Brotherhood and Mithaq-e-Medina**

Immediately after the construction of the Prophet's Mosque, the economic resources of the society were given priority. Since there was an emergency and on the other hand, there were Ansar Medina, some of whom were middle-class and some were rich. In other words, the situation in Pakistan today is practically Such was the economic situation of Medina at that time. In our country, one section is suffering from poverty due to economic oppression and the other section is richer than the rich.

In such a situation Mohsin Insaniya (peace and blessings of Allah be upon him) used a strategy that a guide and leader should take in the true sense. So while describing the purpose of Muwakhlat, Safi-ur-Rahman Mubarakpuri has written in Al-Raheeq Al-Makhtoum with reference to Imam Ghazali:

"The purpose of this brotherhood was to dissolve the ignorance of ignorance. Whatever honor and respect is for Islam. Distinctions of race, color and homeland should be erased. The standard of highness and lowliness is something other than humanity and piety. And don't be"<sup>5</sup>

Dr. Noor Mohammad Ghaffari writes about the benefits of brotherhood:

"مواخاتہ کے روحانی بندھن میں بندھنے کے بعد انصاری اور مہاجر کارشتہ سگے بھائیوں کی طرح بن گیا حتیٰ کہ ان میں کوئی ایک دارالبقاء کا مسافر بنتا تو دوسرا اس کا وارث بن جاتا"<sup>6</sup>

"After bonding in the spiritual bond of brotherhood, the relationship between Ansari and Muhajir became like that of close brothers, even if one of them died, the other would become entitled to his property."

On the basis of this loving relationship, Allah Almighty released the praise of these Peoples (Sahaba) with these words on the tongue of humans until the Day of Judgment.

إِنَّ الَّذِينَ آمَنُوا وَ هَاجَرُوا وَ جَاهَدُوا بِأَمْوَالِهِمْ وَ أَنفُسِهِمْ فِي سَبِيلِ اللَّهِ وَ الَّذِينَ أَوْوَا وَ تَصَرَّوْا أَوْلِيَاءَ بَعْضُهُمْ أَوْلِيَاءُ بَعْضٍ.<sup>7</sup>

Certainly those who embraced faith, and migrated, and performed Jihad with their wealth and their lives in the way of Allah, and those who gave protection and helped; they are all inheritors for one another.

The Messenger of Allah ﷺ took the biggest constructive step for the stability of the state in terms of politics and economy, to run the state and to solve economic problems and for the availability of resources and for peace and

<sup>5</sup>. Sufi ur Rehman Mubarak pori , Al raheeq Ul Makhtoom , Al Maktabat Ul Salfiyat Lahore , Pg 256

<sup>6</sup>. Ghafari Noor Muhammad , Nabi Kareem ki Muashi Zindagi , Dayal Singh trust Library Lahore , Tibah Jan 1999 A.H . Pg 161

<sup>7</sup>. Al-Quran 8 : 72

order, the society of the Jews, polytheists and Muslims of Medina. Proposition was given in the poem and a written contract was drawn up. Which is in fact a formal written constitution, it is rightly called the world's first written constitution. The provisions of this constitution will not be discussed here, however, it is necessary to mention some important aspects which were very important for the economic system of Medina state.<sup>8</sup>

### **Economic benefits of the Mithaq -e- Medina:**

Through the Treaty of Medina, the Prophet (peace and blessings of Allah be upon him) made it easy for Muslims to obtain many economic benefits. Most prominently, under this agreement, the economic relations between the Muslim immigrants, the Ansar Medina and the Jewish tribes were settled.

Among the provisions of the Treaty of Medina, the prominent clause was that in the event of an attack on Medina, whether the attack is on all the tribes of Medina or on a single tribe, in this case all the tribes of Medina will contribute to the defense costs and this cost will bear. In this way, he solved the economic weakness of the poor Muslims who had to bear the expenses of the war alone, because in fact it was the Ahl al-Wafa who were a thorn in the eyes of all the Arab tribes. This is a huge state level. But there is a reason for the great economic insight of the Prophet ﷺ.

The initial economic situation has become clear from all this discussion, now let's come to how real economic change and prosperity was possible in Medina and what steps we can take to give our country Pakistan a strong economy free from usurious system.

### **Economic features of Medina and prevailing usurious system of contemporary times**

As mentioned above, before the Prophet's migration, the city of Medina was ruled by the Jews, who abolished the capital system and controlled the economic system through usury. Just as today the economic life and financial system are under the control of the Jews, even then interest was their greatest weapon and condemnation of these actions of the Jews is described in the Qur'an as follows:

فَبُظْلِمَ مِنَ الَّذِينَ هَادُوا حَرَمًا عَلَيْهِمْ طَيِّبَاتٌ أُحِلَّتْ لَهُمْ وَبِضَدِّهِمْ عَنْ سَبِيلِ اللَّهِ كَثِيرًا ﴿١٦٠﴾ وَأَخَذَهُمُ الرِّبَا وَقَدْ نُهُوا عَنْهُ وَأَكْلِهِمْ أَمْوَالِ النَّاسِ  
بِالْبُظْلِ ۗ وَأَعْتَدْنَا لِلْكَافِرِينَ مِنْهُمْ عَذَابًا أَلِيمًا-<sup>9</sup>

“ For wrongdoing on the part of the Jews, We made unlawful for them [certain] good foods which had been lawful to them, and for their averting from the way of Allah many [people], (160) And [for] their taking of usury while they had been forbidden from it, and their consuming of the people's wealth unjustly. And we have prepared for the disbelievers among them a painful punishment.”(161)

After migrating, Rasool Allah (S.A.W.W) abolished this headship system with wisdom and prudence and established an Islamic economic system.

### **Islamic sciences of agriculture**

The people of Makkah were involved in trade while the people of Medina were involved in both agriculture and trade. Some people in Medina owned small

<sup>8</sup>. Hameed Ullah , Ahade Nabwi me Nizam hukmrani , Urdu Academy Sindh , Ashat 1981 A.H , Pg 143 , 144

<sup>9</sup>. Al-Quran 4 : 160-161

plots of land and worked on them themselves. While some people were the owners of large plots of land, they worked on their lands. Some people used to work by giving labour, while some people used to work on the basis of Muzabanah and Muhaqalah. There is a complete chapter on this in Sahih Muslim titled: The prohibition of Muhaqalah and Muzabanah and Mukhabarah: and selling produce before its goodness appears, and Mu'awamah: which is selling years in advance.<sup>10</sup>

عَنْ جَابِرِ بْنِ عَبْدِ اللَّهِ ، قَالَ: " نَهَى رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ عَنْ: الْمُحَاقَلَةِ، وَالْمُزَابَنَةِ، وَالْمُخَابَرَةِ، وَعَنْ بَيْعِ الثَّمَرِ حَتَّى يَبْدُوَ صَلَاحَهُ، وَلَا يَبَاغُ إِلَّا بِالْذَيْتَارِ وَالذَّرْهَمِ، إِلَّا الْغَرَائِمَ. " <sup>11</sup>

Jabir bin'Abdullah (RA) reported that Allah's Messenger (S.A.W.W) had forbidden Muhaqala. and Muzabana, Mukhibara and the sale of fruits until their good condition becomes clear, and (he commanded) that (commodities) should not be sold but for the dinar and dirham except in case of araya.

Muzabanah' is the sale of a fruit on a tree in exchange for a certain amount of dry fruit and Muhakla' is the sale of a crop grown in the field in exchange for a certain amount of dry grain.<sup>12</sup>

Rasool Allah (S.A.W.W) declared the forms of usury in which usury, fraud, exploitation or any other such vices were illegal, which greatly affected the supremacy of the Jews.

### **Various Aspects of Islamic Economy in Medina**

Most of the trading system in Medina was in the hands of the Jews. At that time many people of Ansar i.e. Aus and Khazraj were in debt to him and due to usury, their lands were being taken over by the Jews one by one. Jewish traders had established their monopoly in the market. Those Muslim traders who had less influence in the market, the Jews harassed them and embezzled their wealth through deception and fraud or deprived them of their rights by giving unreasonable compensation.

The tax collection system was also on the rise. The Jews used to collect unnecessary taxes from the people sitting in their markets and put various financial ransoms and burdens on them. . Day by day the rich man was getting richer while the poor man was getting poorer.

After emigrating to Medina, the patriarchal system of the Jews, financial exploitation and their monopoly on trade and economy ended, Rasool Allah (S.A.W.W) established the Prophet's Mosque in order to stop it and establish an alternative trading platform. A market was established near. In order to establish the economy on the right lines, he gave some instructions which are still considered as the main pillar of the economic system of Islam. Rasool Allah (S.A.W.W) said, "This is your own market." No one will do anything wrong with you. No tax will be charged here. Further, those who will do business in the

<sup>10</sup>Qasheeri , Muslim Bin Hijaj , Sahih muslim, Kitab ul biyuoah , Bab 16 mosooat ul Quran o Hadith

<sup>11</sup> Sahih Muslim Bab un Nabi Raqam ul Hadith , 3908

<sup>12</sup> Arif Ali Arif ul Qura daghi , Masael Faqiha , darul kutub ul Almiyah , berot , Pg 39

market will do business with free will and no external force will force them to behave in a particular way.

According to the teachings of the Prophet, may Allah bless him and grant him peace, the Companions of the Prophet (peace and blessings of Allah be upon him) in all these forms of trade, agriculture, mudarabat, farming, trade of authority, honesty, truthfulness, taking and giving in full in measure, good debt instead of interest, necessity. When the charity system was implemented for the poor, the Muslim traders became the famous traders of the Market Banu Qainqa.

And in the state of Medina, where the Jews had heated up the usury market, it was exploited, and among the Muslim traders, figures like Hazrat Abdul Rahman bin Auf, Syedna Uthman Ghani, may Allah be pleased with him, made such a name in trade that the Jewish traders were surprised.

Seeing the economic system established on the best principles of Islam, non-Muslims and even Jews started coming to do business in the Muslim market, and in a very short time, the Jewish market ended. Therefore, the development of any state lies in its economic stability and economic stability is possible only with the implementation of Islamic economic system.

### **Summary Discussion**

After the arrival of the Prophet (S.A.W.W) in Medina, the foundation of the Prophet's Mosque was immediately established, that is, the secretariat for the state was established. Along with this, the economic resources of the society were given priority. Because there was a state of emergency and on the other hand, there were Ansar Medina, some of whom were middle-class and some were quite rich, that is, practically the shape of Pakistan today was similar to that of Medina. In our country too, one section is suffering from poverty due to economic oppression and the other section is quite wealthy. In such a situation, Mohsin of Humanity, peace be upon him, adopted the method of making all Muslims brothers. There was a team that strongly believed in the Islamic welfare system, so the members of this team sacrificed for each other and thus the unreasonable economic difference between the two classes was eliminated.

It is a historical fact that in those days the economy of Medina was entirely dependent on the usurious business of the Jews, just as today our entire economy is based on the usurious system. But the Holy Prophet (peace be upon him) did not say to the emigrants that you should start your business by taking loans from the Jews at interest, because it was impossible to create a society based on economic justice in this way. Rather, he said to the Ansar of Medina to help their brothers and then introduced the system of good loans and when the members of the society began to establish the economy on interest-free loans through mutual cooperation, then he completely forbade usury. He ended this curse by declaring. But unfortunately, today's so-called Islamic governments are holding the Muslim generations hostage to them by taking usurious loans from the World Bank, IMF and other Jewish institutions. Whereas, by following the principles of mutual cooperation in Muslim societies, we can get rid of Jewish economic domination and thus enter a revolutionary era of Islamic society.

For a fair distribution of wealth and a balanced economic system, it is necessary to study the biography of Tayyaba and get guidance from this golden age so that

the Muslim Ummah can get rid of this poverty. The current economic system, whether it is capitalist or cooperative, has completely failed, for a balanced economic system, it is necessary to have a fair distribution of wealth in it, which cannot be done in the current system. In this paper, the economic aspect of Sirat –e- Tayyaba ﷺ will be highlighted, so that guidance can be obtained to deal with the difficulties and challenges of the present time.

### **Recommendations**

1. In the modern era, the problems faced by Muslim countries, especially the dear country of Pakistan, are usury system, economy, poverty and bankruptcy, unemployment, inflation, debts of other foreign countries, imbalance of international trade.
2. Muslim countries, especially Pakistan, can get rid of these problems if they decide their economic policies in accordance with the Qur'an and Sunnah. But employment opportunities can be created and poverty and unemployment can be eradicated.
3. The state should provide capital to industrialists and landlords through interest-free loans or other means of investment to set up more factories and increase domestic exports.
4. The state should ensure the implementation of zakat system instead of controlling its monetary policy by interest rate which is a distinguishing aspect of Islamic economy and stability of the state.



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