

The Economic Thought of Muhammad Baqir al Sadr

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Abstract: Syed Muhammad Baqir al-Sadr was a scholar, a philosopher and ideological founder of Islamic Dawah party (Hizbul Dawat al Islamiah) in al Kazimiya Iraq. He was born on Dhil Hajja 25, 1353 A.H. / 1 March 1934 C.E. He belonged to a religious family which had been a cradle for Islamic learning since decades. His father Haydar al Sadr was a well respected high ranking Shia cleric. Baqir al Sadr completed his religious education at religious seminaries under the guidance of Al-Khoei and Muhsin al Hakim. Eventually he emerged as a profile writer and wrote twenty six books and numerous articles, on various disciplines including: Jurisprudence, exegesis, philosophy, logic, history, theology, Islamic culture and economics. Some of these books (originally in Arabic) have been translated into Persian, English, Urdu and Turkish languages. In 1960-61 he wrote his most celebrated book on economics namely *Iqtisaduna* (Our economics). In this voluminous work he criticizes the existing economic doctrines; capitalism and socialism and presents Islamic economics as an alternative for both the systems. Baqir al Sadr holds the view that, every economic system has got two aspects; scientific aspect and doctrinal aspect. The scientific aspect of Marxist economy is the historical materialism, while as its doctrinal aspect comprises of Socialism and communism. Historical materialism as an interpretation of history in terms of single factor (economic) does not explain most of the historical and social events which are the results of social, political, religious and psychological factors. Capitalist economy like Marxist economy has also got two aspects; scientific aspect and doctrinal aspect. However, the laws of the capitalist economy are doctrinal in nature, because, they are influenced by human will and differ from society to society. The distinctive nature of Islamic economy is that it adopts a moderate approach, while solving man's economic problems. The edifice of Islamic economy comprises of dual form of ownership, judicious economic freedom and social Justice. The various aspects of the system are integrated together, besides the entire system is intimately related with other aspects of Islam such as social, political spiritual and Psychological. The present paper intends to highlight the contribution of Baqir al Sadr towards development of Islamic Economics in the twentieth century.

Keywords : Economic Thought, Muhammad Baqir Sadr, Islamic Economy

Introduction

The modern development of Islamic economics began with the turn of the 20th century. Although, for a long time it was thought that development of modern Islamic economics started in twentieth century. But recently a paper was discovered entitled *al-Mirsad fi Masa'il al-Iqtisad* by Abd al Qadir al-Mijawi and Umar Burayhimat, which belong to 1904, Fontena, Algeria. It shows the history of Islamic economic development turn back to long time ago.¹

Following that, there are number of researches on the history of Islamic economic thought started much later during 1930s such as introducing economic thought of Muslim scholars by Salih (1933) in Arabic entitled "Arab Economic Thought in the Fifteenth Century" in which he discussed economic ideas of Ibn Khaldun (d. 808/1406), al-Dulaji (d. 838/1435), and al-Maqrizi (d. 845/1442). Next, al-Hashimi (1937) published his paper on

'Economic Views of al-Biruni' (d. 442/1048), again in Arabic. The same year Rifat (1937) wrote on "Ibn Khaldun's Views on Economics" in Urdu. The first paper in English was written by Abdul-Qadir (1941) entitled "The Social and Political Ideas of Ibn Khaldun". And the first Ph.D. on the subject was awarded by Cairo University to Nash'at (1944) on "Economic Thought in the Prolegomena of Ibn Khaldun" written in Arabic.²

During the modern post-colonial era, as Western ideas, including Western economics, began to flourish, especially in the 1960s and 70s, several Shi'ah Islamic thinkers worked to develop a unique Islamic economic philosophy with its own answers to contemporary economic problems. Several works were particularly influential: (i) *Eslam va Malekiyyat* (Islam and Property) by Mahmud Taleqani (1951) (ii) *Iqtishaduna* (Our Economics) by Muhammad Baqir al-Sadr (1961) (iii) *Eqtesad-e Towhidi* (The Economics of Divine Harmony) by Abul Hassan Banisadr (1978) and (iv) Some Interpretations of Property Rights, Capital and Labor from Islamic Perspective by Habibullah

¹ Abdul A. Islahi. (2008). Thirty Years of Research in the History of Islamic Economic Thought: Assessment and Future Directions. *Journal of economic theories*,7(2) p 124

² Ibid, p 129

Peyman (1979). Al-Sadr in particular has been described as having "almost single-handedly developed the notion of Islamic economics" In their writings Sadr and the other authors "sought to depict Islam as a religion committed to social justice, the equitable distribution of wealth, and the cause of the deprived classes," with doctrines "acceptable to Islamic jurists", while refuting existing non-Islamic theories of capitalism and Marxism. This version of Islamic economics, which influenced the Iranian Revolution, called for public ownership of land and of large industrial enterprises, while private economic activity continued within reasonable limits. These ideas helped shape the large public sector and public subsidy policies of the Iranian Islamic revolution.³

Baqir al Sadr

Syed Muhammad Baqir al-Sadr was a scholar, a philosopher and ideological founder of Islamic Dawah party (*Hizbul Dawat al Islamiah*)⁴ in al Kazimiya Iraq. He was born on Dhil Hajja 25, 1353 A.H. / 1 March 1934 C.E. He belonged to a religious family which had been a cradle for Islamic learning since decades. His father Haydar al Sadr was a well respected high ranking Shia cleric.

In 1365 A.H., at the age of twelve, he settled in Najaf (Iraq) and began studying as well as teaching the principles of Islamic Jurisprudence and other branches of Islamic learning. He possessed such an extraordinary caliber for learning that he could fully comprehend the lessons, of the level of his own studies without the help of his teacher. At the age of twelve, he began studying the book, *Ma'lim al-Usul* under his brother, Syed Ismail al Sadr.

Baqir al Sadr completed his religious education at religious seminaries under the guidance of Al-Khoei and Muhsin al Hakim. Eventually he emerged as a profile writer and wrote twenty six books and numerous articles, on various disciplines including; Jurisprudence, exegesis, philosophy, logic, history, theology, Islamic culture and economics. Some of these books (originally in Arabic) have been translated into Persian, English, Urdu and Turkish languages.

In 1960-61 he wrote his most celebrated book on economics namely *Iqtisaduna* (Our economics). In this voluminous work he criticizes the existing economic doctrines; capitalism and socialism and presents Islamic economics as an alternative for

³ Abdul Ghafar b. Ismail. (2008) *Evolution of Islamic Economic Views*. Malaysia: Centre for Research in Islamic Economics and Finance (EKONIS). p 7

⁴ Islamic Dawah Party (Hizbul Dawat al Islamiyah) was formed in 1957 by some eminent shiate leaders including Muhammad Salih al-Adeeb, Syed Murtadha al-askary, Abdul Sahib Dukeli, Syed Muhammad and Baqir al Hakim. Their aim was to promote Islamic values, ethics, political awareness, and combat secularism and create an Islamic state in Iraq

both the systems. The book originally in Arabic has been translated into English by WOFIS (World Organization for Islamic Services).

Baqir al Sadr on Marxist Economic Structure

According to Baqir al Sadr, there are two aspects of economy; economic science and economic doctrine. The economic science is the science, which gives the explanation of the economic life, its economic events and its economic phenomena and the linking of those events and phenomena with the general causes and factors which rule therein.⁵ The economic doctrine is an expression of the way which the society prefers to follow in its economic life and in the solution of its practical problems.⁶ The line of demarcation between science and doctrine is the ideology of social Justice, Sadr writes, "The economic doctrine consists of every basic rule of economic life connected with the ideology of social Justice. And the science (of economics) consists of every theory, which explains the reality of economic life apart from a prefixed ideology or an ideal of Justice."⁷ On account of this, Sadr classifies Marxist economy into historical materialism (the Marxist science) and the socialism and communism (the Marxist creed). Historical Materialism is the Science of Marxism which gives the economic explanation of the entire history in the light of Productive powers.⁸ Marxist creed means the social system towards which Marxism calls and for the materialization of which it leads humanity.⁹ In spite of the vast difference between the two aspects, Sadr states that the link between them is very strong. He remarks that if the historical materialism fails to discharge its scientific function and in its analysis, it is proved that it does not explain the laws of human societies, then the whole edifice of Marxist creed will collapse down, as the foundation of the Marxist creed is laid on the historical materialism.¹⁰

Sadr on Marxist Law of Value

Marxism holds the opinion that raw materials by their nature possess no exchange value. The exchange value in a natural raw material comes into existence only as a result of the rectification of human labor there in. Marx writes, "take two commodities, e.g., corn and iron. The proportions in which they are exchangeable whatever those proportions may be can always be represented by an equation in which a given quantity of corn is equated to some quantity of iron. E.g., 1 quarter corn = x cwt. iron what does this equation tell us? It tells us that in two different things-in 1 quarter of

⁵ Baqir al-Sadr, *Iqtisaduna* Tr .English *Our Economics*, (WOFIS) World organization for Islamic Services TehranIran,1982, vol. 2, Part, 1, p.6.

⁶ ibid

⁷ Ibid p 10

⁸ Ibid, vol.1, Part.1, p.202

⁹ ibid

¹⁰ Ibid, p 4

corn and x cwt. Of Iron, there exists in equal quantities something common to both. The two things must therefore be equal to a third, which in itself is neither the one nor the other.... If we leave out of consideration the use value of commodity, they have only one property left that is being products of labour."¹¹ Thus work is the basis of exchange value. However, this law in Marxism does not apply in case of hoarding, similarly, this law is not applicable in case of some technical and monumental productions like a plate produced by an outstanding skilled artist or a handwritten letter which dates back to hundreds of years.

According to Sadr, work is not the basis of exchange value. He argues that two persons can create two different exchange values of the same commodity, at equal intervals of time due to the difference in their mental aptitude, desire to excel others and the kinds of feeling they harbor in their minds about that particular work.¹² Two painters, for instance, each of whom has one hour to paint a picture, but natural ability of one of them makes the picture painted by him more charming than that painted by the other. Thus Sadr considers work as a heterogeneous factor which includes units of efforts, which differ in importance and vary in degree and value. He regards it a folly to measure work quantitatively and numerically alone.¹³

He further says that it is also possible to exchange a technical or monumental production at a rate higher than what has been spend on it in the form of work. A letter of historical importance for instance can be exchanged for a book of al Kamil's history, if such an exchange is possible then what is the common thing between them besides labour?¹⁴ This means there is some other thing between them besides labour. Similarly, Sadr argues that Marxism fails to explain the falling of exchange value of a commodity with the decline in the collective desire or demand for it. The value of the commodity falls despite the fact that amount of collective work involved there in remains unchanged. Sadr argue that, the degree of the utility of a commodity and how far it satisfies the need of a person both have a bearing on the constitution of the exchange value.¹⁵ He concludes that it is not the work but the collective human desire which is the common factor between two things. If the desire for a particular commodity increases, one can pay every price to obtain it. Thus, it is not work, but the human desire on the basis of which exchange of commodities takes place. He writes, "Thus there is a collective desire for the cot as also for the cloth. This desire is attributable to the use and benefit they have in them. In this way, although the

benefits they render are different from each other, yet the result produced is common between them, which is the human desire."¹⁶

Sadr on the Emergence of Capitalist Society

According to Marxism, The capitalistic economic system emerged as a result of the disintegration of the feudalist economic system.¹⁷ Marxism, while analyzing capitalism historically, lays much importance to the Primary accumulation of capital. It denies the conventional view point about political economy¹⁸ which states that the capital production and the necessary wealth for the same, was the result of intelligence, frugality and good management by one class of the society. According to Marx, "This historical movement was completed by means of enslavement, armed robbery, there being no hand in its realization of planning economy intelligence, as believed by authorities of the conventional Political economy"¹⁹.

According to Sadr the Marxist description about the emergence of capitalism does not apply to the societies like Germany where a large number of feudalists built factories, carried on their administration and financed them with Feudal income they received. There was no violence, nor any movement of usurpation.²⁰ Similarly, it is not applicable to the commercial capitalism of Italy, which got huge profit to the Italian commercial Democracies like; Venice, Genoa and Florence because, a class of traders came into being in these cities before the emergence of industrial capitalism. These traders earned huge profits by means of trade with eastern countries during the crusades.²¹ Their profit was boosted as a result of their friendly ties with the rulers of Egypt & Syria. Consequently, on the basis of this profit, they set up large factories. In this way the capitalism flourished without any violence.²²

¹⁶ Ibid., p.177

¹⁷ Ibid., p.144

¹⁸ Political Economy is a common name for economics until the late nineteenth century, when government policies concerning finance and commerce (political) could at least be gradually separated from the realities of production, finance and trade (economics). Thus David Ricardo and John Stuart Mill's books (1817-1848) still dealt with "political economy" where as Alfred Marshall's book (1890) is entitled Principles of Economics. Until recent times this term is the common name for the study of economic processes. The term connotations of the inter relationship between the practical aspects of political action and pure theory of economics. Sometimes, it is argued that classical political economy was concerned with this aspect of the economy and the modern economists have tended to be more restricted in the range of their studies.

¹⁹ Karl Marx, Das Capital, vol. iii, Sec.3. pp. 1050-55, Cf, *iqtisaduna*, op.cit., p.146

²⁰ Baqir al Sadr, *Iqtisaduna*, op.cit., p.148

²¹ ibid

²² ibid

¹¹ Karl Marx, *Capital: A Critical Analysis Of Capitalist Production*, vol.1, p.38.

¹² Baqir al Sadr, *Iqtisaduna*, op.cit., p. 171

¹³ ibid

¹⁴ ibid., pp.165-166

¹⁵ Ibid., pp.166-170

Sadr further says that, if the explanation provided by Marxism regarding the emergence of capitalism is regarded as absolute. It then contradicts with the historical materialism. He argues that, how could Marxists say that the reason behind the Primary capital accumulation and the existence of the capitalist class historically was the power of usurpation and subjection, where as it is itself a reason not economic by nature? As a matter of fact, Marx according to Sadr demolishes his historical logic himself and admits implicitly by that the class formation does not exist on economic basis.²³

Sadr on Capitalist Economy & its Nature

Baqir al Sadr divides the capitalist economy into scientific aspect and doctrinal aspect in a similar way as he divides the Marxist economy into science and doctrine. In its scientific aspect according to Sadr, it tries to explain the course of economic life and its events in an objective way based upon stability and analysis.²⁴

The capitalist doctrine is a social system towards which capitalism calls and for its materialization it leads humanity.²⁵ Sadr remarks that, at the emergence of the capitalist economy there were two notions pervading among the economists. First: The economic life proceeds in accordance with some natural laws, which dominate all economic entities of the society. Therefore, the job of economists is to discover those laws, in order to explain different economic Phenomena and events accruing in human lives. Second: These natural laws constitute a guarantee for human happiness; provided they are enforced in a free environment and all the members of the society enjoy freedom of ownership, exploitation and consumption.²⁶ The first notion, according to Sadr, lays down scientific foundation of the capitalist economy, while as the second one lays its doctrinal foundation.²⁷

The economic thinkers of that time, states Sadr, believed that the two notions were closely linked to each other. Therefore, restricting individual's freedom and interference in his economic affairs by the state was regarded as a crime against the natural laws.²⁸ However, this sort of thinking no more appears to be sound because the natural laws never fail in any circumstances. It is therefore, mistake to regard the capitalist freedoms as an expression of natural laws and consider their violation as a crime against them.²⁹

The natural laws, according to Sadr, work uninterrupted in all conditions irrespective of the

degree of freedom enjoyed by individuals in the field of ownership, exploitation and consumption. Sometimes, it is however possible that the effect of these laws differ, in accordance with the difference in the conditions and circumstances. This is possible in the same way as the natural laws differ in their effects and results with the difference in circumstances and conditions.³⁰ Therefore, according to Sadr unlike the Marxist doctrine, the capitalist economy is not the result of the science of economy set up by the capitalists, nor is its destiny linked with the extent of success in its scientific aspect in explaining the objective reality. The doctrine depends upon some moral and some practical values which must alone be regarded as the criterion for giving verdict in favour or against it.³¹ Besides this, Sadr also emphasizes that although the capitalist doctrine does not derive its justification and existence from the scientific laws in economics; however, the scientific laws in the capitalist economy are influenced by the capitalist doctrine.³² In order to explain it, Sadr classifies scientific laws of economics into two groups, natural laws; which are similar to other scientific laws discovered by the natural sciences and do not show any link with the human will like the general law of limitation³³ and the law of increasing produce.³⁴ Second type of laws have link with the will of man like the law of supply and demand³⁵ and the iron law of wages.³⁶ Man's will remarks Sadr, is determined and conditioned in accordance with his ideas and understanding as well as the doctrinal ideology prevailing in the society in which he lives, therefore, these second type of laws can change from society to society because, societies differ from one another in respect of factors which determine their impulses of character and practical values in life. He observes that the

³⁰ Ibid

³¹ Ibid, p 11

³² Ibid., p.14

³³ According to this law; every production which depends on the land and on the raw materials; its content is limited according to the limited amount of land and its raw materials. *Iqtisaduna*, op.cit., p.15.

³⁴ According to this law, every increase in the production compensates the producer in a greater measure proportionately with his additional expenditure until the increase reaches a special degree in which case its (increase) is subject to a contrary law, that is, the law of contradictory yield which says that the increase in the yield starts diminishing at certain degree (stage) *Iqtisaduna*, op.cit, p.15.

³⁵ According to this law when demand for a commodity increases while it is not possible to increase supply, the price of the commodity is bound to rise. *Iqtisaduna*, op.cit., p.15

³⁶ According to this law when the wages of the worker increases their supply also increases due to the improvement in their living standard, but when the situation is contrary, the wages falling down to the natural level, this results into wide spread misery and disease, consequently, decreases their number and the wages increase. *Iqtisaduna*, op.cit, p.15.

²³ Ibid, p 149

²⁴ Baqir al-Sadr, *Iqtisaduna*, Tr. English Our Economics, (WOFIS) world organization for Islamic services Tehran Iran, 1982., vol.1, part 2,p.3

²⁵ Ibid

²⁶ Ibid, p.9

²⁷ ibid

²⁸ Ibid, p 10

²⁹ ibid

laws in the capitalist economy are of second type in nature. They are influenced by all the factors that interfere in man's will and his tendencies. For instance; the iron law of wages, according to which, when the wages of the workers increase, their supply also increases due to the improvement in their living standard, but when the situation is contrary, the wages falling down to the natural level, this results into wide spread misery and disease, consequently decreases their number and the wages increases.³⁷

Baqir al Sadr holds the view that, every economic system has got two aspects; scientific aspect and doctrinal aspect. The scientific aspect of Marxist economy is the historical materialism, while as its doctrinal aspect comprises of Socialism and communism. Historical materialism as an interpretation of history in terms of single factor (economic) does not explain most of the historical and social events which are the results of social, political, religious and psychological factors.

The labour theory of Marx has also many loopholes. It does not apply in case of hoarding and in some technical and monumental productions, as well as when there are fluctuations in the supply and demand. It is not the human labour, remarks Sadr, but the human desire on the basis of which exchange between commodities take place. Similarly, Marxist doctrines viz, socialism and communism are not the inevitable ends of historical and social development. There are enough possibilities that capitalism may be replaced by a society based on some ideology other than socialism, as history bears witness that many societies have emerged in history on military, political and religious basis. However, if the socialism is being given the practical form, it will create a new form of class inconsistency, as individuals naturally differ in terms of their physical capabilities and mental abilities, while as the principle for distribution in the socialist stage is, "for everyone according to his work". This will lead to the distribution of production among the individuals with different degrees and class inconsistency will take a fresh birth. Similarly, Marxist anticipation that socialism will be replaced by communism does not explain that which class is going to bring this change, as there is a single class in the socialist stage. However, if it is the government itself that will wither away then, it contradicts with human nature. Sadr makes an important argument that, how can government in the socialist stage give a death blow to itself, while

³⁷ Baqir al Sadr Iqtisaduna, op.cit., p.15.

every other government on the surface of earth adhere to its centre and defend its political existence till the last moment of its life.

Capitalist economy like Marxist economy has also got two aspects; scientific aspect and doctrinal aspect. However, the laws of the capitalist economy are doctrinal in nature, because, they are influenced by human will and differ from society to society. So far the natural laws of the system are concerned, they are universal in nature and do not belong to any particular system. The remarkable feature of capitalist economy is that, it provides unrestricted freedom of ownership, consumption and exploitation to every individual. However, such an unbridled freedom has resulted into numerous economic problems such as; poverty, hunger, inflation, unequal distribution of wealth and economic backwardness. In fact, it has opened ways for rich people to exploit the poor. Although the level of production has considerably increased in capitalism, but it is not the manifold increase in production, but its proper distribution which ensures individual betterment and promotes welfare of the society.

Conclusion

Baqir al Sadr holds that the distinctive nature of Islamic economy is that it adopts a moderate approach, while solving man's economic problems. The edifice of Islamic economy comprises of dual form of ownership, judicious economic freedom and social Justice. The various aspects of the system are integrated together, besides the entire system is intimately related with other aspects of Islam such as social, political spiritual and Psychological. Islamic economy is more a doctrinal one. The Science of the economy can take its real birth only when it is implemented in a society completely based on Islamic Shariah. According to Islam, economic problems in man's life are due to his unjust nature and his thanklessness to the bounties of Almighty Allah. Man's injustice lies in unequal distribution of wealth, while as his thanklessness to the divine bounties lies in neglecting the exploitation of natural resources. Islam provides a broader framework for the distribution of wealth, where no one is deprived from his basic rights. *Our Economy* is a wonderful book. Al-Sadr first tried to dismantle socialist economics. In doing so, he had to discuss socialist philosophy, more specifically the aspect known as Dialectic Materialism. Al-Sadr wrote exhaustive comments on each and every aspect of this philosophy. He commented on both Dialectic Materialism and Determinism.