

**Philadelphia University
Faculty of Administrative
And Financial Sciences**

**Contemporary Business
Organization from an Islamic
Perspective**

Research about

Capitalism vs. Islamic

**"The ideology of Islamic economy and the ideology of capitalist
economy, the most important points of convergence and divergence"**

Presented by:

**Dr. Mostafa Kamal El.Sayed Tayel
Specialist Academy Studies - Tanta**

**Philadelphia University
23 -25 November, 2010
Amman - Jordan**

"The ideology of Islamic economy and the ideology of capitalist economy, the most important points of convergence and divergence"

Research Summary

The research is dealing with the subject of "The ideology of Islamic economy and the ideology of capitalist economy, the most important points of convergence and divergence" .From the premise that both the ideologies discuss the human role in the economic life. Because man seeks to achieve a decent living under the stability and security and peace, must have a fence shows how to achieve the two former, and it's noted that Islam is the earlier in the construction of the fence from any humane legislation. This might compatible with the mission of the Prophet Mohammed "Peace be upon him" as the last Prophet on earth. Therefore, the search title is true where the ideology of Islamic economy is coming before the ideology of capitalist economy.

The aim of the study in this research is to clarify the points of convergence and divergence between Islamic and capitalist ideologies, and of course they are many. But in this research, the most obvious points will be discussed, to show why there is convergence? .And why there is divergence?

The study is conducted through five axes, the first: introduction to the nature of the economic ideology of any economic system, as well as the relationship between this ideology and the economic laws. The second; the environment which created the ideology of Islamic economy and the ideology of capitalist economy, as it becomes clear that the ideology of the Islamic economy is based on the principle of Islamic law 'shariah' (Holy Quran – Sunnah –unanimity – diligence) including its various aspects (spiritual- congenital - social - political – economic) .And illustration of the environment that created the ideology of capitalist economy , which is generated through trade policy , naturalism and classical doctrine impulses, ultimately the features of the capitalist system were shaped in the fields of property, economic freedom and maximize profits.

The third: statement of the elements of production system in the Islamic economy and the capitalist economy (descriptive). Considering that these elements are the actors in economy, because without them the processes to production (distribution – marketing- consumption – producing again) will not happen, and to indicate what these elements mean in both ideologies. It becomes clear that elements of production in the ideology of Islamic economy are six elements (capital – work – earth – organization – spending – al halal w al haram) .These elements in the ideology of capitalist economy are four (capitalist – work – earth – organization) .

The fourth: statement of the foundations of the ideology of Islamic economy, which are the basis of this ideology, as follows:

- God owns every thing and the people are his successors on earth.
- The belief that God has subjected all things to serve man and to practice his economic activities (the interaction between natural and human resources).
- Belief in the inequality of livelihood (wage).
- Belief that God will judge human behavior in all aspects of life.
- Belief that God is watching everything that human is doing, including his economic activity.

The fifth: includes the similarities and differences between the ideology of Islamic economy and the ideology of capitalist economy, which proceeded, by a clarification of the objectives of the both ideologies in economy .Then follows that, the similarities between them which are:

1. The members of the community have economic freedom.
2. State intervention in the economic field (consensus between the interests of the individual and society).
3. Private and public property.
4. Free competition.

Then it was followed by the most important differences as:

1. The role of religion in the economy.
2. Realizing the economy as something merely.
3. Work as one of the factors of production.
4. Return on capital (profit – benefit).
5. Area of expenditure to incomes (el zakat , taxes).

It is noted that, the similarities were not identical, but the differences were clear. The reason may be that the human being in the ideology of the Islamic economy is genuine and integrated the material aspect (the body) and the spiritual side (psychology –the spirit), and that there is a reward in life and a reward in afterlife. On the other hand, the human in the ideology of capitalist economy is isolated from the spiritual and moral aspects. In addition, while the ideology of Islamic economy has its roots and origins of the rules of Islamic law 'shariah', which come of the Holy Quran, sunnah, consensus and diligence done by Muslim scholars, the ideology of capitalist economy was founded by the philosophers and thinkers of the economic schools (starting from the school of business to school of modern economy).