



Reintegrating the Economic Objectives of *Sharī'ah*: A Study of Mawdūdī's Economic Thought in Pakistan

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Abstract

The objectives of *Sharī'ah* (*maqāṣid al-sharī'ah*) have generally focused on the protection of religion, life, intellect, progeny, and property. Over time, these objectives have expanded to encompass broader social and economic concerns, particularly in response to the complexities of modernity. In Pakistan, Sayyid Abul A'la Mawdūdī emerged as a pioneer in highlighting the economic dimensions of the *Sharī'ah*, integrating them into his broader vision of *dīn* and the Islamic state. He established foundational principles of Islamic economics grounded in *Sharī'ah* objectives. However, with the institutional rise of Islamic banking, the focus increasingly shifted toward technical legal compliance, often neglecting this wider *maqāṣid*-oriented economic vision. This study aims to highlight the significance of incorporating Mawdūdī's economic objectives into contemporary Islamic financial practices. It offers fresh perspectives by engaging his economic thought within the ongoing debate on Islamic finance and suggesting ways to realign contemporary practices with the economic objectives of *Sharī'ah*. Employing a qualitative textual methodology, the research examines Mawdūdī's key works—particularly "First Principles of Islamic Economics" and "Principles and Objectives of Islam's Economic System", to identify the economic *maqāṣid* embedded in his writings, outline the fundamental principles of his proposed Islamic economic system, and highlight how his holistic, *maqāṣid*-based vision diverges from the technical, issue-specific approach prevalent in modern Islamic finance. The study finds that while the post-1975 Islamization of economics advanced technical compliance and institutional growth, it has only partially realized Mawdūdī's broader moral, social, and civilizational objectives. Reintegrating his vision is essential for establishing a just and comprehensive Islamic financial system that transcends a narrowly *fiqh*-based framework. This requires expanding scholars' roles to consider societal welfare, developing interdisciplinary training institutions, and redirecting the Islamization project toward Mawdūdī's holistic approach to economic justice, equitable wealth distribution, and societal development.

Keywords *Shariah Objectives, Maqasid, Islamic Economics, Islamic Finance, Mawdudi*

INTRODUCTION

Traditionally, *Maqāṣid Al-Sharī'ah* are classified into three hierarchical levels: necessities (*darūriyyāt*), needs (*hājjiyyāt*), and luxuries (*taḥṣīniyyāt*). Necessities are considered essential for human life and social stability; these include the protection of religion, life, property, intellect, offspring (Al-Ghazali, 2018; Sayf al-Din al-Amidi, 1914), and honor (Al-Ghazali, 2018; Al-Shatibi, n.d.). However, over time, these objectives have come to incorporate broader social and economic aspects, especially in response to modern challenges. In Pakistan, Mawdūdī was a pioneer in emphasizing economic objectives, aligning them with his vision of *dīn* and the Islamic state (Razzaq & Nawaz, 2023, p. 47). He developed foundational principles of Islamic economics based on the objectives of *Sharī'ah*. However, with the rise of Islamic banking, attention has shifted from these broader objectives to addressing specific matters in the light of Islamic *Fiqh*. This study proposes recommendations for integrating the economic objectives of *Sharī'ah*, as articulated by Mawdūdī, into modern Islamic financial practices, aiming to return to the broader vision of Islamic economics. This study employs a qualitative textual methodology to provide a historical overview of the

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development of Islamic economics, with a particular focus on Mawdūdī's contribution to its evolution. It also involves a content analysis of Mawdūdī's key writings, especially "First Principles of Islamic Economics" and "Principles and Objectives of Islam's Economic System", to identify and examine his economic thought. The content analysis follows three steps:

- 1) The analysis identifies key economic *maqāṣid Al-Sharī'ah* highlighted in Mawdūdī's writings,
- 2) It outlines key principles of Islam's economic system articulated by Mawdūdī, taking into account the objectives of *Sharī'ah* in his broader religious and political thought,
- 3) The analysis highlights how Mawdūdī's *maqāṣid*-based economic approach fundamentally differs from the technical, issue-specific methodology commonly employed by *Sharī'ah*-experts.

LITERATURE REVIEW

Islamic economic literature has progressed through several phases of development and has evolved in response to changing historical, intellectual, and socio-political contexts. The formal development of modern Islamic economic thought began in the early twentieth century (Islahi, 2007, p. 1), marking a significant shift from traditional jurisprudential discussions toward systematic efforts to formulate a distinct economic framework rooted in Islamic principles. Although various terms have been used to describe its stages, the main ideas and general timeline are mostly similar. This study adopts a new set of terms to more accurately represent and clarify the distinctive phases of this development. These phases are identified as: "the preliminary phase", which involved early discussions and scattered writings on Islamic economics; "the foundation phase," which saw the emergence of more structured thought and dedicated efforts by pioneering scholars; "the pre-Islamization phase", during which the discourse gained momentum and sought to build an Islamic alternative to conventional economic systems; and "the Islamization phase", marked by institutional efforts to implement Islamic economic principles, particularly following the rise of Islamic finance and banking. 'Abdul 'Azīm Islahi identified key scholars whose work significantly shaped Islamic economic thought during the 20th century and defined the main features and direction of each phase (Islahi, 2010).

The Preliminary Phase: From 1900 to 1925

The preliminary phase of Islamic economic thought spanned from the early 1900s to around 1925 and served as the intellectual foundation for future progress in the discipline. This phase, sometimes called the "pre-takeoff" period, witnessed the beginning of modern institutional development. (Islahi, 2007, p. 3) During this time, efforts were made to translate traditional Islamic economic works from English into Urdu, and from English and French into Arabic. In addition, scholars devoted attention to editing and republishing classical Islamic texts related to social and economic matters. The literature produced during this period adhered to conventional styles and did not intentionally shape Islamic economics into a separate discipline. Rather, it served as groundwork for future scholars who would approach the subject with greater intentionality and focus (Islahi, 2010, pp. 165–70).

The Foundation Phase: From 1926 to 1950

The foundation phase of Islamic economics spanned from 1926 to 1950. Mohammad Nejātullah Siddiqī (d. 2022) argued that in the 1930s, while most Muslim-majority countries were still under foreign colonial rule, independent movements were gaining momentum. Simultaneously, there was debate about how to organize the economies of these future independent Muslim countries. During this phase, capitalism and socialism were expanding globally, and it was widely believed that newly independent Muslim countries would have to choose between these two

systems.

According to Siddiqī, the influential Islamic movements that emerged during this phase presented Islam as a complete way of life. They rejected both capitalism and socialism, instead advocating for Islam's economic system (Siddiqi, 2009, pp. 211-12). The main focus of these movements was on the goals of Islam, known as the *Maqāṣid al-Sharī'ah* (objectives of Islamic law) (Siddiqi, 2006, pp. 1-7). It was during this phase that truly systematic writing on modern Islamic economics began, although its foundations were laid in the early 20th century.

According to Islahi, this was the time when terms such as "Islamic economics" and "Islamic economic system" were first coined and used. Several factors contributed to this intellectual development, including increased interaction with the West, the translation of Western economic literature, and the circulation of classical Islamic texts related to economic thought. With few exceptions, most scholars during this time were *'ulamā'* (religious scholars) who had some exposure to Islamic economic thought. Their work primarily relied on the Qur'an, Sunnah, and Islamic jurisprudence, adopting a largely descriptive and jurisprudential approach (Islahi, 2010, p. 167).

The Pre-Islamization Phase: From 1951 to 1975

During this phase, scholars produced literature aimed at establishing Islamic economics as a separate, independent field distinct from capitalism. Muhammad Abdul Mannān (d. 2021) argued that during this phase, a group of volunteer Islamic economists began to challenge the dominant neoclassical economic model. This happened at a time when Muslim societies were experiencing a major transformation after gaining independence from colonial rule (Mannan, 2008, p. 62). During this period, most contributions were ideological, focusing on presenting Islamic economics as a system different from both capitalism and socialism (Mannan, 2008, p. 45). According to Islāhī, Islamic scholars (*'ulamā'*) played a major role in establishing and developing Islamic economics in the first half of the 20th century. However, from the 1950s onward, professionally trained economists became more actively engaged in the discipline.

During this time, Islamic scholars played a key role in developing Islamic economics in their individual capacities and are considered the "pioneers of Islamic economics". They offered guidance and leadership, with knowledge in both conventional economics and Islamic law (*Fiqh*). Asad Zamān identifies the pre-Islamization age as the age of the "first generation of Islamic economists", who primarily addressed the economic problems of post-colonial states. He stated that the first generation presented Islamic economics as an opposing alternative to both capitalism and communism, aiming to establish an independent economic system grounded in the Qur'an and Sunnah that would ensure justice, equity, and social welfare, drawing inspiration from the practices of early Islamic empires.

Zamān noted that even after 25 years, many countries continued to operate within the colonial social, political, and economic frameworks and made substantial advancements in constructing an Islamic economic system (Zaman, 2020). His objective was to explore the historical foundations of the first generation of Islamic economics. In one of his writings, he highlighted that in numerous Muslim-majority countries, the fight for independence was often framed in Islamic terms. The promise of establishing an Islamic system—regarded as far superior to the colonial system—served as a powerful motivation, inspiring people to give their lives for the cause of freedom. Muslim intellectuals who reflected on these issues concluded that an Islamic economic system would be fundamentally different from both capitalism and communism.

For Zamān, the early writings in this field focused on criticizing the flaws of both capitalism and communism, while outlining the basic structures of an Islamic economic system. The promise of creating a free Islamic economic model was an integral part of the struggle for independence

throughout the Muslim world (Zaman, 2017). However, the attempts to build a separate Islamic economic system were overdue as Islamic groups shifted their focus to gaining political power from Westernized elites. However, colonial powers had already ensured that the military and bureaucracy remained loyal to secular and Western values. Since these two powerful institutions were under the control of the Westernized elite, the political efforts of Islamic groups failed throughout the Muslim world (Zaman, 2017, p. 210).

The Islamization Phase: Post 1975

The Islamization phase was a period when institutions began to play an important role in the growth of Islamic economic thought. Islāhī argued that the first international conference on Islamic economics, held in Makkah in 1976, served as a major turning point that significantly accelerated the progress of the field. It led to significant research on different areas of Islamic economics, new academic programs were created, and research centers and university departments were established. During this phase, Islamic banks and financial institutions, previously few in number, began to increase progressively.

Following the conference, journals dedicated to Islamic economics began to appear, and a new generation of scholars became involved in the field. However, this development did not mark the end of the contributions made by the first generation of Islamic economists, who remained active and continued to influence the discourse. The progress made in the discipline of Islamic economics was often shaped and supported by leading scholars from the first generation, who significantly contributed to the development of the second generation through their roles as mentors, academic supervisors, and teachers. Several prominent figures from the earlier generation continued to engage with critical issues in the field, with some maintaining active involvement for more than three decades.

Islāhī highlighted various first-generation Islamic economists from the “pre-Islamization phase” who continued to make significant contributions to the field even in later periods. Among them, he highlighted Khurshīd Ahmad (b. 1932) of Pakistan for his significant influence in shaping the “Islamization phase” (Islahi, 2013, pp. 11-21). Zamān also regarded both Ahmad and Muhammad Taqī ‘Usmānī as central figures in this phase, referring to Ahmad as an unsung hero who laid the foundations for what became the second generation of Islamic economics (Razzaq & Nawaz, 2023a). Islāhī argued that the second generation also confronted both internal and external criticism. While some critiques served as constructive inputs for intellectual progress, others stemmed from ideological biases aimed at undermining the field’s credibility rather than contributing to its advancement. Unfortunately, certain academics engaged in such partial criticism, which hindered rather than helped the discipline’s advancement (Islahi, 2013, p. 4).

According to Zamān, the failure to achieve political power and implement an Islamic revolution led to the emergence of the Islamization phase. During this phase, Islamic economists revised their efforts, shifting from the aim of developing a revolutionary alternative to capitalism to reforming the existing capitalist system on Islamic grounds (Zaman, 2023, p. 2). The scholars identified by Zamān as the second generation of Islamic economists adopted a more pragmatic attitude. Acknowledging that a comprehensive revolution was unlikely, they opted to engage with the existing system, aiming to reform it gradually rather than replace it entirely. In order to achieve this objective, the second generation of Islamic economists turned their attention to an in-depth study of capitalism. Consequently, many of them sought education in Western institutes and received degrees in conventional economics (Zaman, 2017, p. 211). However, the inherent contradiction between Islam and capitalism makes this approach impossible (Razzaq & Nawaz, 2024). Zamān pointed out that the lack of a clear and consistent definition, along with the absence of widely accepted textbooks, highlights the failure of the Islamization project (Zaman, 2020, p. 18).

He also noted that the second generation sought to construct Islamic economics by integrating elements of Western capitalism with Islamic values. They mistakenly accepted modern economics as objective, overlooking its ideological and normative foundations (Zaman, 2020, p. 19).

METHODOLOGY

The study employs established approaches in qualitative textual analysis and document-based research (Bowen, 2009; Creswell & Poth, 2016), combining interpretive reading with comparative analysis. Particular emphasis is placed on ‘First Principles of Islamic Economics’ (Mawdūdī, 2011) and ‘Principles and Objectives of Islam’s Economic System’ (Mawdūdī, 1979) to situate Mawdūdī’s *maqāṣid*-oriented framework within the broader evolution of Islamic economic thought. Relevant secondary sources are consulted to provide contextual depth, substantiate interpretations, and facilitate comparative analysis. Through detailed reading, this study identifies the economic objectives within Mawdūdī’s framework and explains the main ideas that give coherence to his proposed Islamic economic system. It also compares Mawdūdī’s *maqāṣid*-based approach with the more technical, narrowly focused methods common in modern Islamic finance, situating his contribution within the broader discussion of the Islamization of economics and finance.

FINDINGS AND DISCUSSION

This section analyzes Mawdūdī’s role in the emergence of modern Islamic economics, examining how his writings shaped the conceptual foundations of the discipline, articulated the economic objectives of *Sharī‘ah*, and established key principles that continue to inform contemporary debates on the structure and purpose of an Islamic economic system. It also highlights the shift that occurred after 1975 and the need to reintegrate it with Mawdūdī’s *maqāṣid*-based economic vision.

Mawdūdī as a Founder of Modern Islamic Economics

While economic ideas are embedded in the earliest Islamic sources, the expression “Islamic Economics” itself is demonstrably a modern construct. Based on a close reading of early twentieth-century Urdu and English writings, alongside later historiographical debates, this study finds that the emergence of *Islamic economics* as a named discipline was neither linear nor attributable to a single intellectual figure. Instead, it evolved through a fragmented, overlapping process, shaped by multiple authors writing in different contexts and languages.

A systematic examination of Mawdūdī’s early economic writings—most notably “*Insān kā Ma‘āshī Mas’alah aur uskā Islāmī Ḥall*”, derived from his 1941 Aligarh lecture—shows that his primary contribution lay in articulating a comprehensive moral critique of modern economic life and proposing Islam as an integrated civilizational alternative. Although later scholars have credited him with coining the term “Islamic Economics”, a textual analysis of his work suggests that his concern was less with naming a new academic discipline and more with framing economic questions within an overarching Islamic worldview (Mawdūdī, 1992). This distinction becomes important when evaluating subsequent claims about his role in founding the field.

The attribution of foundational status to Mawdūdī by Ahmad, particularly in the foreword to *Ma‘āshiyāt-e-Islām*, reflects an interpretive judgment rather than a historical demonstration of terminological origination. Ahmad’s assessment emphasizes Mawdūdī’s intellectual influence and visionary role, despite his lack of formal training in economics, and presents him as a catalyst whose ideas later crystallized into a discipline (Mawdūdī, 2011). A comparative reading of Ahmad’s foreword alongside Mawdūdī’s original texts, however, indicates that Ahmad’s characterization retrospectively systematizes Mawdūdī’s thought within an emerging academic framework.

Rodney Wilson's analysis similarly recognizes Mawdūdī's intellectual depth while situating his influence within a broader historical and intellectual development. Wilson's account, when examined alongside contemporaneous developments in South Asian Islamic thought, supports the conclusion that Mawdūdī functioned more as an inspirational figure for later economists than as the architect of a fully formed discipline. The institutionalization of Islamic economics, as Wilson himself notes, only gained momentum in the 1970s with the expansion of academic conferences, journals, and specialized research (Wilson, 2004, pp. 196–200).

A critical review of the historiography on Islamic economics indicates that the discipline's origins remain contested. Timūr Kurān observes that systematic research on the roots of Islamic economics is limited and that a commonly held view assumes the field has deep historical foundations, with modern scholars merely recovering principles that were lost. This assumption, Kuran argues, has constrained critical inquiry, as questioning the origins of Islamic economics is often perceived as a challenge to Islam itself. Through a careful evaluation of both primary and secondary sources, it becomes apparent that Kurān challenges this narrative, contending that the purported ancient roots are largely a modern construction and that Islamic economics acquired its distinct religious and disciplinary identity only in the twentieth century (Kuran, 1997). While Kurān attributes the advancement of Islamic economics to Mawdūdī's lectures and writings, his claim relies on secondary sources such as Ahmad (1991) rather than direct textual evidence. Similarly, Nasr (1996, pp. 103) acknowledges Mawdūdī's role in formulating an Islamic economic vision but does not substantiate his influence as the origin of the term itself. This mediated reliance weakens the certainty of his claim and underscores the need for primary-text analysis rather than historiographical repetition.

Further complexity arises when Monzer Kahf's account is examined alongside earlier Urdu literature. Kahf's identification of Manāzīr Ahsan Gīlānī's *Islāmī Ma'āshiyāt* as the first usage of the term is challenged by evidence from pre-1947 publications (Gilani, 1947). Islahi's archival investigation demonstrates that the terminology and conceptual framing of Islamic economics were already in circulation in the late 1930s, particularly in Hifzur Rahmān Seohārwi's *Islam kā Iqtisādī Nizām*. (Seoharwi, 1942) Moreover, Islahi's reference to Hamidullah's (1936) English paper (Hamidullah, 1936) further complicates the claim of a single point of origin (Islahi, 2015).

Arshad Zamān, after citing the claims of several scholars, including Wilson, Kurān, and Nasr, who attribute the genesis of Islamic economics to Mawdūdī, argued that this claim was unsupported. A. Zamān argued that it appears the first person to describe Mawdūdī's teachings using the term "Islamic Economics" was his well-known colleague, Khurshid Ahmad (Zaman, 2021). However, by the time Ahmad used this term, it was already widely used. In fact, as early as 1955, a book titled "*Tajdīd-i-Ma'āshiyāt*" (Renewal of economics) by 'Abdul Bārī Nadvī (d. 1976) had been published. This book frequently employed the term "Islamic Economics," along with numerous other economic terms that were clearly defined and distinguished from one another (Nadvi, 1993). This suggests that the concept and terminology of Islamic economics were already in circulation before Ahmad popularized it in connection with Mawdūdī.

Taken together, these analyses establish Mawdūdī as a founder of modern Islamic economics. His writings were the first to present a systematic vision in which Islamic principles were applied comprehensively to economic problems, linking production, distribution, labor, and wealth to broader moral and social imperatives. Unlike contemporaries who addressed isolated issues, Mawdūdī created a coherent framework with clear concepts, categories, and normative guidelines, which subsequent scholars could adopt and develop. In doing so, he transformed scattered ideas into a structured, teachable discipline that continues to shape both scholarship and practice in Islamic economics.

Mawdūdī and the Economic Objectives of *Shari'ah*

The emergence of modern financial institutions such as banks and insurance companies in Muslim-majority societies has historically been met with suspicion. In the early twentieth century, as Muslim societies struggled for independence from colonial rule, fundamental questions arose regarding the economic principles that should guide the emerging nation-states. During the 1920s and 1930s, global intellectual debate was dominated by the rival ideologies of capitalism and socialism, leading many to assume that newly independent countries would be compelled to adopt one of these two models. Against this backdrop, influential Islamic movements advanced the idea of Islam as a comprehensive way of life, asserting that it offered a distinct economic framework capable of avoiding the shortcomings of both capitalism and socialism (Siddiqi, 2009, p. 212).

Within this intellectual milieu, Mawdūdī emerged as a central figure whose engagement with economic questions was closely intertwined with his broader reflections on *dīn* and the Islamic state. His writings on Islamic economics were not intended to establish a technical or scientific economic discipline; rather, they represented a natural extension of his civilizational vision of Islam as an all-encompassing system of life (Nasr, 1996, p. 196). For this reason, Mawdūdī is widely recognized as one of the foundational figures in the development of Islamic economic thought in the Indian subcontinent (Aziz & Mahmud, 2009; Chapra, 1970).

Islamic economics, in Mawdūdī's view, is inherently an integral part of the Islamic way of life. He emphasized that the philosophy and essential principles are derived directly from the Quran and Sunnah, ensuring that the economic system aligns with divine guidance. This orientation is clearly reflected in "*Ma'āshiyāt-e-Islām*" (Economic Philosophy of Islam), where, as Ahmad notes in his preface, Mawdūdī focuses primarily on the philosophical foundations of Islamic economics rather than on the technical dimensions of economic science, highlighting concepts often neglected in conventional economic analysis (Mawdūdī, 1988). Ahmad himself acknowledges that his understanding of Islamic economics was significantly shaped by Mawdūdī's ideas (Ahmad, 2014), suggesting that subsequent Islamization efforts were deeply rooted in the foundational principles articulated by Mawdūdī. This indicates that his approach to Islamizing the economy is primarily based on the fundamental ideas of Islamic economics that he proposed (Razzaq & Nawaz, 2023).

Building on this foundation, Mawdūdī developed an Islamic economic order by critically analyzing the principles of capitalism, identifying its flaws, and proposing reforms grounded in Islamic teachings. He conceptualized Islam as a comprehensive way of life with a distinct economic system, positioned midway between capitalism and communism, combining the efficiency and incentives of market mechanisms with the ethical imperatives of justice, equity, and social welfare. (Mawdudi, 1984, 29). His major economic writings—particularly "First Principles of Islamic Economics and Principles" and "Objectives of Islam's Economic System"—demonstrate that his conception of Islamic economics was firmly grounded in the objectives of *Shari'ah*, in which he derived its essential principles and contours directly from the *Quran* and *Sunnah* (Nabi, 2017). He identified the core aims of Islamic economics as the preservation of individual freedom, the integration of moral and material well-being, and the promotion of cooperation, social harmony, and justice. Together, these objectives underscore Mawdūdī's effort to articulate an economic vision that was ethically oriented, socially embedded, and distinct from prevailing economic ideologies of his time.

1. Preserving Personal Freedom

In Islamic economic thought, the protection of individual freedom holds a central place, with restrictions applied only when necessary for the collective good. Islam places strong emphasis on personal freedom because every individual is held accountable before Allah on their own capacity. This personal responsibility requires that people be granted the fullest possible opportunity to develop their character and potential in accordance with their

own preferences, talents, and choices. Consequently, Islam upholds not only moral and political freedom but also economic freedom. Without economic autonomy, moral and political freedoms are also compromised (Mawdūdī, 2011, p. 88).

2. Harmony in Moral and Material Progress

Islam places significant emphasis on human moral development. Instead of relying solely on legal systems to enforce economic justice, it prioritizes the inner transformation of individuals through ethical education and character development. To support this, society must produce opportunities that encourage individuals to choose righteous actions. Islam envisions a social environment that nurtures noble virtues such as cooperation, compassion, and tolerance—fostering internal reform and reshaping one’s mindset. This moral foundation is intended to instill a strong sense of justice within individuals. If moral influence fails, social pressure within the Muslim community should serve as a corrective force. Only when both moral and social efforts fall short does Islam turn to legal enforcement. From an Islamic perspective, any system that relies primarily on coercion to uphold justice is inherently flawed, as it undermines the individual’s capacity to choose virtue freely (Mawdūdī, 2011, p. 89).

3. Promotion of Cooperation, Harmony, and Justice

Islam promotes the ideals of human unity and universal brotherhood, firmly opposing all forms of division and social conflict. As such, it rejects the concept of rigid class structures within society. While acknowledging the existence of different groupings within human society, Islam encourages empathy and cooperation rather than class struggle. It distinguishes between two types of social classes: those artificially created by exploitative systems such as capitalism or feudalism, and those that arise naturally due to individual differences in ability, circumstance, or changing life situations. Islam does not seek to eliminate naturally occurring social differences, nor does it allow them to solidify into fixed, permanent classes. Instead of promoting conflict among these groups, Islam encourages balanced cooperation and nurtures a spirit of mutual compassion and support. By providing equal opportunities for all individuals, Islam aims to create a social environment in which distinctions gradually fade, allowing society to evolve into a more unified whole. Building on these foundational ideals, Mawdūdī proposed several core principles for structuring an Islamic economic system (Mawdūdī, 2011, p. 90).

Mawdūdī and the Islamic Economic System Principles

Based on the objectives of *Sharī‘ah*, Mawdūdī outlined foundational principles for the Islamic economic system:

1. Parameters of Private Property: Islam recognizes the legitimacy of private ownership but sets clear boundaries for it. It does not draw a distinction between owning means of production or consumer goods, nor between earned and unearned wealth. Rather, the key distinction in Islamic teaching lies in how the wealth is accumulated—whether through permissible or impermissible means—and how it is utilized—whether in ways that are just or unjust (Mawdūdī, 1979, pp. 9-11).
2. Equitable Allocation of Wealth: Islam does not advocate for absolute equality in the distribution of resources, recognizing that such attempts are unrealistic and often lead to undesirable outcomes. Instead, it emphasizes equity—a just and balanced allocation of wealth. To achieve this, Islam establishes specific principles aimed at ensuring fairness and addressing economic disparities (Mawdūdī, 1979, p. 11).
3. Social Responsibilities: In Islamic teachings, ownership of wealth carries with it responsibilities toward others. Private property is not viewed as unrestricted; it includes

responsibilities toward family members, neighbors, and the community. Once individual and legal responsibilities are fulfilled, Islam places an additional moral obligation on the wealthy person to support the needy. Moreover, Muslims are encouraged to contribute to the cause of Allah, reinforcing the notion that both society and the state have rightful claims over their wealth (Mawdūdī, 1979, p. 12).

4. *Zakāh*: Along with voluntary charitable contributions (*infāq fī sabīlillāh*): Islam commands an obligatory levy known as *Zakāh* on certain forms of wealth, such as savings, trade goods, agricultural produce, and livestock. Its primary aim is to support economically lagging members of society. In Islamic economic thought, those who are financially stable are required to contribute a fixed portion of their wealth to promote social welfare. This principle stands in contrast to capitalism, which prioritizes saving, investment, and interest-based accumulation of wealth for individual increase. Islam, on the other hand, encourages the continuous circulation of wealth. When wealth remains idle, *Zakāh* serves as a means to redistribute it, ensuring that resources flow throughout society and do not become concentrated in a few hands (Mawdūdī, 2011, p. 112).
5. Inheritance Law: The underlying philosophy of Islamic inheritance law is to prevent the concentration of wealth within a few descendants. It promotes a balanced, systematic distribution of assets among all eligible heirs—whether close or distant—regardless of the estate's total value. In situations where no legal heirs or relatives exist, the deceased's property is entrusted to the *Bayt al-māl* (public treasury) of the Islamic state, to be used for the collective welfare of society (Mawdūdī, 2011, p. 114).

Post-1975 Islamization and the Shift from Mawdūdī's Economic Vision

However, the literature that appeared after 1975, when Islamic banking started gaining popularity, is relatively different from the earlier literature during the time Mawdūdī was shaping the concept of Islamic economics. When we look at the Islamization phase and compare it with Mawdūdī's economic thought, it becomes clear that the focus began to narrow after Islamic banks were introduced. While this phase did help promote Islamic economics and finance, it also brought certain issues that need to be reviewed and addressed.

1. The scholars of Islamic law have played a central role in the Islamization phase after 1975, even more than in the early phases of Islamic economics. However, their contribution is mostly limited to technical aspects, whereas the original Islamic economic project initiated by Mawdūdī was broader in scope—cultural in nature, and aimed at fulfilling the economic objectives of *Sharī'ah*, which go beyond technical concerns (Siddiqi, 2006, p. 2).
2. The scholars of the Islamization phase have not focused on the fundamental distinctions between the Islamic system and the capitalist system, as well as the differences between their economic systems (Siddiqi, 2009, p. 216). Mawdūdī's concept of Islamic economics was presented as a distinct and independent system. Its main objective was to offer a just and ethical alternative to the prevailing economic ideologies of the time, namely capitalism and socialism (Siddiqi, 2006, pp. 2-3).
3. After 1975, most Islamic banks were established as private enterprises. Their primary goal was to generate a profit on capital while avoiding interest-based transactions. These banks were primarily established to serve Muslims who sought to avoid conventional interest-based banks while still requiring a secure and profitable place to store their savings (Siddiqi, 2009). On the other hand, the earlier Islamic economics literature by Mawdūdī and his contemporaries focused more on building a complete Islamic economic system at the national level. Consequently, the Islamic financial institutions, which were expected to play an important

role in achieving the objectives of *Sharī'ah*, have not met the expected standards (Siddiqi, 2009, p. 216).

CONCLUSION

This study has examined Mawdūdī's economic thought within the historical development of modern Islamic economics, with particular attention to his articulation of the economic objectives of *Sharī'ah*. Through a close textual analysis of his key writings, it has been shown that Mawdūdī consistently framed economic activity, such as production, distribution, ownership, and the circulation of wealth, within a broader moral, social, and civilizational vision of Islam. Rather than treating economic rules as isolated legal prescriptions, he embedded them in an integrated framework aimed at moral accountability, social justice, cooperation, and balanced material and spiritual progress.

The findings further demonstrate that Mawdūdī's approach differed from both capitalism and socialism at the level of underlying purpose and social organization, not merely in technical mechanisms. His conception of Islamic economics was presented as a distinct and comprehensive system grounded in the objectives of *Sharī'ah*, seeking to regulate economic life in accordance with ethical norms and societal welfare rather than profit maximization or class struggle. In this sense, Mawdūdī's contribution lay in providing a coherent normative vision that linked economic arrangements to Islam's wider moral and social aims.

At the same time, the study has shown that the post-1975 Islamization phase—particularly with the institutional expansion of Islamic banking and finance—marked a significant shift in emphasis. While this phase advanced technical *Sharī'ah*-compliance and institutional growth, it also narrowed the scope of Islamic economics, prioritizing legal form and financial instruments over the broader *maqāṣid*-based objectives emphasized by Mawdūdī. As a result, many of the moral, social, and civilizational goals central to his framework have remained only partially realized.

Accordingly, this study argues that reintegrating Mawdūdī's *maqāṣid*-oriented economic vision is essential for moving beyond a narrowly *fiqh*-centered model of Islamic finance. Such reintegration requires expanding the analytical role of scholars to include societal welfare and public interest (*maṣlaḥah ʿāmmah*), developing interdisciplinary institutions capable of addressing complex economic realities, and reorienting the Islamization project toward a more holistic conception of justice, equitable wealth distribution, and social development.

Finally, it must be noted that this study is limited to Mawdūdī's writings and does not claim to represent the full diversity of Islamic economic thought. Its conclusions should therefore be understood within the context of his intellectual framework. Nonetheless, by situating his ideas within the broader historical evolution of Islamic economics, the study contributes to contemporary debates by clarifying how modern Islamic finance can be critically reassessed and realigned with its original *maqāṣid*-based aspirations. Future research may build on this analysis by comparing Mawdūdī's economic vision with those of other major Muslim thinkers and by exploring wider applications of *maqāṣid al-sharī'ah* in contemporary economic and financial systems.

LIMITATION AND FURTHER RESEARCH

Despite the technical and issue-oriented contributions of scholars, several challenges have hindered the full realization of Mawdūdī's economic objectives:

1. As the role of *Fiqh*-experts is very technical and issue-oriented, it is not within their capacity to determine the welfare requirements of an entire society. For instance, the law can ensure that debt transactions occur with the mutual consent of both parties. However, the law alone is insufficient to address the broader implications that rising levels of debt may have on

society as a whole. Addressing this requires economic analysis, which must also consider socio-political, and psychological aspects of the issue. In Islamic *Fiqh*, this broader consideration is referred to as *maṣlaḥah ‘āmmah*. This study suggests that when issuing a *fatwā* or resolving an issue, the associated benefits & harms should be carefully taken into account.

2. The scholars of Islamic *Fiqh* have performed well based on their traditional training. However, their training is no longer fully suitable for achieving the *Maqāsid Al-Sharī‘ah* in the modern world (Siddiqi, 2006, p. 3). This study opined that the main issue is not that the scholars specialized in Islamic law ignore *maqāsid*, but that the task has become more complex in today’s world. There is a lack of adequate institutions dedicated to training or supporting scholars in addressing economic issues while taking into account the economic objectives outlined by Mawdūdī. I recommend that academic and policy institutions establish specialized departments or centers to develop scholars’ capacities in broader economic analysis, enriched by interdisciplinary knowledge from fields such as sociology, psychology, political science, and management.
3. Third, it is only natural to assess the progress of the Islamic finance industry within the broader context of Islamic economics, from which it originally emerged. The fact that many believe Islamic finance has not yet achieved the broader goals of Islamic economics is not surprising, given that it began only in 1975 and that the task is very complex. Therefore, it is suggested that Islamic scholars and economists work to redirect the project of Islamization of economics back toward the original vision of Islamic economics proposed by Mawdūdī. This would allow financial institutions to move beyond mere technical compliance and make meaningful contributions to the broader objectives of *Sharī‘ah*.

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