



CORRELATION OF ISLAMIC GOVERNANCE AND ECONOMIC FUNCTIONS

Abdulrashid Musa¹, Bashiru Mohammad¹, Babangida Mainasara¹, Bello Shehu³,
Najibu Lawal Wakkala², Lawali Bello¹, Ladidi Aliyu¹, Rukayya Awal¹,
Ibrahim Abdullahi¹, Ibrahim Shehu¹

Usmanu Danfodiyo University, Sokoto¹, Bayero University, Kano², Shehu Shagari College of
Education, Sokoto³Nigeria

Email: abdulmz8467@gmail.com
GSM: +2347032059998

Abstract: *Historical record of Hisbah reveals the correlation of governance and economic functions at the time of the Prophet (May peace be upon him), and four rightly guided caliphs respectively. Being the correlation indispensable, the practice further extended to the time of Umayyad and Abbasid. In the course of this research, qualitative method was adopted and relevant data were sourced at which books, journal and other published and unpublished materials were used. The research highlighted that Islamic worldview of economics and governance are correlated and composed by five principles; Knowledge and submission to Oneness of Allah(the Exalted) as the Creator; Knowledge and submission to Oneness of Allah(the Exalted) as the Sustainer; Knowledge and Observance of rituals (Ibadaat) to Allah (the Exalted) alone; Knowledge of the status of humankind as a successor on the earth; and Knowledge of the aim of human life to achieve salvation in this world and Hereafter (falah). It further provided an overview on Islamic Governance and on Islamic Economics. To corroborate the centered argument of the correlation, the paper provided an overview on the historical record of Hisbah while making conclusion.*

Keyword: *Shari'ah, equity, transparency, accountability, hisbah, falah*

I. INTRODUCTION

Islamic law prescribes a stand of moral conduct that is permanent and universal and is relevant for all times and under all circumstances. The laws outlined various guidelines on the ways that Muslim businessmen should conduct their business activities, and likewise for a better and accurate operation of governance. Hence, this research augured that there is no exception for Muslims to follow Islamic ethical principles in their administration and business dealings in order to achieve *falah* (fruitful results both in this world and hereafter). The aim of success could only be achieved in a governed environment under specific leadership. Thus, all Muslims are commanded to be obedient to their leaders who are in positions of authority. Allah (the Exalted) says,

O humanity! Be mindful of your Lord Who created you from a single soul, and from it He created its mate,¹ and through both He spread countless men and women. And be mindful of Allah—in Whose Name you appeal to one another—and 'honour' family ties. Surely Allah is ever Watchful over you.¹

In addition to the above mentioned verse, there are various Prophetic traditions instructing Muslim to be obedient to the leader in all aspect of dealings provided the leader did not go astray. Narrated Ibn 'Umar that,

The 'Prophet said, "It is obligatory for one to listen to and obey (the ruler's orders) unless these orders involve one disobedience (to Allah); but if an act of disobedience (to Allah) is imposed, he should not listen to or obey it."²

However, in Islamic law, obedience to the leader is not left unrestrained as one shall not enjoy the obedience of his followers when his order is in contravention of the order of Allah. In this regard, Ibn Umar (may Allah be pleased with him) reported that,

The Prophet, peace and blessings be upon him, said, "It is a duty upon a Muslim man to listen and obey authorities, whether he likes it or not, unless they command sinful disobedience. If they command sinful disobedience, then there is no listening or obedience to them."³

The main relation and relevance of Islamic economics in good governance rooted from many points of the primary sources of Islamic law, hence, the concept of productivity and Accountability highlighted in one of the traditions of the Prophet (SAW) gives the comprehensive idea. Thus, Abdullah bin 'Umar said that he heard the Allah's Messenger saying:

Everyone of you is a guardian and everyone of you is responsible (for his wards). A ruler is a guardian and is responsible (for his subjects); a man is a guardian of his family and responsible (for them); a wife is a guardian of her husband's house and she is responsible (for it), a slave is a guardian of his master's property and is responsible (for that). Beware! All of you are guardians and are responsible (for your wards)⁴

¹ Qur'an 4:59

² Sahih Bukhari, Volume 4, Book 52, Number 203

³ Source: Şaḥīḥ al-Bukhārī 7144, Şaḥīḥ Muslim 1839

⁴ Sahih Bukhari, Volume 7, Book 62, Number 116:

It will facilitate understanding of the argument of this research when both Islamic Governance and Islamic Economic are perceived on their worldview. Though, worldview is flexibly perceived based on respective identified exposition.

Worldview is defined as a set of implicit and explicit assumptions about the origin of the universe as well as the nature and purpose of human life. In Islam, worldview is based on the concept of *tawhid* which is the conviction and witnessing that there is no God but Allah (the Exalted). *Tawhid* is actually the general view of reality, of truth, of the world, of space and time, of human history and destiny. Islam believes that the universe is the creation of Allah (the Exalted). The nature of human beings is being indebted and submissive to Allah's Will by following His commands and *Sunnah* in all aspects of human life, including all transactions, politics and business activities.⁵

The purpose of human life on the earth is to achieve *falah* or eternal happiness in the Hereafter. Moreover, in Islam, it is believed that this world is a journey to reach a certain destination (Hereafter) at which all actions either good or evil will be rewarded or punished for, accordingly. Hence, it could be said that the Islamic Worldview of both Economics and Governance can be described as the composition of fruitfulness in economics and governance both in this world and the Hereafter. Consequently, all actions of a true Muslim are guided by the Islamic principles to attain (*falah*). Therefore, it can be highlighted that Islamic worldview of economics and governance, as centered and argued in this research, consists of the following five important aspects:

1. Knowledge and submission to Oneness of Allah(the Exalted) as the Creator (***Khaliqu***),
2. Knowledge and submission to Oneness of Allah(the Exalted) as the Sustainer (***Rabbu***)
3. Knowledge and Observance of rituals (*Ibadaat*) to Allah (the Exalted) alone (***Ilahu***)
4. Knowledge of the status of humankind as a successor on the earth (***khalifah***)
5. Knowledge of the aim of human life to achieve salvation in this world and Hereafter (***falah***).

In order to enable better understanding of the central argument of this research, the aforementioned five aspects were further elaborated with support of relevant quotations.

1. Knowledge and submission to Oneness of Allah(the Exalted) as the Creator (*Khaliqu***)**

In every aspect of human activity, total submission and understanding of the nature and purpose of his/her creation by Allah (the Exalted) is an essential element. Muslim must believe that he/she was created by Allah to temporarily be in this world for a specific time known only by Allah (the Exalted). This knowledge and submission are part of the guides that caution all actions of Muslim including their business dealings, administration, acquisition and management of wealth. Allah (the Exalted) says,

*O humanity! Remember Allah's favours upon you. Is there any creator other than Allah who provides for you from the heavens and the earth? There is no god 'worthy of worship' except Him. How can you then be deluded 'from the truth'?*⁶

⁵ Sheila Nu NuHtay, (n.d) *Towards Islamic Worldview Based Corporate Governance Framework*, (n.p.) p8

⁶ Qur'an, 35:3

Verily We created man from a product of wet earth; then placed him as a drop (of seed) in a safe lodging; then We fashioned the drop into a clot, then We fashioned the clot into a little lump, then We fashioned the little lump into bones, then clothed the bones with flesh, and then produced it another creation. So blessed be Allah, the Best of Creators! He created you (all) from a single person (Adam); then made from him his wife (Hawwa (Eve)). And He has sent for you of cattle eight pairs. He creates you in the wombs of your mothers; creation after creation in three veils of darkness. Such is Allah, your Lord. He is the Kingdom. La ilahilla Huwa (none has the right to be worshipped but He). How then are you turned away?⁸

After having the knowledge of Allah the creator, a true Muslim must submit to Allah and testifies complete Monotheism and Freedom from polytheism and disobedience to Allah. He (the Exalted) says,

And who can be better in religion than one who submits his face (himself) to Allah.⁹ And whosoever submits his face (himself) to Allah, while he is a Muslim, then he has grasped the most trustworthy hand-hold.¹⁰

The theme of an Islamic society is built on the notion of justice and equity. If a nation fails to administer justice then inevitably it will deliver injustice. In order to build a sound society a systematic framework must be structured. Thus the basic premise of an Islamic environment is an ever-revolving domain, applicable to government and politics. Its major inter-components, such as economics, judiciary (*Shari'ah*), and social order are sophisticatedly correlated, and in part, contribute to other components within society, such as preventing corruption, applying fair penal codes, providing rehabilitation and alternative solutions to immoral establishments, eliminating nepotism, honoring and commissioning experts, and facilitating economic and technological growth.¹¹

Such compliances to Shari'ah are the total control of human conducts, they keep informing humans that there will be time at which account of every action will be judged before the Creator. Allah, (the Exalted) says,

Then did you think that We created you uselessly and that to Us you would not be returned?¹²

2. Knowledge and submission to Oneness of Allah(the Exalted) as the Sustainer (Rabbu)

Muslim must believe that all aspects of creation: higher and lower, rational and irrational, animate and inanimate, dynamic and static, apparent and hidden, believing and disbelieving, and pious and evil, all are created by Allah (the Exalted) and they are subjected to Him and managed by Him Alone. He (the Exalted) provides to all creature, and all are in dire need of their Lord and His sustenance. He sends sustenance to all those who believe in Him and those

⁷ Qur'an,23:12-14

⁸ Qur'an, 39:6

⁹ Qur'an 4:125

¹⁰ Qur'an, Luqman:22

¹¹ Imam Sayed Moustafa Al-Qazwini, (2004) "Shariah and Good Governance" *The Implementation of Shariah by Democratic Means: The Nigerian Experience*, July 7-9th, 2004, Abuja, Nigeria, p5.

¹²Qur'an, 23:115

who do not. However, humankind shall be thankful to Allah as the Sustainer in order to succeed. Allah (the Exalted) says,

*Whoever hopes to meet his Lord (Rabbu), he should do good deeds and not join any in the service of his Lord.*¹³

A true Muslim believer does not believe or associate a partner with Allah in sustaining and maintaining the creation, whether in giving or taking away life, causing something to exist or to vanish, bring welfare or drive away harm or believing that anyone or anything shares with Allah any of the implications of Divine qualities of Allah such as knowing the unseen, His Glory, Pride, etc.¹⁴ Allah (the Exalted) says,

*Whatever of Mercy Allah may grant to mankind, none can withhold it; and whatever He may withhold, none can grant it thereafter. And He is the All-Mighty, the All-Wise. O mankind! Remember the Grace of Allah upon you! Is there any creator other than Allah who provides for you from the sky and the earth?*¹⁵

3. Knowledge and Observance of rituals (*Ibadaat*) to Allah (the Exalted) alone (*Ilahu*)

A Muslim believer must practically express the knowledge of Oneness of Allah by observance of rituals (*ibadaat*). These rituals comprise not only the five daily prayers and fasting of the month of Ramadan, but also all the business dealings and administration. Allah (the Exalted) says,

*Say (O Muhammad (peace be upon him) I am only a mortal like you, it is revealed to me that your God (Ilah) is One Allah....¹⁶And your God (Ilah) is One, so you must submit to Him Alone (in Islam). And (O Muhammad) give glad tidings to those who are humble¹⁷. Say (O Muhammad (peace be upon him), I am only a warner and there is no God (Ilah) except Allah the One, the Irresistible.*¹⁸

The Islamic teachings are confined to religious rituals and all social, economic and legal requirements. Enforcement of such Islamic commandments, as well as the guarantee of social justice which is a basic objective of Islam, can be achieved only by establishing Islamic governance.¹⁹ Thus, Islamic governance regulates the culture, politics, economy and all other affairs of the people in a particular society therefore; all actions should be guided by the teachings and conduct of Islam (Shari'ah).

An elaboration was made that a deed can be considered as an act of *Ibadaat* when two elements are fulfilled: perfect love (for Allah) along with perfect submission (to Him).²⁰ This statement was supported by the saying of Allah (the Exalted) “*But those who believe, love*

¹³ Qur'an, 18:110

¹⁴ Shaikh Hafiz Ibn Ahmad Al Hakami, (2001), 200 FAQ on Islamic Beliefs, Translated by by Ali As-Sayed Al-Halawani, ISBN 977-6005-12-8, Dar Al-Manarah, Egypt. P60

¹⁵ Qur'an, 35:2-3

¹⁶ Qur'an, 18:110

¹⁷ Qur'an, 22:34

¹⁸ Qur'an, 38:65

¹⁹ Kenji Tomita, *Islamic Governance and Democracy: Intersection and Separation*, JISMOR 3, p2

²⁰ Shaikh Hafiz Ibn Ahmad Al Hakami, (2001), 200 FAQ on Islamic Beliefs, Translated by by Ali As-Sayed Al-Halawani, ISBN 977-6005-12-8, Dar Al-Manarah, Egypt. p27

Allah more (than anything else)”²¹ and “Verily those who live in awe for fear of their Lord”²² thus, both of the two elements were found in the sayings of Allah (the Exalted)

Verily, they used to hasten on to do good deeds, and they used to call on Us with hope and fear, and used to humble themselves before Us.²³

Laws and policies are indispensable for the obvious reasons that they provide the concrete framework of rights and obligations of individuals and organizations within the state, and that they define the parameters within which human action takes place.²⁴

4. Knowledge of the status of humankind as a successor on the earth (*khalifah*)

Humans in Islam are considered as vicegerents of Allah on the Earth (*khalifah*), whereby they are entrusted with family, resources, knowledge, leadership and property by Allah (the Exalted). Human therefore, is being guided by rules of law on how to manage and handle such responsibilities respectively in accordance with prescribed divine law (*Shariah*). These, among the important aspects, are indications and notification which apprise that the real owner of all what is owned by people is Allah (the Exalted). A wealthy person is just the *Khalifah* of Allah to the wealth; a leader is just a *khalifah* of Allah (the Exalted) to the position/power of such leadership. And so, all human are equal in nature regardless of the hierarchical order of individuals in a society on social class deference, this implies to any organization either private or public, the real owner of wealth and or power is Allah (the Exalted). This has been affirmed in the saying of Allah (the Exalted),

And when your Lord said to the angels: "I will create a vicegerent on earth." They said: "Wilt Thou place therein one who will make mischief therein and shed blood?- whilst we do celebrate Thy praises and glorify Thy holy (name)?" He said: "I know what ye know not."²⁵

O Dawood! Surely We have made you a ruler in the land; so judge between men with justice and do not follow desire, lest it should lead you astray from the path of Allah, (as for) those who go astray from the path of Allah, they shall surely have a severe punishment because they forgot the day of reckoning.²⁶

It is on these bases that a Muslim believer is being guided on what and how to manage the wealth and or power in his/her possession. In the process of acquiring wealth and power, Islam therefore, encourages conducting legitimate business or trade being part of daily lives as a *Khalifah*. Allah (the Exalted) says,

“It is no crime in you if ye seek of the bounty of your Lord (during pilgrimage)...”

A true Muslim demonstrates the status of vicegerency to the responsibility being assigned by considering the teachings and guidance of Islamic laws (*Shariah*). This demonstration manifests the mercy of Islam among the Muslims and even non-Muslims.

²¹ Qur'an 2:165

²² Qur'an, Muminun: 57

²³ Qur'an Anbiya: 90

²⁴ Azmi Mohamad, (2016), *Applied Ethics in Islamic Governance: Engaging Culture and Morality*, The Journal of Islamic Governance, Vol. 2, No. 1, June 2016, p3.

²⁵ Qur'an 2:30

²⁶ Qur'an 38:26

By the nature of mercy (*rahmah*) which connotes tenderness, affection, sympathy, compassion, and generosity, people become khalifah whom has the generosity and compassion in performing their duties and obligations. On social aspects, good action also includes relationships and networks, doing justice, having positive thinking and teaching kindness to others.²⁷

It was expressed that, Islam places great emphasis on social justice, ethics (*akhlaq*) and the “right thing to do”, which should permeate all spheres of human life.²⁸ Thus, abused capitalism, monopoly and the black market are forbidden in an Islamic society because they are extremely injurious to the public. If a nation deprives its citizens of an honorable lifestyle (i.e., food, shelter, and security) then stagnation, pandering, and decadence would result. Thus good governance must secure the financial needs of its people to the degree that they are never in need of other nations.²⁹ The mindset of accepting the status of *khilafa* (being a vicegerent) on the earth entails Muslim rulers/subjectsto discharge the required and respective duties in all their relations.

5. Knowledge of the aim of human life to achieve salvation in this world and Hereafter (*falah*).

Islam lays a heavy emphasis on the psycho-moral training of the individual and society at large. This psycho-moral training is technically known as *tazkiya* (the purification of the self from animal passions), which eventually leads to *taqwa* (God fearing attitude), and finally being all these as acts of *ibadaat*, the ultimate target is for person to achieve *falah* in the Hereafter. It was recorded that the basic philosophical approaches to the development of Islam are *tauhid*, *rubūbiyyah*, *khilāfah* and *tazkiyah* which are concepts causing the concept of development that directed to overcome the problem of human development in all its dimensions and focus on the growth and the expansion of perfection through purification attitudes and relationships. Consequently, the expected result of all these actions is *falāh* in the present and future.³⁰

These five centered important aspects, as elaborated, have control over all activities of Muslim believers and therefore, a structure of governance that practice in accordance with the adaptation of these principles is the factual ‘good governance’ and likewise, a perfect economic system is the Islamic Economic as argued further in this research. So, for conceptual clarification, the contents of this paper considered ‘Islamic governance’ and ‘good governance’ as synonyms.

II. AN OVERVIEW ON ISLAMIC GOVERNANCE

It was recorded that the closest equivalent Arabic word to governance is *alhakimiya*. This has a wider remit than the traditional understanding of governance in contemporary economics. As Islam commands authority over the totality of a Muslim’s being not accepting any distinction between the sacred and the secular, *al-hakimiya* refers to the higher social and moral order towards which all organizational decision-making structures or authorities should strive. Given the strong Islamic ethical belief in the notions of *vicegerency* and *trust*, the

²⁷ Imam Taufiq, (2015), *Transparency and Accountability in the Qur’an and its role in Building Good Governance*, International Journal of Business, Economics and Law, Vol. 6, Issue 4 (Apr.) ISSN 2289-1552,p73.

²⁸ChaudhryGhafran& Sofia Yasmin, (2020), *Ethical Governance: Insight from the Islamic Perspective and an Empirical Enquiry*, Journal of Business Ethics (2020) 167:513–533 p518

²⁹ Imam SayedMoustafa Al-Qazwini, (2004) “*Shariah and Good Governance*” *The Implementation of Shariah by Democratic Means: The Nigerian Experience*, July 7-9th, 2004, p5. Abuja, Nigeria, p13.

³⁰ Imam Taufiq, (2015), *Transparency and Accountability in the Qur’an and its role in Building Good Governance*, International Journal of Business, Economics and Law, Vol. 6, Issue 4 (Apr.) ISSN 2289-1552,p73.

primary focus of governance from the organizational perspective would ultimately be towards Allah (the Exalted).³¹

The term ‘Governance’ is widely used. Politicians, the media, academics, development agencies, practitioners and even ‘ordinary’ citizens, all today seem willing to reframe their own interpretations of reality through the lens of the concept.³² ‘Governance’ is a contested term. It is used sometimes narrowly by planners and development financiers to refer to the efficient functioning of government with respect to service provision, or to the maintenance of a legal and regulatory framework conducive to private sector growth. In a quite different sense, the term has also been adopted by activists and nongovernmental actors to describe the role of civil society in protecting against abuse by the state, private sector, and international development agencies.³³

As highlighted in the above records, governance can be defined in varying terms depending upon its possibility and concentration, for example, the governance of projects, project governance, and societal governance. It was similarly recorded that Governance plays a vital role at many different stages, like governance of tasks in groups, regarding the portfolios of projects or programs.³⁴ In this research, the term governance covers both the state and corporate governance including other connotations that comprises relationship between people in a particular society and their dealings.

Governance can be seen as the exercise of economic, political and administrative authority to manage country’s affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.³⁵ Going by this definition, Islamic governance can also be seen as an administrative authority responsible for managing private and or public entity in accordance with the guidelines of Islamic laws (*Shari’ah*). All the literal meaning of governance seems similar with exception of the operational system but however, in its technical meaning, there are some common features such as management, leadership and subjects. Though, unlike secular and other religious practices, Islamic Governance has total reliance on the principles of Islamic law (*Shari’ah*).

However, the secular political administrations are repeatedly caught napping and are grossly unprepared, to put it mildly. Therefore a fresh look at what governance means and how it needs to be improved within the Islamic framework is essential.³⁶ For the outlook and better perception of the argument of this paper, it is imperative to understand governance in an Islamic exposition anew. Islamic Governance was extensively described as the primordial, all-encompassing quintessence of the Islamic life, undergirded by the vision of creating a society that is conducive to worshipping Allah, with one ontological entity: the *Tauḥīdīc* (monotheistic) community. Therefore, within an Islamically-governed society, every

³¹Chaudhry Ghafran & Sofia Yasmin, (2020), *Ethical Governance: Insight from the Islamic Perspective and an Empirical Enquiry*, Journal of Business Ethics (2020) 167:513–533 p519

³²C. Béné and A.E. Neiland, (2006), *From Participation to Governance, A critical review of the concepts of governance, co-management and participation, and their implementation in small-scale inland fisheries in developing countries*, Published jointly by the World Fish Center, Penang, Malaysia and the CGIAR Challenge Program on Water and Food, Colombo, Sri Lanka. p5

³³Ratner, B. 2003. The politics of regional governance in the Mekong River Basin. *Global Change* 15(1):59-76. p61

³⁴Mehwish Ali Khan et al., (2021), *The combined effect of Islamic work ethics, high-performance work practice, and project governance on project success*, Humanities & Social Sciences Reviews eISSN: 2395-6518, Vol 9, No 3, 2021, pp 648-659 <https://doi.org/10.18510/hssr.2021.9364> , p650

³⁵UNDP 1997. Governance for sustainable human development. <http://magnetundp.org/policy/default.htm>, United Nations Development Programme, p2-3

³⁶ Amir Ullah Khan, Symposium on Islam and Good Governance Muqtedar Khan (Ed.) International Institute of Islamic Thought | October 2020 DOI: 10.47816/01.004.20, p42

seemingly mundane endeavour, whether business, tourism, finance, education, culture, arts, or health, is essentially spiritual through its Allah-conscious purpose, aligned perfectly with the devotional, ritualistic aspects of Islam that collectively strive towards achieving the vision of Islamic Governance.³⁷

Interestingly, the term ‘governance’ has been defined by different professionals according to respective perspective. So, it enables reader to clearly understand the correlation of economic functions and good governance as a mutual entity. Further, it was described as the set of processes applied in both public and private sector organizations to determine the decision and policy.³⁸ It was also recorded that a simple definition of good governance is that of an institutionalized competency of administration and institution leading to efficient resource allocation and management.³⁹

Another way of looking at good governance is as a system which is defined by the existence of efficient and accountable institutions.⁴⁰ Therefore, Good Governance is the practice of governance in order to provide services to the people.⁴¹ It is argued in this paper that Islamic Governance is the definition of good governance. Thus, Islamic governance blessed with divine policy is always the perfect and accurate system to operate any community not a secular or non-Islamic system.

There are certain principles and features of political administration which no doubt are clear cut ingredients of good governance in Islam. These principles include: *Adalah* (Equality before the law), *Shura* (consultation) and obligation of the ruled better as respective discharge of duties between the ruled (subjects) and the rulers (leaders).⁴² In this research, these principles are imperatively considered to be well explicated as follows:

1. Equality before the law (*Adalah*).

In Islam, it is a fundamental right of every person to be given fair and equal treatment under the law. Whether rich or poor, powerful or weak, he or she is to get a fair hearing and fair treatment. Also, no hatred of a people should lead to their ill-treatment or being unjust to them. Allah (the Exalted) says in the Qur’an thus:

*O believers! Stand firm for Allah and bear true testimony. Do not let the hatred of a people lead you to injustice. Be just! That is closer to righteousness. And be mindful of Allah. Surely Allah is All-Aware of what you do.*⁴³

³⁷ AzmiMohamad, (2016), *Applied Ethics in Islamic Governance: Engaging Culture and Morality*, The Journal of Islamic Governance, Vol. 2, No. 1, June 2016, p6-7

³⁸ Dunu, I. (2013). Good governance in Nigeria: What role for the media. *European Scientific Journal*, 9(32), 178-197

³⁹ Kraipornsak, P. (2018). Good governance and economic growth: An investigation of Thailand and selected Asian countries. *Eurasian Journal of Economics and Finance*, 6(1), 93-106.

⁴⁰ Davis, T. J. (2017). Good governance as a foundation for sustainable human development in sub-Saharan Africa. *Third World Quarterly*, 38(3), 636-654

⁴¹ Imam Taufiq, (2015), *Transparency and Accountability in the Qur’an and its role in Building Good Governance*, International Journal of Business, Economics and Law, Vol. 6, Issue 4 (Apr.) ISSN 2289-1552, p74

⁴² Hadi, AtandaMoshood, (2009), *Ethics, Corruption And Good Governance In Nigeria: Islamic Approach*, Journal of Teacher Education Trend (JOTET), Volume 3 No 1, p6

⁴³ Qur’an 5:8

*Do not consume one another's wealth unjustly, nor deliberately bribe authorities in order to devour a portion of others' property, knowing that it is a sin.*⁴⁴

Allah (the Exalted) who is the most powerful, who is not questioned on whatever he does but who has the right to question his servant⁴⁵ says, O! my servant, I have forbidden wrong doing in myself, and I have made it a thing forbidden among you, So do not act Wrongfully towards one another.⁴⁶ Islam encouraged justice and fair treatment to the best capacity of Muslim believers. However, a judge shall conduct in accordance to the transparent proof and evidence as Umar bin Kattab narrated that,

*People were (sometimes) judged by the revealing of a Divine Inspiration during the lifetime of Allah's Apostle but now there is no longer any more (new revelation). Now we judge you by the deeds you practice publicly, so we will trust and favor the one who does good deeds in front of us, and we will not call him to account about what he is really doing in secret, for Allah will judge him for that; but we will not trust or believe the one who presents to us with an evil deed even if he claims that his intentions were good.*⁴⁷

In view of the above, Islamic governance is therefore aimed to uphold absolute justice, accountability, transparency and trustworthiness in all political, economic and social aspects for all citizens regardless of their religion or ethnic background. Ai'sha (may Allah be pleased with her) narrated that,

*The people of Quraish worried about the lady from Bani Makhzum who had committed theft. They asked, "Who will intercede for her with Allah's Apostle?" Some said, "No one dare to do so except Usama bin Zaid the beloved one to Allah's Apostle ." When Usama spoke about that to Allah's Apostle Allah's Apostle said, (to him), "Do you try to intercede for somebody in a case connected with Allah's Prescribed Punishments?" Then he got up and delivered a sermon saying, "What destroyed the nations preceding you, was that if a noble amongst them stole, they would forgive him, and if a poor person amongst them stole, they would inflict Allah's Legal punishment on him. By Allah, if Fatima, the daughter of Muhammad stole, I would cut off her hand."*⁴⁸

These are indications that all human deserved to be respected and treated with justice in all dealings. In Islamic law, every person, whether the leader or the subjects are equal before the law as there is no preferential treatment for the strong against the weak.

2. Consultation (*Shura*)

Consultation in Islamic leadership prescribes an advisory council or any other acceptable body chosen to look in to issues and recommend actions to be taken. This is applicable to any state or society aiming to provide justifiable environment for its citizens. Verses of Quran explicated this issue adequately. Allah (the Exalted) says,

⁴⁴ Qur'an 2:188

⁴⁵ Qur'an 21:23

⁴⁶ Al-Nawawi, Hadith 24.

⁴⁷ Sahih Bukhari, Volume 3, Book 48, Number 809

⁴⁸ Sahih Bukhari, Volume 4, Book 56, Number 681

*Those who respond to their Lord and establish regular prayer; who conduct their affairs by mutual consultation; who spend out of what we bestow on them for sustenance*⁴⁹

*And consult them in affairs (of moment), then when you have decided upon a course of action, place your trust in Allah; for verily; Allah loves those who place their trust in Him.*⁵⁰

Therefore, A Muslim leader is to seek advice from his people in administering the affairs of his followers. Abu Bakar Siddiq, the first Caliph of Islam said to people in his inaugural address that,

*O people, I swear by Allah that I never coveted the caliphate either by day or by night, nor had I any inclination towards it. I never prayed to God openly or in secrecy to confer the office on me. I merely accepted this office lest some mischief might arise at this critical juncture in the history of the Muslims and thereby adversely affect the interests of Islam. In fact a big task has been assigned to me which is beyond my power to fulfill except with the help of the Almighty Allah and your whole hearted cooperation. I wished to see the strongest of men in my place this day. Now, it is beyond doubt that I have been elected your Amir, although I am not better than you. Help me, if I am in the right; set me right if I am in the wrong. Truth is a trust; falsehood is a treason. The weak among you will be strong with me till, God willing, his rights have been vindicated; and the strong among you shall be weak with me till, if the Lord wills, I have taken what is due from him. Obey me as long as I obey Allah and His Prophet, when I disobey Him and His Prophet, then obey me not.*⁵¹

As elaborated in the above records, Islam encouraged that where revelation is silent, we are supposed to conduct our affairs through consultation (*shura*). *Shura* ensures the guidance of collective wisdom. It also gives a sense of participation to those who are consulted in the decision making process. It gives the participants a sense of belonging, which, in turn, enables citizens to make sacrifice in governance. In an economic aspect, an employee should be a well-wisher of his employer and vice-versa. Mutual care and concern can make the work place more pleasant and congenial. In hospitable working conditions, workers can contribute for the collective good of the organization. Thus, it can be understood that, when citizens are alienated because of the selfish attitude of the rulers, it can destruct productivity and weaken the power of the state.

3. Discharge of duties of the ruled and the ruler

It is the duty of every Muslim to do good and avoid evil, and also to urge others to do the same. In the same manner, Muslims have a duty to obey their constituted leaders in order to achieve social and political unity, and ultimately to achieve *falah*. Allah (the Exalted) says,

*“And obey Allah and obey the Apostle and those in authority among you....”*⁵²

⁴⁹ Qur'an , 42:38

⁵⁰ Qur'an 3:159

⁵¹ <https://www.alim.org/history/khaleefa/aboobacker/7/5/> accessed 8/9/2022 at 4:26pm.

⁵² Qur'an 4:59

Obedience to Allah comes before obedience to any human beings. Therefore, if the leaders issue orders which are contrary to the clear teachings of Islam, the Muslim subjects are no longer bound to obey. The essence of the Islamic ethical system therefore, places an obligation on Muslims to continually enjoin what the Quran recognizes to be right and forbid what it considers to be wrong, as well as striving for the good of humanity and successful achievement of *falah*. Thus, in Islamic ethics, the interests of the society should be situated at the heart of organizational life. Not only should morality transcend any principal-agent concern, but social dimensions are the integral parts of organizational life and activities.⁵³

In the governance of all societal affairs, the higher objectives of the Revelation (or most commonly referred to as *Maqāṣid* or objectives of the Sharī'ah) play a pivotal role. Generally, Muslim scholars confine the *Maqāṣid* of the Sharī'ah to five essential human necessities to subsume: Religion, life, intellect, lineage, and wealth. Cantering on these five, the Sharī'ah is ultimately oriented towards dispersing benefits to humankind, protecting their basic rights, and improving their living conditions.⁵⁴ Though, wealth has direct impact to economics in governance but however, both the other aspects have control over acquisition, management and distribution of the wealth. This point has subsequently been highlighted and elaborated in the Impact of Islamic economics in governance.

III. AN OVERVIEW ON ISLAMIC ECONOMICS

Islamic economic system attempts not to replace conventional economic system, but to purify it in accordance with the teaching of Islam. Though, Islamic economic system has been in existence with the existence of Islam especially as demonstrated by the Prophet (May peace be upon him) and his companions. However, the purification of heart (*Qalb*) is set as the first target of Islamic economic knowing that, it is the origin of intentional activities and the cause behind all human's intuitive conduct. It was reported that the Prophet (May peace be upon him) said,

*There lies within the body a piece of flesh. If it is sound, the whole body is sound, and if it is corrupted, the whole body is corrupted. Verily it is the heart.*⁵⁵

Part of the illness of the heart when it becomes corrupted is greediness. It's the overarching problem that ties together ignorance, selfishness, impatience, ingratitude, hedonism, imprudence, and many other forms of me-ism underlying the prevailing self-destructive patterns of human thinking and behaviour. Abu Huraira reported that the Prophets (may peace be upon him) said,

*Richness does not exist outwardly. Verily, true richness is the richness of the soul. If Allah wills goodness for a servant, He places richness in his soul and righteousness in his heart. If Allah wills harm for a servant, He places poverty between his eyes.*⁵⁶

When the heart is blessed with contentment, it becomes clean and ready to accept and practice activities going by the teaching of Islam (i.e. Sharia'a), and not adopting western

⁵³Chaudhry Ghafran & Sofia Yasmin, (2020), *Ethical Governance: Insight from the Islamic Perspective and an Empirical Enquiry*, Journal of Business Ethics (2020) 167:513–533 p517

⁵⁴The translation of Hadīth 13 from the 40 Hadīth collection of Imam Nawawi, accessed 22 May 2016, Ht Azmi Mohamad, (2016), *Applied Ethics in Islamic Governance: Engaging Culture and Morality*, The Journal of Islamic Governance, Vol. 2, No. 1, June 2016, p7

⁵⁵Bukhari and Muslim

⁵⁶Sahih Ibn Hibban, 3055

ideologist. In an economic aspect therefore, adopting the guidelines of Islamic law leads to the manifestation of the following aspects among many others:

1. Legitimate Production

The major target in Islamic economic is avoidance of *haram* (prohibition), therefore, in the process of production, producer is strictly cautioned about all that which Islam prescribed as unlawful. The primary objective of any product should be the provision of goods and services that are aimed at protecting life. Attainment of a reasonable profit is only the secondary objective. Even then, the ways of attaining profit are limited and controlled by the Shari'ah. Such profit must be free from *riba* (interest), and there must be absence of *Gharar* (uncertainty). Hence, the production of necessity goods is important to attain Allah's (the Exalted) pleasure (*falah*). He (the Exalted) says,

*He hath forbidden you only carrion, and blood, and swine-flesh, and that which hath been immolated to (the name of) any other than Allah. But he who is driven by necessity, neither craving nor transgressing, it is no sin for him. Lo! Allah is Forgiving, Merciful.*⁵⁷

*O believers! Do not devour one another's wealth illegally, but rather trade by mutual consent. And do not kill 'each other or' yourselves. Surely Allah is ever Merciful to you.*⁵⁸

On the authority of Abu Huraira (may Allah be pleased with him), who said: The Messenger of Allah said,

Allah the Almighty is good and accepts only that which is good. Allah has commanded the Faithful to do that which He commanded the Messengers, and the Almighty has said: "O ye Messengers! Eat of the good things, and do right."⁵⁹ And Allah the Almighty has said: "O ye who believe! Eat of the good things wherewith We have provided you"⁶⁰ Then he mentioned [the case of] a man who, having journeyed far, is disheveled and dusty and who spreads out his hands to the sky [saying]: O Lord! O Lord!-while his food is unlawful, his drink is unlawful, his clothing unlawful, and he is nourished unlawfully, so how can he be answered!⁶¹

2. Decent Consumption

Muslim faithfuls have been urged to desist from spending extravagantly and channel their excess wealth towards alleviating poverty and fulfilling the needs of the poor as a service to humanity. Consumption should be moderate rather than extravagant and selfish. The main objective of consumption for Muslims is to fulfill the obligation of *Nafaqah* (to spend on oneself and one's family as well as to protect one's life). In addition, priority of consumption must be given to necessity goods and services rather than overspending on luxury goods and services. Islam also prohibits conspicuous consumption, unlawful spending, extravagance and waste. Since Islam does not allow overuse or extravagant consumption of goods and services, Muslims should reduce luxury consumption and allocate more to investment, charity and

⁵⁷Qur'an, 2:173

⁵⁸Qur'an, 4:29

⁵⁹Qur'an, 23:51

⁶⁰Qur'an, 2:172

⁶¹Sahih Muslim see also Riyadussalihin, Book 18, Chapter 370, No.1851

donations. Increase in spending for charity and donation will also increase spiritual wealth in the Hereafter (also as a form of *falah*), if the sole intention is to please Allah (the Exalted). He, the Exalted says,

*Give to close relatives their due, as well as the poor and 'needy' travellers. And do not spend wastefully. Surely the wasteful are 'like' brothers to the devils. And the Devil is ever ungrateful to his Lord.*⁶²

*O believers! Eat from the good things We have provided for you. And give thanks to Allah if you 'truly' worship Him 'alone'.*⁶³

3. Justifiable Distribution and Social Equity

In Islam, wealth and property should be equitably distributed with the aim of pleasing Allah (the Exalted). With regards to profit, it should be distributed only to those who have taken part and contributed in the process of acquiring such wealth accordingly. Thus, each party is to accordingly be allocated with profit based on the contribution and or services rendered. Allah (the Exalted) says,

*O you who believe, be upright for God, and be bearers of witness with justice!*⁶⁴

*And the heaven He raised and imposed the balance. That you not transgress the balance., And establish weight in justice and do not make deficient the balance.*⁶⁵

The returns can be in terms of wages, rent or revenue and profit, not in terms of interest. Allah (the Exalted) has prohibited interest (usury) due to its unjust nature to the borrower. Therefore, instead of rewarding capital providers with interest, Islam encourages the sharing of profits and losses among the partners through forming *Mudarabah* (joint venture) and *Musharakah* (partnership). Allah (the Exalted) says,

*O you who believe! Do not devour riba (usury), doubled and redouble; but fear God; that you may (really) prosper.*⁶⁶ *If you do it not, take notice of war from God and His Messenger: But if you turn back, you shall have your capital sums: Deal not unjustly, and you shall not be dealt with unjustly.*⁶⁷

As earlier illustrated, Islamic society is built on the notion of justice and equity, in order to build a sound society, a systematic framework must be structured. Thus the basic premise of an Islamic environment is an ever-revolving domain, applicable to government and politics. Its major inter-components, such as economics, judiciary (*Shari'ah*), and social order are sophisticatedly correlated.⁶⁸

We aim for a fair international system that maximizes global welfare and sustainability, providing individuals with equal opportunities. How does this theoretical analysis translate in

⁶² Qur'an, 17:26-27

⁶³ Qur'an, 2:172

⁶⁴ Quran, 5:8

⁶⁵ Quran, 55:7-9

⁶⁶ Qur'an, 3: 130

⁶⁷ Qur'an, 2: 279

⁶⁸ Imam Sayed Moustafa Al-Qazwini, (2004) "Shariah and Good Governance" *The Implementation of Shariah by Democratic Means: The Nigerian Experience*, July 7-9th, 2004, p5. Abuja, Nigeria

practice? This is a crucial question to ask, ultimately, restoring fairness is about giving individuals concrete fair choices in their daily economic and social activities. Inequality is one consequence of market economy, and is one cause of the unfair conditions in which the majority of world's population lives in, as most choices become a privilege of a limited number of people or institutions. The problem of inequality is often regarded as a problem of moral conviction, i.e. that inequality is either just or unjust per se, but the question maybe rephrased in the context of an ethics of responsibility.⁶⁹

IV. CORRELATION OF ISLAMIC GOVERNANCE AND ECONOMIC FUNCTIONS

Governance and economic could be well understood as mutual entity when it is perceived that Islam covers all aspects of day-to-day life, politics, economics, and social issues. Muslims are therefore, directed to conduct their business in accordance with the Islamic law, and such laws are administered government authorities.

The dimension of governance in all manifestations is essentially about decision making. Islamic ethics of decision making not only comply in the hands of superior officials but also extends the responsibility to fulfill with obligations beyond administrators (rulers), subjects, shareholders, clients, financiers, suppliers, customers, employees, embracing within spiritual religious bounty.⁷⁰ In corporate governance, an employee would be expected to contribute his or her knowledge to the formulation and implementation of the organizational vision, and consultative procedures should be applied to all affected (shareholders, suppliers, customers, workers and the community). Such guidance and principles similarly occur in the public governance where the citizens' as subjects are involved or represented in decision making through direct consultation or representation. At this point, it can be argued that it is the composition of sound economic activities and accurate administration in governance under the guidance of *Shari'ah* (Islamic Law) that begets '**Good Governance**'(Islamic Governance).

However, the historical record of *Hisbah* reveals the correlation of governance and economic functions at the time of the Prophet (May peace be upon him), and four rightly guided caliphs respectively. Being the correlation indispensable, the practice further extended to the time of Umayyad and Abbasid.

The word '*hisbah*' comes from the verb *ihtasaba, yahtasibu, ihtisaban* which has several meanings. First, it is to expect a reward from Allah (the Exalted). The usage of this meaning is based on the hadith of the Messenger of Allah, narrated by Abu Huraira (may Allah be pleased with him) that,

Allah's Apostle said, "Whoever observes fasts during the month of Ramadan out of sincere faith, and hoping to attain Allah's rewards (ihtisaban), then all his past sins will be forgiven."⁷¹

The second meaning is to prevent from doing the acts that are prohibited by Islamic law. While the third meaning is derived from the word *ihtasaba, yahtasibu* is to think about the possibilities by doing calculation and estimation. The fourth meaning of *hisbah* is derived

⁶⁹ Paolo Barucca, (2020), *A Fair Governance: On Inequality, Power and Democracy*, Springer, University College London, London, UK, p767.

⁷⁰ Abdussalam Mahmoud Abu-Tapanjeh (2007), *Corporate governance from the Islamic perspective: A comparative analysis with OECD principles*, *Critical Perspectives on Accounting* 20 (2009) 556–567 p562

⁷¹ Sahih al-Bukhari, Volume 1, Book 2, Number 37

from the words *hasaba*, *yuhasibu*, *muhasabah*, that is to evaluate oneself or to practice *muhasabah* (to examine one's conscience).⁷²

History showed clearly that the existence of hisbah institution went hand in hand with the development of Islam itself. This is because Islam is a religion that encourages people to do good deeds and prevent them from doing evil that can harm people.⁷³ The practice of hisbah was clearly demonstrated in the time of the Prophet Muhammad (may peace be upon him). It was narrated by Abu Sai'd al-Khudri (may Allah be pleased with him) that,

*I heard the Prophet Muhammad (May peace be upon him) saying: He who amongst you sees something abominable should modify it with the help of his hand; and if he has not strength enough to do it, then he should do it with his tongue, and if he has not strength enough to do it, (even) then he should (abhor it) from his heart, and that is the least of faith.*⁷⁴

Moreover, during the time of the Prophet (may peace be upon him), he undertook the inspection of markets to see that merchants did not engage in an improper behavior. He also purified business transactions from all kinds of malpractices, such as fraud, exploitation, profiteering, and black-marketing. He forbids all transactions containing any of these elements. He also standardized weights and measures and forbid people to use other less reliable standards. The Prophet (peace and blessings of Allah be upon him) also warned the commissioned agents saying, 'oh! The merchant communities a lot of oaths are spoken and empty words are uttered during business transactions, so stick to charity in order that you may be forgiven.'⁷⁵ 'Abdullah bin Abu Aufa narrated that,

*A man displayed some goods in the market and swore by Allah that he had been offered so much for that, that which was not offered, and he said so, so as to cheat a Muslim. On that occasion the following Verse was revealed: "Verily! Those who purchase a small gain at the cost of Allah's covenant and their oaths (They shall have no portion in the Hereafter.....)'"(Qur'an, 3.77)*⁷⁶

In another hadith, Nafi narrated that,

*Ibn 'Umar told us that the people used to buy food from the caravans in the lifetime of the Prophet. The Prophet used to forbid them to sell it at the very place where they had purchased it (but they were to wait) till they carried it to the market where foodstuff was sold. Ibn 'Umar said, 'The Prophet also forbade the reselling of foodstuff by somebody who had bought it unless he had received it with exact full measure'*⁷⁷

⁷² Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporer © Penerbit Universiti Sultan ZainalAbidin ISSN 1985-7667 • e-ISSN: 2289-6325 p 28.

⁷³ Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporer © Penerbit Universiti Sultan Zainal Abidin ISSN 1985-7667 • e-ISSN: 2289-6325 p30

⁷⁴Sahih Muslim:

⁷⁵Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, Journal of Islamic Studies and Culture, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1 p.40

⁷⁶Sahih Bukhari Volume 3, Book 34, Number 301:

⁷⁷Sahih Bukhari Volume 3, Book 34, Number 334:

The person who performed the task of hisbah called a market officer (*al-amilala al-suq*) and a market supervisor (*sahib al-suq*) who was responsible for supervising business affairs, setting weights and measures, and monitoring business affairs. Said bin Said bin al-As was appointed as the supervisor of the market in Mecca, while Saidina Umar al-Khattab held the same position in Medina⁷⁸

During the time of Abu Bakr (May Allah be pleased with him), as the first successor to the Prophet (peace and blessings of Allah be upon him), He conducted himself in every aspect of his leadership and as a responsible leader and head of state. He shouldered the function of Hisbah himself and also commanded people to participate in its activities. Among the activities he observed in Hisbah was the participation in waging the apostasy war, and those Muslims who were incited against the payment of poor due (Zakah). In a nutshell, one can also safely say that Abu Bakr (May Allah have mercy on him) carried out the function of Muhtasib himself, and invited other Muslims to participate in the activities of Hisbah. The Provincial governors had also participated in the activities of Hisbah during his regime.⁷⁹

At the time of Umar bin al-Khattab, the second Caliph after Abu Bakr recorded remarkable achievements in running the affairs of the Muslims according to the dictates of the Shari'ah. This was with particular emphasis to *Al-amr-bi-alma'rufwa al-nahy an al-Munkar*. He set many practical examples in his bid to enjoin good and forbid evil. He shouldered the function of *Muhtasib* himself too, which did not stop with markets alone but extends to other religious activities. It was during the reign of Umar when the activities of Hisbah were fully practiced. When Umar realized that the work of Hisbah touches every aspects of human life, he had to go for supervision and always tried to see that even neighbors are generous to their neighbors and had to ensure that everything was in order in terms of welfare and security of his subjects.⁸⁰ It has been reported that Umar bin al-Khattab himself supervised business activities in a market, and once he hit a seller on the sidewalk who disrupted the traffic. He also poured away milk on sale that was mixed with water. In addition, he also hit the owner of an animal that carried too much load that caused torture to the animal. On the other hand, Uthman (may Allah be pleased with him) was also reported to have focused on public facilities and markets. In addition, Ali (may Allah be pleased with him) once advised the sellers to fear Allah SWT, and that sellers must provide adequate weights and measures, improve business performance, and monitor market conditions.⁸¹

On assuming office as the third successor to the Prophets, Uthman bin Affan ensured the continually of the central policy, and nothing was left untouched in ordering what is good and forbidding what is evil, and he shouldered the activities of Hisbah by himself. There are notable services rendered to Islam by him during his caliphate, safeguarding the manuscript of the Glorious Qur'an against discrepancies was one of the main. Another effort carried out by Caliph Uthman was teaching and propagating of Islamic principles. Uthman spent much

⁷⁸ Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporer © Penerbit Universiti Sultan Zainal Abidin ISSN 1985-7667 • e-ISSN: 2289-6325 p 30

⁷⁹ Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, Journal of Islamic Studies and Culture, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1 p.41

⁸⁰ Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, Journal of Islamic Studies and Culture, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1 p.41-42

⁸¹ Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporer © Penerbit Universiti Sultan Zainal Abidin ISSN 1985-7667 • e-ISSN: 2289-6325 p 30-31

of his time and energy preaching to the prisoners of war and many of them embraced Islam due to his efforts.⁸²

Ali bin. AbiTalib (The Fourth Caliph) the fourth successor to the Prophet, he was not left behind in enforcing the activities of Hisbah during his reign. He shouldered the activities of Hisbah at the central level, while the governors shouldered it in their respective provinces. Moreover, the activities of Hisbah covered both religious and other worldly activities. These include issues that are related to Tauhid, Ibadat, business transactions and morality of the Ummah throughout the society. Ali bin Abi Talib always tried to ordain what is good and forbid evil even at a battleground. Ali, like his predecessors also used to go round the market places and help porters to carry their loads. He also retained those appointed by his predecessors as inspectors of the activities of Hisbah and appointed additional ones in order to cater for the needs of his time.⁸³

Banu Umayyad and Abbasid: In the time of the Bani Umayyad government, the hisbah institution was still under the government. It was growing in line with the demands of society at that time. There were also assistants appointed to provide assistances in the supervision of the market and to monitor the morale of the community.⁸⁴ A Muhtasib in the Umayyad period headed the institution of Hisbah. The market was under the control and supervision of Muhtasib. He had to look after the price of goods, usurious transactions, sales of alcoholic drinks and to see whether or not the proper weights and measures were used. He had to establish and maintain religious principles and public morals. A Muhtasib had the right to check and punish people who deviated from the activities of Hisbah. Likewise, At the beginning of the Abbasid era, the state had much expanded, its boundaries were extended, trade and industry flourished, travelling increased, and a Muhtasib was appointed by the order of the Caliph or one of his representatives. Abu Jafar al-Mansur appointed a Muhtasib who was charged with different duties to perform.⁸⁵ It was similarly recorded that during the reign of the Bani Abbasid government, the title of al-muhtasib was used for the first time, and the hisbah institution was separated from other institutions at that time. This fact provided the opportunity and space for the al-muhtasib to administer this institution holistically and comprehensively in addition got help from the assistants called ‘arif’ (the wise) and ‘amin’ (the truthful). Caliph Abu Jaafar al-Mansur appointed Abu Zakaria Yahya bin Abdullah as the head of the al-muhtasib during his rule⁸⁶

This historical background of the correlation of governance and economic shows how economic activities impact not only the subject and the rulers, but also the entire system of administration in governance. It is also an indication that political and economic systems have solid foundation in Islam.

⁸²Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, Journal of Islamic Studies and Culture, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1 p.42

⁸³Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, Journal of Islamic Studies and Culture, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1 p.42

⁸⁴ Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporer © Penerbit Universiti Sultan Zainal Abidin ISSN 1985-7667 • e-ISSN: 2289-6325 p 30-31

⁸⁵Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, Journal of Islamic Studies and Culture, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1, p.42-43

⁸⁶ Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporer © Penerbit Universiti Sultan Zainal Abidin ISSN 1985-7667 • e-ISSN: 2289-6325 p.31

V. CONCLUSION

The correlation of Islamic governance and economic is to build social justice and equity in every society in such a way that the affairs of the governance are placed to competent and honorable individuals represented by the people, and overlooked by a collective counsel of professionals and Muslim jurists as highlighted in the practice of Hisbah during the early years of Islam. Islamic governance is aimed to uphold absolute justice, accountability, transparency and trustworthiness in all political, economic and social aspects for all citizens regardless of their religion or ethnic background. Hence, Muslims are taught to maintain and strengthen good relationship for everyone will give account of his/her actions in the hereafter. Allah (the Exalted) says,

‘Divine grace is’ neither by your wishes nor those of the People of the Book! Whoever commits evil will be rewarded accordingly, and they will find no protector or helper besides Allah. But those who do good—whether male or female—and have faith will enter Paradise and will never be wronged ‘even as much as’ the speck on a date stone.⁸⁷

Elsewhere in the Qur’an, Allah (the Exalted) says,

On that Day people will proceed in separate groups to be shown ‘the consequences of’ their deeds. So whoever does an atom’s weight of good will see it. And whoever does an atom’s weight of evil will see it.⁸⁸

With the notion that all resources and power are being held in trust from Allah, individuals as well as organizations must utilize the resources/power fairly, honestly and in keeping with the moral objectives of the Islam. It is imperative to note that Islam does not prohibit private ownership and likewise it does not discount making a profit. Rather, it means that businesses should not be driven solely by profit maximization, but by the pursuit of ultimate happiness in this life and in the Hereafter (*falah*). Essentially, good governance and Islamic economy target not only profit making, but also to provide justice, honesty, fairness and balanced in the society as described by Islamic ethical values and rules through guidance of Islamic Law (Shari’ah) to ultimately attain *falah*.

REFERENCE

- Abdussalam Mahmoud Abu-Tapanjeh,(2007), *Corporate governance from the Islamic perspective: A comparative analysis with OECD principles*, Critical Perspectives on Accounting 20 (2009) 556–567
- Ahmad Jamil Jaafar et al, (2021), *Hisbah Institution and its role in Environmental Conservation in Islamic Civilization*, Jurnal Islam Dan Masyarakat Kontemporari © Penerbit Universiti Sultan Zainal Abidin ISSN 1985-7667 • e-ISSN: 2289-6325
- Amir Ullah Khan, Symposium on Islam and Good Governance Muqtedar Khan (Ed.) International Institute of Islamic Thought | October 2020 DOI: 10.47816/01.004.20,
- Azmi Mohamad, (2016), *Applied Ethics in Islamic Governance: Engaging Culture and Morality*, The Journal of Islamic Governance, Vol. 2, No. 1, June 2016
- C. Béné and A.E. Neiland, (2006), *From Participation to Governance, A critical review of the concepts of governance, co-management and participation, and their*

⁸⁷ Qur’an, 4:123-4

⁸⁸ Qur’an,99:5-7

- implementation in small-scale inland fisheries in developing countries*, Published jointly by the World Fish Center, Penang, Malaysia and the CGIAR Challenge Program on Water and Food, Colombo, Sri Lanka.
- Chaudhry Ghafran & Sofia Yasmin, (2020), *Ethical Governance: Insight from the Islamic Perspective and an Empirical Enquiry*, *Journal of Business Ethics* (2020) 167:513–533
- Davis, T. J. (2017). Good governance as a foundation for sustainable human development in sub-Saharan Africa. *Third World Quarterly*, 38(3), 636-654
- Dunu, I. (2013). Good governance in Nigeria: What role for the media. *European Scientific Journal*, 9(32), 178-197
- Hadi, Atanda Moshood, (2009), *Ethics, Corruption and Good Governance In Nigeria: Islamic Approach*, *Journal of Teacher Education Trend (JOTET)*, Volume 3 No 1,
- Imam Sayed Moustafa Al-Qazwini, (2004) “*Shariah and Good Governance*” *The Implementation of Shariah by Democratic Means: The Nigerian Experience*, July 7-9th, 2004, Abuja, Nigeria
- Imam Sayed Moustafa Al-Qazwini, (2004) “*Shariah and Good Governance*” *The Implementation of Shariah by Democratic Means: The Nigerian Experience*, July 7-9th, 2004, p5. Abuja, Nigeria
- Imam Sayed Moustafa Al-Qazwini, (2004) “*Shariah and Good Governance*” *The Implementation of Shariah by Democratic Means: The Nigerian Experience*, July 7-9th, 2004, p5. Abuja, Nigeria
- Imam Taufiq, (2015), *Transparency and Accountability in the Qur’an and its role in Building Good Governance*, *International Journal of Business, Economics and Law*, Vol. 6, Issue 4 (Apr.) ISSN 2289-1552
- Kenji Tomita, *Islamic Governance and Democracy: Intersection and Separation*, JISMOR 3
- Kraipornsak, P. (2018). Good governance and economic growth: An investigation of Thailand and selected Asian countries. *Eurasian Journal of Economics and Finance*, 6(1), 93-106.
- Mehwish Ali Khan *et al.*, (2021), *The combined effect of Islamic work ethics, high-performance work practice, and project governance on project success*, *Humanities & Social Sciences Reviews* eISSN: 2395-6518, Vol 9, No 3, 2021, pp 648-659 <https://doi.org/10.18510/hssr.2021.9364> , p650
- Paolo Barucca, (2020), *A Fair Governance: On Inequality, Power and Democracy*, Springer, University College London, London, UK
- Ratner, B. 2003. The politics of regional governance in the Mekong River Basin. *Global Change* 15(1):59-76.
- Shaikh Hafiz Ibn Ahmad Al Hakami, (2001), 200 FAQ on Islamic Beliefs, Translated by by Ali As-Sayed Al-Halawani, ISBN 977-6005-12-8, Dar Al-Manarah, Egypt.
- Sheila Nu NuHtay, (n.d) *Towards Islamic Worldview Based Corporate Governance Framework*, (n.p.)
- Tambari A. B. & A. M. Dutsinma, 2018, *The Role of Hisbah in Promoting Ethical Values among the Muslim Ummah in the Classical Period of Islam*, *Journal of Islamic Studies and Culture*, American Research Institute for Policy Development DOI: 10.15640/jisc.v6n2a1
- UNDP 1997. Governance for sustainable human development. <http://magnetundp.org/policy/default.htm>, United Nations Development Programme,