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ISLAMIC ECONOMY: CAN IT BE AN ALTERNATIVE TO SOCIALISM AND CAPITALISM?

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ABSTRACT

From the historical background of economic thought, it is known from the context of ethics that its main economic views have emerged but later, the economy lost its original ideology. There is no excuse for demonstrating whether moral values are desired in relation to human needs and wants. In the eighteenth century, there was an excellent relationship between financial structure, economic analysis, and moral values. Where socialism comes from the state is provided knowledge for all economic problems, capitalism finds out from the basis of the free-market system. In capitalism through unbridled competition, the rich are becoming wealthy making the poor poorer by exploiting. On the other side, as Islamic economic system has scheduled and appointment sources of knowledge, it is not dependent on the Islamic society, state even people. Islamic economics is a study of understanding consumer behaviour to satisfy needs from the abundant resources that deals to generate maximize the profit of self and society for the welfare of both worlds. In reality, the combination of economic values with the social and moral values that is the most critical challenge to Islamic economists. Because of most of the third world Muslim countries, in their development and modernization process, they are facing many economic problems and conflicts. Nevertheless, the research tries to show that Islamic economy can be replaced of existing economic system because of their morality vandalized activities especially the exploitation of human being. The explicative and analytic processes were followed in the formulation of this article. In addition, the comparative methodology was equally applied in distinctive cases. According to the discussion, the Islamic economy has demonstrated a favourable outcome that

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considered "the dynamism of capitalism" and "equality of socialism" with the economic system of Islam.

Keywords: Economy views, Original ideology, Free-market, Abundant resources, Morality vandalized activities.

INTRODUCTION

The inability of both capitalism and socialism to offer acceptable socio-economic solutions to third world countries, and the apparent failure of both these materialist systems to provide panaceas for the global economic crisis (Aydin, 2017). And the crisis is economic, political, socio-cultural, moral. The capitalist regime is currently underway in the whole world. And this capitalism was developed from the seventeenth-eighteenth century. Unfortunately, this current situation of the conventional economy and they're failing to tackle the socio-economic problem at the least developed countries which are still in progress (Maodudi, 2007). Islamic economics has the strength to focus on all the directions of the economic activities, that determines the basis of earning rightful way and excluding haram way, eliminating interest, implementing system of zakat properly, abolishing business dishonesty, introducing of humanitarian labour, rationalizing the inheritance system, enacting of legitimate state intervention, finally,". Ensuring social welfare and security system (M. H. Rahman, 2009).

In Islamic economic system, interest (RIBA) is impermissible because it generates the money without any economic activity that money has a negative impact on the businesses and the family life (Waqas, Uddin, Ashfaq, & Shakir, 2016a, p. 67). The key idea efficiency is to get all the workflow of the traditional economy moving around. Consequently,". Ethical issues were continuously being abandoned from the discussion of economics by retreating (S. M. H. Rahman, 2004). The significance of economic values with social and moral values is the outcome of equal distribution of income and property between all living creatures, especially among the people. Important things here is that the social and moral perspective must be appeared to appear in the processing of any economic development. The best way to reduce poverty from the economy is called ZAKKAT in the view of Islamic economics (Rahim, 2010).

According to Islamic law, rich people will pay ZAKKAT to the poor. By this process, the poverty will be wiped out from the society easily that is one of the best ways to reduce poverty level from the economy (Waqas, Uddin, Ashfaq, &

Shakir, 2016, p. 68). Socialism and Capitalism have failed to solve the third world's socio-economic crisis and economic problem successively. Islamic economics only provides a framework for practising to remove such kind of deep economic crisis. Capitalism, where, through uncontrolled competition, the rich are becoming enriched by making the poor poorer. But the Islamic economy, it is not an unmatched competition, but on the basis of mutual cooperation, it can solve the whole economic problem (Kuran, 1995). That's why Islamic economy can be an alternative to socialism and capitalism.

LITERATURE REVIEW

Several social organizations have been proposed for such a foundation since the duration of the comprehensive plan. These are feudalism, socialism, capitalism, fascism and Islamism that we have been observing the rise and fall of some economic systems from the last few centuries (Shaikh, 2012). The growth of the Islamic economy offers an interesting test case for global capitalism and moral compatibility - in this case especially Islamic - values. Moreover, it completely embraces both this and the other world; Guided to get both worlds (Javaida & Hassanb, 2013). The principle of socialism is to take public wealth into the hands of the state. The basis of capitalism is to consolidate the resources of the country and the nation, through the banking system in the hands of the minority. The result of which is a small number of people and they become very rich by depriving the majority of the people (Wisman, 2015). On the other hand, the foundation of Islam's economy was to fear the Creator, to make the property run faster among the people, not to be stored anywhere (Usmani, 2002). *According to capitalism materialism is the supreme value where materialism should be controlled say Islamic economic but Socialism rests on a purely materialistic basis* (Shaikh, 2012). From the historical background of capitalism, there is an unrestricted opportunity in the name of freedom, which is the desire, in the way of socialism, is exactly the opposite. The Islamic economy is just the opposite of the capitalist economy. Save one thing and spend it on the other. The Socialist economy bans private ownership and accumulates the resources of the nation in the hands of the state (Hoppe, 2010).

METHODOLOGY

2.1. Research Model

Qualitative & Descriptive Research Methodologies are used in this paper regarding many reading research papers, articles, and books. Data collected according to qualitative methodology and explained according to the descriptive method. This study also has followed based on the constant comparative method.

2.2. Background of the study

This study is about to assess the existing economic system especially capitalism and socialism and their misconducting on human being and proposes an alternative economic system like the Islamic economic system. This discussion hopes to find an alternative better economic system. This study conducted focusing less on the socialism and capitalism of the people owned business organizations and at the same time, the credibility of the Islamic economy is properly presented to the people.

2.3. Objectives of the study

The main purpose of this paper is to explain how the Islamic economy is better than socialism and capitalism that came to lag behind its upstart rival. This paper tries to measure the existing condition of the economic system with the corresponding data analysis. In the rest of this article, it will be focused on the characteristics of the people responses to existent capitalism and socialism. This study summarizes also the possibility of an Islamic economic system to develop human welfare.

2.4. Conceptualization and Operationalization

Compared to the economic system, we are very much interested in performance. So, if we reach out to reach "objective" and it is impossible to reach a conclusive conclusion, then all our judicial systems can be compelled to accept logically. The life philosophy of capitalism is materialistic, where this mortal life is recognized as a fully consuming material. The basis of socialist life philosophy is dialectical materialism. Islamic economics is not a primitive intellectual tradition, but a modern movement that asserts the Islamic usage of law and the organization provides a more simple and legitimate model for economic growth with competing systems of both capitalism and socialism (Hefner, 2006, p. 17).

2.5. Data collection and analysis

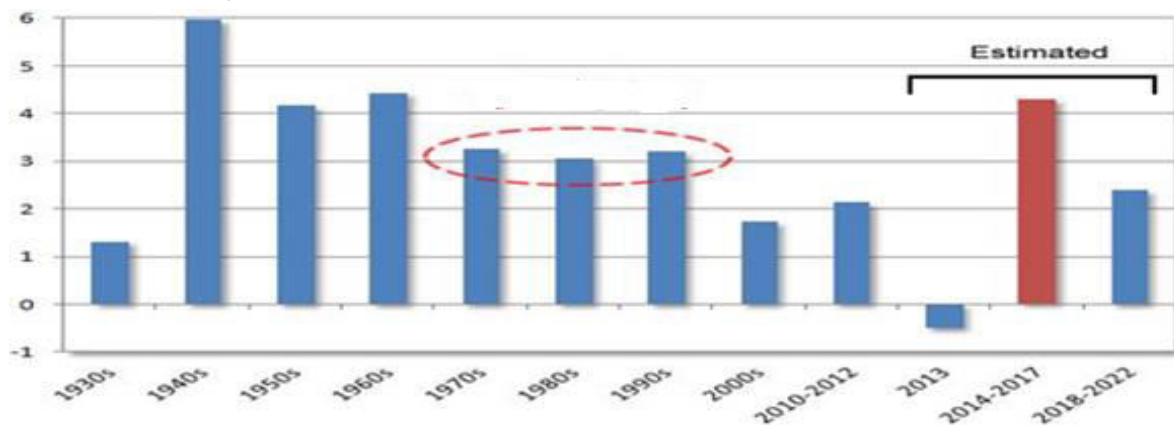
It is an astonishing matter that 26 billionaires own the same wealth as 3.8 billion people. According to this, the existence of the eight richest people is equal to half of the poorest in the world (Oxfam 2017). In another report, by the middle of 2016, it is stated that the richest 10% of the world has 89% of the world's wealth. The poorest half of the world lives on less than \$5.50 a day (WB). While

the world's 2208 Billionaires made an extra \$900 billion in 2018. The world's poorest half saw their wealth drop by 11%. If the world's richest 1% paid .05% more tax. This portion might be reduced. Country ranking according to Global Islamic Economic Indicator (2017) Malaysia is ranked 1st globally with 146 score points supported by its Islamic finance and halal food.



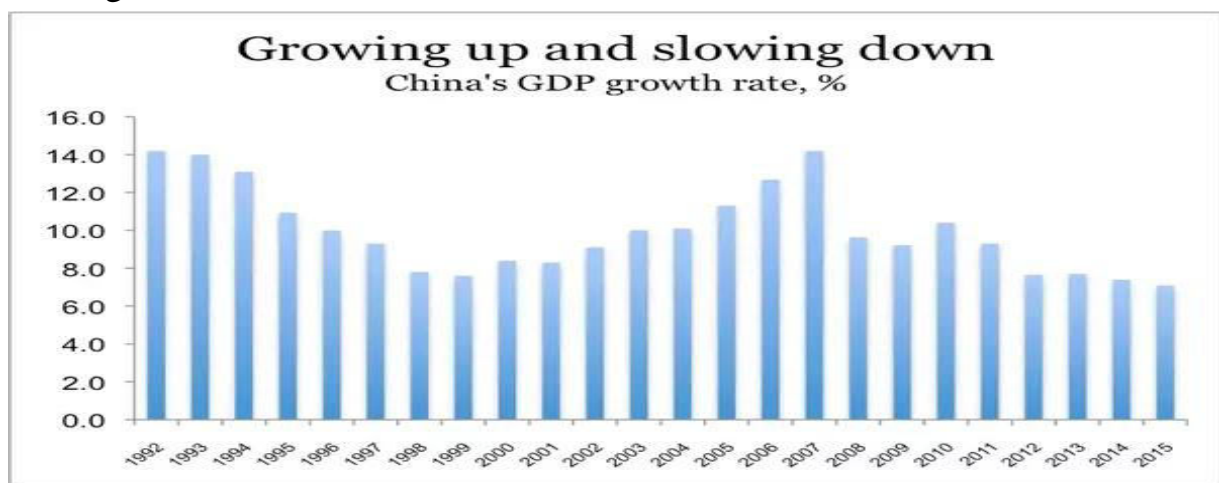
Source: Federal Reserve – St Louis (armstrongeconomics.com)

This chart shows the annual growth rate proportion of real GDP in America have been decreasing from 1956 to 2017. A major reason is inequality of wealth that implies the big human distance in society. So, this trend leads to inequality distribution of wealth. Money makes money from this theory the unbridled competition already increased by this capitalistic system. There is also some reason behind its higher interest rate, the uncertainty of future, and imbalance of earning people's money (Salimi, 2012). At the same time, Islamic economy provides an equal chance of employment and socio-economic development. Here also no place for unbridled competition, inequality distribution of wealth, interest rate, and injustice.



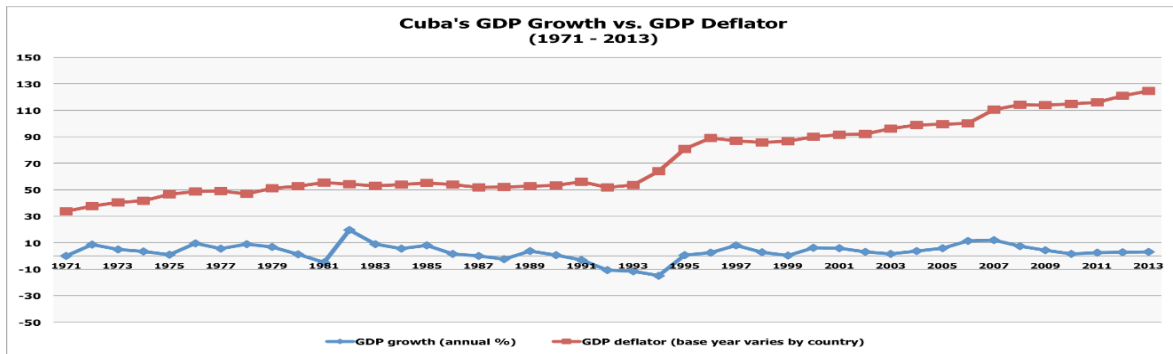
Source: Real GDP growth in the U.S. Average Annual Percent Change, Commerce Department.

This also shows us the decreasing annual estimated percentage of changing of real GDP growth in the United States. From 1930-2022, the proportion growth rate was unbalanced and fallen down successively that determines the capitalistic system is not good at every time. The integration of this system could not come out properly considering human welfare. A good long-term, sustainable framework, equality, and justice economic system was also missing out from local to the international arena. On the other side, the Islamic economic system strictly disallows the existence of interest, achieving illegal wealth, misusing of production and dishonest trade activities. It is mentionable that Islamic economy mainly considers the proper implementation of moral values irrespective of human rights.



Source: International Monetary Fund (IMF)

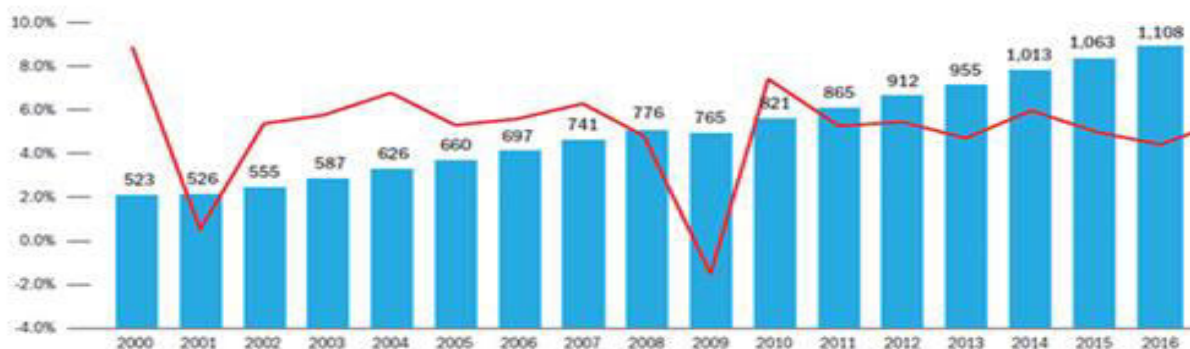
Here also see China's GDP growth rate from 1992-2015. It is also the continuing slowing down comparison every previous year. The confrontation of the uprising of the capitalistic economic system that they could not match in the market. Another reason for sloping down of growth rate proportion of China's GDP is that the state controls all means of production and redistribute wealth requires the basis of totalitarian control. The grip of the totalitarian control becomes tighter as the inevitable political issue and attempts to control resources without the supply-demand indicator in the free market which is always completely disaster where a large scale of the population of this country need to get food and security timely but they continuously failed to do. On the other side, the Islamic economy gives the priority of human basic rights for all the citizens where rich or poor are equally considered through the eyes of the law.



Sources: Haver, Economist Intelligence Unit

Upon, two socialist countries GDP growth rate are becoming slowing down at a concerning rate. Cuba’s growth rate from 1971-2013 had not any good achievement as like as at one's finger ends in the global market. Another socialist country Venezuela last 17 years their growth rate was like to be survived by someone in the economic world. There were rigid policies and tenacious to alter until or unless varied in totalled administration. Running from this uprising competition mentionable two countries fell down from the capital market.

Malaysia's GDP

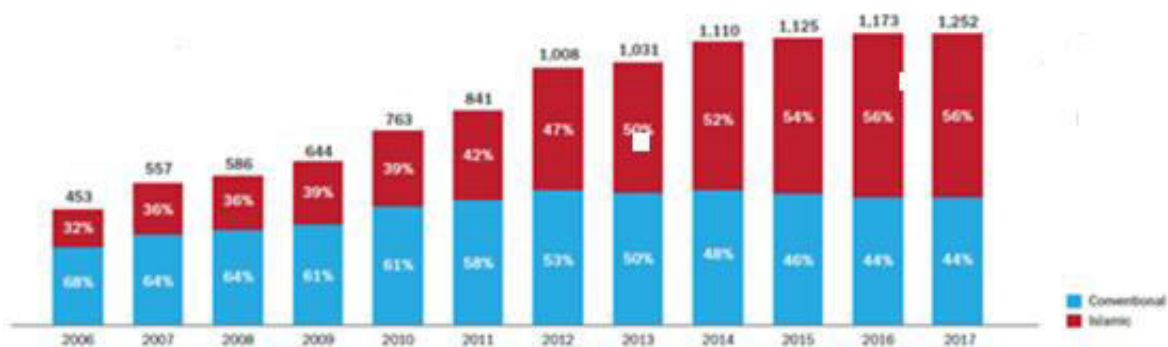


Source: Bank Negara Malaysia, International Monetary Fund, Department of Statistics of Malaysia.

Malaysia’s GDP growth rate proportion is not falling down like the USA and China. The probability of their economic growth rate is one of the key features of an emerging market system that leads to a good relationship with the Muslim

world in particular and others in general. Last 15 years their economic development was outstanding, and most of the financial development was based on Islamic economy that reflected us Islamic economy can be a good emerging economic system in the present world. “Meanwhile” Operable exploiting rate in the economic systems are continually becoming raising speedily that determines those systems unable to free people from exploitation. From last 15 years, Malaysia has been showing us on their government side, they had taken further steps towards designing and implementing a good economic system and maintained a framework of sustainable integration that gleams the Islamic economics possibility in the market (Hachicha & Amar, 2015).

Malaysian Fixed Income Market



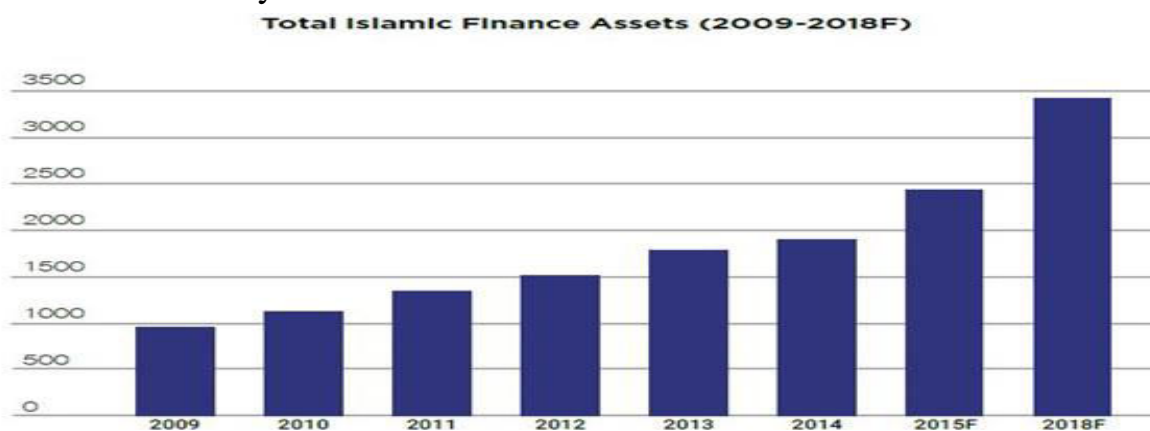
Source: Securities Commission Malaysia (SCM)

The phenomenal growth in the fixed market income due to the rapid expansion of the Malaysian Islamic market. No matter the original things is the proper integration of human behaviour of Islamic market income that removes the stagnating conventional economic system. From 2006-2017 according to securities commission of Malaysia, their fixed market income continuously improving into the market. Given chart, we can understand their conventional fixed market income is increase less than the rate of Islamic economic proportion. This data indicates the increasing number of incomes that visualizes the Islamic economic system has a good contribution to the Malaysian economy.



Source: International Food Information Service (IFIS), King Faisal Specialist Hospital and Research Centre (KFHR)

This figure shows that the global Islamic asset growth trend is enhancing from 1990 to 2020 successively. At the same time, conventional economic system unable to give the proper solution to find jobs matching mechanism for their occupational skills into the market. Islamic economy can be a good feasible system through inclusive policies by ensuring better access to the labour market. The current legislative framework exacerbates the existing labour market problems through the maintaining of WTO and IMF rules and regulations. In addition, the Islamic economy has shown outstanding assets' growth trend into the capital market without any break.



Source: International Shari'ah Research Academy for Islamic Finance (ISRA)

Where the growth rate proportion of the USA and China are continuously becoming slowing down that is also creating an utterly grotesque position in the market. But the last decade we have seen a sharp rise of Islamic banking services, which are starting to offer a real and attractive alternative banking services based on the core principles of sharia law (Ghalaita, 2015). It also made the place as a granted faithful economic system into the market. Here is no presence of interest burden, unemployment, imparity of earning money, corruption, and injustice. According to this revenue index, the Emerging Markets (EM,) and Islamic emerging markets moved at the uniformity level by considering

their investment and performance. The confrontation of socialism and capitalism, the Islamic economy has proved as a good emerging economic system. The possibility of an Islamic economic system is promoted to the emerging market. Personal ownership is not recognized in the socialist economy. State ownership is recognized in this system. On the contrary, Justice and balanced ownership are recognized and regulated in the Islamic economy. But the right of the state and society are in the person's property.

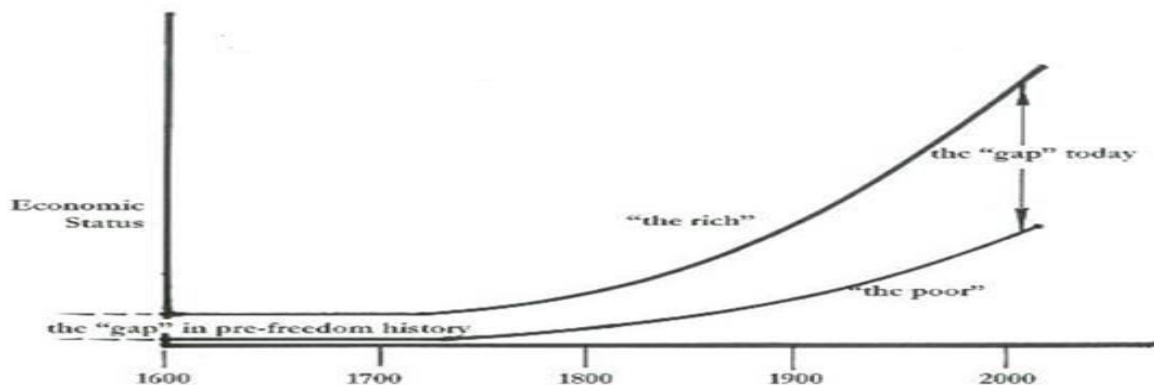
Where is the world headed!!!!	
Year	Poor: Rich ratio
1820	3:1
1913	11:1
1950	35:1
1973	44:1
1992	72:1
2017	102:1

Source: Eurostat, The Economist

An analysis of the trend of the widening gap between the rich and the poor countries are increasing as a horse race. The gap ratio between rich and poor are rising rapidly through the moral-less economic competition. In the last two centuries, we had seen the valuation of poor peoples are being diminished at a concerning rate. If this system continually carries on that can become more run down for the poor countries. But if we can diminish this system immediately and implement the Islamic economic system properly then we can make sure a strong economic system where has no presence to earn money by any disparity, illegality, and injustice.

Emphasis has been placed on economic emancipation in the socialist economy. But political and economic freedom has been reduced there. At the same time, capitalism cannot give any clear specific solution to emancipate people from the economic crisis that we had observed already the first time in 1930. As opposed to, there are equal opportunities for socio-economic, political, and economic freedom in the Islamic economic system. Statement of class-indecision in the socialist economy is nothing but slogans. In reality, there is a wide range of class discrimination among them (Ebeling, 2004). There is also a dispute among the capitalist and socialist people about the class indecision. All-time socialist people claim to capitalist people about class discrimination and say we are working for removing class-indecision from the market. They are towards the liberal fi-

nance which is starting at present. In the Islamic economy, there is no class discrimination as a worker-master, lord-servant, officer-employee. Because here one serves as complementary to another.



Source: www.freedomkeys.com/gap.htm

Given figure has shown the situation of difference between the poor and rich people from the last 4 century. Despite the enhancement of the economic legislation, but its veritable impact was not over at this big discrimination. The discrimination proportion rate was increasing that impeded economic development and created some economic crucial moment for the world. Found the unparallel development of the world economy that had significant growth but indeed it was unable to give the emancipation of people from exploitation totally (Muller, 2013). But the Islamic economy had shown a good effect of financial development on economic growth without any commercial exploitation. Islamic banking asset growth from the last 20 years was developing successively but conventional banking asset growth was slowing down that created bad trade relation between poor and rich countries. More specifically, Conventional banking system developed the developed countries but not the poor countries. Islamic banking system removed the financial isolation by maintaining customer satisfaction into the capital market. This discussion makes it clear that Islamic economy places the responsibility of "taking the risk of loss" on Capital (Chapra, 1979, p. 6). A study on low- and middle-income countries by (Imam and K Poddar), they found significant evidence of Islamic finance spurring growth in these economies including financial depth.

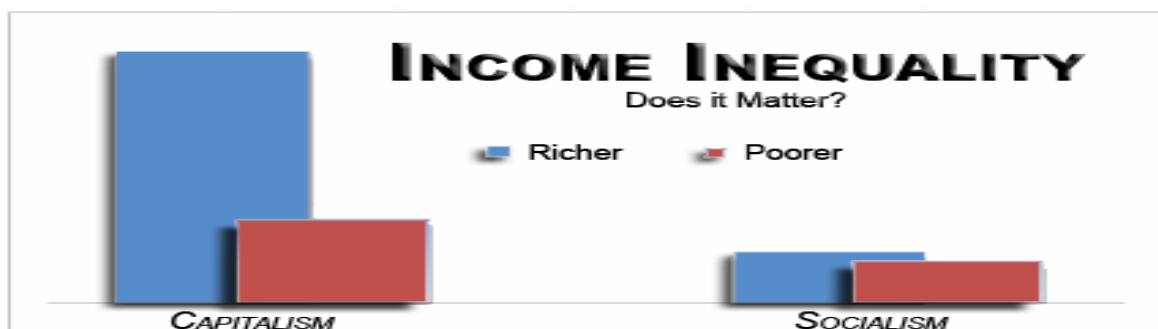
DISCUSSION

The system of capitalism basically based on individualism, the pursuit of pleasure, and complete disregard of social responsibilities. But the Islamic economy offers a radically different paradigm. Which is completely based on cooperation

and generosity (Aydin, 2013). Socialism has a big argument that is the death toll. From the historical background, we know the more than a 100+million are estimated to have died under regimes that have fully applied socialism (Ferrero, 2015). Meanwhile,". Socialism is often represented as a big government, but the main argument is the government could not be trusted because of their dis-adjustment and corruption regularly. But Islamic economics protect the money and wealth according to the direction of Qur'an and Sunnah. Moreover,". There is no controversy relating matters, where there are clear injunctions in the Qur'an and Sunnah (Chapra, 1979, p. 14). For instance, there is no dispute concerning the obligation to establish zakat and the prohibition of riba in an Islamic economic system. Overall, equality of all men in wealth and comfort does not promise to be of unmixed good to humanity. This paper also explains differences based on some characteristics.

3.1. Income inequality

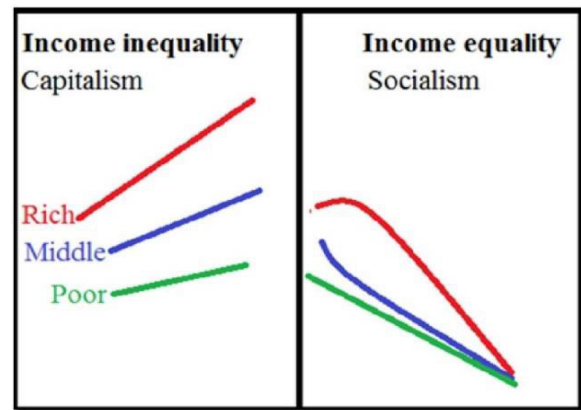
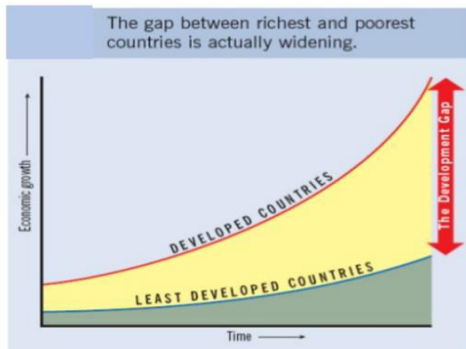
First of all, income inequality reflects the infinite distance between rich and poor.



In the competitive present world income inequality already created massive un-controlled discrimination between the poor and rich countries. This income inequality has also created a big dishonouring situation around the world. The biggest argument against capitalism is inequality, in the free economy's system the more talented and innovative people build a strong financial position as compared to less skilled individuals (Sharpe, 2015). While poverty is an important social problem to the human, which occurs voluminous discrimination by the effects of economic inequality. At the same times, speaking of class-indecision in the socialist economy is nothing but slogans. In reality, there is an out-stretched limit of class discrimination among them (Muller, 2013). Continually rich people are becoming wealthier by consuming poor people. This situation made people unhappy that is also well-placed into the market by forcing the

poor countries to go through the dependency. This is the virtuous cycle that leads to greater wealth and income inequality (Wisman, 2015).

The Gap between Rich and Poor



Source: Global inequality for Junior Cert Geography, Published on Jul 19, 2014
For example, Microsoft CEO Bill Gates has more wealth than the bottom 45 per cent of American household combined. Those charts show us the difference between developed countries and the least developed countries is widening rapidly. It also understands to us the rich are becoming richer and poor becoming poorer. If we look at the capitalist countries of the developed world, they are moving towards their development by maintaining the money supply. On the other side, the third world's underdeveloped and developing countries are unable to develop their specific quantities. "Because" of their imbalance income rate is increasing at a high rate proportion. Where African countries have food and health-related problems, there the western world spends hundreds of millions of crores for the animal. In this place, Islamic economics prohibited all waste and unbalanced income. Moreover, emphasized the balanced distribution of resources for socio-economic development.

3.2. Right to ownership

Within the process of capitalism, the most monumental feature of the entrepreneur is supposed to be that he bears all the risk of profit and loss in his business (Usmani, 2002). If he can profit, then all assets will be considered as his own and there is no presence of accountability. Capitalism is also one of the shadows of acquiring illegal wealth in third world countries. Their mass corruption is further delaying their progress successively. This place is different from socialism, a large portion of the assets will be owned by the state and individual ownership is not recognized. The state will spend according to its needs to develop the country. Although, this system also was unable to protect the people from ex-

ploitation. From these exploitations, the Islamic economic system has shown the way to liberate and smoothly release. In this system justice, freedom, and balance income are recognized and regulated properly.

3.3. Economic freedom

If we talk about the freedom of socialism where consumers do not have any freedom directly. Consumers enjoy government-determined production in most cases. However, socially consumer freedom remains in the selection and purchase of essential goods. In capitalism, most of the economic activities are operated by private entrepreneurs and independently. Where the production, exchange, distribution, and consumption are controlled privately. That's why in capitalism, there is a lot of corruption and misuse of property. The Islamic economy does not bother the individual's personality and does not even take away the rights of the person (Chapra, 1979). There are equal opportunities for socio-economic, political, and regulated personal freedom in the Islamic economic system.

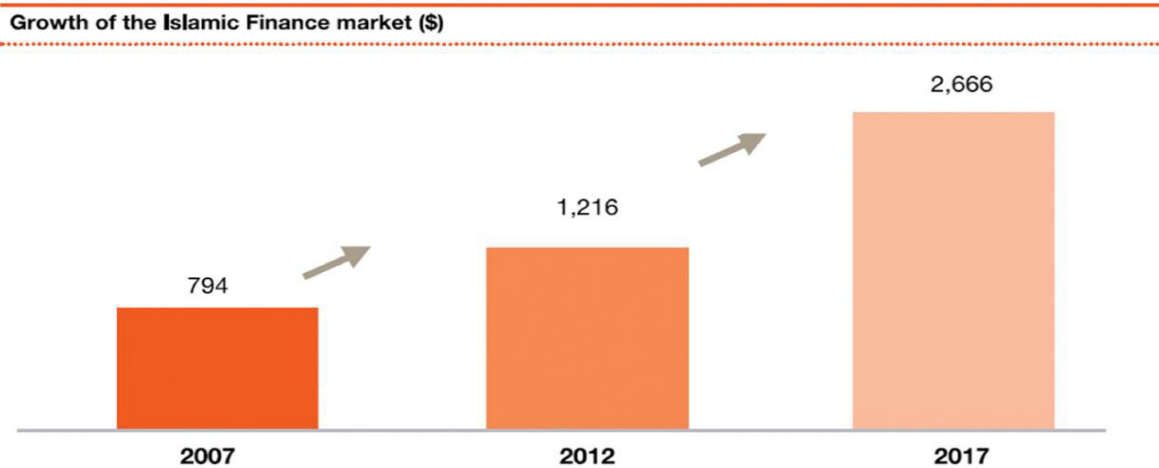
3.4. Stability and socio-economic goals

Stability and socio-economic goals can be another characteristic to consider a comparative discussion on the economic system. It is mentionable that stability and goal-realization are both emergent issue for the continuing progress and development of an economy. The Islamic economic system takes steps the proper value system which controls the economic stability through considering human interaction in the society. Thus, the dependence and confidence of the peoples are increasing rapidly about the Islamic economy. The miscarriage of economic development in the post-independent states of Asia and Africa in the 1960s and 1970s was characterized to capitalist economic development strategies, which actually disregarded the value of human being and its well-being (ASUTAY, 2007, p. 5). The Islamic economics paradigm, purposed of the formation of an Islamic economic system with its individual values, norm, rules and regulations that can be a politically predominant system by understanding human interaction as ordained in Islamic order (Asutay, 2014, p. 4).

3.5. Mode of uprising capital in the market

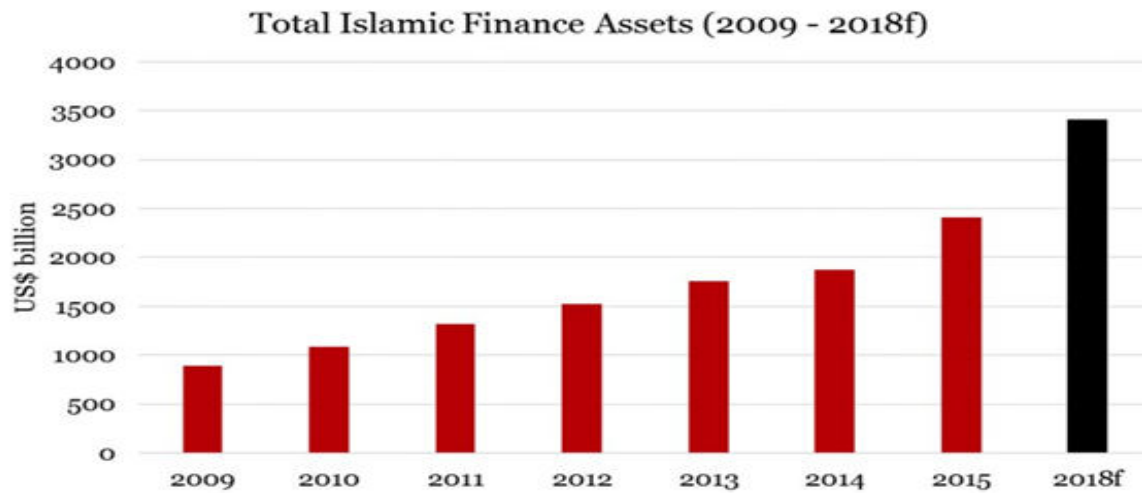
In the socialist economy, a person cannot invest directly in the capital. Despite this, Interest has been encouraged in this system. Because banks, insurance, and the government started activities with interest. At the same time, capitalism also inspired to take high interest from the people do not consider any moral issue. In the Islamic economy, people have the right to invest directly in the capital. In

this financial system, interest has been banned forever and maintain a good socio-economic policy for the betterment of the people. In reorienting towards Islamic economics' system Islamic finance that relates to the social and economic financial transactions in the market. Islamic finance is a part of overall Islamic life management. Where there are a balanced welfare economy exists with proper income equality and With the good potentiality of Islamic finance, there is no recourse in the hands of the capitalist economy like Islamic finance (Asutay, 2014).

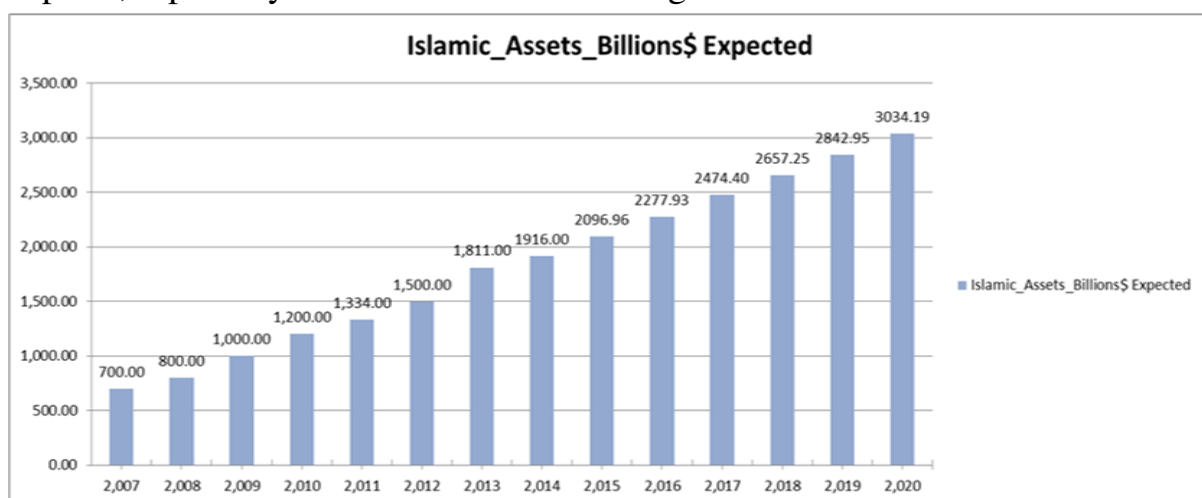


Source: PwC Analysis, UKIFS, Deutsche Bank, Maybank and The Banker

Comparing among the last ten years growth rate of Islamic finance market absolutely a visible criterion that has a good feature for the emerging international market. Given the chart, we see the last ten years growth rate of Islamic finance market also became double by maintaining good relationships through the comprehensive and conclusive contractual commitment into the market. The efficiency of the market is based on cut-throat competition that pushes the people into the interdependence situation. More importantly, Islamic finance has managed a legal economic framework that deals with significant support to the financial market. The faith of the individual economic freedom as a general, continuous, comprehensive principle and the principle of mutual responsibility is ensured only by the Islamic economic system. That's why Islamic economy can be a good example for the marketer.



We see Islamic financial asset is becoming raising comparison previous year due to accepting the Islamic economic system to the people as a key feature of the international emerging market. Hence, the rules and regulations that govern global trade and investment through the WTO, WB, and MF do not apply properly to the financial market. Their financial activities are not always successful, especially when large producers and consumers are independent of these institutions. Showing charts, we can analyse the previous decade Islamic finance had shown their outstanding advancement by achieving human satisfaction and maintaining mutual trust regarding Islamic economic code of conduct. Although the Islamic financial sector has emerged with religious motives, it has attracted the attention of investors other than members of Islam. The rise of Islamic banking and finance (IBF) system outside its own dynamics, there is a significant impact of the global financial crisis. The global crisis has led to a change of perception, especially for the traditional banking sector.

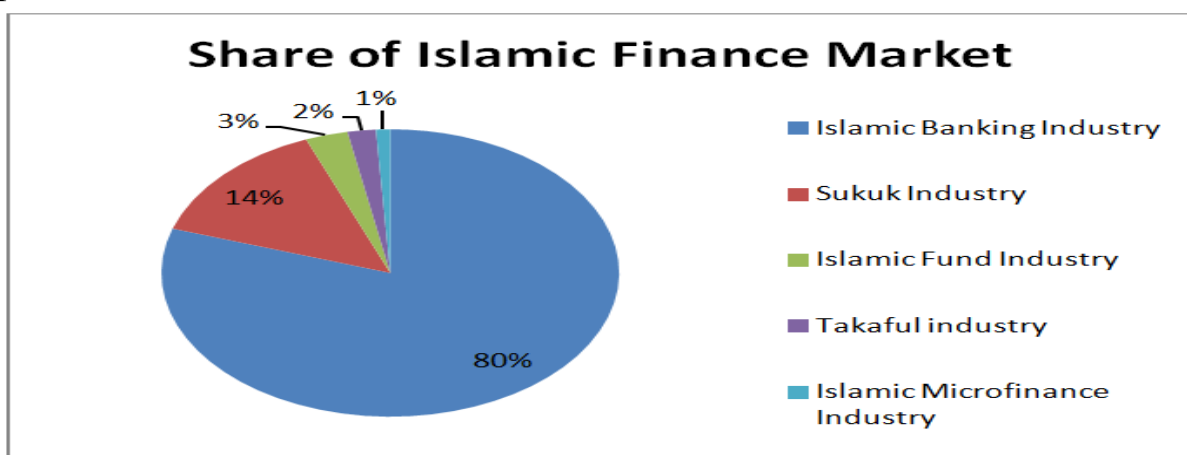


Source: The international Shari'ah research academy for Islamic finance.

At the same time, Islamic assets expected rate gradually increasing at a good proportion. The integration of people into the Islamic economic system is spreading through the actual understanding of human interaction rather than a policy of WTO and IMF. The way of economic integration sometimes considered as a political policy that violates economic sustainability into the market. Given chart, we see from 2007 to 2020 expected Islamic assets and upraising capital are also increasing that proves a good existence of Islamic economic system in the market.

3.6. Economic development

The discussion on the interrelation between Islam and economic development is still uncertain and unclear (Hamdi, 2015, p. 62). But we know market exchange is the mainstream of an economic operating system that determines economic development into the market. Development of capitalism is very noticeable but it has a great negative effect on third world's countries to their development process. At the same times, socialism has failed to show their effectiveness in the market properly. However, this system is filtered through an Islamic process to produce a socially concerned environmentally friendly system (Ferrero, 2015). The relationship between Islam and economic development is a participatory mechanism that deals to develop countries more efficiently and effectively based on equality and justice (Maodudi, 1976, p. 85). It is more specific for a general consensus among the Muslim people about the collection and disbursement of zakat that is essentially for socio-economic development (Chapra, 1995, p. 18).



Source: AL Huda Centre of Islamic Banking & Economics (CIBE).

Here also we see the Islamic finance market that is basically based on the Islamic banking industry. Islamic banking's focused on shared liability and community to create a more inclusive economy (Ghalaita, 2015). The system of Islamic

banking that operates clear of charging an interest rate, and a project of religiously permitted almsgiving purpose of which is to purify wealth and redistribute some of its surpluses to the needy (Chapra, 1993, p. 3). For example, various Islamic financial instruments are designed to help investors with 'zakat' that charges giving a portion of your wealth to charity. In addition, Islamic banks donate all late payment fees and forfeited income to charity. Given the chart, the global Islamic fund assets trend continuously are becoming raising from 2009 to 2018 more effectively. With the good progressive attained of Islamic economics that can be a newly emerging framework which emphasizes on the equality, justice, freedom, skills, quality, employment in the market (Maududi, 2002, p. 7).

Findings and Recommendations

Comparative discussion of capitalism, socialism and Islamic economy has shown a good indication that "the dynamism of capitalism" and "equality of socialism" combined with the economy of Islam. Among the three points discussed in the direction of economic viewpoint, there is extreme conflict and contradiction. The ideology of capitalism is the ultimate consumerism and the sensation of his vision. A special feature of the capitalist economy is the free competition between buyers and seller. The main theory of socialism is a socio-economic system where property and money are owned by social control (Maodudi, 1948). Poverty is one of the consequences of socialism policy, which promotes and encourages corruption at the highest level of the aspiring government. Money from money, interest from interest, interest on interest - this is the grammar of capitalism. The consequence of the failure of the capitalist economy is the United States' Wall Street demonstrations whose original slogan, **"The wealth of the world is 1% of the share of the collective, deprived and 99% remaining"**.

It is concerning matter that capitalism's domination has affected all sector of Islamic life. However, capitalism could not solve the economic problems of the human race and also could not remove poverty. On the other hand, discrimination has increased among the poor peoples. Islamic economic did not give free freedom to personal initiative and did not even wear chains on his legs. Achieving balance in all areas is one of the demands of this economy and life-giving. The rights of the person to produce and earn are recognized here. Prohibition of interest, Risk sharing, asset-based transactions, money as "Potential" capital, the prohibition of speculative behaviour and sanctity of contracts and preservation of property rights is conducting matter to Islamic economics. Besides Zakat and

Ushor and spending way of Allah is one of the foundations of this economy. Throughout the world, many people start to see that the principles of Islamic banking are sometimes interesting than conventional financial services. Islam completely controls humanity and provides lawful ways for maintaining ownership and contracts which indulges to take possession and generation of wealth properly. The continuations and proper application of the Islamic economy are more important now than ever. For these reasons, the Islamic economy can be a good alternative economic system to avoid the exploitation of capitalism and socialism.

CONCLUSION

The history of human civilization has witnessed the rise and fall of many systems. After analysing of comparative discussion on that economic system, we found the collapse of the Soviet model of socialism and spurious exploitation of capitalism into the market. Capitalism always takes his focus on self-interest that determines the economic system to caprice, greed, and corruption. Socialism and their market system already fall down from the capital market. Since the last two-decade, Islamic economy has been showing their outstanding performance by maintaining proper contractual commitment into the market (Zaman, 2012). Islamic finance system keeps a momentous contribution to the overall human life. Around the world, many people are beginning to see that the principles of Islamic banking are sometimes more attractive than those of conventional financial services. The system of the Islamic banking sector that operates clear of charging interest that helps people to free from interest burden. From the running conventional economic system, people want to get rid of and seek a new economic sustainable dimensional framework that can be given economic freedom without any impropriety and inequality. That's why Islamic economy can be a good alternative economic system to avoid the spurious exploitation of capitalism and socialism on the poor and under developing countries.

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