

The Economic Growth Elements in Medina during the Prophet Sallallahu ‘Alayhi Wasallam

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Abstract: The global economy climate oscillates between growth and recession. A number of causes and theoretical assumptions have been made to explain this fluctuating economic trend. This paper looks at the economic growth of one particular region and examines the factors that contribute to its development. In Madinah- the centre of Islamic development- as well as the surrounding Arab region, the arrival of Islam during the times of Prophet Muhammad Sallallahu Alayhi wasallam ushered in a sudden economic growth and booming development in business, agriculture and other ventures. This economic growth can be traced to factors, which are related to the teachings of Islam brought by the Prophet *Sallallahu ‘Alayhi wasallam*. By analyzing the content of other literatures and history writings, this paper examines the causes and contributing factors of this economic growth and its relation to Islam. In conclusion, this study underlines the importance of identifying these economic growth factors and capitalising on these aspects to stimulate the development of current Muslim economies.

1 INTRODUCTION

The expansion of the economic activity is important for every nation in this world since it plays a role to pursue prosperity towards every human being. As a Muslim, we are individually created to act as a successor (*Khalifah*) to utilize each resource given by Allah with the presence of our mind and bring it front to be cherished by all people (Gorsuch & Smith, 1983).

Looking back to 1400 years ago, the life of Prophet Muhammad in Macca for 13 years with his initial objective only to introduce Allah as the only one to submit to, undoubtedly did not show any economic impact (Natsir-Nim, 2010). But rather after the prophet’s migration to Medina, the economic activity showed a very great impact on Medina to become a great country. This research specifically aims at investigating factors and element that drove up Medina’s economy and how it could benefit today’s Muslim as an example to design policies that simulate further fair economic development.

The introduction of the new economic philosophy in Medina was in line with the spread of Islam in Arab Peninsula, and this spread had also induced the positive economic impact on this region. However, today with

roughly two (2) billion muslim population existing all over the world (Foundation, 2017), there are still a lot of Muslim population who live in poverty though some population live in a wealthy state. This phenomenon creates curiosity among researchers to investigate further the contributing factors that boomed economic prosperity in Medina which did not only benefit the Muslim population but also positively influenced to non Muslim population who live under the sovereign of Islam.

Therefore, the discussion will be continued by studying the economic development from Islamic view point and highlighting the indicators of a good economic development. After that we examine the main economic activities in Medina during the period of Rasulullah *Sallallahu ‘Alayhi Wasallam*. By then it will be followed with discussion on the contributing element of Medina’s economic expansion before conclude and put some recommendations.

2 METHODOLOGY

Journals related to the discipline of Islamic Economics were searched on Google using the keywords “Islamic Economics, Islamic Business,

Islamic Accounting, Islamic Management, Islamic Banking and Islamic Finance.” Research using classical books in library at Brunei Darussalam also used in writing this journal. The search was undertaken in August to October 2017. Focus of the search was limited to English and Arabic journals. From the exercise, journals and books (as mentioned in the references) had been identified and was sent to the faculty members of the Faculty of Islamic Economics and Finance, Universiti Islam Sultan Sharif Ali Brunei for verification and further suggestions.

3 ECONOMIC DEVELOPMENT FROM ISLAMIC VIEW

Economic development is one of the tools that must be benefited by Muslim towards fulfilling the purpose of creation. Allah has mentioned about this directly from a few verses in Quran and has been applied by Prophet Muhammad practically in his lifetime. There are several verses include:

هُوَ الَّذِي جَعَلَ لَكُمْ الْأَرْضَ ذَلُولًا فَامْشُوا فِي مَنَاكِبِهَا وَكُلُوا مِنْ رِزْقِهِ
وَالِيهِ النُّشُورُ

“It is He who made the earth tame for you-so walk among its slopes and eat of His provision- and to Him is the resurrection” (Al-Quran. Al-Mulk:15):

فَإِذَا قُضِيَتِ الصَّلَاةُ فَانْتَشِرُوا فِي الْأَرْضِ وَابْتَغُوا مِنْ فَضْلِ اللَّهِ وَاذْكُرُوا
اللَّهَ كَثِيرًا لَعَلَّكُمْ تُفْلِحُونَ

“And when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed” (Al-Quran. Al-Jum’ah: 10).

The above verse was among the guidance from the Quran that mention about Allah’s commandment to the Muslim to well distribute their wealth after (given) from Allah throughout their effort in ensuring positive economic development. There are other verses as well that explicitly and implicitly imply the importance of seeking the wealth, savings, trading, entrepreneurship, etc. that belong under the theme of economic development. Overall, economic development is one of the important aspects that mentioned in the Quran.

4 INDICATORS OF A GOOD ECONOMIC DEVELOPMENT

There are several notable indicators throughout the millennia era include the Gross Domestic Product (GDP), four stages of industrialization; countries in tertiary or quaternary sectors of industry that considered developed, and more recently is indicated by the Human Development Index (HDI) that measures multivariable such as the national income, life expectancy and education (Berliant & Weiss, 2017). There are also some of the non-conventional/non-direct indicators such as investment efficiency, inflation rate, unemployment rate, total national debt, ratio of national debt over national income, purchasing power of population, poverty rate, etc. Since these indicators may not be well adopted as a suitable methodology to identify contributing factors of Medina’s economic success because data was not available, these new indicators have been proposed to act as an alternative is geographical factor, the existence of Great Kingdom and the Diversity of Ethnic and Religion.

There are several western scholars agreed that based on these three (3) indicators, the list of the developed countries during 15th century are China, India, Eastern Asia and Africa (Etherington & Mackenzie, 2016). During the 16th and 17th centuries, there are few European countries were chasing out these four (4) countries from the top list. These four (4) countayed at the top until about the 19th century when the United Kingdom (UK) rose to the top. The recent history showed that the United States (US) had individually became the top nation in 1913 (Saez & Zucman, 2016).

Since the gap of these indicators did not introduce to study the economic development during 7th and 8th century, this research purposely works on investigating Medina’s economic development during the prophet’s time.

5 THE MAIN ECONOMIC ACTIVITIES IN MEDINA

Medina or Yathrib’s economic activity during the ignorance period was different from Mecca. Because of its geographical factor, Medina’s land was in favor to agriculture activity contrary to Mecca that favor to trading. This situation is understood from a hadith from Prophet Muhammad *Sallallahu Alayhi wasallam*:

الوزنُ وزنُ أهلِ مكةَ والمكيالُ مكيالُ أهلِ المدينةِ

This explanation of the hadith differs the word *الوزنُ* and *المكيالُ*. The economic prosperity of Medina was not only affecting its people but also those people who live around the Arab Peninsula. This situation was recorded during the Battle of Khandaq (Ahzab) (Al-Mubarakfuri, 1996).

Prior to the migration of Prophet Muhammad Sallallahu Alayhi wasallam, Medina's strategically located in the middle. The Arab from the northern region would pass by Medina to reach Mecca and people from Yemen and Hadhramaut would pass by Medina as well to reach Sham and Iraq for trading purposes. This uniqueness is explained by two (2) contributing factors:

1. Mecca has its religious attraction, Kaaba, where people visit to perform pilgrimage
2. Traders bypass Medina from Yemen to Sham because those trading goods from India and China were brought through Aden in reaching other Rome territories in the northern part (Al-Mubarakfuri, 2011).

There were five (5) notable marketplaces in Medina include al Jaraf, Wadi Bathan and al Asobah. The other two marketplaces located in the west of Medina and in the middle between Quba and Bathan. There were also some industries such as metal, animal farming, pot and wood based products. The migration of Prophet Muhammad Sallallahu Alayhi wasallam has shown four (4) significant changes:

1. The name changed from Yathrib to Medina

The rebranding of a certain organization would have a certain direct or indirect impact internally or externally. This change has influenced the original people of Medina, the migrated Muslim and to every Arab population that there is a new hope to a better their life aspects in bringing up Medina as a great nation.

2. The economic monopoly from the Jews has been significantly reduced and has been replaced gradually by Muslim

Medina's economy was initially monopolized by the Jews entrepreneurs prior to Prophet Muhammad Sallallahu Alayhi wasallam's arrival. Economically they were strong though considered a minority. The element of usury and the segmented monopoly are among the tools that force the Aus and Khazraj not to defeat them, the Jews in fact were the capitalists in providing loans and monopolizing majority of land in

Medina. The arrival of Prophet Muhammad Sallallahu Alayhi wasallam in Medina significantly implied not only it was a physical migration but rather a notable change in the economic environment has also taken place. The ultimate shift in economic injustice was shown at the time prior to Prophet Muhammad Sallallahu Alayhi wasallam's passing, the act of usury was totally abolished through a few verses from the Quran such as Surah Al-Baqarah, verse no. 278.

3. The encouragement to pursue 'worldly' prosperity

The new perception brought by Prophet Muhammad in Medina was to change societal belief that religion is only connected to the relationship between human and God. The misconception through the term 'slavery' usually was only connected at certain rituals. As a matter of fact, the truth is that Allah asks His servants to not only worship Him at certain rituals but rather at every single action including pursuing worldly prosperity. However, there should not be any act of secularism that differentiate between the religious responsibility and worldly prosperity (Barry, 2007).

4. The activeness of Medina's economic activity due to the activeness in spreading the Islam

One of the other changes seen was the Muslim society not only concerned on their faith by often leaving the 'worldly' act and being alone. By principle, Muslim should also concern with the other people through spreading the word of Islam to the other family institutions.

6 THE CONTRIBUTING ELEMENT OF MEDINA ECONOMIC EXPANSION

The drastic shift in economy brought through Prophet Muhammad Sallallahu Alayhi wasallam should not be surprising. On a details side, this research has investigated three (3) contributing factors that drove the Medina economic activity at faster pace.

1. The Content of the Teachings of Islam

Islam has brought a new perception that the new followers are not only changing their appearance, names, etc. but they have to also change what's inside too, the belief. One of the important beliefs is Islam

is the all-encompassing where there is no segregation between the specific act of worship and worldly affairs. Islam has also encouraged that Muslims must also be a part of the society they live in with, means that the attitude of individualism is rejected. Through zakat as one of the five pillars of Islam, it encouraged many companions to become proactive in seeking as much as wealth to be benefited by the whole population. The other examples are waqf, sadaqah, and pilgrimage are those acts that triggered the companions in being proactive (Al-Qardawi, 1973).

2. Qudwah

The main Qudwah in Medina was portrayed through Prophet Muhammad Sallallahu Alayhi wasallam himself and was closely followed by his companions such as Abu Bakr, 'Umar, Uthman, Ali, and others. Prophet Muhammad had also opened specific marketplace for Muslims for business. This was to counter act the monopolistic attitude of the Jews in Medina.

3. The Unity of the Medina society and the neighborhood community

The arrival of Islam in Medina has united all Muslims specifically as Arabic was a lingua-franca, Islam has now established as religious-franca. Almost the total population of Arab Peninsula had reverted to become Muslims prior to Prophet's passing. This situation had triggered exchanged trading among them other than encouraging brotherhood and jihad.

7 CONCLUSION

This research has shown the impact of the arrival of Islam to the Medina economic expansion. Without neglecting there are many contributing factors behind, the understanding of the teaching of Islam was the main driving factor that triggered the Medina Muslim society to work hard. Thus the education and tarbiyah is the main part of the solution where institutions such as the universities, media, the economists, the entrepreneurs, to actively participate in spreading the true understanding of being a Muslim. There is no doubt that economy is a part of Islam and paying attention to generating and utilizing more resources is a kind of worship act that earn reward.

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