

Economic Corruption and Treatment, Perspectives of Islam and Capitalism (Comparison study)

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Abstract

This study aims at identifying the phenomenon of economic corruption, and how to treat it from the perspectives of both Islamic economy and Capitalism. To achieve this purpose, the researcher divides the study into three main topics. The first one deals with the concept of economic corruption, the second talks about the economic effects of the corruption, and the third focuses on the treatment of economic corruption in both Islamic economy and Capitalism. The researcher finds that the Islamic treatment of economic corruption is different from that of Capitalism. In Islamic economy, there are many ways to restrict and eliminate this phenomenon such as fighting usury (Alriba), money hoarding, and monopoly.

Key Words: Economic corruption, Islamic economy, Capitalism.

I. Introduction

Economic corruption is one of the most dangerous problems that the states as well as the individuals suffer from. It becomes a public phenomenon that has different effects on the countries. The Holy Quran says: "Corruption has appeared on land and sea with what the hands of the people earned. Therefore, they taste some of what they did in order that they return" (Holy Quran, Surat Alroom, verse 41). It Has many bad effect that is considered one of the biggest problems of whole world. It impedes the development plans, and the distribution of the economic resources which in turn hurts poor people. So, if the whole governments and organizations do not work together, the corruption will enlarge and strengthen to hit the governments and people together.

The countries of the world are aware of the negative effects of economic corruption these days, and they formulate laws, hold conferences, and determine criteria to control this phenomenon, but the Islamic economy (which derives their principles and regulation from Shareah) has developed many preventive and remedial solutions to rein this corruption. Allah says in the holy Quran "Do not consume your wealth between you in falsehood; neither propose it to judges, in order that you sinfully consume a portion of the people's wealth, while you know"(Holy Quran , Surat Albaqarah , Verse188) .

And if these protective procedures do not work, Islam sets other procedures that are good enough to eliminate completely this phenomenon. Allah in the Holy Quran says: "And We ordained for them therein a life for a life, an eye for an eye, a nose for a nose, an ear for an ear, a tooth for a tooth, and for wounds is legal retribution. But whoever gives [up his right as] charity, it is an expiation for him. And whoever does not judge by what Allah has revealed - then it is those who are the wrongdoers"(Holy Quran, Surat Almaidah, Verse 45) . This is the core of this study, which is to clarify the notion of corruption and how Islam protects the Moslem society from its unfavorable effects.

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The Importance of the Study: The study is important because it studies an important topic. The negative effects of economic corruption are increasing more and more, not only on individuals and the country, but it becomes an international phenomenon. So, it becomes very necessary to figure out its causes and its effects on the economy, and then how to deal with it from the point of view of both the Capitalism and Islam.

The Problem of the Study: Economic corruption is one of the most important problems that developing and developed countries are facing these days. It is the real obstacle against development because of its deviated economic, political, and social criteria. This, of course, forces the whole countries, together or alone, to fight it. For this, the current study tries to answer the following questions:

1. What are the causes and the forms of corruption?
2. What are the most crucial economic effects of this phenomenon?
3. What are the therapeutic means to this corruption from the perspectives of Capitalism and Islam?

Objectives of the Study:

1. Investigating the causes and the forms of economic corruption.
2. Recognizing the negative economic effects of corruption.
3. Exploring the means of treating this phenomenon from the perspectives of Capitalism and Islam.

Research Methodology: Descriptive approach is adopted in this study through different kinds of references, studies, and periodicals that are interested in economic corruption. Analytical approach is also used through analyzing the whole data that are collected.

2. Review of Related Literature:

2.1. A study of (Abu Qaad 2013). This study basically aims at identifying the concept of administrative corruption and the means that Islam has used to prevent and resist it. The study shows some aspects of prevention and resistance of corruption in general, and economic corruption in particular, that Islam has adopted for many centuries. The study shows that Islam has diagnosed the disease and prescribed the medication when he prohibited every act that leads to corruption. The researcher makes some recommendations like instilling the religious faith in the hearts of people, enhancing the value of integrity, exploiting the media and the educational institutions to fight corruption, urging people to help any means of fighting corruption, and then urging people to inform authorities about any case of corruption and criminals.

2.2. A study of (Sabkhawi 2011). This study focuses on the preventive procedures that are derived from Islamic thought to fight economic corruption in the Arab and Islamic countries. Based on this, the study aims at investigating the phenomenon of economic corruption: causes, forms, effects, ways of obstruction, the role of Islamic countries in applying Sharia in their entire life. The researchers found that Islam has the solution for this problem, and has an integrated system of rules and regulations that can make the behaviors of Muslims strongly associated with morals. Islam also has the means to prevent any form of economic corruption. Finally, the researchers call for application of Islamic Sharia in all sides of life, and to activate the Islamic penalties on those who commit corruption crimes.

2.3. A study of (Al-Ali 2005) .This study aims at highlighting the most important means that Islamic economy has adopted to fight economic corruption in the public sector. These means includes instilling Islamic faith, enhancing ethics in the hearts of individuals, securing good way of living, monitoring and observing their behaviors, and applying carrot and stick policy. The study displays some of the Islamic scholars in this field, and how Islam precedes Capitalism in facing and solving some economic problems. The researcher found that instilling faith is the key solution to prevent any kind of economic corruption, and all people must burden the responsibility to reform and fight corruption.

2.4. A study of (Humeish 2003) .The study aims at highlighting the role of Islamic Sharia in fighting corruption, and the means to achieve this. The study is divided into two parts: The first one defines corruption, types of corruption, and its provisions. The second clarifies the Islamic strategy in fighting corruption. At the end of the study, the researchers urge Islamic states to gradually adopt Islamic Sharia to weaken corruption, to rebirth the notion of ombudsman, and to find a form of cooperation between different kinds of organizations to face corruption.

2.5. A study of (Aljabiri 1426 H).The researcher concentrates on the causes, effects, and treatments of this dangerous phenomenon; if it spreads in any nation, this nation will be economically deteriorated and politically destructed, in addition to other inevitable corruptions. So, the study is divided into four parts: 1. Definition and types of corruption, 2. Causes of corruption, 3. Economic effects, 4. Treatments. The researcher finds some results: Corruption is existed in both public and private sectors, in both developed and developing countries although it is more widespread in the developing ones, faith could be the main factor of preventing corruption, corruption impedes the process of developments and distorts the distribution of resources in any society.

The Plan of the Study: The study includes an introduction, three main topics, and a conclusion. The introduction includes the importance of the study, the problem of the study, literature review, and the plan. The three topics are:

1. The concept of economic corruption and its forms and causes.
2. The economic effects of this kind of corruption.
3. The treatment of economic corruption from the perspective of Islam and Capitalism.

3. The concept of economic corruption and its forms and causes.

3.1. Definition:

3.1.1. Linguistic definition (Zakaria 1979, 503): deviation something from normality to become anomalous whether this deviation is a little or a lot. The opposite of corruption is righteousness or reform. Corruption could be in the body or in the soul, or anything that deviates from the right. Allah says "Corruption has appeared throughout the land and sea"(Holy Quran, Surat al room, Verse 41).

3.1.2. Conventional definition: Any sin or guilt that is committed against the Islamic Sharia (Ahmad 2003,210). This means to be out of obedience to God, Ibn Katheer says: "Corruption is a blasphemy and the act of committing sins"(Ibn Katheer 1999,180).

3.2. The Concept of Corruption: Corruption is existed all over the world, but scholars and authors do not have clear consensus about its definition. Corruption is practiced by individuals of different types of organizational structures. There are different definitions for corruption. "Utilizing power to gain personal advantage, utility, status, or social position; or to gain some advantages for a group of people or a certain class in a way that breaks the laws and ethics" (Shat 1999,43) , Another definition is " Exploiting power to gain profit or utility or interest in favor of an individual or a group in a way that violates the laws or the standards of ethical conducts (Mohammad 2000,110). The American Dictionary of Social Sciences defines corruption as" Exploiting authority to gain profit or utility" (Abdul-Qader 2006, 349).

Some authors find a link between corruption, monopoly of decision, and freedom to act. They assume that there is an inverse relationship between corruption and the degree of monopoly questioning. The following equation represents this relationship: (corruption = monopoly of decision + freedom to act – questioning)(Mechael 2009,38). It is noted from these definitions that corruption is existed only in the public sector, although experiences show that the private sector has a lot of corruption cases like bribery and tax evasion. A report issued by Jordan Anti-corruption commission (JACC 2012) shows that the top 7 corruption cases in Jordan happened in the private sector.

3.3. Causes of Corruption: There are different causes for corruption. They could be political, social or economic, but the human factor plays the essential role in all these factors. Here are some of these causes (JACC 2012):

1. Weak values of faith, absence of God-fearing, forgetting the Day of Judgment and sticking to the present life for positions even though they are unlawful.
2. Absence of effective legislations that can fight corruption, absence of penalties, legislation authority is weak and not independent.
3. Weak role of civil institutions and specialized comities in fighting corruption.
4. Absence of transparency about records, investments, incomes, and expenses.
5. Failure to implement economic plans, and failure to achieve equality in distributing resources, This, of course, makes the high-salary people exploit the low-salary ones and force them to accept bribes (Mansi 1989, 318-319).

6. Technological development creates new goods and services that poor people cannot afford it, and as a result they resort to bribery to possess these luxuries (Alghalibi 2005, 390-392).

3.4. Forms of Corruption: There are different forms of corruption. The most crucial one is misusing authority to gain personal benefits. As a result some officials start accepting bribes, dishonestly withholding assets (embezzlement), or any other acts that lead in a way or another to economic corruption. A study was conducted by UNDP shows the forms of corruption as shown in figure 1 below:

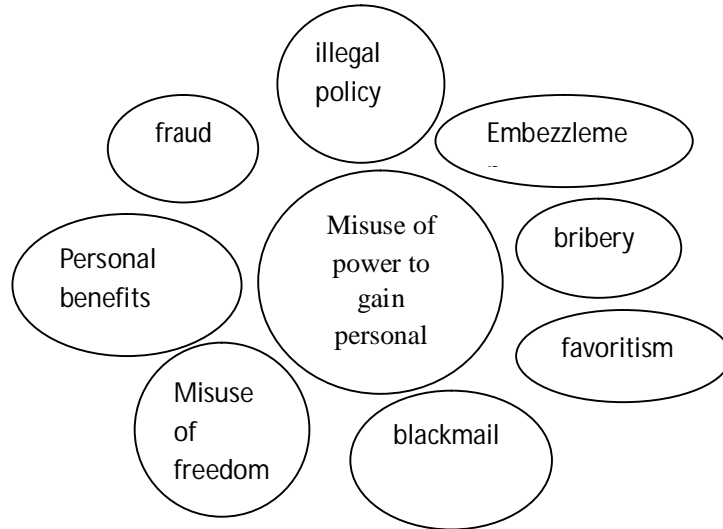


Figure 1: Forms of Corruption (Alnajar 2009)

4. The Economic Effects of Economic Corruption:

4.1. Reducing Investment Rates: Theoretical and applied studies show that corruption is a major obstacle of economic development. It reduces both the local and the foreigner investment rates. The investors always run away from the environment that is contaminated with corruption because they have to pay all kinds of bribes which add extra taxes on their shoulders and increase the cost of the project, and then lead to a decrease in the economic development rates (Alshammary 2011, 85). Another study about the economic effects of corruption (Alnajar Ibid), confirms that all kinds of corruptions lead to the same outcome, that is a loss of financial and material resources of the society. If these waste resources are invested well, they can secure sequential expenses that create accumulative incomes four times more than the invested money, in addition to the rise of incomes, production, purchasing power, investments, salaries, and economic development rates.

4.2. Reducing the Budget of the Government: The income of the government will be decreased and its expenses will distort because economic corruption. The following factors clarify this:

4.2.1. The effect of corruption on the total income of the government: Bribery decreases the income when the bribed officials turn blind eyes to the tax payers. These taxes are the main income to the treasury, so it will be reflected on the economic development rates (Alshraqawi 2006, 155). When we add the phenomenon of evasion of customs duties, the loss will be greater and worse, and the cost of the public enterprises will be bigger, in addition to the misuse of the treasury funds like unnecessary parties and visits rather than establishing investments that refresh and strengthen economy (AOAD 1994, 142).

Now we can say that falling the income will force the government to decrease the expenses on development projects like infra structure, education, health, and others. This falling may also force the government to resort to other bad solutions to cover the extra expenses such as increasing money supply and then the prices will rise up, or having loans from other sources which of course increase the indebtedness and the state becomes unable to take its sovereign decisions.

4.2.2. The effect of corruption on the expenses of the government: There are some bad effects of corruption on the state expenses. Theoretical and field studies confirm that the governments of corrupted countries make more projects in the places where bribery is easy to occur like spending on armaments or purchasing high-tech medical devices (Al-Khalifa 2002,268) ,but these governments make less projects in the place of the least corruption cases. The studies show a positive relationship between governmental expenses and corruption indicators. This is so because it is difficult for the relevant authorities to reveal the cases of corruption or to assess the degree of their credibility. The corrupted government usually keeps a big chance for bribery under the claim of security, especially weapons (Fareed 2006,226).Now, we can say that corruption distorts expenses through adopting projects that bring more bribery, regardless of the interest of development.

4.2.3. The effect of corruption on poverty and income distribution: Corruption has a bad effect on the income distribution in the society. Influential officials exploit their power as much as they can to gain benefits, and this widens the gap between rich and poor classes. Here, the objective and logical criteria disappear and are replaced by personal interests. As a result, social hatred and antagonism arise, poverty spreads, and youth are neglected, here are certain effects of corruption on poverty and income distribution (Zakarneh 2009, 291):

(1) Corruption leads to retreatment of investment rates which in turn leads to retreatment of economic development rates. This of course decreases job opportunities, increases unemployment, and declines the standards of living in the society.

(2) Corruption increases the cost of services like medical care, education, and other basic needs. The amount and quality of these services, as a result, will be deteriorated and have bad effects on the social classes who need the services.

4.2.4. Effects of corruption on distribution of resources: This happens when the government loses its ability to supervise the trade and inspect the market, then it loses its control on the banks, internal trades and financial markets...etc. This of course will distort its image in terms of contracts, property rights, jobs, and promotions in the public sector; and then manpower, labor market, and development resources will be declined (Zakarneh Ibid, 93).

5. Treatment of Corruption: This topic investigates the treatment of corruption from the perspectives of both Islam and Capitalism as follows:

5.1. Treatment of Corruption from Capitalism Perspective: The whole world recognizes the danger of corruption, so most of the countries exert a lot of efforts to eliminate it or to reduce its bad effects. The United Nations had passed a resolution in 1975 that condemned all forms and kinds of corruption. Here are some international organizations that are interested in fighting corruption all over the world (Baker 2009, 4-5):

5.1.1. The United Nations: The United Nations exert hard efforts in fighting corruption all over the world through its resolutions and agreements they always make. The most important agreement was that of 2003 which invites the whole world to criminalize bribery and the misuse of power (Bosaeed 2013, 97).

5.1.2. The International Bank: One of the most important Organizations that is interested in fighting corruption and developing and funding societies (Bosaeed Ibid, 95), Its major procedures of fighting corruption are:

5.1.2.1. Preventing any kind of corruption in the projects that are funded by the International Bank.

5.1.2.2. Supporting any developing country that fights corruption and has certain programs in this field, either by itself or through cooperation with other international organizations.

5.1.2.3. Fighting corruption is a prerequisite for any service demanded from the Bank.

5.1.2.4. The Bank helps any international effort that participates in fighting corruption.

5.1.3. International Monetary Fund (IMF): This organization takes some strict and objective conditions in terms of corruption when it gives a loan to any country. It fights corruption through two different directions:

5.1.3.1. Training human resources in the fields of inspection, auditing, taxes, and budgeting.

5.1.3.1. Creating a stabilizing economic environment that has the ability to develop the laws of taxes and business.

5.1.4. International Transparency Organization (ITO): It has several indicators: A complex indicator of a mixture of some surveys and evaluations about corruption. Data are collected by different groups from different authentic research institutions. It is considered one of the most popular indicators in the world. It confirms that corruption is widespread in the public sectors of the countries within its domain. This note can be read as a warning to all countries not to fall in misuse of power, secret documents, and bribery. The scale runs from 0-100, 0 means the highest level of corruption, 100 means the lowest level (<http://www.transparency.org>).

a. Indicator of corruption perception, which was issued in 1995 in which the world countries are classified according to the degree of corruption.

b. Indicator of bribery, which was firstly issued in 1999 and it concentrates on the big companies who pay bribery abroad.

c. The global comprehensive indicator issued for the first time in 2001 and yearly concentrates on a certain field in different countries. The president of this organization, Hoget Labbel, mentions something about the state of corruption in the Arab World in a report issued in 2006. More than a decade has passed after issuing laws and regulations against corruption, but there are a lot to be done these days for the poorest people in the world who are mainly living in the Islamic and Arab countries.

According to what Hoget Labbel has said, and if we take a look at the results of the 2013 indicator, we notice that some Arab and Islamic countries have achieved good results in the field of fighting corruption. UAE for example, was the first Arab country and 26th in the world that achieved 69 points: Qatar 2nd in the Arab world and the 28th in the world (68 points); Jordan the 6th and the 66th respectively (45 points). There are some other Arab countries that took lowest places like Somalia 175th (8points), Sudan174th (11points), andLibya176th (15points)(<http://www.transparency.org>).

5.2. Treatment of Corruption from Islamic perspective: Islam has a unique system and a certain way of living in this life and hereafter. It is a religion of Allah and so it is surely a perfect and an accurate system that human being lives with. Allah says:"This day I have perfected for you your religion and completed my favor upon you and have approved for you Islam as religion. But whoever is forced by severe hunger with no inclination to sin - then indeed, Allah is Forgiving and Merciful"(Holy Quran, Almaeda, Verse 3). Islam urges everybody to do virtues, to have good ethics, and to be away from evil. Applying the Islamic economic principles surly fight any kind of economic corruption like usury (Riba), monopoly, cheating, and theft ...etc. This means that Islam is fighting all kind of evil deeds that lead to gaining money in an illegitimate way. Good Muslims do not take others' properties and do not violate their rights. Prophet Mohammad says:" Oh Muslims, don't envy each other, don't fight each other, and don't hate each other, live together like brothers all the time, Muslims are brothers, they don't oppress each other, and they don't underestimate each other. Faith is in the hearts (pointing to his chest three time), Muslims' blood, properties, and honor are forbidden"(Abu-Al-Hossin n, d, 1986), this treatment is divided into two different means, preventive and therapeutic.

5.2.1. The preventive means: The following means can protect the Moslem society from corruption and its consequences:

5.2.1.1. Islamic Sharea takes care of the balance between mind, body, and spirit of Moslems: It also opens the doors of legal (Halal) business and closes the prohibited ones (Haram). In this case people can meet their instincts in a proper way. If there is something prohibited, there are many other allowable things. When Riba, for example, was deprived, many other legal doors were opened instead. Allah says "Allah has permitted trading and forbidden usury"(Holy Quran, Albaqrah, and Verse 254).

5.2.1.2. Islam has set some important rules and values for recruiting and employing workers which can be considered a good tool to be away from corruption like honesty and the concept of "right man in the right place".

5.2.1.3. Islam always spreads the knowledge that clarifies the danger of corruption and stealing the state treasury. It also encourages the value of the positive asceticism and to be always away from suspicious deeds. Prophet Mohammad says: " Halal and Haram are always obvious, but there are some doubtful things. Those who avoid these things will gain his faith and honor, but those who fall in it, they really fall in Haram.

There is an organ inside the human body that your good or bad fate depends on, that is the heart "(Abu-Al-Hossin Ibid,1219). There are several ways to apply these values in the society, starting from the families, schools, universities, mosques, media and other things.

5.2.1.4. Approval of penalties like theft and murder: Islam has determined that the penalty of theft is hand cut. Allah says "[As for] the thief, the male and the female, amputate their hands in recompense for what they committed as a deterrent [punishment] from Allah"(Holy Quran, Almaidah, Verse 38). This penalty had been executed at Mohammad's time when he cut the hand of a woman from Bani Mahkzoom. Aisha (Mohammad's wife) reported the story when she said that the people of Kuraish tries to ease the penalty through Osamah, one of the closest people to Mohammad, but Mohammad refused because this penalty comes from God. He added" Oh people, previous nations were perished because they were punishing poor and weak people but not the sharifs. I swear by God that if my daughter, Fatimah, commits a theft; I will cut her hand "(Abu- Al-Hossin Ibid, 1331).

As for murder, Islam adopts one of the penalties that are mentioned in Quran. Allah says "Because of that, we decreed upon the Children of Israel that whoever kills a soul unless for a soul or for corruption [done] in the land - it is as if he had slain mankind entirely. And whoever saves one - it is as if he had saved mankind entirely. And our messengers had certainly come to them with clear proofs. Then indeed many of them, [even] after that, throughout the land, were transgressors. Indeed, the penalty for those who wage war against Allah and His Messenger and strive upon earth [to cause] corruption is none but that they be killed or crucified or that their hands and feet be cut off from opposite sides or that they be exiled from the land. That is for them a disgrace in this world; and for them in the Hereafter is a great punishment"(Holy Quran, Almaidah, Verse 32-33).

5.2.1.5. Tazeer: which is a penalty for any disputable sin or guilt (Amaikan 1405 H,8). The penalty in this case could be corporal like whipping or prison; or psychological like scolding or abandoning (Bikeer 2003,390), Or financial like damaging, changing, or owning. Damaging includes destructing any prohibited place like idols, amusement devices, pubs and jars of wine, books of disbelief, porn movies, pictures, statues, and so on. Changing includes fake currencies and curtains that have photos. Owning includes expropriation of any prohibited items like stolen things and leave it or its values to a charity (Ibn Taymeyah 2005, 113-119).

5.2.1.6. Retribution: It happens in killing somebody or hurting part of his body intentionally (murder). Allah says: "And we ordained for them therein a life for a life, an eye for an eye, a nose for a nose, an ear for an ear, a tooth for a tooth, and for wounds is legal retribution. But whoever gives [up his right as] charity, it is an expiation for him. And whoever does not judge by what Allah has revealed - then it is those who are the wrongdoers"(Holy Quran, Almaidah, Verse 45). Or unintentionally (manslaughter) Allah says "And never is it for a believer to kill a believer except by mistake. And whoever kills a believer by mistake - then the freeing of a believing slave and a compensation payment presented to the deceased's family [is required] unless they give [up their right as] charity. But if the deceased was from a people at war with you and he was a believer - then [only] the freeing of a believing slave; and if he was from a people with whom you have a treaty - then a compensation payment presented to his family and the freeing of a believing slave. And whoever does not find [one or cannot afford to buy one] - then [instead], a fast for two months consecutively, [seeking] acceptance of repentance from Allah. . And Allah is ever Knowing and Wise"(Holy Quran, Alnisa, and Verse 92). Based on these facts we can recognize the prominent attributes of Islamic penalties:

(1) They are divine. Only Allah who knows what makes people good and how to protect them from corruption. Divine penalties are so deterrent that nobody can think of committing crimes.

(2) They rehabilitate perverts to become good citizens in the society. So Islamic penalties are just a mercy for people, a protection for the state, and a shield that saves people from falling in sins.

(3) They can achieve the interests of nation and defend it from any kind of corruption. Penalties secure the five needs of human being: Penalty of apostasy to secure faith, retribution to secure life, cutting hands to secure properties, adultery to secure posterity, and the penalty of drinking wine to secure minds.

5.2.2. The treatment protocols are used when the preventive ones do not work: Islamic treatments aims at rooting out corruption from society. They can be divided as follows:

5.2.2.1. Fighting the concept of hoarding money: Allah creates money to be circulated among people for their benefits. So, Islam prohibited hoarding because it prevents society from the economic circulation, and for this reason, Islam imposes on hoarders a particular tax called "Zakat" which is 2.5% of the total money regardless of age, gender, or rationality. Mohammad says: "Everybody who has money must invest it so as not to be eroded by charity and Zakat" (Altirmithi 1989,25).

This Zakat works as a strong incentive to invest money. There are lots of ways to invest money in Islam. Money can be invested in business, industry, agriculture, and many others. Omar Bin Alkhatib says: people must do three kinds of travelling, Pilgrimage (Hajj), Umrah, and investing money. I prefer to die in one of these three travelling than to die at home (Alkhalal 1987,62). Fighting hoarding and encouraging investment has many advantages such as decreasing unemployment. Some people have much money but they don't know how to invest their money. Here they may find a partner to invest the money in business. This of course would be for the interests of both sides. The owner of money pays Zakat from the profit of business, and the investor can find a job.

5.2.2.2. Fighting monopoly: Monopoly means a control of producing and distributing a certain product by one producer or a group of producers to get internal and external privileges, and to gain unusual profit. There are many evidences that Islam has prohibited monopoly. Mohammad says "Those who practice monopoly are wrong" (Abu-Al-Hossin Ibid,1227). Islam also prohibited all kinds of monopoly whether they are in food, in gold, or in clothes because it hurts people, and anything hurts people is forbidden in Islam (Alsanani 1960,25).

Conditions of forbidden monopoly: Islam looks at monopoly as a social disease, and so it is prohibited. It is not fair to be rich without making enough effort. Islamic state must intervene to prevent this phenomenon and to force any monopolist to sell. The conditions of forbidden monopoly are (Ibn Qodamah 1405 H. 305):

1. When the goods are bought from the local market; but if they are imported from abroad, they cannot be considered monopoly.
2. When the goods are the basic needs of people.
3. When the monopolist hurts people especially in the crises.

Bad effects of monopoly (Aljoany 2005, 290-292):

1. Monopoly controls the entire market, imposes high prices on the customers, and determines the quantities of goods that are going to be displayed. This action will of course eliminate the freedom of trade and industry.
2. Monopoly kills the spirit of competition, and this leads to failure in the development of products.
3. Monopolist usually resorts to damage certain goods to keep the prices too high.
4. Monopoly leads to what is called "black market" in which some people collect the whole items and sell them in high prices. As a result the gap between social classes widens more and more.
5. Monopoly creates big business companies that can make a tremendous pressure on governments and impose certain policies that serve their interests. Such companies are spreading all over the Islamic World.

As a result, the developing countries had lost \$ 3.31 billion during the period 1974-1997 (Akkaz 2008, 448).

6. Monopoly violates the freedom of compromised trade between the parties of any contract. Rightful profit must be based on risk, while monopoly is based just on time, and that is not accepted by Islam.

In spite of all these effects, the researcher believes that monopoly has some advantages especially in large industries and decreasing cost where people can be protected from monopoly, and the national economic and social security will be maintained.

5.2.2.3. Fighting bribery: Bribery is the most prominent feature of economic corruption. It is something given to the one who has the power (bribed) by somebody (briber) through somebody else (broker bribery) (Alghaliby ibid, 364). All of those three people are cursed by God. Mohammad says: "Allah curses the bribed and the briber" (Altirmithi ibid, 623).

Bribery is used for many purposes. It may turn the right into unfairness, or turn the injustice into justice, or it may be used to accelerate some transactions or to impede a judgment, or to buy votes in elections, and so on (Alghalibi *ibid*,365). Islam is always fighting bribery for its great dangers. It is a severe social disease that may destroy the whole society. Mohammad says: "What has been presented to you when you are in a formal position is not yours. Would you be presented these gifts if you stayed at home without a job. I swear by God that anybody who gets such gifts will carry them on the Day of Judgment on his neck, whether it is a camel or a cow or sheep" (Abu-Al-Hossin *ibid*,1463).

5.2.2.4. Prohibiting usury (Riba): Hanafiyah defined usury as the act of lending with interest and receiving something for nothing (Alsarkhasi 1986, 109). Alshafiyah defined it as "A contract between parties, one of them pays something and retrieves something more of the same kind" (Alhaitami 2001, 103).

Usury is also prohibited in Quran. Allah says: "Allah destroys interest and gives increase for charities. And Allah does not like every sinning disbeliever" (Holy Quran, Albaqarah, Verse 276). Prophet Mohammad also says: "gold for silver is usury, wheat for wheat is usury, barley for barley is usury, and dates for dates is usury" (Abu-Al-Hossin, *ibid*, 1209). Effects of usury: Usury is prohibited in Islam and in the ancient nations before Islam because of its dangerous effects on the economy. So it looks like a germ that can spoil any economic system. The major effects of usury are:

(1) It is the major reason of the economic cycles that the world witnesses every now and then. The main purpose of the seller is to get as much profit as he can. When he feels of weak demands for his purchases, he stops importing goods, the factories decrease their products, the moneylender stops their loans, unemployment prevails, the government's decreases expenses, and then a new stage of economic recession begins. Here we have to wait for another stage of production (Akkaz *ibid*, 459).

(2) Usury decreases investment and production. Any investor cannot establish his project unless the ratio of his project is higher than the profit ratio, otherwise he will change his mind and save his money in the bank (Akkaz *ibid*, 460).

(3) Usury is the main reason for inflation. It is used with a high rate of profit that makes producers raise the prices which hurts the fixed-income individuals (Aljoany *ibid*.³³⁶).

Capitalists these days recognize the danger of usury as the reason for many economic crises around them. They start demanding to exclude it from their economic system. Moris Allei warns that the world economy is about to deteriorate because of indebtedness and unemployment. He suggests that a zero-rate profit is the solution for these problems. He also suggests a 2% tax which is so close to the rate of Zakat in Islam. It seems that this economist is calling for the Islamic treatment for any economic crisis (Kandugji 2008, 33). The British economist "Kenz" declares that decreasing the interest rate will enhance investment and reduce the dependence on the interest rate (Akkaz *ibid*, 349). When Islam had prohibited usury, he approved many other alternatives that are based on legitimate principles like interest-free loans and other kinds of trades.

5.2.2.5. Pillar of Zakat: It is an obligatory alms-giving tax paid by rich people according to the following conditions: ownership, minimum threshold (nisab), a year passes while one's zakatable wealth sustains the minimum threshold, and growth of money (Qaradwi 2005, 96-363). Zakat is to be paid to certain people who are mentioned in the Holy Quran. Allah says: "Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise" (Holy Quran, At – Tawbah, Verse 60).

Zakat in Islam aims at achieving the following purposes:

(1) It encourages the idea of credit because it is one the most important tool of Islamic monetary policy. Zakat maintains cash money for so many people in the country including what is called "debtors" (Ibn Manthoor *ibid*,436) who are unable to pay their obligations, providing that their trade must be legitimate (Qaradwi *ibid*, 420 – 427). There is a special way for those debtors to solve their problems through zakat budget. This of course encourages the idea of credit and it is supported by the government. Mohammad says: "I am who is responsible for any Moslim. If he leaves money, it is for his family, but if he leaves a debt, I pledge to repay" (Abu -Al-Hossin *ibid*, 592) So, we can say that zakat encourages credit and this, of course, activates economy (Alassal 1980, 113).

(2) Zakat fights inflation: Inflation is the continues rising of the prices because of lack of balance between production and consumption, and between saving and investment. This is so because of either the weakness of productive abilities, or the rise of expenses (Yosri 1979, 241).

Zakat in Islam is a 2.5% deduction from Muslim total possessions of gold and silver. The price of these items rises in the case of inflation (Donya 1985, 269), It is also deducted from agricultural products and animals like cows, sheep, and camels no matter what their prices are. Zakat also fights money hoarding and encourages investments in different trade fields and activities regardless of the inflation or the interest ratios. The differences of the ratios can affect the supply and demand circulation, and then change the market.

The prefect can collect Zakat in the form of cash and give to people as items, and the vice versa. In the case of inflation, Zakat could be collected in cash and give it in items, and here huge amounts of cash money will disappear and not be reachable. This process also increases productivity and investment when the capital is available for anybody who wants to do a craft or a business (Qaradwi *ibid*, 386). And this of course will decrease prices and reduce inflation. The government may delay collecting Zakat to reduce the consumption if this consumption is the cause behind high prices. The government may also accelerate zakat to increase production and enhance investment (Eisa 1993, 327).

5.2.2.6. The economic role of Islamic state: The state in Islam is an important organization that can solve the problem of corruption through providing the following services:

(1) Securing social security to the people (Alnabhan 1984, 38). The Islamic state is fully responsible for securing the basic needs for its citizens if they are unable to secure these needs, regardless of their faith or nationality (Alfangari 1980,101). Zakat is the most prominent achievement Islam has founded for poor people to secure their lives and to find jobs for them. Therefore, Islam is waging war against those who do not pay it. The good example about that is what Abu Baker Assidiq had done for those who refrained from paying it.

(2) Islamic state is responsible for private projects. Islam gives absolute freedom for anybody to invest his money and practice any kind of business to increase it. The only condition here is to be committed to the teachings of Islam. If not, the state will not protect him and he will be punished and stopped for the interests of others (Alnabhan, *ibid*, 361). It is the duty of the state to observe and follow-up any act of earning money that violates the teachings of Islam. This unlawful money is transferred into the state treasury. It is also the duty of the state to protect people from each other and to prevent any kind of harm that may hurt individuals or society. Oseid Bin Hatheer, for example, had a piece of land that used to bring one thousand Dirham and he was owed. When he died, the creditors tried to sell the land to get their money; but Khalifat Omar Bin Alkhatib refused and asked the creditors to regain their money in payments of one thousand Dirham a year, and they accepted the offer (Althahabi 1993, 342).

(3) Organizing the economical life of people is one of the duties of the state. To achieve this goal, Islam created what is called "Hisbah" that is responsible for controlling the market, helping people, and preventing any kind of defects like cheating, oppression, corruption, betrayal, or cheating in weights. The state also controls the currency of the state as a sign of independence (Almomani 1987, 23) .and to prevent any kind of counterfeiting currencies. Khalifat Omar Bin Alkhattab, for example, stopped selling silver until it becomes free from impurities like iron or copper (Alkasawi 1981, 440).

(4) Achieving economic balance among all people. Allah says: "so that it will not be a perpetual distribution among the rich from among you"(Holy Quran, Alhashr, and Verse7).

We can conclude from the above that Islam maintains a decent living for all people in the state regardless of his faith and nationality, freedom to own property and wealth, fighting money hoarding, preventing social and economic classes, and treating any defect on the economic balance by redistributing resources.

6. Results

1. Corruption is existed all over the world, not limited to the community without the other, or culture without the other.

2. There are different causes for corruption. They could be political, social or economic, but the human factor plays the essential role in all these factors.

3. The Economic Effects of Economic Corruption such as reducing investment rates, and reducing the budget of the government.

4. Both economies: Capitalism economy, and economy of Islamic, a situation in a number of ways to fight economic corruption, in the Capitalism economy was finding some institutions dealing with the fight against corruption, such as International Transparency Organization, noting the treatment in the Islamic economic is different from the treatment in the capitalism economic for corruption, such as usury and monopoly.

7. Recommendations

1. There must be concerted efforts all within a single country to reduce the phenomenon of economic corruption.

2. Also needs to be greater cooperation between the countries at the level of continents and the world to reduce the phenomenon of economic corruption.

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