



A Study of Economic Federalism from the Perspective of Islamic Economy with Emphasis on the Early Experiences of Islam

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Abstract

Economic federalism, one of the executive mechanisms to achieve distributional justice or social justice, that is significant in Islam, has not been included in the literature of Islamic economics as it should be. Therefore, the question is: Is the federalization of the economy compatible with Islam? This research, carried out by the analytical-descriptive method and using Islamic texts and experiences of early Islamic governments, tries to find a correct answer. The research results indicate that economic federalism achieves the goals of the Islamic economy better due to its effective function in expanding social justice, balanced development, and progress of different regions of a country. Therefore, economic federalism is not only incompatible with the Islamic economy, which is based on its principles such as "targeted intervention of the government in the economy", "distributive justice" and "public participation", and the two principles of "public welfare" and "regional justice" in the form of economic federalism is better observed.

Keywords: *Economic Federalism; Financial Federalism; Market Federalism; Islamic Economy; Social Justice; And Regional Justice*

Introduction

One of the acute issues of the economy of countries, especially the economy of Islamic countries, which are classified in the group of developing or less developed countries, is the uneven development and economic inequality between different regions of a country, which is somehow related to the economic inequality between individuals and households and the deepening of the class gap as a result, social injustice is related. In terms of finding the root causes of this problem, centralism and a holistic view in decision-making are important options that cannot be ignored; This an issue that causes economic policy-making and planning to take place from the center for the whole country without the regional conditions and needs being well understood and felt and the people's opinion is directly considered in the economic decisions.

Economic federalism, considered independent of political federalism in recent decades, is part of the proposed solutions to solve the problem of nondevelopment of countries in the first stage and to solve the problem of unbalanced development in a country in the second stage. In this idea, the federalization of a country's economy simultaneously helps the economic development of that country and spreads economic development in a balanced way throughout the country. Global experience shows the success of a group of countries with a federal system and the failure of another group to achieve development, especially balanced development, which is of particular importance from the perspective of Islamic economics.

In this article, which was carried out in a descriptive-analytical method and using documentary sources, economic federalism was investigated from the perspective of the Islamic economy to answer a basic question in this field, and that is, does the Islamic economy reflect economic federalism? To answer this question, several perspectives have been considered: The first perspective deals with the concept of economic federalism, and the second perspective examines economic federalism from the perspective of the goals and basic principles of Islamic economy and which concept of economic federalism helps the goals of Islamic economy in the framework of its foundations and principles. The third direction refers to some biographical and historical evidence and examples from the beginning of Islam that indicate a kind of economic federalism. First of all, a review of the background of the research is necessary.

Background of the Research

Economic federalism is one of the new topics in Islamic economics and until now enough literature has not been formed about it. Nevertheless, there is research on the federal performance of some Islamic governments in the past and today, which implicitly includes economic federalism. Islam and federalism, federalism in the Islamic state, federalism from the point of view of jurisprudence, federalism in Iraq, Lebanon, and other Arab countries, and federalism in Afghanistan; These are the titles of research and works in which political federalism has been studied from the point of view of jurisprudence, history and objective conditions of some Islamic countries. Among these issues, financial federalism has also been mentioned, which is considered a part of economic federalism. In the specific subject of economic federalism, we can only mention the book "Economic Federalism" by Mohsen Rezaei (2010), which is recommended for Iran's economy. Although this book is related to the topic, it lacks an Islamic approach. The innovation of the current research is that it has examined economic federalism with the approach of Islamic economics.

Research Concepts

Economic federalism divides a single country into different economic sectors and leaves each sector's economic management to itself. In other words, economic federalism means the division and distribution of powers in economic fields between the central government and local units (Anderson, 1945, pp. 30-40). Local units are the most important cells of the people's economy, where economic powers are concentrated. Economic federalism can operate separately from political federalism and can be within it (ibid.). What is important in economic federalism is reforming the existing management structure at the economic level. If until now the economy of a country was managed in a centralized way, in the new structure it will be managed federally and each economic area will make independent economic decisions for itself and benefit from the economic advantages of its area.

Economic federalism emerges in two places: one, in public revenues and expenditures, and the other in private sector activities. The first case is called financial federalism, based on which, the decision on the preparation and allocation of public revenues of each region is left to the local governments, and the central government only supervises, guides, and supports. The second case is called market

federalism, based on which the private sector of each area operates within the framework of the rules and regulations of that area is only accountable to the local government, and does not obey the central government.

1. Financial Federalism

Financial federalism is the concept of fair distribution of financial powers between the central government and local governments in such a way that each of the central and local governments has specific legal powers in the field of collecting financial resources and spending them (Economic Studies Center, 2008, p. 4). There are different types of financial federalism, ranging from complete financial autonomy to relative autonomy.

Full financial autonomy: it is an arrangement based on which local governments obtain full authority in terms of public revenues and expenditures in the areas under their jurisdiction; They get sources of income from taxes, fees, and borrowing and spend on current affairs and construction of the region. The central government does not interfere in the provision of public resources, but in allocating them, it may ask the local governments to pay the common public expenses (Al-Massîtah Al-Dawrahi llel-Democracy and Elections, 2015, p. 16). Although this type of fiscal federalism gives the highest level of fiscal freedom to local governments, it may also have negative consequences, including economic inefficiency, competition to lower tax rates to attract investors to invest more, and reducing public services. The huge economic gap between the local units and the weak central government is dependent on the local governments. Therefore, this type of federalism rarely happens (ibid).

Authority to increase revenue: One of the common cases in fiscal federalism is giving local governments the authority to collect some taxes. For example, in the basic laws, some types of taxes that may be exposed to the negative competition of local governments are assigned to the central government, such as income tax and investment profit tax; But the decision on some other taxes, such as real estate taxes, is left to local governments (Bulmer, 2017, p. 31).

Borrowing authority: A type of fiscal federalism is granting borrowing authority to local governments to provide the required income. The amount of borrowing, how to guarantee it, and the expenses are determined by the law (ibid). Authority to distribute revenues: In this type, the authority to divide and distribute revenues is delegated to local governments. The tax rate may be set by the central government to be the same for all states to prevent the negative competition of local governments, but the allocation and distribution of the revenues of each region will be left to the local government. It is even possible that the revenues are collected in the treasury of the central government, and then, based on the revenues of each region, the number of its population, or the needs of each area, the budget is placed at the disposal of the local government (International Institute for Elections, 2015, p. 16).

Authority to receive federal financial aid and loans: Sometimes local governments lack internal revenue sources and need foreign aid and loans. The central government is the most important source of these aid and loans. The federal government solves the financial needs of local governments through grants or loans. This issue may reduce the degree of independence of local governments because the granting of aid and loans is accompanied by the imposition of conditions by the donor and the lender (Watts, 2006, p. 58).

2. Market Federalism or Privatization

This kind of federalism is carried out in two stages: in the first stage, the economy is handed over to the private sector, even in many public goods and services that the private sector has sufficient motivation to enter, and the complete type of privatization is implemented. In the second stage, the support, guidance, and supervision of the private sector of each region is entrusted to the local government so that the local conditions and requirements are well respected.

The above cases include the importance of what is called economic federalism today. If we want to examine them from the Islamic economic point of view, we must measure them with the foundations and principles of the Islamic economy.

Foundations of Economic Federalism in the Islamic Economy

Economic federalism in the Islamic economy has its roots in the main issues of the Islamic economy, based on which the federalization of the economy is justified. Islamic economy, as a collection of schools, systems, and science (Ansari, 1401, p. 39), aims at the fair distribution of wealth and income among people to benefit everyone from reasonable and permissible welfare and comfort within the framework of Sharia (Rajai et al., 2018, pp. 201-241). The mechanism of fair distribution of wealth and income in the Islamic economy is embedded in the property structure in Islam, especially the ownership of natural resources and primary wealth and the share of production factors in the Islamic market (ibid., p.p. 133-174 and 175-200).

Any kind of federalization of the economy is justified if it helps to realize these things as the main issues of the Islamic economy, otherwise, there is no reason for it. Because economic federalism emphasizes the role creation and greater participation of people in the economy in the shadow of local governments, it finds common ground with the Islamic economy and can focus on three basic issues of the Islamic economy, which are "targeted intervention of the government in the economy", "distributive justice" and "Everyone's participation" should be established.

1. Targeted Government Intervention in the Islamic Economy

In the Islamic economic system, the government is allowed to interfere in the economy, because it has important economic goals that cannot be achieved without constructive economic intervention. Interference can be in two forms, direct (management) and indirect (guidance, support, and supervision), which is a priority with indirect interference and direct interference is limited to specific cases. In connection with the discussion, government intervention in the economy should be minimal or maximal. Islamic thinkers have two different views. Some people think minimal involvement is used in Islamic texts, while others have understood maximum involvement.

"Ibn Khaldun" and "Munzer Qahf" can be mentioned as representatives of the view of minimal government intervention. Ibn Khaldun is a supporter of economic freedom and against the direct intervention of the government in the economy. From his point of view, the government's involvement in economic activities is a big mistake and harmful to people's condition in various aspects (Ibn Khaldun, 1992, Vol. 1, p. 296). Ibn Khaldun's approach to government intervention in the economy is supervisory and supportive. In his opinion, the government should only provide the background and conditions for the economic activities of the private sector remove the obstacles, and not interfere more than that (ibid., p. 247).

Munzer Qahf also emphasizes that the current Islamic government should move within the framework of the principles and standards accepted in the first Islamic government, of the Prophet's (PBUH) government, and has a minimal and strict view of the government's financial policies and its involvement in the economy. Qahf's argument is based on respect for private property and he believes that neither the government nor any institution has the right to encroach on private property except in cases where there is a Sharia text (Qahf, 2014, p. 196).

In contrast to the theory of minimal government intervention in the economy, another point of view assigns a wide role to the Islamic government, at least theoretically. In this view, the Islamic government has extensive properties, powers, and duties in the economy, which allows extensive supervision and/or intervention in these fields (Doctoral and University Cooperation Office, 1374, p. 169). Also, any matter that is in the interest of a Muslim individual or the Islamic community and its

realization is not possible without the exercise of the state's vilayat in the form of supervision, guidance, or intervention, the Islamic State has vilayat in that matter (Imam Khomeini, 1991, p. 123). Expediency may require that the Islamic government does not interfere in the economy and is satisfied only with the duties intended for it in the fixed provisions, or that it has moderate interference, or that it takes over the entire economy. It depends on the extent to which interests are observed and the extent to which the purposes of the Sharia are fulfilled in the economic activities of the people (Rajai, 2014, p. 63).

Some researchers have tried to combine these two points of view and put forward a third opinion in the form that the government is allowed to interfere as much as possible in indirect interventions such as legislation, guidance, supervision, and policymaking. However, in direct interference, especially in management, although it is not limited in terms of Shariah powers as far as expediency requires, the general policy of the Islamic State in such cases is to avoid direct interference and leave matters to the private sector (Ansari, 2009, p. 80). With this view, the possibility of summing up between two views is also provided, and that is that the view of minimum interference refers to the government's tenure, and the view of maximum interference refers to the permissible scope of interference from the Sharia point of view. If we consider expediency as the criterion of the government's intervention in the economy, a better common ground for the two views is found, namely that wherever expediency requires maximum intervention, maximum intervention is allowed, and wherever minimal intervention is required, it should be sufficient. Normally, in the position of guidance, supervision, and support, maximum interference is expedient, and in the position of management, minimal interference.

With this statement, it becomes clear that economic federalism in Islam is also based on expediency. If expediency demands that the Islamic government give more duties and powers to the provincial and local governments, it must do so, otherwise it has not fulfilled its shari'i responsibility. Also, if it is expedient to leave the decision-making about public income and expenditure to the local governments, or even to entrust some of the public responsibilities to the private sector under the supervision of the local governments, then it should be done.

Because usually, the governments of each region and locality, have more authority on regional and local issues and can have better communication and interaction with the people, they both closely supervise and are subject to the direct supervision of the people; They are more efficient than the central government, which manages and controls affairs from the center or by its low-motivated agents. Therefore, the government's targeted intervention in the economy, in many cases, requires economic federalism unless expediency requires otherwise. In other words, economic federalism, whether in the form of financial federalism or the form of privatization and transfer of some public goods and services to the private sector, is more compatible with the government's targeted intervention in the economy than control from the center, because the goal of the Islamic government's intervention in the economy is to guide the sector. It is private, supporting and monitoring it, and all these are better achieved through local governments, because these governments are created from the context of the people, they have more access to the people, and there is more possibility of interaction between them and the people.

2. Distributive Justice and Social Justice

Distributive justice in the Islamic economy has three specific domains, which are: distributive justice before production (distribution of resources, opportunities, and facilities), distributive justice during production (contribution of production factors), and distributive justice after production (redistribution). Pre-production justice includes the fair distribution of the main factors of production such as land, mineral resources, water, and other natural resources (cf. Sadr, 1987, p.p. 415-542). Distributive justice in production means fair distribution of production factors (Rajai et al., 2018, p.p. 175-20). Also, not paying part of the property to the poor and deprived, preventing the payment of the needy and deprived, close relatives, orphans and the poor, drunkenness, wastefulness, extravagance, encroachment on other people's property, and generally not observing divine limits in behavior, laws, and economic

relations are examples of unfair behavior in the Islamic economic system (Rajai, 2012, p. 35).0), balance and proportionality in production factors, optimal allocation of factors, and observance of divine limits in the production process (Rajai, 2012, pp. 34-35). Justice in distribution means the distribution of wealth and income among all groups of society and not concentrating it in the hands of a particular group (Karmi and Deirbaz, 2010, p. 84).

The trustee directly responsible for the realization of distributional justice in Muslim societies is the Islamic government. The Islamic government has the responsibility to follow up on this issue at the two levels of the government and the people. At the government level, choose a method of governance that will lead to the promotion and expansion of distributive justice and its protection in society. If this can be achieved better through a centralized and integrated governance method, then choose it, and if it can be better realized through federal governance and local autonomies, then implement it. Considering that local governments may have more motivation and access, they are considered a more appropriate option to achieve the goal of distributive justice.

At the people's level, the government should avoid taking ownership and activate the private sector by making the people widely participate in economic activities, and should only take on the task of guiding, supporting, and monitoring. From the point of view of distributive justice, the government should provide conditions for all people to have fair access to natural resources, production opportunities, and facilities, factors participating in production have a fair share in production products and those who, for any reason, do not participate in production and value creation. survivors, through redistribution, make them also benefit from the benefits of production to the extent of meeting their conventional needs. Since it is easier and less expensive to achieve distributional justice through local governments and leave the economic decisions of each region to its people, it can be a basis for economic federalism.

In addition, economic federalism helps distributive justice and social justice because it is a method for the fair distribution of opportunities in economic federalism, peripheral and marginal regions are given the same opportunity as the center to decide on their economic development and in line with it. This issue helps to increase the productivity of the production factors and ultimately strengthens the production and income in the surrounding areas and reduces the income gap between the people in the surrounding areas and the center. Also, creating equal social and economic opportunities for training and acquiring skills and access to financial and physical capital for the people of the surrounding areas paying attention to the capacities and relative advantages of each state and locality, and strengthening the foundations of the local economy will lead to new capacities for production and investment. to be formed in the regions (Rezaei, 2009, p.p. 172-173).

3.Public Participation

Islamic economy is a cooperative economy in terms of production distribution and consumption. The structure of the Islamic economy is such that the members of the society are encouraged to participate in the production and creation of value unless someone can participate. Also, the individual of the society is responsible for providing the consumption needs of himself, his family, and the needy of the society from the excess of his and his family's needs. Therefore, the Islamic economy is both in terms of production and distribution. The promoter and supervisor of both types of participation is the Islamic government, which puts the private sector on the path of fair production and distribution by providing legal, technical, and physical infrastructures.

The Islamic government should choose a mechanism for governance that can provide the most grounds for the participation of all people in decision-making and economic activities. If it is proven that economic federalism is the best mechanism that can fulfill the above goal, then the Islamic government is indispensable, otherwise, it has not fulfilled its Islamic duties. The experience of many countries has shown that in federal and decentralized models, the fields of participation are more than in non-federal

and centralized models. This issue becomes more and more important in societies that are faced with a lot of rejection norms or in multi-ethnic societies that have a history of conflicts and differences, such as the tribal society of Afghanistan (World Bank, 2015, p. p. 53-54).

In sum, the basic goal of the Islamic economy, which is social justice, cannot be achieved without the targeted intervention of the Islamic government and the participation of all people. The targeted intervention of the government and the participation of all people requires a decentralized and federal political and economic structure, or at least in federal conditions, we can expect a better possibility of intervention with people's participation.

Therefore, it is reasonable and acceptable to focus economic federalism on the main goal of the Islamic economy and its realization mechanisms.

Federalism arising from Islamic foundations should be formed and continued within the framework of principles appropriate to the foundations.

Principles of Economic Federalism in the Islamic Economy

Federalism in general and economic federalism, in particular, have general and common principles such as the principle of division of power and jurisdiction, the principle of local independence and autonomy, the principle of national unity and integration in the cause of local diversity, and the principle of participation (Hueglin and Fenna, 2015, p.p. 16-46) which are necessary for any kind of federal system. What distinguishes economic federalism in the Islamic economy is the priority of public interests over individual interests (District and University Cooperation Office, 1995, p. 165) and the priority of economic justice over economic growth (Bidar, 2017, p. 248). For this reason, some Islamic economic thinkers have considered economic justice as a condition for development and not as a condition for economic growth (Sadegh and Ghazali, 2015, p. 105). The two principles of public interest and regional justice justify and guide economic federalism in the Islamic economy.

1. The Principle of Public Interest

interest is the basis and consistency of possession of public property (Nazari and Gilak Hakimabadi, 2012, p. 162). Because the public needs are extensive and its financial resources are limited, expediency is necessary for the optimal allocation of resources. The Islamic government has a legal duty to allocate and spend public property in the most necessary cases in order of importance and priority and in the most efficient way in terms of productivity and impact. There is no need to prove that the principle of public interest is better observed in the localization of public finance than in its centralization because localization makes the needs and necessities be identified more closely and accurately, the expenses hit the targets, and the people participate in solving their problems. be more effective and increase cooperation and mutual trust between people and local government. All these things help to observe the principle of public interest.

2. The Principle of Regional Justice

Some hadiths and jurisprudential views emphasize the regional and local allocation of financial resources resulting from Sharia taxes. It is narrated from Imam Sadiq (a.s.) that he said: "The method of the Messenger of God (PBUH) was that he divided the zakat of the villagers among the villagers and the zakat of the city dwellers among the residents of the same city." (Har Ameli, 1988, vol. 9, p. 285) From this hadith, a type of financial federalism is deduced in the framework of regional justice. Nazari writes in this context: "Islamic financial system is based on local finance; Although local finance is flexible in Islamic thought and changes with the capacities and abilities of each government; But the investigation of public funds and property, especially zakat, confirms that it is local to a large extent." (Nazari and Gilak Hakimabadi, 2003, p. 165)

Some Shia jurists also emphasize that zakat must first be distributed among its beneficiaries at the place of receipt. This issue has been stressed to the extent that they have issued a fatwa if someone transfers zakat to another place despite being entitled to it and it is lost during the transfer, he will be the guarantor of it (Imam Khomeini, Beta, Vol. 1, p. 343 and Yazidi Tabatabai, 1998, vol. 4, p. 142).

It should be noted that there is a difference between zakat and other public resources such as khums, anfal, and public donations. Zakat is a shari'a tax that has specific uses, and the Islamic government, as the person responsible for its collection and distribution, must use it for those special uses with the priority of local consumers. Still, other resources are established for governance and the decision on how to use them is with the government. Despite this difference, it is natural that in the distribution of public property, the people who are closest to it have priority over them (Nazari and Gilak Hakimabadi, 1962, pp. 165-166).

From all these, it is understood that the people of each region and place have priority in public resources compared to the people of other regions of the Islamic society. As long as there is a need to allocate resources in that region, the resources should not be transferred from there to other places.

So far, it has been tried to show that the foundations and principles of the Islamic economy are flexible to economic federalism. If economic federalism as a mechanism can achieve the basic goals of the Islamic economy better, it has the foundations of the Islamic economy and is compatible with its principles. Now it is necessary to collect and examine the empirical evidence of this case from the governments of the early days of Islam.

Examples of Economic Federalism in Early Islam

Even though the early governments of Islam were simple and straightforward, signs of handing over and delegating authority can be seen even in the government of the Holy Prophet (PBUH), which was initially limited to Madinah and its surroundings. With time, when the territory of the Islamic government expanded and new lands were annexed to it and provinces and emirates were created, the cessions and autonomies also became more and deeper.

Regarding economic federalism, it should be noted that at the beginning of Islam, the governor of each region was responsible for collecting Sharia taxes and spending them for the people of that region and neighborhood. The organization of public services in Sadr Islam, while it was not devoid of centralized management from the perspective of policymaking and macro-supervision, was mainly based on a regional and local approach in terms of equipment and resource allocation. Emphasizing the absolute priority of allocating zakat of wealth and zakat of al-fitrah of any region to the needy of the same region and prioritizing regional needs in allocating other incomes of Bait al-Mal are clear signs of the existence of this feature in the head of Islam. In this context, we can refer to evidence from the time of the Prophet (PBUH) and the Caliphs.

1. Economic Federalism During the Time of the Prophet (PBUH)

There are claims that the initial nuclei of a kind of federal system were created during the time of the Prophet of Islam. The evidence they have stated is that not only did the Prophet not remove the leaders of the new Muslim tribes and tribes from the leadership of their region and tribe, but they also accepted their organizational and administrative status in the same initial state and only emphasized on the application of the principles and the general framework of the religion and the provisions of the Sharia. They did (Abd al-Latif and Al-Kilani, 2017, p. 253). Also, by approving the Madinah Charter or Sahifa, the Prophet (PBUH) initiated a kind of federalization of nations and tribes and recognized the rights of nations and even followers of different religions in the form of a political system, which was a kind of federalization (Danesh, 1980, p.p. 91-92). Some of the articles in Medina newspaper were related to financial regulations, in which a kind of economic federalism is observed. In those articles, His

Holiness established the payment of *Diyeh*, the ransom of captives (the cost of freeing captives) and the provision of food and basic goods needed by the people, both Muslims and non-Muslims, in the conditions of war and foreign aggression as the most important public expenses of that time based on the cooperation and cooperation of the people. Karmi, 2006, p. 146). He entrusted the provision of public expenses to the private sector; Something that today is referred to as market federalism or privatization.

After emigrating to Madinah, the Prophet designated a place as a market where people could trade and said: "This is your market and no one has the right to charge you for it." (Ibid.) This issue and the previous article show that the Prophet (PBUH) was not only interested in the market economy and the activities of the private sector, but also tried to entrust the provision of public goods and services to the private sector, if possible, which expresses the full type of economic federalism.

Another thing that indicates economic federalism at the time of the Prophet (PBUH) is the immediate distribution of war spoils among the people. Hazrat did not keep the spoils of war, which were considered public property at that time, with himself (or in the treasury) to finance the public expenses, but he distributed them among the people at the first opportunity (ibid., p. 148) so that the people to participate in the provision of public expenses at their discretion and such expenses should be financed through the cooperation and assistance of the people. It has been reported that Hazrat did not keep public property for more than three days and distributed it.

It is known that he did not go to sleep unless he had distributed the public property (Al-Jahshiri, 1938, pp. 12-13). The treasury was so empty that it was narrated that when a needy group came to serve the Prophet (PBUH), the Prophet could not find anything to help them, so he asked the people for help (Al-Navi, 1983, Vol. 7, pp. 102-103). Some properties and assets that could not be divided or divided immediately, such as land and cattle, their benefits were used for the interests of Muslims (Al-Bukhari, 1958, vol.2, p.16). The Prophet (PBUH) did not give in to the imposition of additional taxes and always encouraged people to participate voluntarily in providing public expenses (Karmi, 2006, p. 162).

Other examples from the time of the Prophet (PBUH) indicate a kind of financial federalism, such as it is narrated that the Prophet sent Mu'adh bin Jabal to Yemen to collect zakat and told him to tell them: that God has made zakat obligatory. It should be taken from your rich and given to your poor (Al-Lahiani, 1996, p. 52). Some perceptions of this flow are a kind of delegation of authority and financial federalism; It is said that the Holy Prophet (PBUH) authorized Mu'az to distribute the Zakat of Yemen among the poor of the same region (Farahani Fard, 2015, p. 69).

Of course, the narrative is general, and one can have such an understanding of it, and one can infer the general rule of "taking from the rich people and giving it back to the poor", which in this case does not imply financial federalism. In some sources, it is stated that the governors or zakat collection officers had the mission to distribute the property collected from each region among the poor of the same region, and if there was a surplus, they would send it to Madinah so that His Holiness himself would distribute it among the needy (Karmi, 2006, p.p. 160-161).

Some Muslim researchers, based on historical documents, have considered the issue of transferring zakat collected from one area to another for the first time related to the time of the second caliph (Munzer Qahf, 1419 AH, p. 34), which shows that in the periods before that, that is, during the period of the Holy Prophet (PBUH) and the first caliph, there was no such thing and the zakat of each region was consumed in the same region. Also, Qahf claimed that there is no tradition that before the time of the second caliph, zakat was transferred from one city to another (ibid.). It seems that the translator of Qahf's book did not accept this claim and mentioned two examples in a footnote that during the time of the Prophet (PBUH), zakat property was transferred from one city to another city (Munzer Qahf, 2007, p. 74).

2. Economic Federalism During the Time of the Second Caliph

Based on the narration of Abu Ubaid, Mu'ad bin Jabal, who was assigned to the Emirate of Yemen by the Prophet of Islam (PBUH) and remained in this position until the time of the second caliph, spent one-third of the zakat collected for one year, but he was not entitled to it, so he was forced to go to Madinah to the caliph. sent. The second caliph got angry about this and wrote to him: I did not send you to collect jizya and tribute, alms and zakat should be collected from the rich and used by the poor, not kept in the government treasury. Moaz wrote in reply: I did not send anything to you except because I did not find anyone to receive it in the place. In the following year, Moaz sent half of the zakat to the center and the same conversation took place between them. In the third year, he sent all the collected zakat and the caliph repeated the same saying. Moaz replied that he did not find anyone to receive them (Qaradawi, 2011, p. 528). From this process, it can be deduced that the authority to collect and spend zakat to the governors is an expression of a kind of financial federalism.

3. Economic Federalism During the Time of Hazrat Ali (AS)

During the caliphate of Imam Ali (a.s.), extensive administrative, financial, and political powers were given to governors and commanders within the framework of Sharia, which even included signing treaties and agreements with neighboring states and governments and leading war and peace. In Malik Ashtar's charter as a charter of good governance (Sharif Razi, 1993, vol 53, p.p. 426-445), powers and authorities are given to Malik as the governor of Egypt that is not given to a state in federal governments today (Danish, 1980, p. 92).

There are examples during the reign of Hazrat Ali (a.s.) which show that the governors and commanders of Hazrat Ali had full authority to use the public resources and Baitul Mal to the extent of satisfying the needs and poverty of the people in the same region. In one example, the Holy Prophet wrote to Ghatsam bin Abbas, his agent in Mecca: "Look at the wealth of God that has been provided for you and give it to the poor and the hungry and those who are poor and in dire need, and send the rest to us so that among those who They are with us, let's divide them." (Sharif Razi, 1993, Name 67, p.p. 457-458). The fact that Hazrat asked his agent to send the excess property to the center is not a reason for not delegating authority, but it is a reason for supervision to make the use of the treasury more efficient. In addition, this transfer of surplus helps the economic balance, which is one of the economic goals in Islam, and it is also considered one of the cases of cooperation between the central government and the provincial governments.

Hazrat Ali's method of immediately dividing and distributing Bait al-Mal among Muslims was similar to that of Pabamber Akram. They did not save their wealth and distributed it among the people at the first opportunity. It has been narrated from the Prophet that he said: "Khalil, the Messenger of God (PBUH), did not keep money in Baitul Mal for the next day. The first caliph also acted in the same way. When Umar reached the caliphate, he formed a court and delayed the distribution of property until another year. But I act as Khalil Rasulullah used to act." (Al-Thaqafi, 1976, p. 47). It has been narrated that when Hazrat Ali (a.s.) entered the storage place of Bait al-Mal and saw that there was a lot of property in it, he said: "I will not spend the night while there is a dirham in it." (Ibn Salam, 1985, p. 284) When he got money, he would distribute it among the people and say: "I am not your storekeeper." (ibid).

From these cases, it can be understood that Imam Ali considered the people as the owners of the right in Baitul Mal (Yousfi, 2006, p. 84) and tried to get the property into the hands of its owners as soon as possible so that they can use it for their personal use or expenses. The public should take part. Therefore, like the Holy Prophet, Hazrat Ali distributed public property among the people at the first opportunity. When there was a need for public expenditure, he asked the people to participate in providing it, so that the private sector could provide space for public goods and services.

Hazrat Ali pursued two main goals in this work: avoiding bureaucracy in the public sector and privatizing many public goods and services to prevent corruption in the public sector and the growth and advancement of the people. Provide public goods and services.

4. Economic Federalism During the Time of Umar Bin Abdulaziz

Some examples show that during the time of the Umayyad caliph Omar bin Abdul Aziz, the governors had wide financial powers. Ibn Abd al-Hakm narrated from Yahya Ibn Saeed that Umar Ibn Abd al-Aziz sent me to collect the zakat of Africa, I collected it and went to the poor to pay them. But I didn't find a poor person to take it from me because Omar bin Abdul Aziz had made the people useless. So with that money I bought and freed slaves (Abi Mohammad, 1346 AH, p. 69). This issue shows that firstly, the authority of how to spend zakat was delegated to the governor, who did this. Secondly, the public property was consumed in the same region and was not sent to the center. Both cases indicate a kind of financial federalism.

Sohail bin Saleh says: Omar bin Abdul Aziz ordered the governor of Iraq Abdul Hamid bin Abdul Rahman to pay the pension of all the people. Abdul Hamid wrote: All the people have received their salaries, but there are still some sums left in Beit al-Mal. Umar wrote to him: Investigate and pay those who are forced to borrow from Bait Al-Mal, away from extravagance and corruption. After completing this task, Abd al-Hamid ordered to acquisition the funds that were still left in Beit al-Mal. Khalifa said: After investigation, every girl and boy who have failed to get married due to inability to prepare a dowry or inability to pay dowry, should get married with Baitul Mal's funds. But there were still some sums left, which the caliph wrote in response this time: Look, help those who owe jizya or kharaj and are unable to harvest from the land, and try to pre-purchase their crops as much as they can cultivate the land. Ibn Zanjuyeh, 1985, vol. 2, p. 565). Although this process is against the delegation of authority and independence of the governor in decision-making, the Caliph's insistence that the public property of each region be used in that region and to improve the living standards and economic growth and progress of the people of that region indicates financial federalism.

5. Economic Federalism During the Abbasian Caliphate

During the Abbasid caliphate period, due to the geographical extent of the Islamic territory, there were changes in the administrative structure of the caliphate, as a result of which three new political concepts entered Sunni jurisprudence and jurists theorized about them. These three concepts, which have many similarities to what is called federalism or decentralization today (Danesh, 1980, p. 96), were "Ministry of delegation", "Emirate of Istakfa" and "Emirate of Stila".

Ministry of delegation: It has been the case that the caliph or imam entrusts the planning and management of government affairs to the minister and delegates authority. The authorized minister had all the powers that a caliph or imam had, except for three things: appointing the crown prince, dismissing the minister, and resigning (Al Mawardi, 2006, p.p. 50-54). The delegation ministry, which was created in the Abbasid period and theorized about it, is indicative of a kind of federalism.

Istakfa Emirate: It was an emirate in which the caliph appointed a person whom he deemed suitable, worthy, and sufficient, to manage the affairs of the region or territory. This emir has the authority to command the army, provide military supplies, determine war plans and strategies, collect taxes and receive alms, determine their perpetrators and distribute them among the beneficiaries, appoint judges and enforce limits and punishments, support and defend religion, and facilitate the affairs of pilgrims. And Jihad with the enemies has been blessed. The difference between the Emirate of Istikafa and the Ministry of Mandate is that the Amir of Istikafa had the above powers only in the territory of one province, but the Minister of Mandate in the entire Islamic country (ibid., p. 62).

Emirate of Stila: In this type of Emirate, a person in one of the lands subject to the central caliphate is dominated by force and domination, and the caliph accepts his emirate by force and out of expediency and entrusts him with the administration of the affairs of that region. To obey the center in important religious, political, and financial issues (ibid., p. 66). According to some thinkers, if the Ministry of Mandate and Emirate of Stila are combined, the product will be a system that today is called a "federal parliamentary system" because the Minister of Mandate will be the present-day Prime Minister or Emir of Stila. He is the governor of the state who has all quasi-federal powers in his state within the framework of the laws and regulations of the central government (Danesh, 1980, p.p. 97-98).

In the writer's opinion, the same situation is also true for the combination of the Ministry of Delegation and the Emirate of Istikafa, because in the Emirate of Istikafa, the emir has quasi-federal powers in his state, with the difference that here the Caliph appointed him as emir by his discretion and will, but in the Emirate Stella, out of compulsion and urgency. Unless we accept the opinion of the case that the Ministry of Delegation is not compatible with the Emirate of Istikafa, because there may be a conflict between the opinion of the Minister and the opinion of the Governor in new matters, because the Minister of Delegation has the authority in certain matters, but the Emir of Istikafa also has the authority to make decisions in new and undetermined matters. Al Mavardi, 2006, p. 68). It seems that there is no inconsistency because the appointment and acceptance of the caliph is also the appointment and acceptance of the appointed minister. If incompatibility is considered, it also applies to the Califa.

Conclusion

Economic federalism as an executive mechanism for good governance, optimal and efficient management of public resources, and effective and constructive participation of people in the economic development and progress of a country is compatible with the foundations and principles of the Islamic economy in such a way that it can be used to better realize the goals of Islamic economy, especially social justice and balanced economic development and progress of different regions. The Islamic government's targeted intervention in the economy, distributive justice or social justice and the participation of all, which are the principles of Islamic economy, form the foundations of economic federalism and specify that economic federalism in the Islamic economy can be implemented by observing the two principles of public interest and regional justice. and follow-up in Islamic societies.

The experiences of the early governments of Islam, especially the government of the Prophet (PBUH), Hazrat Ali (PBUH), and the Caliphs, have confirmed the use of the economic federalism mechanism and show that the federalization of the economy with the goals of the Islamic economy, including distributional justice and the participation of all in economic activities, especially providing public spending by the private sector is more consistent. The efforts of the leaders of the early days of Islam, especially the Prophet (PBUH) and Imam Ali (AS) on handing over the provision and allocation of public resources of each region to the local government, emphasis on the consumption of public property of each region and locality by themselves, efforts on preventing the formation of courts in the sector public, emphasizing the use of people's capacity and the financial resources of the private sector to meet public needs; All of them imply what today is called economic federalism.

Therefore, economic federalism is not only compatible with the foundations and principles of the Islamic economy, but it is also considered the best mechanism for realizing the goals of the Islamic economy, provided that it is implemented accurately and within the framework of the two basic principles of public interest and regional justice. What kind of economic federalism is suitable for Islamic countries? It needs practical and case studies that are appropriate to the objective conditions of every Islamic country.

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