Functional Distribution of Income:

An Islamic Perspective

Mehboob Ahmad[1]

Introduction

The purpose of this paper is to describe the concept of factors of production and functional or factor share distribution of income from an Islamic perspective. In order to understand the Islamic view point on the functional distribution of income, it would be better, first, to look at the system of distribution under the capitalist system. Under the capitalist system income is distributed among those who have taken part in producing it i.e. factors of production. These factors are usually classified as labour, land, capital and entrepreneurship. The corresponding income types are classified as wages (or earning), rent, interest and profits. It should be noted however, that specific individual(s) may receive income from all these sources.

Functional income distribution attempts to explain the income of a factor of production by the contribution that this factor makes to production. Supply and demand curves are assumed to determine the unit prices of each productive factor. When these unit pieces are multiplied by quantities employed, on the assumption of efficient (minimum cost) factor utilisation, one gets a measure of the total payment to each factor. For example, the supply of and demand for labour are assumed to determine its market wage. When this wage is multiplied by the total level of employment, one gets a measure of total wage payments or wage bill.

Factors of Production Classified and Defined

In this section, we shall classify and define the factors of production in an Islamic framework. And in the following section we shall describe the share of each factor in the national product as determined by Islamic *Shariah*.

There is no agreement among the Islamic economists on the numbers and definitions of the factors of production. The reason is that there is no explicit mentioning of factors of production in the Holy Quran and in the Traditions of the Holy Prophet (PBUH). The Muslim

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[1] The author is an Assistant Professor, Department of Economics, Allama Iqbal Open University, Islamabad.

scholar Mufti Muhammad Shafi[1] ((1990) says that there are three factors of production namely land, labour and capital. Whereas M. Fahim Khan[2] (1990) says that there are only two factors of production namely entrepreneurial factors of production and hired factors of production. Raihan Sharif[3] (1987) also believes that there are two basic factors of production whereas Zahurul Islam[4] (1987) thinks that there are three factors of production. While according to some other Muslim economists[5] there were four factors of production. The author believes that we can distinguish five factors of production namely land, labour, money, capital and entrepreneurship.

Definitions of Factors of Production

Like the numbers, there is no explicit mentioning of definitions of factors of production in the Holy Quran and in the Traditions of the Holy Prophet (PBUH). That is why Islamic economists differ in their definitions and classifications of various factors of production. For example M. Fahim Khan[6] (1990) classified factors of production as 'Hired Factors of Production' and 'Entrepreneurial Factors of Production'. The criterion for classification is whether a factor is consumed in the production process or not. If it is not consumed then it can be hired for a fixed pre-determined rent which can be called *ujrat*. But if it is consumed during the process of production such as raw materials, money, then it can not be hired for a fixed return. It can only receive a return by assuming risk. Prof. Raihan Sharif[7] (1987) also believed in two basic factors of production as gifts of God and gifts of man. Gifts of God included natural resources including land and gifts of man included labour, management and entrepreneurship.

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[1] Mufti Muhammad Shafi (1990) "Distribution of Wealth in Islam" Dawah Academy. International Islamic University, Islamabad, 1990.

[2] M. Fahim Khan (1990) "Factors of Production and Factor Markets in Islamic Framework". *Journal of King Abdul Aziz University: Islamic Economics*, Vol. 2, 1410/1990.

[3] M. Raihan Sharif (1987) "Some consideration of Equity & Efficiency as related in the Theory of Distribution under Modern Wester Approach of the Islamic Approach" *Thoughts on Economics* Vol. 8, No. 3 & 4, 1987.

[4] M. Zahurul Islam (1987) "An Islamic Approach & Distribution of Income Among the Perspective Factors in Framework of Islam". *Thoughts on Economics* Vol. 8, No. 3 & 4, 1987.

[5] Abdul Hasan M. Sadeq (1987) "Factor Pricing and Income Distribution from an Islamic Perspective". *Thoughts in Economics*, Vol. 8 No. 3 and 4, 1987.

And

MD, Sharief Hussin (1987) "Concept of Factors of production and their Renumeration in the Islamic Perspective". *Thoughts in Economics*. Vol. 8, No. 3 and 4, 1987.

[6] M. Fahim Khan, Op. cit.

[7] Prof. Raihan Sharif, Op. cit.

For capital he states that it is only a durable product like other products of varying use with the difference that a capital product can be used for further production. Prof. Sadeq[8] (1987) also believed in four factors of production but defined them differently i.e. labour, productive material (land, building, real capital), capital (money), and entrepreneurship. Prof. Zahurul Islam[9] (1987) reduces the factors from providence, land, labour, and capital to providence, labour and capital. The reason he states is that from an operational point of view, land and machinery require cash to acquire, the capital supplier will finance both, therefore, we have three of the factors mentioned above. Similarly Mufti Muhammad Shafi[10] has classified the factors of production into land, labour and capital. He lumped entrepreneurship with labour.

Despite the disagreement among Muslim economists about the numbers and definitions of various factors of production, we can still perceive their definitions by implication from the analysis of their function, rewards and from other relevant arguments. Our definitions of various factors of production are as follows:

Land

This is the most important factor of production. The surface of land on which we walk, work, plough, build houses and factories is called land. The Holy Quran mentions the importance of the Earth in the following words:

> "And there is for you in the Earth an abode and a provision for a time". (1:36)

In many other places the Quran talks about the provisions of the Earth. They include soil, minerals, mountains, forests, animals etc.

In conventional economics, land means free gift of nature which cannot be increased or decreased by human efforts. Things like air, sunshine, soil, mines forests and other natural resources fall under the category of land. The Muslim scholar Mufti Muhammad Shafi[11] (1990) has broadened the definition of land to include buildings, machinery, tools etc., which are so used in the process of production that their original and external form remains unchanged, and which can hence be let or leased.

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[8] Prof. A.H.M. Sadeq, Op. cit.
[9] Prof. Zahurul Islam, Op. cit.
[10] Mufti Muhammad Shafi, Op. cit.
[11] Mufti Muhammad Shafi, Op. cit.

Our definition of land is different from conventional economics as well as from Mufti Muhammad Shafi[12] (1990). It is a compromise between the two. Our definition of land is similar to that of conventional economics plus buildings, roads, bridges etc. These are immovable and could be rented or leased. Similarly our definition of land is the same as that of Mufti Muhammad Shafi minus machines, tools, trucks etc. which directly contribute and aid in the production process. This characteristic (of direct contribution) is not possessed by buildings and apartments because they do not directly contribute and aid in the production process on factory floor or on the surface of land or sea.

Labour

Labour as one of the most important factors of production has been emphasised and recognised by the Holy Quran in the following words.

'Verily we have created man into toil and struggle' (90:4)

'There is nothing for man but what he strives for' (53:39)

'There is guaranteed share for those who seek and endeavour' (41:10)

This means the man has been created to struggle and work and the only way to get anything from nature is through hard work and labour. Only then could the guaranteed share be taken.

In conventional economics labour consists of the human time spent in the production of goods and services e.g. tilling the land, working in a factory, looking after a patient, teaching in school, cooking a meal etc. All these activities fall under the heading of labour. In other words, in conventional economies labour includes the mental and physical exertion of human beings.

In Islamic economics labour has been defined by Mufti Muhammad Shafi[13] (1990) to include not only human exertion in the form of physical and mental labour but also organisation and planning[14]. We, however, define labour as in the conventional economics. But we also include supervisory and management services in labour provided they get a fixed wage or salary. The supervisory and management services which get remuneration by sharing profit is not included in labour[15].

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[12] Ibid.

[13] Mufti Muhammad Shafi, Op. cit.

[14] Prof. Raihan Sharif (Op. cit.) also does the same but the name given by him is gifts of man.

[15] Prof. A.H.M. Sadeq (Op. cit.) also defines in the same manner.

Capital

In conventional economics, capital is defined to include buildings, furniture (at business), machines, tools, money etc. All aid in the production process. Capital is wealth which is used in the production of further wealth. It is the wealth which man acquires by his own labour and then uses it for producing more wealth.

Mufti Muhammad Shafi[16] (1990) defines capital as those means of production which cannot be used in the process of production until and unless during this process they are either wholly consumed or completely altered in form and which, therefore, can not be let or leased e.g. liquid money, food stuff, raw material etc.[17]

We, however, define capital as those means of production which directly take part or directly aid in the production process such as machinery, tools, trucks, trains etc. and they are produced means of production. They could be leased and rented out to be used in the production of further wealth. And depreciate as they are used for production proposes.

We exclude liquid assets from capital. The reason is that in conventional economics while defining capital as produced means of production, interest is allowed for its contribution in the production of further wealth. In practice, however, only money is borrowed or lent on interest. No interest is charged on machines, buildings, means of transportation etc. This equipment is normally rented out. It may be argued that since money is used for purchasing machines, buildings and other capital goods, therefore interest charged on this money is actually the interest charged on the capital goods. But these arguments are false because the money capital can not only be used to buy capital goods but also land, labour, raw material etc. This means money capital and physical capital are different in nature and therefore, cannot be lumped together. That is why we have treated money as a separate factor of production.

Money

In conventional economics money is supposed to have the following functions:

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[16] Mufti Muhammad Shafi, Op. cit.

[17] Abdul Hasan M. Sadeq (Op. cit.) puts land and capital together as physical assets. Therefore, he treats money capital separately, see Abdul Hasan M. Sadeq *Factor Pricing and Income Distribution from an Islamic Perspective. Thoughts in Economics*, Vol. 8, No. 3 and 4, 1987.

1. It could be used as a medium of exchange

2. It could be used as a unit of account

3. It could be used as a store of value

We define money to include Transaction Money (M1) and Broad Money (M2). In other words, money means coins, paper currency, demand deposits, deposits in saving accounts, etc.

Following Mufti Muhammad Shafi[18] (1990), we have divided capital into physical capital and money capital. Mufti Shafi[19] (1990) lumped physical capital with land and included in capital objects such as food stuff, raw material etc. We also treat money as money capital (as Mufti Muhammad Shafi did) but we exclude food stuff, raw material, etc. from being part of money. We treat money as a separate factor of production on its own. The role that money plays in the production process is through the provision of purchasing power. It therefore has a potential productive power because of its command over real assets and its potential contribution to the production process by transforming itself into any physical asset(s) and service(s).

Entrepreneur

Islam gives due importance to organisation. The importance of planning and organisation may be judged from the fact that God Himself is known as the best organiser. The Holy Quran says:

> "For us God sufficeth, and He is the best Disposer (Organiser) of affairs". (3:117)

And in another place the Holy Quran says:

> "And make the ark under Our eyes" (11:37)

Similarly the existence of various forms of business organisations in Islam such as ***mudaraba***[20] show the importance of organiser in Islam.

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[18] Mufti Muhammad Shafi, Op. cit.
[19] Ibid.
[20] A profit and loss sharing contract in which one party provides capital and the other party manages the enterprise. In case of loss the provider of capital bears the financial loss while the entrepreneur loses his labour. In case of profit both parties share it in agreed proportions.

In conventional economics a person who initiates, plans, guides the business right from the idea originating to production and marketing to calculation and distribution of profit is called the entrepreneur. This process of planning and directing of business is also known as organisation. The entrepreneur is the most important factor of production because he organises other factors of production in the right proportion to make maximum profit at minimum cost.

Mufti Muhammad Shafi[21] (1990) put the entrepreneur with labour. He treated the organisational quality of man within labour. According to him a person who organised the other factors of production was also labour even though he got profit as his remuneration. As far as risk is concerned, to him, it was an inherent characteristic of money to take risk. So whoever invested money took risk.

We, however, treat the entrepreneur as a separate factor of production who organises various factors of production, procures raw materials, co-ordinates the work of factors of production and takes the risk of losing his labour. This definition of entrepreneur is different from that of conventional economics where entrepreneur takes the entire risk and therefore, takes the entire profit. In the Islamic perspective, the entrepreneur does not take risk. This risk is associated with money capital. In case of profit he gets a predetermined (ratio) share of it.

Factor Pricing and Distribution of Income among Factors of Production

In line with their classifications Muslim economists have priced various factors of production differently. For example, M. Fahim Khan[22] (1990) while dividing factors of production into Entrepreneurial and Hired factors, advocated profit for the Entrepreneurial Factors of Production and *ujrat* for Hired Factors of Production. We shall, however, progress in this section by taking various factors of production one at a time.

Land

While considering pricing of land it should be noted that land has its own price irrespective of its taking part in the production process. That price of land as such is determined in the market through the interaction of demand and supply. But when land takes part in the production process as a factor of production in conventional economics, it gets its remuneration called rent.

[21] Mufti Muhammad Shafi, Op. cit.
[22] M. Fahim Khan, Op. cit.

Our definition of land has been wider than conventional economics to include not only land and other natural resources but also buildings, roads, bridge etc.[23]

There seems to be no difference of opinion among the Muslim scholars about the rent on buildings etc. but they differ when it comes to remuneration of land in the production process. One school of thought spearheaded by Mufti Muhammad Shafi[24] (1990) believes that rent on land is lawful. To prove his point Mufti Muhammad Shafi[25] (1990) distinguishes two kinds of material resources employed in economic operations i.e. resources which change their shape and form while being utilised and exploited do not have to be wholly consumed but may retain their form while being utilised e.g. land, machines, building etc. Since these are exploitable in themselves and the person who takes them on rent does not have to exert himself in the least, while their (resources/goods) use depreciates them, so taking or giving “wages” for the utility they yield is reasonable. To these wages he gives the name of rent. So the things which are utilisable without being wholly consumed would be called land and on account of their participation in the production process they would receive rent. Prof. Zahurul Islam[26] (1987) also endorses land rent weighted against average productivity.

The other school of thought[27] believes that land can be used on the basis of share cropping. To them fixed rent on land is like interest which is not allowed in Islam. Yet there are some other people who have a softer opinion on rent of agricultural land. They believe that Islam would prefer its settlement between the land owner and the tenant in the form of a reasonable proportion of the produce or of its money value.

Our opinion is in accordance with our definition of land. Buildings and houses could be rented without any problem. The land may be rented if it is part of the production process other than farming. In the case of farming instead of renting, share cropping may be more appropriate.

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[23] Our definition is closer to that of Prof. Sadeq (Op. cit.). For him, however, productive material includes land, building and real capital.

[24] Mufti Muhammad Shafi, Op. cit.

[25] Ibid.

[26] M. Zahurul Islam, Op. cit.

[27] See Zubair Hasan “Distributional Equity in Islam” from Iqbal M. <u>Distributive Justice and Need Fulfillment in an Islamic Economy</u>. IIIE. International Islamic University, Islamabad, 1986.

Labour

In conventional economics the forces of supply and demand determine the price of labour. In other words price of labour is fixed in accordance with the marginal product of labour to the production process. In Islamic economics labour is not treated as a commodity for sale. Here apart from supply and demand, the wages should also correspond to the contribution made by labour. No injustice is done to him. Moreover, the wage given must be reasonable to meet most basic needs of humans.

Islam prefers a fixed remuneration for labour. This can be seen from the following verse from the Holy Quran:

> "For men is the benefit of what they earn, And for women in the benefit of what they earn". (4:32)

This can also be seen from the Traditions of the Holy Prophet (PBUH). The Holy Prophet (PBUH) said: "Pay the wages to the labour before their sweat is dried" *(Mishqat)*. Islamic *Shariah* seems to suggest that wage and other terms and conditions of work should be settled before engaging the labour.

According to Prof. Sadeq[28] (1987) pricing of labour should be in accordance with the normative principles of justice, scarcity and humanity. The employer must guarantee the basic needs of his workers. He advocates that wages may be paid equal to the value of the average product of labour.

Prof. Raihan Sharif (1987)[29] states that the fundamental principle with regard to determination of the share of wages is implicit in the obligation of *adl* and *ehsan* to be observed right in the process of production before the need for social security re-transfer is to be considered.

In Prof. Zahurul Islam's[30] (1987) analysis labour gets wages and remuneration according to weighted average productivity including a part of profit according to contractual obligation.

Maulana Maudoodi[31] believed that in the existing system labour is exploited but in the Islamic economic system employer and employee cooperate and class struggle is eliminated. Both parties recognise their

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[28] Prof. A.H.M. Sadeq, Op. cit.
[29] Prof. M. Raiham Sharif, Op. cit.
[30] Prof. M. Zahurul Islam, Op. cit.
[31] M. Akram Khan – *Maulana Maudoodi Kay Maashi Tasawwarat*, Al Badar Publication, Urdu Bazar, Lahore.

obligations before rights. The Maulana believed that in our country there was wage differential of one to hundred which must be reduced to one to twenty at once and gradually one to ten. The Maulana advocates minimum wage fixing which will ensures decent living for the poor workers.

We also believe pricing of labour should be in accordance with the Islamic *shariah*. Price of labour together with other terms and conditions must be fixed and known to the worker before engaging him. Price of labour is wages for the provision of his services. Supervision and management services are also included here as long as they get a fixed wage/salary.

Capital

As stated above, in conventional economics, capital means produced means of production to include machines, building and even money. The remuneration for capital is interest. Prof. Sadeq[32] (1987) includes real capital and building in productive material. He advocates price of productive material to be determined between value of average product of productive material and marginal product of productive material. Where it will be ultimately fixed depends on market power. Prof. Zahurul Islam[33] (1987) awards profit to capital which conforms to the principle of weighted average production.

Our definition of capital (as described above) is narrower than that of conventional economics to include machines, tools, transport, etc. The interest, in Islam, is unlawful, therefore, no interest could be charged on capital goods. But remuneration of capital in the form of rent is allowed. If a building could be rented then a machine could be rented too. This seems to be the opinion of the majority of Muslim scholars including Mufti Muhammad Shafi[34] (1990). According to him those goods which could be utilised without impairing their identity, are exploitable in themselves and they depreciate in value deserve 'wages' (rent) for the utility they yield.

Now if some entrepreneur needed real capital (machines, tools etc.) in the Islamic economy, he may go to a Muslim financier and get money from him on *Musharka* basis and then buy the machine(s). In that case, the financier will be a sharer of loss and profit. He (entrepreneur) may also get the capital goods on *mudarabah* basis. Again the financier will bear a share of the business venture and would bear the risk of loss and benefit of profit. The entrepreneur can also get real capital from the

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[32] Prof. A.H.M. Sadeq, Op. cit.

[33] Prof. Zahurul Islam, Op. cit.

[34] Mufti Muhammad Shafi (1990) Distribution of wealth in Islam. Dawah Academy, International Islamic University, Islamabad, 1990, P.15.

Muslim financier on bi-*muajal*[35] basis. The financier will purchase the capital goods and deliver to the entrepreneur on mark up or rental basis. If delivered on rental basis then the entrepreneur will pay the rent of the machine plus installment to repay the price of the machine. Once the price is paid no more rent is needed to be paid.

Money

In this paper we have defined (above) money as a separate factor of production. We have separated it from produced capital because we believe that money is fundamentally different from produced capital. The machinery, tools, building could be rented and/or leased out. But the same cannot be said about money. When machinery, building etc. are leased or returned, they depreciate and deteriorate whereas money does not depreciate but changes its form completely.

In conventional economics capital means produced capital plus money capital. The price of capital as a factor of production is interest. But in practice interest could be charged on money capital only whereas, the machinery and buildings get return or profit as a residual for the entrepreneur when these things belong to him. So in practice from a pricing point of view, capital means money capital. That is why we have defined money as a separate factor of production. Maulana Maududi[36] also, while writing about capital, mainly talks about money capital. He says that money cannot produce anything until combined with other factors of production. That is why financial capital has a full right to share profit provided capital also takes the responsibility in case of losses. But it has no right to determine its share in advance.

Our definition of money differed (above) from that of Mufti Muhammad Shafi[37] (1990) who defined capital as one which is either wholly consumed or completely changed in form and which, therefore, cannot be leased or rented like liquid capital, food stuff etc. We have excluded food stuff, raw material etc. and put it in the category of land.

In the capitalist system money receives a fixed amount as interest irrespective of whether the entrepreneur makes loss or profit. In Islam interest is forbidden in any form. Therefore, not interest but profit is the reward for money. In capitalism profit goes to the capitalist or entrepreneur who is supposed to take the risk to enter into a business. The profit is taken as reward for his courage to enter into business venture. But from the

[35] Selling on deferred payment.
[36] M. Akram Khan, Op. cit.
[37] Mufti Muhammad Shafi, Op. cit.

Islamic point of view,[38] risk should be associated with money only. So whoever invests money in a business venture must bear the risk of loss or benefit of profit.

Thus Islam has closed the doors of money lending business by prohibiting interest in any form and once and for all. This can be seen from the following verses from the Holy Quran:

> "O, believers, fear your God, and give up what is still due to you from interest (usury)" (2:279)

In another place the Holy Quran says:

> "Yet if you repent (of usury) you shall have your principle. Do not be unjust to you". (2:278)

These verses from the Holy Quran show that interest is not allowed in Islam and that the creditor can get his money back. This means no room for money lending business on interest basis.

Islam by prohibiting money lending business has opened other avenues where Muslims can invest their money to make profit. There are at least three types of businesses, as noted by Mufti Muhammad Shafi[39] (1990), in which a Muslim can invest his extra money.

a) ***Private business:*** A Muslim with extra money as investibale funds may start his own business. In such a business he is his own boss. Whatever money he earns over and above his total costs is his gross profit including his wages as a worker and manager.

b) ***Partnership:*** The second form of business in which a Muslim investor could invest his money is in partnership. He may form a partnership with some other people. Under such arrangements several persons may jointly invest money in a business venture, jointly manage the business and jointly bear the risk of loss and benefit of profit. In case of profit (loss) all partners will share in proportion to the investment made. The partners will also be entitled to wages in accordance with the services provided in the business venture.

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[38] Ibid.

[39] Mufti Muhammad Shafi (1990) Distribution of wealth in Islam, Dawah Academy, International Islamic University, Islamabad, Pakistan, P.1990.

c) ***Mudarabah:*** In this form of business two (or more) persons may start a business, one with the money and the other with skill of management. The man with the money could be a sort of sleeping partner. The man with the skill runs the business independently. At the end of the period the profit is distributed between the two according to agreed proportion. The man who invested his money capital will get his share in the form of "profit" while the person who has actually managed the business will get it in the form of "wages". In case of loss the investor bears the loss and the manager loses his labour.

Organisation

Organisation is treated as the most important factor of production. A person who initiates, plans, guides and organises the whole business is known as the organiser or the entrepreneur. It is the entrepreneur who employs other factors of production in the right proportions and makes them work in the best possible way so as to get the maximum productivity with the minimum cost. The entrepreneur is like a captain of a ship whose function is to steer the ship of industry safely in the harbor of economic prosperity.

Muslim scholars have divided opinions on the entrepreneur or organiser. Mufti Muhammad Shafi[40] (1990) puts organiser with labour by saying that labour is human exertion, whether of the bodily organs or of the mind. The exertion, therefore, included organisation and planning too. In this formulation, hence, the organiser is entitled to wages.

Some other scholars[41] have categorised to entrepreneurship with capital and then divided the profit (what remains from payment to land and labour) among these two factors of production. In this formulation entrepreneur, along with capital, is entitled to profit. Syed Maududi[42] believes that entrepreneur works hard with his physical and mental faculties and takes the risk of loss at the end of the day, therefore, he has a right profit too.

We believe the entrepreneur or organiser is entitled to share the profit on his own accord. The exact position of the entrepreneur will depend on the kind of business under consideration. Under sole

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[40] Mufti Muhammad Shafi, Op. cit.

[41] Abdul Hasan M. Sadeq (1987) "Factor Pricing and Income Distribution from the Islamic Perspective". Thoughts on Economics Vol. 8, No. 3 and 4, Dabgladesh, 1987.

[42] M. Akram Khan, Op. cit.

proprietorship the organiser not only manages and provides the money capital but also exerts his mental and physical labour. Here he is entitled to take the whole profit. Under partnership the organiser will share the profit with his partner aside from his wages which he may get in accordance with the services provided to the business. Under *mudarbah* contract the organiser will share the profit with the person who provided the money. Sharing of the profit between the two parties will be in accordance with the contract. In case of loss, however, the whole burden is borne by the financier and the entrepreneur loses nothing but his labour. In other words the Muslim organiser also organises other factors of production. In case of profit he shares it but in case of loss he loses his labour and (in case of his money in the business) his financial loss will be to the extent of his money involved in the business. For example, in partnership his financial loss will be confined to his monetary share in the business.

Conclusion

In conclusion it is stated that even though in Islam the importance of various factors of production is reorganised, there is no explicit mentioning of numbers of factors of production and their share in the national income. That is why Muslim scholars differ in describing the factors of production. In principle, however, there is no disagreement among them. The difference in only that of detail.

In our paper we have tried to follow the lead set by other Muslim economists and accordingly described the factors of production in accordance with the *shariah* principles. We have, however, extended the list of factors of production and accordingly have defined the same differently. Similarly, we differed in pricing various factors of production.

In our analysis there were five factors of production including land, labour, real capital, financial capital (money), and entrepreneurship. Here land and real capital is entitled to rent, labour for wages, and financial capital and entrepreneurship are entitled to share the profit. The entrepreneur may also get wage a depending on the form of business.

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Mufti Muhammad Shafi (1990) Distribution of wealth in Islam. Dawah Academy, International Islamic University, Islamabad, 1990, P.15.