

-RESEARCH ARTICLE-

AN EMPIRICAL ISLAMIC TREASURY: REDISTRIBUTION, NON-EXTRACTIVE REVENUE AND DEBT-FREE BUDGETING

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—Abstract—

As contemporary fiscal systems, often burdened by debt and characterised by coercive mechanisms, attract increasing scrutiny, the search for ethical financial alternatives is intensifying. Although the existing body of literature discusses individual Islamic financial instruments such as Zakat, Waqf, and Kharaj, it frequently addresses them in isolation. This has resulted in a lack of integrated analysis that reconstructs early public finance as a coherent and embedded system. This paper seeks to address that gap by

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empirically examining the revenue framework that operated during the administration of Prophet Muhammad (PBUH) and the four rightly guided Caliphs. Employing a structured historiographical methodology, the study draws primarily from classical fiscal sources (Kitab al-Amwal, al-Kharaj), the Qur'an, Hadith, administrative records, peer-reviewed literature, and interviews with subject-matter experts. The reconstruction of historical evidence involves a recursive process that shifts between heuristic exploration, source authentication, thematic consolidation, and empirical triangulation, in order to ensure analytical precision and historical coverage. The findings reveal a threefold revenue structure comprising obligatory (Zakat, Kharaj), voluntary (Waqf, Infaq), and incidental (Ghanimah, Fay') components. This system was grounded in ethical principles, centred on social welfare, and operated with transparency. It functioned without reliance on debt instruments, interest-based mechanisms, or coercive taxation. Revenue distribution was guided by codified norms that prioritised fairness, social responsibility, and the economic capacity of contributors. Such a model facilitated redistributive governance through moral authority and institutional trust, rather than compulsion.

Keywords: Early Islamic Governance, Asset Redistribution, Non-Extractive Revenue, Debt-Free Budgeting, Multidimensional Accountability, Fiscal Sustainability.

INTRODUCTION

Although rooted in a historical context, the values embodied in this study remain pertinent to contemporary challenges confronting public treasury policies. This research undertakes an empirical reconstruction of the state treasury framework as established during the governance of Prophet Muhammad (PBUH) and the Rashidun Caliphs. The foundational principles, strategic direction, operational mechanisms, and overarching objectives are synthesised from analyses of classical texts and general historical accounts (Ghazanfar, 2003; Islahi, 2008; Siddiqi & Ghazanfar, 2004). Previous studies concerning Islamic public finance have predominantly examined individual instruments from normative or juridical standpoints. By contrast, this investigation adopts a comprehensive perspective, treating all fiscal instruments as interdependent components of an integrated financial system. Accordingly, this research reconstructs these elements as a cohesive and logically unified fiscal structure. Through a complete exposition of these instruments—including their respective levels of obligation and functional significance—this study contributes to current discourse on alternative models for public budgeting, in comparison with prevailing systems that exhibit both advantages and shortcomings.

Historical records suggest that the early Islamic treasury demonstrated a model through which internal resources and communal engagement were mobilised to achieve macroeconomic balance, financial sustainability, and distributive justice. This was accomplished without reliance on deficit financing or regressive taxation mechanisms

(Shirazi et al., 2021; Shirazi et al., 2017). Employing a theoretical foundation that draws from institutional public finance and behavioural economics, this study offers a critical contribution to modern fiscal debates. It analyses values and operational models from early Islamic and other non-Western traditions, situating them alongside contemporary fiscal systems worldwide. The study thus serves both as a comparative reference and as an evaluative lens for diagnosing issues rooted in the predominantly Western, value-neutral economic paradigm (Bracci et al., 2015; Carlin & Guthrie, 2001).

Moving beyond the theological and prescriptive dimensions common in much of the literature, this research investigates the operational dynamics of the early Islamic budgeting model. It examines how the system addressed fiscal challenges of its era and explores its potential applicability to current fiscal reform efforts. Rather than treating it solely as a historical legacy, the study positions it as a foundation for evidence-based governance, validated by its historical success in resolving macroeconomic and fiscal challenges (Chapra, 2008; Hassan & Choudhury, 2019; Mannan, 2000). This reconstruction is grounded in historiographical sources such as Ghazanfar (2003), Siddiqi and Ghazanfar (2004), Islahi (2008), Qaraḍāwī and Kahf (1999), which are critically examined to elucidate the comprehensive structure of the early Islamic public finance model, drawing parallels with modern practices.

The core objective of this inquiry is to identify, assess, and interpret the institutional arrangements and fiscal behaviours that underpinned early Islamic financial governance. This includes evaluating how mechanisms of compliance, transparency, trust, and public engagement functioned effectively, despite the constraints posed by the limited legal and technological frameworks of the time (Bracci et al., 2015; Carlin & Guthrie, 2001). Furthermore, the study explores the modern applicability of this model in shaping ethical, debt-averse reforms in public finance. It employs a dual-theoretical framework combining institutional public finance and behavioural public accountability, to assess how fiscal legitimacy was both structurally embedded and socially reinforced. The institutional perspective investigates how formal norms and rules guided revenue management, while the behavioural approach highlights the influence of internalised ethical obligations shaped by religious and communal values. Figure 1 outlines a structured funnel framework used to develop the introduction of this study. It commences with the global fiscal crisis, characterised by increasing debt dependency and widening inequality, and narrows down to highlight a specific gap in the literature concerning the absence of non-Western, asset-based fiscal models. The central research problem investigates whether early Islamic public finance can be reconstructed as a credible and functional alternative to contemporary systems. The study's objectives include the historical reconstruction of this model, a detailed analysis of its operational mechanisms, and an evaluation of its relevance to current fiscal challenges. The theoretical basis is grounded in institutional public finance and behavioural public accountability. The study's distinct contribution lies in presenting a historically validated treasury model that functioned without reliance on debt and was

structured around ethical principles.

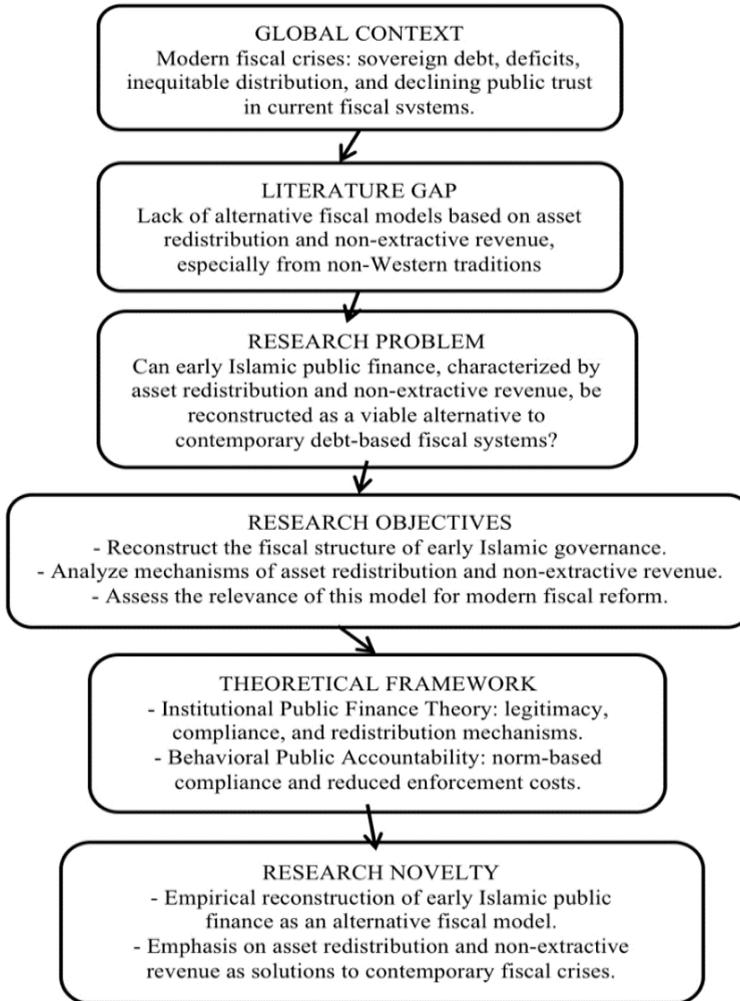


Figure 1: Logical Progression of the Study's Introduction: From Global Problem to Research Contribution

Source: Author's Compilation (2024).

Through historiographical methodology, this study reconstructs early Islamic public finance in response to the current lack of empirically informed, ethically driven alternatives to debt-based fiscal systems. Drawing upon institutional and behavioural theories of public finance, it translates key instruments such as zakat, kharaj, waqf, and fay' into a policy-relevant framework. The study's findings offer a conceptual model for reconfiguring public finance toward enhanced equity, transparency, and sustainability. Its insights are expected to be particularly valuable to policymakers, Islamic economists, and advocates of fiscal reform seeking evidence-based and ethically anchored approaches.

The structure of the paper is organised as follows: it first catalogues revenue sources; then outlines the income-generation model; next, it examines redistribution mechanisms and strategies for fiscal equilibrium; and finally, it discusses implications and directions for future research. Nonetheless, several limitations must be acknowledged. These include the constraints associated with the availability and reliability of historical source material, as well as contextual disparities between the fiscal environment of early Islamic governance and present-day systems. The scope of the study is also limited to a specific set of instruments—namely zakat, kharaj, waqf, fay', and ghanimah—leaving other components outside the purview of analysis. Theoretical constraints arise from the possibility that the adopted frameworks may not fully encompass the multifaceted nature of early Islamic fiscal practices. Moreover, the potential for interpretive bias remains, despite the methodological safeguards employed throughout the research. Collectively, these limitations define the boundaries of this historiographical inquiry while framing its contributions within a clearly delineated analytical scope.

LITERATURE REVIEW

The body of Islamic public finance literature has predominantly concentrated on normative and ethical dimensions grounded in Islamic jurisprudence. Contributions by (Chapra, 2008; Hassan & Choudhury, 2019) and Qaraḍāwī and Kahf (1999) provide significant ethics-theological perspectives, particularly in relation to zakat, waqf, and sadaqah as tools for promoting equity and social welfare. However, these works do not translate such principles into actionable fiscal frameworks compatible with modern economic systems. Subsequent historiographical studies, including those by (Ahmad, 2021; Oktafia et al., 2023), Islahi (2008) and Ghazanfar (2003), have enhanced understanding of classical Islamic tax mechanisms such as kharaj, jizyah, and ghanimah. Nonetheless, these accounts remain largely descriptive and lack integration with contemporary institutional or behavioural public finance theories.

While recent scholarship has demonstrated increased interest in funding models and the multiplier effects of instruments like zakat and waqf, much of this research tends to isolate individual mechanisms. For instance, studies by (Shirazi et al., 2021; Shirazi et al., 2017) examine zakat and waqf in relation to poverty alleviation and social financing. Similarly, Dusuki and Abdullah (2024) introduce ethical-institutional considerations into the Islamic fiscal discourse. Despite these efforts, comprehensive theoretical work that presents Islamic public finance as a unified structure across macro and micro levels remains limited. The prevailing literature continues to fragment these instruments, thereby impeding their conceptualisation as a cohesive, systemic framework.

Crucially, when such instruments are treated in isolation, their impact diminishes in both scope and significance. Their effectiveness is amplified only when viewed as interrelated components within an integrated financial model. Furthermore, there exists a critical gap in the literature regarding the operational coherence of these instruments

and their potential harmonisation with present-day fiscal challenges, such as rising public debt, intergenerational equity, and mechanisms to foster fiscal compliance and citizen participation. Mainstream fiscal scholarship, by contrast, tends to prioritise debt-financed expenditure and compulsory taxation (Galli, 2002; Jacobs, 2013; Miron, 2010; Reinhart & Rogoff, 2010; Tanzi, 2008, 2011), often neglecting key values such as income equity, justice, sustainability, and ethical governance.

The absence of empirical reconstructions of the early Islamic treasury system, conceived as a comprehensive institutional structure, has impeded the development of a sociological understanding of public participation, compliance, and the ethical and moral logic underpinning fiscal engagement. This study seeks to address this gap by presenting a complete model of the Islamic treasury system, incorporating zakat, kharaj, waqf, ghanimah, and all other fiscal instruments identified across the existing literature. By employing a historically grounded, theoretically informed framework that integrates institutional and behavioural perspectives on public finance, this research contributes to bridging the divide between classical Islamic fiscal concepts and contemporary macroeconomic realities. Ultimately, the paper calls for a critical reassessment of the current fiscal paradigm and global economic governance structures, which remain heavily reliant on taxation and international borrowing. It advocates for a model rooted in sustainability, equity, and accountability, informed by the ethical and practical insights of early Islamic fiscal practice.

METHODOLOGY

This study adopts a qualitative research design underpinned by a historical methodology. This approach facilitates the reconstruction of the institutional structures, guiding principles, and normative frameworks that characterised Islamic public finance during the period of Prophet Muhammad (PBUH) and the Rashidun Caliphs (610–661). The analysis encompasses the identification and classification of both public revenue and expenditure instruments, as well as an examination of their operational mechanisms and implementation processes. The historiographical method integrates historical document analysis with the theoretical frameworks of institutional public finance and behavioural fiscal theory. This combination allows for a comprehensive and nuanced understanding of the subject matter while ensuring methodological rigour. The approach enables triangulation across diverse sources, thus maintaining the internal validity and credibility of the findings throughout the research process (Islahi, 2008).

RESEARCH DESIGN AND STAGES

The methodological framework employed in this study is anchored in a robust historiographical design, consisting of interconnected qualitative stages that collectively form a systematic and networked analytical process. The initial phase involves the identification and collection of both primary and secondary data sources, encompassing the Qur'an, Hadith compilations, classical Islamic legal texts, and

historical fiscal records. These materials are drawn from a diverse corpus of classical and contemporary sources. Following data collection, an intensive validation process is undertaken. This involves repeated examination and verification of the raw data for accuracy and credibility, using cross-referencing techniques that include, but are not limited to, classical manuscripts, historical commentaries, and scholarly peer-reviewed literature. This rigorous process ensures the reliability of the evidentiary base. The next analytical stage focuses on thematic interpretation, wherein fiscal instruments and concepts are contextually examined to discern their functional, ethical, and institutional significance within the framework of early Islamic governance. These thematic insights are then integrated into a coherent, inclusive, and comprehensive historiographical narrative. This integrative approach prevents the risk of fragmented analysis and preserves the holistic character of the investigation.

A critical component of the methodology is the reinterpretation of historical fiscal practices through the lens of contemporary public finance theory. The dual use of historical documentation and present-day analytical perspectives strengthens the empirical foundation of the reconstruction. Additional depth is achieved through the synthesis of qualitative insights obtained from expert interviews and focused group discussions with professionals in Islamic finance and public fiscal administration. These interviews are conducted iteratively until thematic saturation is achieved, thereby ensuring both relevance and analytical depth in the qualitative findings. The final stage involves the analytical framing of the reconstructed model within the theoretical domains of institutional public finance and behavioural public accountability. This allows for a critical assessment of the structural and conceptual alignment between the reconstructed Islamic treasury framework and current discourses on fiscal governance and macroeconomic policy. This evaluation forms the basis of the concluding section of the study.

RESPONDENT DEMOGRAPHICS

To strengthen the empirical dimension of the historiographical reconstruction of the Islamic treasury model, this study incorporates qualitative data collected through purposive sampling. A total of 15 experts were engaged as respondents, selected through a combination of purposive and snowball sampling techniques. This approach facilitated the identification of individuals with specialised expertise in Islamic fiscal instruments and treasury management practices. The purposive sampling phase prioritised individuals affiliated with reputable institutions involved in zakat governance, Islamic economics, and public finance. Among the 15 respondents, seven were prominent Islamic economists holding doctoral qualifications, serving in academic and research roles at recognised institutions in Indonesia and Malaysia. These included Airlangga University, YARSI University in Jakarta, Islam Negeri Prof. KH. Saifuddin Zuhri University in Purwokerto, Akademi Zakat – Pusat Pungutan Zakat in Kuala Lumpur, the Academy of Islamic Studies at Universiti Malaya, and Ibn Khaldun

University in Bogor.

Three respondents held senior positions as officials or policy advisors within national zakat authorities and fiscal governance bodies, including BAZNAS (Indonesia), LAZISNU (a zakat institution under Nahdlatul Ulama, Indonesia), and PPZ-MAIWP (Malaysia). Two additional respondents were members of national fatwa councils or religious authorities, such as the Indonesian Ulema Council (Majelis Ulama Indonesia – MUI), and had specialisations in Islamic fiscal jurisprudence. The remaining three participants were practitioners from Islamic financial institutions and nonprofit waqf organisations, possessing practical experience in resource mobilisation, public fund governance, and institutional allocation mechanisms. Demographically, participants ranged in age from 38 to 69, with an average of 20 years of professional experience in their respective fields. All respondents were male, reflecting the prevailing gender imbalance in senior leadership roles within Islamic fiscal institutions in Southeast Asia. Geographically, the study included participants from Jakarta, Surabaya, Bogor, Purwokerto, and Kuala Lumpur. This composition ensured both theoretical depth and practical insight across domains such as zakat, waqf, taxation, and public budgeting.

SAMPLING RATIONALE AND VALIDATION LOGIC

Data collection continued until thematic saturation was reached, with no new significant insights emerging beyond a certain point. To ensure methodological robustness, a layered validation strategy was implemented. The first layer involved source triangulation, in which classical Islamic texts, institutional archives, and contemporary academic research were cross-examined for consistency and complementarity. The second layer applied thematic triangulation, where insights from expert interviews were systematically compared with documented practices in zakat and waqf administration. A third layer of validation was achieved through peer engagement, including the presentation of preliminary findings in academic forums and follow-up consultations with subject-matter experts, from whom critical feedback and comments were solicited. To mitigate researcher bias and ensure analytical reproducibility, a structured coding framework was developed. Fiscal instruments and conceptual categories were inductively derived from recurring patterns within the data and were subject to iterative review. This process reinforced both the internal and external validity of the study's findings.

All data presented in this study constitute secondary information or expert-informed perspectives. Primary materials included classical tafsir texts and comprehensive fiqh references. Additional resources comprised institutional documents from organisations such as MUI, BAZNAS (Indonesia), and PPZ (Malaysia), along with peer-reviewed publications indexed in Scopus, focusing on Islamic finance, social economics, fiscal governance, and sustainable macroeconomic policy. Expert insights were obtained through semi-structured interviews and focus group discussions with professionals in

relevant fields. Reliability was further ensured through the application of a replicable coding system for categorising fiscal instruments and principles of governance. Coding categories were derived from themes consistently present across classical sources and modern scholarly discourse, and their validity was confirmed through peer assessment and expert agreement. The alignment of these themes with contemporary fiscal challenges enhances the significance of the findings and supports their external validity. Moreover, the study meets the critical criterion relationship test, offering empirically grounded recall evidence that contributes meaningfully to current fiscal discourse (Maxwell, 2013).

RESEARCH INSTRUMENTS

The research employed several analytical tools to support data collection and interpretation. These included structured interview protocols, literature review matrices, comparative frameworks for fiscal characteristics, and content validation matrices. Expert interviews, which were audio recorded with consent, were transcribed verbatim and subjected to thematic analysis. To minimise bias, all coding procedures were manually reviewed and verified multiple times. Visual analytical tools such as content maps and synthesis matrices were used to systematically organise historical fiscal instruments alongside their associated ethical dimensions. These tools facilitated the categorisation and integration of findings, enhancing both the clarity and coherence of the reconstructed fiscal framework.

ETHICAL CONSIDERATIONS

This study adheres to established ethical standards for qualitative research. Informed consent was obtained from all participating experts prior to their involvement, and no personally identifiable information has been disclosed at any stage of the research process. Archival materials were accessed either through publicly available platforms or with the necessary permissions from relevant institutions. All procedures were conducted in alignment with ethical protocols governing qualitative inquiry, ensuring confidentiality, transparency, and responsible use of data throughout the study.

RESEARCH PROCESS OVERVIEW

The complete research process is illustrated in [Figure 2](#). Methodological rigour is ensured through a structured historiographical approach, which is further strengthened by empirical inputs. The study progresses through a sequence of qualitative stages, beginning with the retrieval of historical data and culminating in the development of a theoretical framework. These stages go beyond mere description, as they incorporate an interpretive dimension focused on verifying the authenticity of sources, establishing contextual validity, and triangulating evidence across multiple disciplinary perspectives.

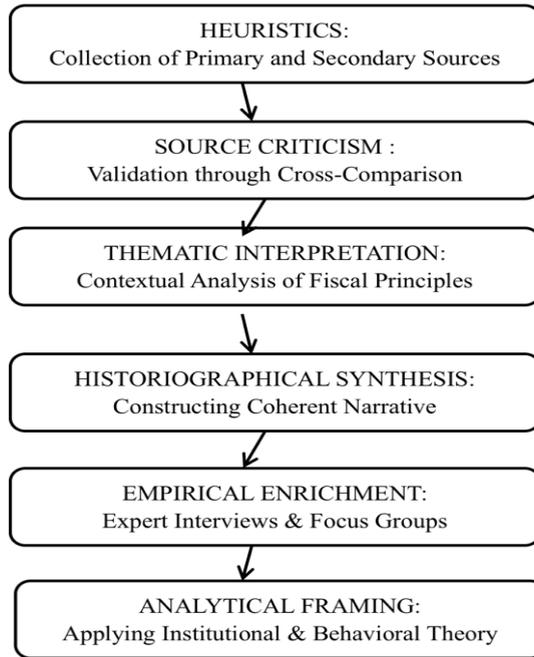


Figure 2: Research Framework: The Historiographical Approach with Empirical Injection

Source: Adapted by the authors using a historiographical method comprising heuristic collection, source criticism, thematic analysis, synthesis, and empirical validation. Conceptually inspired by the microfinance framework presented in [Table 3](#) of ([Çizakça, 2000](#)).

As depicted above, the adopted approach comprises six core phases, beginning with heuristic exploration and source validation, and culminating in analytical framing through the lenses of institutional and behavioural public finance theory. The integration of expert interviews and focus group discussions—serving as a form of empirical democratisation—contributes to the enhancement of internal validity. Concurrently, the process of thematic interpretation and synthesis ensures the preservation of historical accuracy while establishing meaningful links to contemporary fiscal debates. This integrated framework increases both the practical relevance and conceptual authenticity of the reconstructed treasury model. It thereby offers a scholarly grounded alternative to prevailing debt-reliant budgeting systems, demonstrating the feasibility of historically informed, ethically structured fiscal governance.

FINDINGS

The findings of this research are derived from a historiographical reconstruction of early Islamic fiscal administration, developed through the triangulation of classical jurisprudential sources, administrative documents, and modern academic interpretations. The analytical process unfolds in a structured sequence, beginning with

the identification and cataloguing of revenue instruments, followed by their classification, examination of operational mechanisms, and assessment of their relevance to contemporary fiscal contexts. Each stage of the analysis is cumulative, with successive sections expanding upon the foundational insights of the previous ones. Together, they establish a detailed empirical framework representing an ethically grounded, non-debt-based public treasury system, offering an alternative to conventional fiscal models.

Inventory of Revenue Sources and Their Allocative Functions in Early Islamic Public Finance: A Historiographical Account

Before presenting the complete set of findings, this sub-section introduces the outcomes of tracing and cataloguing the primary revenue instruments utilised in early Islamic public finance. It focuses on their allocation and distribution practices during the era of Prophet Muhammad (PBUH) and the Rashidun Caliphs (610–661). These results are drawn from a synthesis of Qur'anic sources, notably chapter 9, verse 60 and chapter 8, verse 41, as well as the practices of the Prophet (PBUH) and his companions. Historical records and foundational fiscal texts, such as *al-Kharaj* by Abu Yusuf and *Kitab al-Amwal* by Abu Ubayd, are also utilised and triangulated with contemporary historiographical studies (Çizakça, 2000; Islahi, 2008; Shaharuddin, 2020).

The study's findings indicate that the Islamic fiscal system was not composed of isolated revenue instruments. Instead, it represented an integrated and codified structure, ethically anchored and designed to serve the collective welfare. Its mechanisms were transparent both horizontally among members of society and vertically in accountability to Allah SWT. This configuration formed a cohesive treasury model that departed from value-neutral fiscal constructs. The comprehensive results of this inventory are detailed in Appendix 1. Appendix 1 presents a structured matrix that links each identified revenue instrument to its legal foundation, source of contribution, and designated expenditure purpose. This matrix preserves institutional coherence while highlighting mechanisms of public accountability. The evidence confirms that the inflows into the early Islamic treasury were not determined merely by rational or discretionary considerations. Rather, they were grounded in primary legal directives and aligned with the overarching objectives of divine command and prophetic guidance (Ener, 1999; Qarađāwī & Kahf, 1999). The historiographical inventory detailed here serves as the foundation for the subsequent sub-sections, which further expand upon the operational and theoretical implications of these findings.

Tripartite Structure of Early Islamic Public Revenue: Obligatory, Voluntary, and Incidental Sources

The subsequent findings were generated through a comprehensive and systematic historiographical process, rather than in isolation. This process involved triangulating a wide array of classical and contemporary literature, peer-reviewed scholarship, expert

respondent input, and contextual analysis. Through the critical engagement with these sources, it was established that the Islamic fiscal framework operates under a tripartite classification of revenue: obligatory, voluntary, and incidental (Haneef & Furqani, 2009; Islahi, 2008). The obligatory category comprises instruments such as zakat, jizyah, kharaj, and ushr, all of which are grounded in Islamic legal injunctions and accompanied by prescribed allocations. This initial categorisation underscores the extent to which revenue collection and distribution were governed by legal enforcement, ethical imperatives, and the pursuit of justice as embedded within Islamic principles. The findings reveal that this tripartite structure served not only as a taxonomic device but as a functional mechanism that informed both fiscal collection and the normative guidelines for allocation.

Zakat, for instance, was explicitly designated for eight categories of beneficiaries as outlined in the Qur'an (9:60). Jizyah and kharaj were institutionalised through dhimmah arrangements and land tenure systems, respectively, and functioned as core instruments of fiscal redistribution. These mechanisms were recorded in administrative records, including the Diwan al-Kharaj (Goldberg, 2000; Hasan, 2016). Voluntary revenues, including waqf, sadaqah, and infaq, though not legally mandated, played an institutionalised role in supporting public welfare sectors such as education, healthcare, and social services. These contributions were systematically organised, particularly during the Abbasid period, and cannot be reduced to spontaneous charitable acts. Rather, they represented an endogenous welfare mechanism within the broader fiscal system (Çizakça, 2000; Kuran, 2001; Salaymeh, 2010). Incidental revenues consisted of ghanimah (war spoils), fai' (non-combative acquisitions), and amwal fadilah (excess or unclaimed property). Although these sources were episodic, they were vital in financing military campaigns, territorial expansion, and urgent state needs. Their utilisation followed established prophetic and caliphal precedents, as recorded in key legal and administrative texts al-Mawardi (Ahmad, 2018), Abu Yusuf (Shemesh, 2023) and early historical accounts such as Ibn Hisham (Ramdzan & Azmi, 2018). For comprehensive theoretical contextualisation, see (Islahi, 2008).

Collectively, the tripartite fiscal structure is not merely a classificatory schema but constitutes an integrated treasury model. It combines legal obligations, ethical voluntarism, and situational responsiveness to ensure the effective redistribution of resources, institutional accountability, and avoidance of fiscal centralisation or misallocation. This model supports distributive justice and financial resilience without reliance on debt instruments. Through a rigorously verified historiographical framework, early Islamic fiscal governance emerges as a foundational accounting structure aligned with the objectives of maqasid al-shariah. It illustrates that fiscal responsibility and moral legitimacy were not dichotomous, but interdependent pillars within the architecture of Islamic public finance. Moreover, to improve conceptual clarity and offer a visual consolidation of the revenue structure outlined above, the tripartite classification of state revenue in the Islamic fiscal system is presented in

Figure 3. This figure provides a simplified, yet faithful depiction of the foundational treasury framework, reconstructed through the triangulation of textual sources and doctrinal interpretation. It serves as an accessible summary of the model's core components, aiding in the understanding of its structural coherence and operational logic.

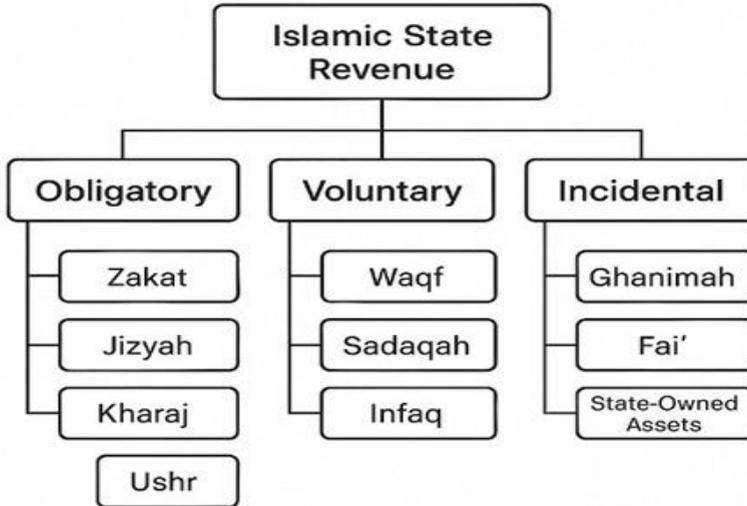


Figure 3: Tripartite Classification of Revenue Sources in Early Islamic Fiscal Governance: A Hierarchical and Functional Model

Source: Constructed by the author based on historiographical analysis of *Kitāb al-Kharāj* (Abū Yūsuf), *Kitāb al-Amwāl* (Abū 'Ubayd), and studies by Çizakça (2000), Islahi (2008), and Qarađawī and Kahf (1999).

Empirical Income Typology and Revenue Instruments

Following the establishment of the tripartite framework, the study advances by identifying the specific fiscal instruments within each category. This typology offers empirical insight into the origin, legal foundations, and social roles of each revenue source. Through a historiographical synthesis of classical legal texts and early administrative documents, twenty distinct revenue instruments have been identified (Chapra, 2008; Kahf, 2016; Supriatna & Jubaedah, 2021) These include contributions obligatory upon Muslims, such as zakat, khums, and nawaib; levies applicable to non-Muslims, including jizyah and kharaj; and general revenue streams like fai', state-owned resources, voluntary gifts, and conditional loans. Each instrument was legally codified and functionally allocated according to its fiscal and ethical significance.

Among these, dharibah emerges as a noteworthy case—a crisis-responsive levy imposed only on surplus wealth holders, and rescinded once financial sufficiency was restored. Its application was guided by maqasid al-shariah, supporting areas such as defence, administrative salaries, infrastructure, and social relief, with enforcement

being both proportionate and temporary (Mahmood, 2008). As summarised in Table 1, Islamic public income was classified according to contributor identity, legal obligation, and fiscal function. Drawing from foundational texts such as Kitab al-Amwal (Abu Ubayd) and al-Kharaj (Abu Yusuf), alongside modern historiographical studies (Islahi, 2008), (Çizakça, 2000), the taxonomy identifies four principal categories:

1. Obligatory revenues from Muslims, such as zakat, ushr, and khums, which were religiously mandated and allocated according to codified ethical and redistributive rules, most notably detailed in Qur'an 9:60 (Hasan, 2016).
2. Voluntary Muslim contributions, including waqf, sadaqah, and nawaib, which provided additional fiscal support through community-led initiatives, particularly in sectors such as healthcare, education, and urban infrastructure (Çizakça, 2000; Salaymeh, 2010)
3. Non-Muslim levies, such as jizyah and kharaj, were administered through the aqd al-dhimmah framework, ensuring mutual protection and religious autonomy without coercion, while simultaneously contributing to the fiscal base (Goldberg, 2000).
4. General and incidental sources, including ghanimah, fai', and external gifts, addressed strategic or emergency needs and were governed by established legal norms and sharī'ah compliance (Kuran, 2001).

Table 1: Historiographical Taxonomy of Islamic Public Revenue Sources and Contributors

Source Group	Type of Income	Examples
Muslim Sources	Obligatory Contributions	Zakat, Ushr, Zakat Fitrah, Khums
	Voluntary Contributions	Waqf, Amwal Fadhla (wealth of Muslims without heirs), Nawaib (emergency tax for wealthy Muslims), Other forms of Sadaqah
Non-Muslim Sources	Mandatory Levies	Jizyah (poll tax), Kharaj (land tax), Ushr (trade levy)
General Sources	State and Miscellaneous Income	Ghanimah (spoils of war), Fai (war gains without battle), Ransom payments, Loans (from Muslims or non-Muslims), Gifts from leaders or other countries

Source: Constructed by the author based on historiographical analysis of *Kitāb al-Amwāl* (Abū 'Ubayd), *al-Kharāj* (Abū Yūsuf), and supported by contemporary Islamic fiscal scholarship including (Çizakça, 2000), Islahi (2008).

Debt-Free Fiscal Architecture and Embedded Redistribution in Early Islamic Public Finance

The preceding findings have established the classification of revenue types, the fiscal instruments involved, and their respective allocation mechanisms, all embedded within an ethical and purposive framework. Building upon this, further analysis reveals the foundational structure and behavioural logic underlying early Islamic budgeting practices. These fiscal operations adhered to key principles including pre-allocation of

resources, the avoidance of speculative borrowing, and a preventative approach to potential harm or fiscal instability. Expenditure management was guided by the objectives of Islamic law (maqasid al-shariah), following a hierarchy of needs: daruriyyat (essentials), hajiyyat (complementary needs), and tahsiniyyat (enhancements). Prioritising this framework led to fiscal strategies that emphasised ethical considerations and prudent saving (Dusuki & Abdullah, 2024).

Additional triangulation across classical sources, contemporary literature, and expert interviews further confirms that redistribution was not treated as a supplementary function but formed a central pillar of the early Islamic treasury. Instruments such as waqf played a pivotal role in delivering sustained welfare services. A further critical pillar was dharibah, a crisis-based levy that served as a financing mechanism during emergencies. Unlike modern taxes imposed on economic activity, production, or consumption regardless of the payer's financial status, dharibah was levied strictly on individuals possessing surplus wealth. As such, it was a temporary and proportionate measure, implemented solely among the affluent during periods of fiscal insufficiency.

The integration of these principles, instruments, and prioritised allocations constructed a public finance model oriented toward equity and long-term sustainability, without reliance on systemic debt (Shirazi et al., 2021; Yusoff, 2006). In this context, fiscal compliance and citizen participation were not the result of coercion but stemmed from deeply embedded institutional trust and the moral legitimacy of the system. The Bayt al-Mal ensured transparency through codified record-keeping practices, sector-specific obligations, and the institutional enforcement of redistribution channels, thereby reinforcing public confidence and accountability. Collectively, these features represent a structurally embedded treasury model, characterised by ethical governance, fiscal balance, sustainability, and redistributive justice. This model stands in contrast to contemporary systems that often rely on extractive taxation and debt financing (Bracci et al., 2015; Chapra, 2008).

This exploration underscores the viability of a fiscal architecture in which treasury balance can be institutionally maintained without recourse to debt accumulation or coercive taxation. Simultaneously, redistribution and normative coherence remain foundational pillars of public finance. The urgency of this conceptual alternative arises from the inadequacies and imbalances observed in the existing global fiscal order, which is marked by persistent structural deficits and inequities. The reconstruction of early Islamic fiscal governance reveals that the treasury system was fundamentally oriented towards wealth redistribution and independence from debt. Rather than engaging in deficit financing or utilising interest-based instruments, the early Islamic model focused on the mobilisation of real, tangible assets through instruments such as zakat, kharaj, ushr, waqf, and episodic revenues like fay' and ghanimah. These mechanisms were mandated by Islamic legal and ethical norms. For instance, the allocation of zakat to the eight designated categories (asnaf) is prescribed in the Qur'an

(9:60), kharaj was linked to land productivity without compulsion (Kahf, 2016) and waqf facilitated enduring support for critical public services. These instruments collectively institutionalised the principles of ethics, justice, balance, and welfare, ensuring fiscal integrity at both microeconomic and macroeconomic levels, for individuals and societies alike.

DISCUSSION

Designing Moral Islamic Public Finance: Not Just Raising Taxes

Developing an Ethical Islamic Public Finance: More Than Taxes

Figure 4 conceptualises three core axes—moral weight, fiscal sustainability, and targeting specificity—which together elucidate how the early Islamic governance model structured a non-extractive, justice-centred fiscal system (Çizakça, 2000; Islahi, 2008; Shaharuddin, 2020). At the centre of this model are zakat and ushr, the most codified and divinely mandated fiscal instruments, explicitly established in Qur'an 9:60. These mechanisms were obligatory upon Muslims and directed towards eight defined beneficiary groups (asnaf), including the impoverished, the destitute, debtors, and other socially marginalised categories. Their sacred legitimacy ensured not only high levels of compliance but also constituted the ethical foundation of the public finance system, anchoring it in both spiritual obligation and functional clarity (Qaradāwī & Kahf, 1999; Wilson, 2001).

Complementing these were episodic but legally systematised sources such as ghanimah and fay'. Although generated irregularly, these resources had a defined redistributive purpose. Revenues from ghanimah and surrendered properties (fay') were allocated to support orphans, travellers, the impoverished, and those who had fought in the cause of God. Classical jurisprudence, such as that found in Al-Mawardi's Al-Ahkam al-Sultaniyyah, codified these provisions, ensuring their ethical application even in circumstances of war or treaty agreements. These sources thus contributed to maintaining justice and social support during times of political upheaval. A secondary but crucial tier of revenue comprised instruments such as kharaj, jizyah, infaq, waqf, and sadaqah. Though less rigidly specified, these sources were grounded in ethical imperatives. Waqf, in particular, provided substantial funding for public goods such as education, health, and infrastructure, doing so without placing strain on the public treasury. This tier reflects a strategic approach to public finance that mitigates dependence on taxation or borrowing by mobilising endowment-based and voluntary contributions (Çizakça, 2000).

The next level includes what may be termed religion-linked or morally designated flexible sources. This category includes fidyah, kafarat, hibah, amwal fadla, and qurban. Though often episodic, these revenue streams were ethically significant and used to fund state obligations, including civil salaries, pensions, and duties classified as fard

kifayah (collective obligations). Their flexibility mirrors that of contemporary emergency or contingency funds (asbab), providing a morally responsible buffer against financial instability (Islahi, 2008; Kahf, 2016). Taken together, this multi-layered configuration reflects a holistic public finance framework, where ethical guidance, institutional coherence, and distributive justice are embedded within fiscal operations. Rather than relying solely on tax expansion or debt accumulation, early Islamic finance mobilised a variety of instruments to meet public needs while preserving moral and social equilibrium.

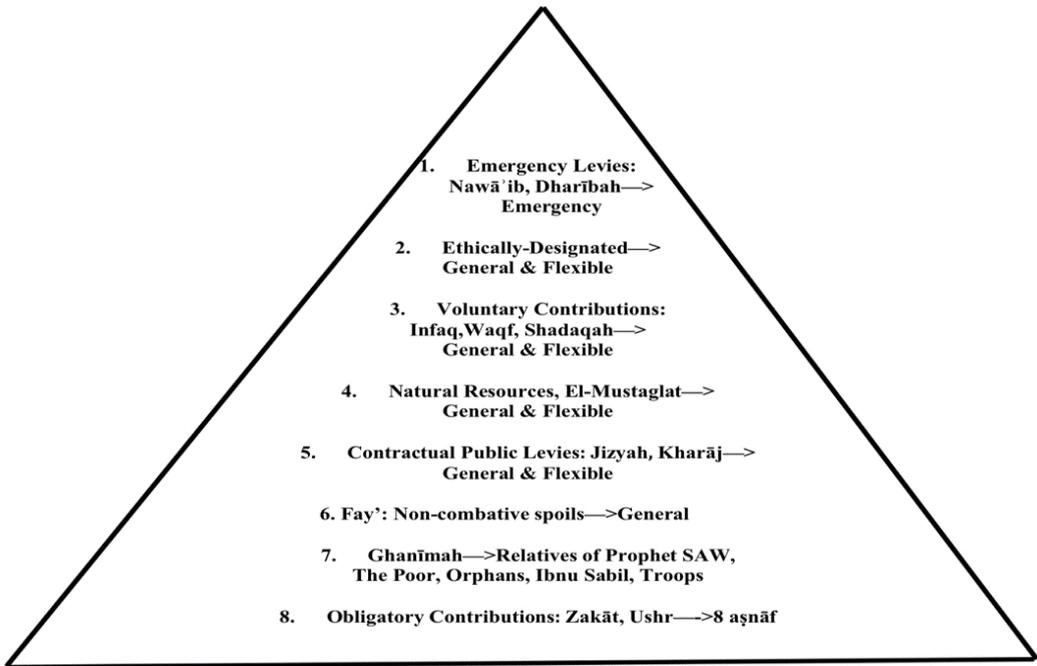


Figure 4: Pyramid of Islamic Public Finance: A Historiographical Reconstruction

Source: Constructed by the author based on historiographical synthesis of Kitāb al-Amwāl (Abū ‘Ubayd), al-Kharāj (Abū Yūsuf), and validated through triangulated interpretations from (Çizakça, 2000; Goldberg, 2000; Islahi, 2008; Qaraḍāwī & Kahf, 1999).

At the apex of the fiscal structure lie the emergency-based levies, specifically nawaib and dharibah, which were only imposed under extraordinary circumstances such as warfare, natural disasters, or acute economic scarcity. These instruments were characterised by their temporality, proportionality, and exclusivity: they applied solely to affluent Muslims, were strictly time-bound, and were rescinded upon the resolution of the crisis (Shaharuddin, 2020). This contrasts starkly with modern fiscal systems, where taxation often persists despite economic downturns or diminished public capacity to contribute. In early Islamic finance, these instruments represented a form of ethical risk budgeting, whereby the imposition of taxes was subject to conditions of necessity rather than routine fiscal operations. From an ethical accounting perspective, high-

frequency but ethically mandated revenues were allocated to maintain social security and communal resilience. In contrast, medium-frequency revenues reflected the adaptive nature of the soul and society, allowing for moral foresight and sustainable prosperity, even in the absence of debt-financed spending (Kuran, 2001). The basis of all fiscal allocations in the early Islamic model was grounded in the framework of maqasid al-shariah, which provided a structured approach to expenditure rooted in divine objectives.

Budgetary allocations during the Prophetic and Caliphal periods were aligned with the priorities outlined in the maqasid al-shariah, which post-Prophethood scholars developed into a comprehensive theoretical framework. According to this schema, spending was prioritised in descending order of necessity. At the top were daruriyyat, or essential needs, which included poverty alleviation and disaster response. This was followed by hajiyyat, covering infrastructural and utility services, and finally tahsiniyyat, comprising expenditures aimed at improving quality of life and social dignity, such as education, moral development, and cultural enrichment (Dusuki & Abdullah, 2024). Through a combined methodology of historiographical investigation, source triangulation, and contextual analysis, this study finds that the early Islamic public finance model clearly reflected this prioritisation framework. The allocation of public spending adhered strictly to the maqasid-based hierarchy, thus reinforcing the fiscal model's ethical coherence, responsiveness, and sustainability.

Institutional Logic and Ethical Imperative in the Early Islamic Treasury

Through the analysis of classical sources, fiscal records, and expert interviews, this study identifies that Islamic finance, in its early public configuration, functioned according to an institutional paradigm grounded in asset-based revenue streams. Allocations were executed within a macro-micro framework aimed at promoting both individual and global welfare. As discussed previously, zakat was constitutionally limited to eight beneficiary groups (asnaf), kharaj was primarily designated for land management and defence, while waqf facilitated sustained investment in public goods such as education and healthcare. The triangulated findings—synthesising historical literature with expert testimonies—demonstrate that the structured classification and disbursement of revenue instruments served as a safeguard against functional distortion, arbitrary reallocation, conflicts of interest, and ethical misconduct associated with modern extractive fiscal power. Zakat proceeds from agricultural outputs and livestock, including grain and animals, also provided resilience against inflationary erosion, preserving real value over time.

The evidence suggests that fiscal restraint was not enforced through coercion, but was instead underpinned by the embodiment of ethical substance within a functional framework, contrasting with normative enforcement or purely legal compulsion (Bracci et al., 2015; Jacobs, 2013). Compliance with public financial duties emerged from

institutional trust and moral legitimacy rather than the threat of legal sanction. Moreover, the Bayt al-Māl's transparency and just distribution practices cultivated public loyalty and consistent civic behaviour. Adherence to zakat obligations exemplified this phenomenon, as it was driven by ethical conviction rather than compulsion by state authority. These findings substantiate the theory of the common good within an ethically oriented public finance system (Carlin & Guthrie, 2001).

Empirical Evidence of a Debt-Averse Redistributive Treasury Schema

Through historiographical triangulation involving the reconstruction of classical legal texts, fiscal records, and expert interviews, this study demonstrates that early Islamic public finance inherently embodied mechanisms that structurally precluded the accumulation of debt. The fiscal system during that era was designed in such a way that indebtedness was avoided by relying exclusively on real resource mobilisation and ethically guided allocation. In contrast, contemporary economic and financial theories primarily prioritise economic management as a means to mitigate the politicisation and conflicts of interest that often emerge in the administration of public finances. This theoretical focus has influenced developments in public sector accounting and fiscal governance, as seen in studies on public accountability and financial regulation (Alexander & Servalli, 2011; Bartocci & Lucentini, 2018; Lemarchand & Parker, 2014). Similarly, economic literature emphasises the role of institutional efficiency and the regulatory function of the state (Barzel, 1971).

These modern developments align with the foundational principles identified in early Islamic fiscal doctrine. Both frameworks, despite their differing historical and cultural contexts, converge on the normative objective of promoting fiscal accountability and disciplined allocation of public resources. Thus, the ethical and institutional imperatives of early Islamic finance are not only historically significant but also resonate with the evaluative criteria of contemporary economic governance. Fiscal equilibrium in early Islamic governance was not an outcome of reactive policymaking but an inherent attribute of its financial system. This equilibrium was maintained through a predetermined allocation framework in which revenues from zakat, kharaj, jizyah, and waqf were assigned to specific categories of expenditure in accordance with Qur'anic directives (QS 9:60; QS 59:7). There is no evidence from the Prophetic or Rashidun periods of the use of planned budget deficits, deferred liabilities, or interest-based financial tools (Irkhami, 2019). Instead, the treasury operated under a structure wherein current revenue inflows were ethically linked to obligatory redistribution. Redistribution was not treated as a secondary function conditional upon surplus, but as a core operational principle.

Zakat allocations were codified in law, while waqf and dharibah served as stable and crisis-responsive mechanisms for redistribution without the involvement of borrowing. This closed-loop fiscal architecture contributed to the structural and moral correction

of income disparities, consistent with arguments in fiscal sociology that underscore the significance of state mechanisms in the collection and equitable redistribution of public wealth (Ahmad, 2021; Mannan, 2000; Oktafia et al., 2023). As a historically validated model, it holds relevance for present-day fiscal strategy, particularly for Muslim-majority states or economies recovering from crisis. The model prioritises endogenous, ethically grounded resource mobilisation, a needs-based approach to fiscal balance, and the application of targeted, temporary levies in emergencies. These elements collectively challenge conventional deficit-financing paradigms and offer a viable foundation for comprehensive public finance reform (Iqbal & Mirakhor, 2011).

Macro Economics and Public Finance Viewpoints

Following the historiographical reconstruction of institution-building and operational principles within early Islamic public finance, this section situates the model within a broader macroeconomic framework. It offers a comparative analysis between the Islamic fiscal paradigm and dominant economic doctrines, particularly Keynesian demand-side management, to evaluate how early Islamic budgeting proposed structurally distinct alternatives concerning indebtedness, distributive justice, and long-term fiscal sustainability. Within contemporary macroeconomic discourse, Keynesianism—rooted in deficit-driven public spending and debt-led economic expansion—has been widely critiqued for contributing to structural imbalances and escalating public debt burdens (Houseman, 2006; Stiglitz, 1991; Stiglitz, 2010). In contrast, the fiscal framework practiced during the Prophetic and Rashidun periods adhered to principles that either entirely avoided or strictly limited state indebtedness. This governance model was founded on non-interest revenue sources such as zakat, waqf, and other asset-based contributions (Askari & Mirakhor, 2014; Hasan, 2016).

Drawing upon primary fiscal records and classical legal-economic treatises, this study demonstrates that Islamic fiscal operations synchronised expenditure with real-time revenue flows, thereby circumventing *riba*-based debt accumulation and maintaining intergenerational financial stability. The early Islamic state, operating with minimal inherited assets, relied on non-monetary instruments like *jizyah*, *kharaj*, and *ushr*, which were collected and managed through *Bayt al-Māl*. In the event of fiscal emergencies, the system enabled wealth redistribution from affluent segments to those in need, thereby achieving both equity and resilience. As evidenced by historical accounts, the Islamic fiscal framework effectively fulfilled the principal macroeconomic functions of allocation, redistribution, and stabilisation (Yusoff, 2006), while operating within an ethically constrained and economically sustainable paradigm. The fundamental contrasts between Islamic and Keynesian fiscal structures—particularly regarding debt management, income allocation, crisis response, and macroeconomic regulation—are summarised in Table 2.

Table 2: Comparison of Islamic and Keynesian Fiscal Policies

Dimension	Islamic Fiscal Policy	Keynesian Fiscal Policy
Debt Management	Avoids interest-based borrowing; emphasises fiscal balance.	Advocates borrowing and deficit spending for growth.
Revenue Sources	Endogenous: zakat, waqf, voluntary contributions.	Taxes, bonds, and external debt.
Crisis Response	Flexible exemptions for the poor; redistribution from wealthy.	Increased government spending; further debt accumulation.
Role of Fiscal Policy	Central (due to riba prohibition and zakat obligation).	Secondary to monetary policy in some contexts.
State Formation Context	No inherited wealth; fiscal policy essential from inception.	Often supported by pre-existing wealth and institutions.
Macroeconomic Functions	Allocation, distribution, stabilisation through ethical means.	Allocation, distribution, stabilisation through debt-funded expenditures.

Source: Constructed by the author based on historiographical analysis of classical Islamic fiscal records (e.g., *Kitāb al-Amwāl*, *al-Kharāj*), early state practices during the Prophethood and Rashidun era, and comparative interpretations from (Askari et al., 2014; Yusoff, 2006).

CONTRIBUTION TO FISCAL THEORY

Although a conceptual reconstruction of the Islamic treasury may suffice for some, the empirical foundation underpinning this model extends its relevance to contemporary fiscal theory. The investigation undertaken in the preceding section lays the groundwork for a developing conceptual framework, integrating institutional accountability with Islamic financial obligations as prescribed by the *Maqāsid al-Sharī'ah*. Importantly, this historically rooted system is not only ideal in normative terms but also presents practical applicability in policy formulation. Thus, a renewed function for the Islamic treasury emerges, one that addresses both ethical and structural aspects of public finance.

Drawing upon early Islamic fiscal institutions, this study frames Islamic public finance as a stabilising fiscal system that aligns public revenue generation with moral responsibility and macroeconomic resilience (Islahi, 2008). In contrast to dominant models that advocate Keynesian deficit financing and debt expansion (Stiglitz, 1991; Stiglitz, 2010), the Islamic approach relied historically on endogenous and ethically regulated instruments such as zakat and waqf. Expenditure within this model adhered to the *maqāsid al-sharī'ah*, which prioritise fundamental necessities (*daruriyyāt*), essential services (*hajjiyyāt*), and broader community welfare (*taḥsiniyyat*) (Dusuki & Abdullah, 2024; Iqbal & Mirakhor, 2011). Nevertheless, the operationalisation of this system in contemporary settings must contend with certain practical constraints. Chief among these is the institutional fragmentation that hampers the coordinated application of zakat and waqf as a unified fiscal mechanism. By contrast, modern fiscal systems, when effectively regulated and supported by global financial liquidity, may achieve operational efficiency, though they frequently confront challenges such as ethical lapses, regressive taxation, and unsustainable debt accumulation (Chapra, 2008).

	Islamic Budgeting	Conventional Budgeting
Strengths	<ul style="list-style-type: none"> • Endogenous, morally bounded revenue • Transparent, need-based allocation • Avoidance of interest, speculation 	<ul style="list-style-type: none"> • Centralized data and monitoring • Access to international credit
Weaknesses	<ul style="list-style-type: none"> • Limited infrastructure • Underutilization of instruments • Lack of legal codification 	<ul style="list-style-type: none"> • Chronic deficit financing • Regressive taxation • Ethical detachment

Figure 5: Comparative Strengths and Weaknesses of Islamic vs. Conventional Budgeting

Source: Compiled by the author based on a historiographical synthesis of classical Islamic fiscal texts (e.g., *Kitāb al-Kharāj*, *Kitāb al-Amwāl*) and comparative fiscal studies including, (Çizakça, 2000) and Islahi (2008).

The dynamic functionality of zakat distinguishes it from conventional fiscal instruments. Unlike taxation, which typically exerts a contractionary influence by reducing consumption and investment levels, zakat positively contributes to economic activity by stimulating consumption and thereby increasing national income (Askari et al., 2014; Yusoff, 2006). Consequently, zakat fulfils a dual purpose: it plays a redistributive social role and simultaneously acts as a counter-cyclical fiscal tool, enhancing economic stability during downturns and curbing excesses in times of prosperity. Historically, the Bayt al-Māl undertook multiple responsibilities under Islamic law, including functioning as the state treasury, managing pension payments to the families of the deceased, and administering stipends to Muslim soldiers engaged in jihad.

The Islamic fiscal framework is underpinned by an ethically anchored, endogenous financing model, informed by the objectives of the *maqāṣid al-sharīʿah*. This paradigm shifts the focus towards social equity and just distribution of wealth, in contrast to prevailing macroeconomic systems that are largely oriented towards growth, reliant on external debt, and driven by utilitarian goals. The framework presented here underscores the strategic significance of integrating moral governance into the ongoing discourse on fiscal reform. The conceptual model developed in this research, illustrated in Figure 6, centres around three foundational pillars: revenue generation from ethical sources, expenditure aligned with the *maqāṣid al-sharīʿah*, and institutional oversight through the Bayt al-Māl. This triadic structure differentiates Islamic public finance from debt-reliant systems and offers an alternative model of fiscal governance that is both innovative and ethically coherent. The findings reaffirm that Islamic budgeting should not be regarded solely as a component of religious tradition, but as a historically

grounded and policy-relevant system capable of addressing contemporary fiscal challenges.

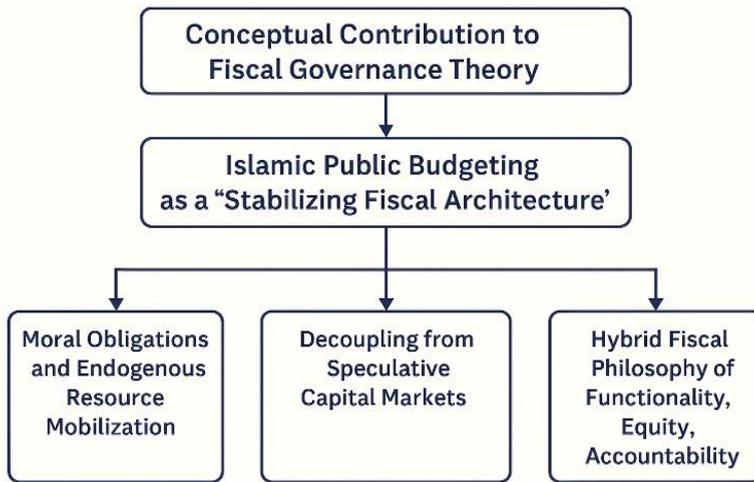


Figure 6: Conceptual Contribution to Fiscal Governance Theory

Source: Author’s conceptual synthesis based on historiographical analysis of Islamic fiscal governance (e.g., *al-Kharāj* by Abū Yūsuf, *Kitāb al-Amwāl* by Abū ‘Ubayd) and comparative studies by (Çizakça, 2000), and Islahi (2008).

CONCLUSION

The Islamic fiscal system categorises revenue sources into mandatory, voluntary, and incidental types, each rooted in scriptural authority with specified allocations. Certain sources allow administrative flexibility within Islamic legal bounds. This classification fosters transparency, limits fiscal misconduct, and ensures ethical governance. From its inception, the treasury integrated legal rulings with a comprehensive moral framework, promoting justice, equity, and economic balance at both macro and micro levels. Empirical evidence shows that zakat compliance arises not only from religious duty but also from moral responsibility and trust in amil institutions. Waqf supported long-term social welfare, while kharaj regulated productive assets and financed national defence. Emergency taxes like dharibah were imposed only during crises, on surplus wealth holders, under strict ethical guidelines. Together with bans on ribā, gharar, and maisir, these mechanisms safeguarded the treasury against fiscal abuse. Notably, during the Prophet’s era and the Rashidun Caliphate, the system operated without public debt, relying instead on zakat, kharaj, waqf, and ghanimah—embedding wealth redistribution and ethical governance at its core. The Bayt al-Māl played a pivotal role, serving as a transparent and accountable institution that shaped behaviourally grounded fiscal practices. Collectively, these instruments and principles offer more than historical reference—they present a viable, ethically anchored model for modern fiscal reform, particularly for states seeking distributive justice, financial independence, and resilience without reliance on structural debt.

Despite its methodological robustness, this study acknowledges several limitations. The historiographical approach, though rigorous, remains interpretative and context-dependent. Applying the proposed model to modern states with different legal and economic systems requires careful adaptation. The absence of quantitative analysis or real-world testing also limits the model's empirical validation. Additionally, the lack of contemporary equivalents to the early Islamic treasury raises questions about scalability and applicability across diverse settings. Nevertheless, the study presents a compelling alternative fiscal framework rooted in ethical governance, asset redistribution, and institutional trust. Policy recommendations include integrating zakat, waqf, and property-based levies into national budgets, adopting dharibah-style emergency taxes on surplus wealth, and reviving the Bayt al-Māl to enhance fiscal transparency. Embedding maqāṣid al-sharī'ah principles in public finance laws and prioritising adequacy over debt could promote ethical and equitable budgeting. The role of social norms and institutional legitimacy in encouraging voluntary compliance also warrants further exploration as a key pillar of ethical public finance.

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Appendix 1: Comprehensive Historiographical Inventory of Revenue Sources in the Prophetic and Rashidun Fiscal System (610–661 CE)

No	Revenue Term	Classical Term	Source Origin	Allocation / Function	Legal Basis
1.1	Ṣadaqah Maḥdah: voluntary charity	Ṣadaqah Maḥdah (صدقة محضة)	Muslim	Legal redistribution to eight categories (aṣṇāf)	Qur'an 9:103
1.1.1	Zakāt: Mandatory alms	Zakāt (زكاة)	Muslim	8 aṣṇāf (The poor (fuqarā') The needy (masākīn) Zakat administrators ('āmilīn) Those whose hearts are to be reconciled (mu'allaf qulubuhum) Slaves seeking freedom (riqāb) Debtors (gharimīn) Those striving in the path of Allah (fī sabīlillāh) Stranded travelers (ibn al-sabīl)	Qur'an 9:60
1.1.2	'Ushr: Tithe on farm produce	'Ushr (عشر)	Muslim	Allocated similarly to zakat recipients	Qur'an 2:267; 6:141
1.1.3	'Ushr: on trade	'Ushr (عشر)	Muslim	Allocated similarly to zakat recipients	Qur'an 2:267; 6:141
1.1.4	Dharībah: Emergency tax on the wealthy	Dharībah (ضريبة)	Muslim	Military, defense, infrastructure, administration	Post-Rashidun Ijtihād – Post-Rashidun juristic reasoning to fulfill state fiscal needs
1.1.5	Nawā'ib: Crisis levy for disaster or war	Nawā'ib (نوائب)	Muslim	Emergency relief, disaster mitigation, public safety	Ijtihād – Documented as emergency taxation on the wealthy;

					used during Caliph Umar's rule
1.1.6	Kaffārah: Atonement payment for religious violations	Kaffārah (كفارة)	Muslim	Directed to the poor and needy as spiritual purification	Qur'an-based; Ijtihād – Derived from Qur'anic mandates with juristic elaboration
1.2.1	Kharāj: Land tax from non-Muslim farmers	Kharāj (خراج)	Non-Muslim	Routine administration, social development	Qur'an 59:7–10; Ijtihād – Administrative ijtihād under Caliph Umar for non-Muslim agricultural lands
1.2.2	Jizyah: Poll tax on non-Muslim citizens	Jizyah (جزية)	Non-Muslim	Public administration and services	Qur'an 9:29; Ijtihād – Juristic and administrative ijtihād applied during early Islamic state formation
1.2.3	'Ushr (Border Levies): Trade duty at border posts	'Ushr (عشر)	Non-Muslim	Infrastructure and public expenditure	Qur'an 2:267; 6:141
2.1	Infāq: General voluntary spending	Infāq (إنفاق)	Muslim	Social welfare and infrastructure	Qur'an 3:134
2.2	Ṣadaqah: Non-obligatory charity	Ṣadaqah (صدقة)	Muslim	Public goods and welfare	Qur'an 4:114
2.3	Waqf: Endowment for public benefit	Waqf (وقف)	Muslim	Education, healthcare, mosques, etc.	Qur'an 3:92; 73:20
2.4	Qurbān: Animal sacrifice,	Qurbān (قربان)	Muslim	Meat distributed to poor, kin, and self	Qur'an 108:2

	meat for distribution				
3.1	Ghanīmah: War spoils shared between state and soldiers	Ghanīmah (غنيمة)	General	1/5 to state; 4/5 to combatants	Qur'an 8:41
3.2	Rikāz: Buried treasure or found valuables	Rikāz (الركاز)	Natural Resource	State development, welfare	Ṣaḥīḥ al-Bukhārī 1499
3.3	Ma'ādin: Income from mines or natural resources	Ma'ādin (المعادن)	Natural Resource	Public treasury for infrastructure & welfare	Ijtihād (Qiyās to Rikāz) – Derived by qiyās (analogy) with Rikāz; supported by Mālikī and Ḥanafī jurists
3.4	Luqāṭah: Lost property held in trust	Luqāṭah (اللقطه)	General	Held in trust or donated after due period	Ṣaḥīḥ al-Bukhārī 2426; Ṣaḥīḥ Muslim 1722
4.1	Amwāl Fāḍilah: Unclaimed or surplus wealth	Amwāl Fāḍilah (أموال فاضلة)	General	Public welfare and treasury	Administrative Ijtihād of Caliph 'Umar – Ijtihād by Caliph Umar ibn al-Khaṭṭāb; unclaimed estates redirected to bayt al-māl
4.2	State Properties: Government-owned lands and assets	Amwāl 'Āmmah (أموال عامة)	General	Public rents and land use revenues	Ijtihād of Rashidun Caliphate – Administrative allocation and management initiated under Caliph Umar
4.3	Public Enterprises:	Al-Mustaḡallāt	General	Income from shops, irrigation, markets	Ijtihād; Developed under Caliph

	Revenue from public businesses	(المستغلات)			Umar's policy on land retention and documented in fiscal practice
4.4	Gifts & Tributes: Diplomatic or voluntary state gifts	Hibāt wa Ḥalāyā (هبات (وحلایاء	General	Diplomatic and redistributive uses	Qur'an 27:35; Ijtihād – Discretionary use supported by historical practices and Qur'an 27:35

Source: Compiled by the author (2024), based on primary Islamic legal texts (e.g., Qur'an; al-Bukhārī, 9th century; Muslim, 9th century), classical fiscal treatises (Abū Yūsuf, al-Kharāj; Abū 'Ubayd, Kitāb al-Amwāl), and secondary sources including (Ener, 1999; Islahi, 2008; Rashid, 1990; Shaharuddin, 2020).