

Series of Questions Addressed to Scholar Sheikh Ata Bin Khalil Abu Al-Rashtah,
Ameer of Hizb ut Tahrir through his Facebook Page (Fiqhi)

Answer to Question:

The Concept of Value

To: Abu Mohammed Al-Sheikh Hamed

(Translated)

Question:

Assalamu Alaikum wa Rahmatullahi wa Barakatuh

May Allah bless you our honorable Sheikh, and help you and grant you victory.

I have questions about the concept of value. The value is the quantity of benefit present in a commodity, taking into account the element of scarcity.

1. What tools do I depend on as an expert in a particular commodity to determine the benefits of such a product?
2. Are the benefits determined by describing the benefits only or are they valued in gold, silver or effort? If possible, give an example.
- 3 - Do these benefits in the commodity have a value and how it is determined?
- 4 - How do I deal with – taking into account the factor of scarcity - in determining the value and what is the relationship to it?
5. Is the value a study of the economic system or a study of economic science?
6. What is the importance of discussing the issue of value and the benefits of its study?

Finally, Allah bless you and may Allah reward you with good and support you with a near victory. He is the Guardian and All Capable of it. Ameen, Ameen.

Answer:

Wa Alaikum Assalam wa Rahmatullahi wa Barakatuh,

1, 2 and 3- as for the knowing the value and the tools that are relied upon in determining this, they are the benefits to the individual as a human in terms of satisfying his basic needs, as well as for the things that have value in their own such as gold and silver. Values are usually determined by comparison to another commodity and not by its price. For example, the value of the loaf of bread is higher than the value of an intoxicant substance even if the price of the intoxicant substance is higher than it and so on.

This can be illustrated by the following: The real value of the commodity is the amount of its benefit which is constant and does not change because its benefit exists in the commodity itself. If we want to estimate the value in a transaction, this is called the actual value, i.e., the value resorted to when suing. We estimate it with a commodity known to the parties at the time of estimation, or with respectable money at the time of estimation which has a value in itself such as gold or silver, so we say it is equal to such kilograms of wheat, for example, or equal to such grams of gold, or a silver *dirham*. That is to say, the estimation of the value is with an item that has benefit in itself, so the value is not estimated with what is not beneficial in itself such as paper money. This estimation is based on comparing the benefit of the commodity in question with the benefit of the items used to estimate it at the time of

evaluation. Whether the real value or the actual value is under consideration, it is constant and does not change from the time of evaluation later because it is a value.

4- As for how to deal with the issue of taking into account the element of scarcity "contained in the definition" and what is its relationship to the estimation of the value, we have already answered this issue and here we repeat the text of the answer for you:

(The definition of the value as the quantity of benefit in a commodity, taking into account the element of scarcity, yes, this is true. And not to consider the element of scarcity a part of the estimation is true as well. As for why it was mentioned, here is the explanation:

Bearing in mind the factor of scarcity is not part of the estimation, but it is for the sake of keenness, care and preservation of the value. For example, if you have a loaf of bread and you estimated its value in terms of the benefit found in it; its ingredients, characteristics, uses, and if it was rarely available, then you will be keen on it and may eat a quarter of it in the morning and another in the evening, and so on the second day, and if a crumb of it falls from you, you would rush to pick it up. But if you have loaves like this loaf, even though the intrinsic benefits are the same; its value is the same, you will not be attentive for it and will not take care of it like your care for the first loaf; you may not even pick up a crumb if it falls and you may eat it and another like of it in one day. Therefore, in the explanation, the book added to "taking into account the element of scarcity" the words "at that time". It says at the end of page 33 (top of page 29 English edition): "because the value of the commodity should be estimated by the amount of benefit in it at the time of estimation, taking into account the element of scarcity at that time.", that is, the time accompany the value when it was evaluated. This means that the value is the benefit in the commodity taking into account the factor of scarcity for a reason other than the estimation of its value, but to preserve and take care of that value because of the difficulty of obtaining the like of it if it is lost because of its scarcity, and this observation is important for not to waste the values but to use them with measure. Moreover, the observation of the scarcity factor is useful in comparing the stability of values and the change in prices, rising and dropping, according to the scarcity factor. Dated 21/04/2007).

5- Is the value a study of the economic system or a study of economic science? This differ according to the context of the study. If the study is in terms of the scientific subject concerning the value and price, i.e., the distinction between them, then this study is related to economic science. So, we say: the value is the amount of the benefit in the commodity itself whereas the price is the amount of money paid for the commodity when purchased regardless of whether or not it is beneficial, for this is merely a comparison in terms of definition.

But if the discussion is in terms of transactions, then it is the subject of the economic system. For example: if a man borrowed a certain commodity with the value of 100 Dinars gold and recorded in the contract as such, then upon repayment, he may return the same commodity or return a hundred Dinars gold if the commodity was damaged. This is because the value remains constant; it does not change with the change of time and place. But it is not permissible to buy for him with the 100 Dinars a commodity of the same type because the price changes and it is not a condition to buy with the 100 Dinars an identical commodity. However, if a specific commodity was recorded in the contract for a price of 100 Dinars, then upon repayment, he may return the commodity to him, and if it is damaged, he may give him 100 dinars or buy him a commodity of the same type for 100 dinars whether it is identical or is of a better or less quality. This is because price is not constant but changes according to place and time. But both parties must understand the meaning of value and price, otherwise, the matter would involve a government or a judiciary. For information, the value cannot be estimated except in commodities that have benefit or money that carries intrinsic value, but

not in paper money, for example. This is because the values are constant, whereas the price can be estimated like the value as well as by paper money since the prices change. So, it is permissible, when estimating by price, to mention money as gold, silver, or paper money.

6. As for the importance of the study of value, it is derived from the difference between the constant value of the benefits in the commodity for the human being in terms of basic needs and for things that have intrinsic value and the price that is not dependent on its estimation in terms of abundance or scarceness on the benefits found in the commodity. And perhaps if you review the topic of recording the dowry in value or price mentioned in the book the Economic System and the example mentioned above under No. (4), you may become aware of the importance of the study of value, for it makes economic research focuses on these two things:

- Making economic research focus on values, where the value relates to the benefits that satisfy the basic needs of the human, and things that have intrinsic value, it makes care on the beneficial items. **In other words, it makes the research on what benefit the people, so it becomes the basic research and the research of prices is subsidiary to it. So, it does not care about the harmful products even if they are expensive because they are of no benefit .**

- **While making the research of the price the basis, and the research of values subsidiary to these research leads to taking care of expensive commodities and considering them of high value even if they are harmful things, such as intoxicants and drugs, because they have high prices and generate large income.**

Thus, the focus of the economic viewpoint **on values and then the prices as subsidiary to these values;** this view spreads the good and tranquility among people, but the focus of the economic viewpoint **on prices and then the values as subsidiary to these prices;** this view makes commodities with high price to be high-value commodities although they may be harmful to the society, and then this view spreads evil and misery among people.

I hope this topic has become clear to you, Allah willing.

Your brother,

Ata Bin Khalil Abu Al-Rashtah

22nd Sha'ban 1438 AH

19/05/2017 CE

The link to the answer from the Ameer's Facebook page:

<https://web.facebook.com/AmeerhtAtabinKhalil/photos/a.122855544578192.1073741828.122848424578904/632963040234104/?type=3&theater>

The link to the answer from the Ameer's Google Plus page:

<https://plus.google.com/u/0/b/100431756357007517653/100431756357007517653/posts/J3sdchnbKwY>

The link to the answer from the Ameer's Twitter page:

<https://twitter.com/ataabualrashtah/status/867476006025777154>