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ARTICLES

Maqāṣid al-Sharī'ah: Are We Measuring The Immeasurable?

RAFI AMIR-UD-DIN*

Abstract

Islam takes a broad and encompassing view of human development and asserts the centrality of achieving the Maqāṣid al-Sharī'ah in all human activities. The existing development indices do not completely conform to the normative judgments of Islam regarding the concept of development especially because of their disproportionate emphasis on the material aspect of the development and their disregard for the dimensions which are crucial for the world hereafter. This highlights the need for an index which accommodates the dimensions which are consistent with Maqāṣid al-Sharī'ah. This paper seeks to explore the conception of Maqāṣid al-Sharī'ah as a measureable concept, identifies the indicators relevant to these Maqāṣid, and develops a tentative multidimensional index which makes a cross-country comparison within the OIC region.

Keywords: *Maqāṣid al-Sharī'ah*, Human Development Index, human wellbeing, multidimensional indices

1. Introduction

Islam takes a broad and encompassing view of human development and asserts the centrality of achieving the *Maqāṣid al-Sharī'ah* in any public policy. The existing development indices do not completely conform to the normative judgments of Islam especially because of their disproportionate emphasis on the material aspect of the development and their disregard for the dimensions which are crucial for the world hereafter. This highlights the need for an index which

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accommodates the dimensions which are consistent with *Maqāṣid* al-Sharī'ah. However, operationalizing the *Maqāṣid* al-Sharī'ah as a measureable concept has been a relatively new discipline and the instruments to scientifically investigate the religious constructs have so far been not adequate even where they are available. This paper seeks to explore the conception of *Maqāṣid* al-Sharī'ah as a measureable concept, identifies the indicators relevant to these *Maqāṣid*, and develops a tentative multidimensional index which makes a cross-country comparison within the OIC region.

Section 2 highlights important features of the Islamic concept of development, while Section 3 discusses some of the conceptual and operational problems regarding the measurement of the concepts which are intrinsically problematic because of being unobservable. This section also discusses some of the possibilities with the framework of Sharī'ah and briefly discusses the available methodology to measure such intangible factors as spirituality. Section 4 develops the methodology for constructing a *Maqāṣid* al-Sharī'ah index (MSI) and discusses some of the methodological issues. Section 5 discusses the issues of data collection within the framework of multidimensional view of development. Section 6 discusses the results.

2. Islamic Concept of Development

A standard definition of economic development is "... removal of poverty, unemployment, inequality, illiteracy, and ill-health, and one of ensuring participation in government... incorporating, in the final result, the technological safeguards for human development and conserving of the biosphere that has been developed" (Adiseshiah & Start 1991). This concept of economic development has its roots in the post-enlightenment period. Islam, however, does not subscribe to this materialistic worldview, nor it considers human life to be determined by material, psychological, instinctive or environmental forces (Chapra 2008).

Islamic approach to development rests on a set of well-defined philosophical foundations (Ahmad 1994; Khurshid 1980). The first foundation is *Tawhid*, which posits the unity and sovereignty of Allah and helps define the nature of the relationship between man and his lord as well as the relationship between man and man. The principle of *Tawhid* entails that there is a unity of purpose in the design of this universe, and any dichotomy is at best a state away from the equilibrium which will be removed over time. In the world hereafter, the angularities in both the human relationships as well as the other dimensions of the universe will be physically removed: "Nothing crooked or curved wilt thou see in their place" (Qur'ān, 20: 107). The *Rabubiyya* principle entails that the human beings as well as

other creatures are governed by a Power who is Benevolent, Compassionate and Merciful. This principle assures the human beings that the resources essential for a good life in this world exist and they do not have to thwart their life in a mad pursuit of necessities of life. Such philosophical constructs as fatalism and determinism stand opposite to the *Rabubiyyah* principle because the former isms see man as a puppet in the hands of forces which are indifferent to his plight and man is totally helpless against these forces.

The *Khilafah* principle provides that human beings are responsible for their deeds and actions, and this principle refutes all such *isms* which take a non-serious or hedonist view of life. *Tazkiyyah*, the fourth principle, means purification and growth. Islamic concept of development directly follows from this principle because “it addresses itself to the problem of human development in all its dimensions: development is concerned with growth towards perfection through purification of attitudes and relationships. The result of *tazkiyah* is *falah* – prosperity in this world and the hereafter” (Ahmad 1994). Chapra (2007) includes another dimension of *Adalah* (justice) that provides for the satisfaction of the needs of everyone, and ensures equitable distribution of income and wealth and environmental protection.

At a more abstract level, Islam considers development in terms of a journey along the *sirat* (path), suggesting that Islam has a dynamic concept of development which requires continuous struggle on the part of Muslims. Those who are successful in this journey are referred to as *muflihīn* (successful ones) or *muhsinūn* (achievers of perfection) (Zaman & Asutay 2009).

The important feature of Islamic concept of development is that it considers development a multidimensional activity and seeks to establish a balance between different factors and forces. The neoclassical economics was mistaken in taking an isolated view of economic activity by excluding many dimensions of real life (Zaman & Asutay 2009). “Islamic concept of development is comprehensive in character and includes moral, spiritual and material dimensions. Development becomes a goal and value-oriented activity, devoted to the optimization of human well-being in all these areas” (Ahmad 1994). Human beings and their basic needs need to be at the center of development effort and not simply the growth rate (El-Ghazali & Series 1994). Tahir & Haque (1995) say that even economic development is contingent on a number of non-economic conditions: the fulfillment of fundamental economic rights, the surety that growth does not lead to the weakening of the moral, social and institutional fabric of the society; the growth of economy does not widen inequalities of society; there is no deviation

from the Divine mandate, and the society keeps a credible deterrent against the possible external aggression.

3. Measuring The Sharī'ah Concepts: Challenges and Possibilities

The empirical investigation of Sharī'ah concepts is a relatively new discipline in the Islamic scholarship. In the absence of adequate instruments, the measurement of religious constructs is very challenging. I shall discuss here some of the challenges. Some of the challenges arise from the unobservable nature of many facts.

3.1. Observable Dependent on Unobservable: Challenge and Possibility

The first challenge is that deeds, even if they are observable, cannot be judged at their face value because the intentions behind these deeds are supremely important in Islam. Intentions, however, are not observable by their very nature. In the absence of the right intention, great acts of virtue such as martyrdom, generosity and scholarship bring no reward at all. Some individuals will suffer damnation *because* of the undesirable intentions behind these great acts of virtue (Tirmidhi, 2: 270). However, if the issue of intention is taken too far, it will not be possible to judge the relative merit of any action because theoretically, any conceivable good deed may be motivated by bad intentions, and vice versa.

Even if Islam emphasizes in no uncertain terms the obligation of truthfulness, it gives due share to the claims of the individuals and considers them sufficient in most circumstances in the absence of an objective evaluation of the *intention*. The Islamic laws related to, inter alia, testimony, *li'aan* and divorce are enforceable only on the basis of the expression, explicit or implicit. The general principal seems to be to analyze the motives with the appropriate means, while leaving the veracity of intention, and their consequences, to be judged by Allah.¹

¹ See for example the incident in which Prophet Yaqoob (AS) responded to his sons who had plotted against their brothers (Quran 12:18). The Hadith about the person who had killed his opponent in a battle even after the latter had pronounced faith, and the Prophet (SAW)'s remark "Did you tear his heart in order to find out whether it had professed or not?" is also very revealing. See (Sahih Muslim, Book of Faith: 176)

Islam guides us towards certain *indicators* which serve as reliable source of knowledge regarding the state of *faith* of an individual. For example, some physical attributes of the hypocrites are mentioned in the Qur'ān: "Indeed, the hypocrites [think to] deceive Allah, but He is deceiving them. And when they stand for prayer, they stand lazily, showing [themselves to] the people and not remembering Allah except a little" (Qur'ān, 4:142). Similarly, offering prayer in the mosque, paying *zakāt* and fearing none other than Allah are presented as the physical manifestation of the faith. Qur'ān says: "Only he shall visit the mosques of Allah who believes in Allah and the latter day, and keeps up prayer and pays the poor-rate and fears none but Allah; so (as for) these, it may be that they are of the followers of the right course" (9:18).

These *indicators* of faith are expounded in greater detail in Hadith literature. Many Aḥādīth of the Prophet SAW take strong exception to certain human attributes and go so far as to exclude the individuals with these attributes from the community of the Muslims. These attributes include: taking up (brandishing) arms against the Muslims (Bukhari, 3:1991), plundering the wealth of others (Sunan Abu Dawood, 3, 997), not showing mercy to the younger ones and not respecting the rights of the elders (Abu Dawood, 3: 1535), instigating someone against one's spouse (Abu Dawood, 3:1759) and claiming something from someone illegally (Ibn Majah, 2: 477).

3.2. Islam's Unique Normative Judgments

Dividing the sphere of human activity into permissible and impermissible indeed reflects Islam's unique normative judgments and is based on the principle that only Allah knows what is good and bad for the humanity, and as a logical corollary, only He has the prerogative to declare anything permissible or impermissible. Islam emphasizes the superiority of knowledge over ignorance, "Are those equal, those who know and those who do not know?" (Qur'ān 39:9) and goes so far as to urge the Prophet (SAW) to pray for an increase in knowledge. Say, "O my Lord! Advance me in knowledge" (Qur'ān 20:114). However Sharī'ah makes a clear demarcation between the useful and useless knowledge. The Messenger of Allah (saw) said: "Ask Allah for beneficial knowledge and seek refuge with Allah from knowledge that is of no benefit" (Sunan Ibn Majah, 3: 723).

The Muslim societies under the influence of the Western world have replicated various educational disciplines from social and biological sciences and the fine arts without adequately reconciling the assumptions at the basis of Western epistemology with its own unique worldview. The theory of evolution, for

example, is totally antithetical to Islam as a philosophical construct because of its negation of any divine role in the creation and sustenance of the universe. However, the theory of evolution has made inroads into the standard academic curricula of the Islamic world. The measurement of the concepts of Shari'ah, as it is shown here, is value laden and requires a higher degree of discretion and care.

3.3. Challenges Unique to Modern Ages

There are many challenges in measuring the *Maqāṣid* al-Shari'ah which are of relatively recent origin. Islam takes a clear position on the ethical questions about procreation. In Islam, it is a major sin to permanently destroy the organs of reproduction and is tantamount to the change in the creation of Allah. Infanticide is portrayed as a grave sin which invites the wrath of Allah (Qur'ān, 81:8-9). However, in recent times, family planning (a euphemism for reduced family size) in the Muslim world has been changing into a norm in response to the demographic changes in the Western societies. The biggest challenge in this regard is to disaggregate the causes of the falling fertility rates into two distinct categories: Western influence precipitated by the process of globalization, or some genuine physical necessity. It is critical to distinguish these two causes because of different consequences they entail in the Shari'ah framework.

3.4. Possibilities: Empirical Leads from other Disciplines

Though it is difficult to measure the concepts which are not observable, a lot of research effort has found workarounds to address the issue of immeasurability. Various scales have been developed to measure subjective non-material subjects which are considered to be accessible only through self-reports such as anomie, attitudes and prejudices etc. Spirituality is a subject of particular interest and over time it has been recognized that spirituality is no more intangible than many other internalized phenomena that have already been investigated in the disciplines like psychology, epidemiology and sociology. Since 1960s, many indices and instruments have been developed to measure religious constructs. Gorsuch (1984) claimed that sufficient number of instruments have already been developed to address any conceivable issue related to the psychology of religion. The spirituality research generally uses quantitative methods gathering data based on questionnaires or schedules. The questionnaires define some observable reflector and the data based on these reflectors is assigned some ordinal value. However these problems also suffer from imprecision, lack of objective interpretation and over-simplifications (Moberg 2010).

4. Maqāṣid al-Sharī'ah Index (MSI)

4.1. Issues in Multidimensional Indices

Unlike the traditional approaches to the measurement of wellbeing where income or some alternative indicator is conveniently used as a proxy of well-being, no such space is readily available in the multidimensional approach to the measurement of development. Which aspects of life should be included in the conceptualization of poverty has been at best an arbitrary choice. Aggregation of various dimensions of development in the multidimensional framework is a subject of ongoing controversy. Though by definition any aggregation is a loss of information, at times it becomes essential to summarize a large amount of data into an easily interpretable form as an input for policy formulation. The moment we compress this information into an index, a whole range of conceptual and methodological issues surface. Ravallion (2012a, 2012b) has summarized some of the issues of multidimensional indices, and suggested some ways in which the existing indices can be modified to avert the problems presently found in the literature.

Ravallion (2012a) believes that the composite indices are unwarranted because the components of the index rather than the composite index itself is more informative for the policy makers. He comes down heavy over the issue of weighting in the composite indices. He believes that uncertainty about components and their weights are not adequately acknowledged. For non-market goods (for example, being able to participate fully in the society), constant weights are assumed for everyone in a given country which is implausible. Conclusion about the country performance over time is not clear when the country-specific context of the performance is missing (for example, the initial conditions in a country and how much it has progressed). Actual weights used in lieu of prices are not made explicit, even if prices are regarded as unreliable guide to tradeoffs. Little guidance to robustness of country rankings is provided.

Ravallion (2012b) finds that even if the weights attached to the scaled varies are made explicit, the weights attached to component parts are not made explicit which may in fact be implausible. As income is one of the components of the HDI, Ravallion believes that it is possible to monetize all the dimensions using the tradeoffs implicit in the HDI. He finds out that a low monetary value is attached to poor countries. In the newer version of HDI since 2010, that value has been lowered still further but the weight on income has increased for most of the

countries. For example, if Zimbabwe increases national income by \$0.52 while its average life expectancy is reduced by one year, it will still "promote" human development.

Given that the composite indices are the norm rather than the exception now, Ravallion (2012a) suggests that the composite measures should be clear what exactly they are measuring. More attention needs to be given to trade-offs implicitly embodied in the index. They need to be more humble because they often far fewer dimensions of welfare than measures based on consumption at household level. It also must be recognized that important aspects of development cannot be captured in a single index.

4.2. Methodology

Unlike other multidimensional indices which generally use the ad hoc assumption of equal importance of all the sub-components of an index, we have *a priori* information about the relative importance of various dimensions of the objectives of Sharī'ah. I shall follow two-step strategy to construct our index: computing three sub-indices corresponding to three levels of objectives of Sharī'ah: necessities (*daruriyyat*), complementarities (*hajiyyat*) embellishments (*tahsiniyyat*) and then I shall aggregate these sub-indices by assigning unequal weights to compute the *Maqāṣid* al-Sharī'ah Index (MSI).

In the sub-indices I shall use the Chakravarty methodology which is an extension of Human Development Index (HDI) because of its suitable properties and because it is relatively free from the problems suffered by HDI (Chakravarty 2003).

Let x_i be the level of achievement of attribute i for a country, and $i = 1, 2, \dots, k$. The lower and upper levels of x_i are m_i and M_i , denoted by x_i subset of $[m_i, M_i]$. A is a real value function of indicator i which associates a value $A(x_i, m_i, M_i)$ to each x_i subset of $[m_i, M_i]$. All the indicators considered in the model are assumed to follow the same functional form. In the presence of variables of different types such as literacy rate and longevity, same functional form is useful.

The properties of the a single indicator satisfies the properties of normalization (NM), monotonicity (MN), translation invariance (TI), homogeneity (HM) and lower gain in indicators at higher levels of attainment difference (LI). For a detailed exposition of these properties, see Chakravarty (2003).

The normalization (NM) of an indicator i is in fact the transformation of an indicator such that its minimum and maximum values take the value of zero and one respectively. This is an alternative to the choice of an arbitrary cut-off values. The World Development Index, for example, assumes the 20 and 83.57 as the lower and upper bounds of longevity. For an inter-temporal comparison, the same lower and upper values may be used in the subsequent versions of indices for a valid inter-temporal comparison. The monotonicity (MN) assumes that an increase in the achievement level, *ceteris paribus*, increases the value of index. The translation invariance (TI) means that if there is a same absolute change in the value of an indicators as well as its upper and lower bounds, the value of the indicator will remain the same. Homogeneity (HM) means that the index is insensitive to the units of measurement. For example, if the per capita income expressed in dollars is expressed in cents, the indicator value remains the same. The LI means that an increase in the value of an indicator at lower level will result in greater increase as compared to the increase in the indicator value at higher levels. For example, an increase of 1 year of life expectancy in a country where average life expectancy is 50 years will show a greater gain in the index than an addition of one year to average life expectancy of 70 years. This LI postulate is used in GDI (Gender related Development Index) by UNDP (Dijkstra & Hanmer 2000).

As we are considering the case where there are five indicators associated with three levels of MS, The general form of the index for k attributes is for an arbitrary index I .

$$I = \frac{\sum_{i=1}^k \left(\frac{x_i - m_i}{M_i - m_i} \right)}{k}$$

The above functional form satisfies the following important properties.

Normalization (NOM): For any $z \in [0,1]$, $I(z, \dots, z) = z$

Consistency in Aggregation (CIA): For any $\underline{a}, \underline{b} \in [0,1]^k$,

$$I(a_1 + b_1, a_2 + b_2, \dots, a_k + b_k) = I(a_1, a_2, \dots, a_k) + I(b_1, b_2, \dots, b_k)$$

Symmetry (SYM): For all $\underline{a} \in [0,1]^k$, $I(\underline{a}) = I(\underline{a}^P)$ where P is any $k \times k$ permutation matrix.

The NOM postulate shows that if all the indicators in the index I take the same value α , the achievement will also be α . This is an alternative way of saying that the achievement is an average of individual indicators. If there is only indicator in the index, then the value of that indicator will be the value of the index.

CIA property says that if an indicator i has multiple components, for example the *complementary* level of attribute “Faith” which consists of four components (*salāt*, *saum*, *zakāt* and Hajj) and splitting the indicator is not possible, we can attach zero values to all the components of the indicator except the component of interest. Here the component which has not been assigned zero value becomes the level of indicator. I is not sensitive to the order in which the components are broken down. CIA requires that The SYM postulate says that I is insensitive to the permutation of the arguments, that is, only the individual indicator level is relevant for measuring achievement. The relevance of this property lies in the fact that there are some indicators such as World Giving Index which are composed of sub-components:

CIA also assumes substitutability among various indicators. If symmetry holds, the marginal rate of substitution between i and j attribute is independent of the level of the other attributes in the index. For example, how many percent of population is to be allowed to suffer from reduced wages as a result of imposing a stricter environmental regime, is independent of the level of charitable spending. It may be noted that the constant marginal rate of substitutability requires the linearity of the functional form

$$\left(\frac{x_i - m_i}{M_i - m_i} \right)$$

As said earlier, if we want to attach greater weight to the differences in the lower levels of achievements, the achievement index takes a modified form I_r where I_r is a decreasing function of r .

$$I_r = \frac{\sum_{i=1}^k \left(\frac{x_i - m_i}{M_i - m_i} \right)^r}{k}, \quad 0 < r < 1$$

The parameter r can be justified on the ground that the low contributing attributes require attention from policy point of view for improving their levels in order to reach a higher position in achievement.

This method becomes helpful in calculating the percentage contributions made by individual attributes to overall achievement and hence in isolating attributes according to their degrees of contribution. This is an important policy application of our general index.

Another useful property is that the marginal rate of substitution remains constant as shown by Ravallion (Ravallion 2012b).

Now that I_r will measures the three levels of *Maqāṣid* separately which will be averaged to give MSI.

$$MSI = \frac{\sum_{i=1}^k \alpha_i I_i}{k}$$

As teh theory of *maqāṣid* explicitly says that three levels are unequal, neccessities being teh most important, following by teh complemetary and embellishment. I shall assign unqual weightsto these three sub-indices 3/6, 2/6 and 1/6. Though these weights are arbitrary, revisable and are open for debate, such a weighting has some theoretical justificaiton as well.

5. Data

The *Maqāṣid* of Sharī'ah have been classified into three levels of interests (*masalih*) in the descending order of importance: necessities (*daruriyyat*), complementarities (*hajiyyat*) and embellishments (*tahsiniyyat*). Though a sound theoretical work on various dimensions of *Maqāṣid* of the Sharī'ah already exists, the empirical analysis of these dimensions has not reached the same level of maturity. In this Section, I shall propose a few indicators relevant for the measurement of *Maqāṣid*, provide their justifications and highlight the mismatch between the available and ideal data.

5.1. Preservation of Religion

Islam considers the faith in Oneness of Allah the bare minimum for escaping the eternal damnation.² Abu Sa'eed Khudri (RA) reported that the Prophet (SAW) said, "Every person who has faith in his heart so much as the weight of an atom will be taken out of Hell" (Tirmidhi, 2:505). I have therefore chosen faith as the relevant indicator for the *necessary* level of the dimension "preservation of religion."

Given the centrality of monotheism in Islam, the ideal indicator should explicitly reflect the faith in the oneness of Allah. However, the only available data

² "Allah forgiveth not that partners should be set up with Him; but He forgiveth anything else, to whom He pleased; to set up partners with Allah is to devise a sin Most heinous indeed" (Quran 4:48).

is collected by PEW in its report *The World's Muslims: Unity and Diversity* (2012) which consists only of a set of questions about the importance of the role of religion in life. PEW asks the question: "How important is religion in your life?" and the possible answers are: "very important, somewhat important, not too important and not at all important." I have chosen to include only two categories "very important and somewhat important" to serve as a proxy for the indicator *faith*.

In the *complementary* category of preservation of religion, I have used four indicators considered the "pillars" of Islam: *salāt*, fasting, pilgrimage and *zakāt*. Again, the data is from PEW. The justification for including these important acts of worship, considered the pillars of Islam, in the category of *hajiyyat* is that failure to carry out these *'ibādāt* will not lead to eternal damnation as is warned in case of polytheism.³ "The person who does not pray five times a day, there is no promise of Allah with him. He may forgive him or punish him" (Abu Dawood, Vol. 1, 1416).

There are lot of problems with the data collection of PEW with regards to *salāt*, *saum*, *hajj* and *zakāt*. The *salāt* indicator, as measured by PEW, can take any one of the four attributes (going to mosque for more than once a week, once a week for Jumah prayer, once or twice a month, a few times a year especially for Eid). Such a distinction has clearly no basis in Islam. Islam requires total submission and is not content with half-hearted acts of worship. "When they stand up to prayer, they stand without earnestness, to be seen of men, but little do they hold Allah in remembrance" (Qur'ān, 4:142). Theoretically, a more satisfactory approach could have been the introduction of a binary variable stating whether a Muslim offers the five obligatory prayers in a day or not. I chose only one case where the percentage of population attended the mosques for more than once a week. Other data problems relate to the paying of *zakāt* due and performing *hajj*. PEW measures only the percentage of population performing these duties, while these *'ibādāt* are obligatory for the Muslims satisfying certain monetary standards (they have *Istita'at*). The *saum* obligation is also contingent on the health, age and gender but the PEW data does not make these important distinctions.

The well-known Hadith-i-Jibrail gives us important insights regarding various degrees of faith. When the angel Jibrail asked the Prophet (SAW) regarding Imaan, the Prophet (SAW) replied: "It is to believe in Allah, His angels, His Books, His

³ Various juristic schools interpret the importance of these *'ibādāt* in different ways.

Messengers (peace be upon them all), in the Last Day and in Predestination of good and evil.” He asked, “And what is Islam?” He said, ‘It is. to testify that there is no God but Allah and that Muhammad is His slave and His Messenger (SAW) to establish the Salah, to pay the *Zakāt*, to perform pilgrimage of the House and to fast in Ramadan.’ He asked, “And what is *Iḥsān*”? He said, It is that you worship Allah as though you see Him, for it you cannot see Him, He sees you” (Tirmidhi, 2:518). This Hadith clearly points to the *embellishment* level of faith, but the problem is that the quality of *Iḥsān* is neither measureable nor observable.

Spending in the way of Allah is both emphasized and is often praised in Qur’ān in a highly commendatory terms. On a number of occasions, the virtues of faith are discussed in parallel with the spending in the way of Allah. “So he who gives (in charity) and fears (Allah). And (in all sincerity) testifies to the best. We will indeed make smooth for him the path to Bliss” (Qur’ān, 92:5-7). “But give them preference over themselves, even though poverty was their (own lot)” (Qur’ān, 59:9). So I have included *infāq fī sabilillah* in the *embellishment* category of the preservation of faith. After the inclusion of *Zakāt* in the *complementary* category, we can avoid the overlapping issue by restricting the spending in the way of Allah to supererogatory spending, which is a special case of the general spending in the path of Allah (*infāq fī sabilillah*).

In the absence of any available data on the supererogatory *ṣadaqāt*, we use the data from World Giving index which is aggregation of three sub-components: percentage of the population helping the stranger, donating money and volunteering time. The problem with this data however is that it does not make explicit the amount of money or time actually devoted. The WGI also does not make explicit the size of the donation relative to the total wealth, which is an important concern in Islamic framework, and is highlighted in the example of Abu Bakr RA in the Battle of Tabuk when he devoted all of his household goods while Umar RA could devote only half of his wealth, though in absolute terms, the wealth of Umar RA far exceeded the share of Abu Bakr.

5.2. Preservation of Life

The Prophet SAW has termed this world as a tillage for the next world. Sharī'ah is a concept which is relevant to the life in this world, and the faith or deeds not done in this world will not be of any consequence in the world hereafter. “If only thou couldst see when the guilty ones will bend low their heads before their Lord, (saying :) "Our Lord! We have seen and we have heard: Now then send us back (to the world): we will work righteousness: for we do indeed (now) believe” (Qur’ān, 32, 12). So the preservation of life is an important objective of Sharī'ah.

The indicator chosen to measure the *necessary* level of preservation of life is the average life expectancy. The problem with this indicator is that it treats the question of life and death at its face value without looking into the spirit of life and reason behind the death. Islam looks at life and death through a different perspective: life spent in the earnest service of Allah is considered as meritorious as death in the path of Allah. "Allah hath purchased of the believers their persons and their goods; for theirs (in return) is the garden (of Paradise): they fight in His cause, and slay and are slain..." (Qur'ān 9:111).

The indicator chosen to represent the *complementary* level of the dimension "preservation of life" is freedom from malnutrition. Adequate nourishment as an important determinant of human wellbeing is well documented in the development literature (Qizilbash 1996). A closely related indicator relevant in the present context could be health which is expected to be broadly correlated with the indicator of freedom from malnourishment. It means that health is an important mercy of Allah. However the problem with using health as the relevant indicator is not feasible primarily because of the reason that while it is easy to measure disease, it is not easy to measure health because it can be adversely affected by a range of diseases. Arguably, freedom from all types of diseases could mean a gain in the wellbeing, freedom from malnutrition is a better reflection of the adequacy of means required for a good life.

The *embellishment* category of life is by definition a life that should inspire other nations and instill confidence in others about the superiority of the Islamic way of life. So I have chosen the life satisfaction as the relevant indicator because it reflects the level of satisfaction with the conditions obtaining in the society. An ideal indicator should make a distinction between a subjective sense of good life (*hayaatan tayyibah*) that is characteristic of and is the consequence of the righteous deeds (Qur'ān, 16: 97), and the facile smugness caused by an easy access to power and influence (See Qur'ān, 74: 11-16). In order to qualify for the *embellishment* category, we might also like to have an indicator that should measure the life satisfaction above some predefined benchmark but life satisfaction used here is a continuous variable measuring the level of satisfaction from least satisfied to most satisfied for over seventy countries of the world.

5.3. Preservation of Lineage

Procreation is a fundamental condition for the continuity of human life on the earth. A Hadith suggests that Prophet SAW would feel proud of the large number

of his *Ummah* on the Day of Judgment (Sunan Abu Dawood, 2: 285). But this Hadith may only be construed as an exhortation because Islam has not expressly recommend any finite number of children. The number of children in a family being dependent on the age of the parents, their genetic composition, climate and many other factors is of secondary importance and may vary over time. So the survival of the children seems to be a more direct concern of the Sharī'ah. Qur'ān has given a stern warning for killing the children. "And when the seas are set on fire. And when souls are united. And when the female infant buried alive is asked. For what sin she was killed? (Qur'ān 81:6-9).

A relevant indicator associated with the *necessary* category of the dimension of preservation of lineage is the survival of children. I have used in the *essential* category the World Bank data on the child mortality rate and transformed it by subtracting it from 100 percent. The overlap between the life expectancy and child survival can be rectified when more disaggregated data on the life expectancy of the population subgroups becomes available.

The relevant indicator corresponding with *complementary* category of the dimension of preservation of lineage seems not so clear. Some behavioral attributes like obedience and dutifulness on the part of children could be more direct candidate as a proxy of the *complementary* level. Although it can be safely assumed that the absence of these behavioral attributes will bring hardship and distress in the society, analysis of these attributes as a measurable concept is at best not straightforward. The concept of obedience to parents, for example, is dependent on the assumption that the expectations of the parents conform to the Sharī'ah standards. I have therefore chosen the safety of person as a relevant indicator here because it is not only the survival which is important but also sense of security for the children. The available data on the homicide rate collected by UNSTATS (United Nations Statistics Division's Regional Composition) serves as a proxy about the perceived security of person in a given society (Harrendorf et al. 2010). I have again transformed this indicator by subtracting it from 100% to make it reflect safety of person.

Literature on the *Maqāsid al- Sharī'ah* relates environmental safety to the dimension of preservation of progeny (Amin et al. 2013). I associate environmental safety with the *embellishment* level of the dimension of preservation of lineage because such development paradigms are favored now which balance environment safety with economic growth. Again the environmental safety is of direct concern to the coming generation and this care about the coming generation is highly valued spirit in Islam. In an answer to the question regarding how much of the

wealth should be spent, the Prophet SAW recommended that it was better to leave one's inheritors wealthy rather than poor, (finding themselves) forced to beg of others (Bukhari, Volume 007, Book 064, Hadith Number 266).

5.4. Preservation of Intellect

There are a number of factors which affect human intellect such as drug use (See Ashur & Al-Tahir (2006)), mental disorders, accidents and heredity (Mrazek et al. 1994), arguably, it is the education that affects human intellect most comprehensively (Chickering & Gamson 1987; Child et al. 1946; Lewin 1935; Masten & Coatsworth 1998). So we have used education as the relevant indicator with respect to the preservation of intellect. Some studies use religious education as a contradistinction from the formal education for the Sharī'ah based indices (Kamali 1999). However, the limited data available on the religious education system in OIC countries and the disagreement about the concept of religious education as a separate academic construct force us to use the formal education and its various levels corresponding to the three levels of *Maqāṣid*. We have used the World Bank data on the three levels of education (primary, secondary and tertiary) corresponding with *necessary*, *complementary* and *embellishment* categories of *Maqāṣid*.

5.5. Preservation of Property

The traditional concept of property has undergone many changes over time and has included concepts like intellectual property. The job for the salaried persons could also be considered in a more indirect way as a counterpart of the property. Any conceivable means of living could therefore serve as a proxy for property. Conversely, the lack of the means of living both in the form of tangible or intangible property could be considered as poverty.

The relevant indicator with regards to the *necessary* and *complementary* categories of the dimension of the preservation of property is therefore the freedom from poverty. We have used the two levels of poverty (extreme poverty corresponding with \$1.25 poverty line and poverty corresponding with \$2 poverty line) computed by the World Bank⁴ to correspond to two categories of *Maqāṣid*,

⁴ The World Bank's income poverty measure is not the ideal measures and suffers from many conceptual and methodological issues. See my PhD thesis "*An Inter-Temporal Comparison of International Poverty as an Achieved Functioning Deprivation*" for a detailed discussion.

necessary and complementary. We have chosen security of property as the relevant indicator for the *embellishment* level. The available relevant data relates to the crime against property is gathered by UNODC (Harrendorf et al. 2010). We consider four variables about the crime against property (robbery, theft, motor vehicle theft and burglary) and transform the data to reflect the safety of property in a given country.

5.6. Tackling missing data

Given the range of indicators used in this study, it must be expected that data should not be available for all the indicators for all the OIC countries in this study, and the available data may not come from the same year. So we have to make to be caution in our interpretation of the results. For missing values, we developed a rule. Unless indicated otherwise, if some observation for a country is missing, we take the simple average of the values of the neighboring countries. WHO has in fact made this fine grained grouping of different UN regions and sub-regions (WHO, Iodine status worldwide: WHO Global Database on Iodine Deficiency, 2004). When no data was available for the whole region, though it was very rare, we used the world averages.

6. Paternalism and Arbitrariness in the Choice of Indicators

As regards the issue of paternalism that is essentially embedded in any conceivable choice, ranking and weighting of dimensions of wellbeing, it may be argued that the concept of wellbeing may be conceptualized at various levels of generality. Nussbaum's list of valuable capabilities is severely criticized for being paternalistic (See Clark, 2002), and she introduces the concept of plural and local specifications to deal with the problem of paternalism. A high level of generality in the conceptualization of wellbeing corresponds with the plural specification. There are some dimensions such as health and education which are expected to be generally important in almost all cultures of the world. Even if there is a broad consensus among all societies that health and education are desirable in their own right, individual societies might differ with regards to the broad outlines of the education or the best means to ensure health. The concept of local specification specifically accommodates the differences which are culture-specific or are based on some other local dynamic. Local specification thus "leaves a great deal of latitude for citizens to specify each of the components more concretely, and with much variety, in accordance with local traditions, or individual tastes" (Clark, 2002, p. 94).

In our analysis, we chose the dimensions of wellbeing that are quite general in nature and are not much affected by local tastes. There might hardly be any society which does not consider longevity, health and adequate nourishment as important dimensions of human wellbeing. Political freedom, environmental safety and the freedom to do business are also expected to be valuable across all cultures.

7. Results

We have developed MSI which can be used to measure the objectives of Sharī'ah. This index can also be used to see the percentage share of the individual attributes to the overall achievement.

7.1.. *Maqāṣid* -al-Sharī'ah Index

We have divided the 57 countries of the OIC region into four sub-groups of roughly the same size in terms of development level within the framework of objectives of Sharī'ah. The development levels corresponding to these four sub-groups are "Very High Development", "High Development", "Low Development" and "Very Low Development." The OIC countries are thus divided because MSI values have no cardinal value, and they can at best be used for geographical comparison. We have presented here only three scenarios of the index corresponding to three levels of r . It may be recalled that r , when it is less than 1, attaches greater weight to the differences in the lower levels of achievements

Table-1
The *Maqāṣid* al-Sharī'ah Index

Country	Index ($r=0.5$)	Rank	Index ($r=0.25$)	Rank	Index ($r=1$)	Rank	Level of Development
Tunisia	0.279	1	0.261	2	0.276	3	Very High Development
Iran	0.279	2	0.259	3	0.281	1	
Saudi Arabia	0.276	3	0.258	5	0.278	2	
Jordan	0.275	4	0.262	1	0.268	6	
Turkey	0.273	5	0.255	7	0.272	4	
Maldives	0.271	6	0.253	10	0.268	7	
Syria	0.270	7	0.256	6	0.263	14	
UAE	0.269	8	0.255	8	0.265	10	
Malaysia	0.268	9	0.253	9	0.267	9	
Algeria	0.267	10	0.252	12	0.264	12	
Lebanon	0.266	11	0.251	13	0.265	11	
Egypt	0.266	12	0.250	14	0.263	13	
Libya	0.266	13	0.247	16	0.272	5	
Brunei	0.264	14	0.252	11	0.267	8	

Qatar	0.261	15	0.249	15	0.260	15	High Development
Kuwait	0.260	16	0.245	17	0.258	16	
Turkmenistan	0.255	17	0.259	4	0.240	25	
Morocco	0.254	18	0.237	20	0.251	22	
Bahrain	0.253	19	0.239	19	0.255	19	
Oman	0.253	20	0.234	21	0.257	17	
Gabon	0.248	21	0.231	22	0.252	20	
Palestine	0.248	22	0.228	23	0.255	18	
Azerbaijan	0.248	23	0.243	18	0.234	29	
Indonesia	0.245	24	0.228	24	0.252	21	
Kyrgyzstan	0.240	25	0.223	27	0.242	24	
Guyana	0.239	26	0.223	26	0.242	23	
Uzbekistan	0.238	27	0.223	28	0.237	26	
Iraq	0.235	28	0.220	29	0.235	28	
Kazakhstan	0.234	29	0.224	25	0.229	31	Low Development
Albania	0.232	30	0.220	30	0.228	32	
Suriname	0.232	31	0.216	32	0.236	27	
Tajikistan	0.230	32	0.217	31	0.231	30	
Afghanistan	0.215	33	0.205	34	0.219	33	
Bangladesh	0.212	34	0.207	33	0.209	35	
Cameroon	0.209	35	0.202	35	0.209	36	
Sudan	0.207	36	0.198	36	0.212	34	
Djibouti	0.204	37	0.197	37	0.207	37	
Pakistan	0.202	38	0.194	38	0.207	38	
Senegal	0.198	39	0.193	39	0.200	39	
Yemen	0.196	40	0.192	40	0.194	42	
Gambia	0.196	41	0.191	41	0.198	40	
Mauritania	0.191	42	0.186	43	0.195	41	
Togo	0.188	43	0.186	42	0.188	43	Very Low Development
Benin	0.183	44	0.183	45	0.179	44	
Comoros	0.182	45	0.184	44	0.173	46	
Uganda	0.178	46	0.180	48	0.176	45	
Guinea	0.178	47	0.181	47	0.173	47	
Mali	0.177	48	0.183	46	0.164	49	
Nigeria	0.173	49	0.179	49	0.160	51	
Niger	0.170	50	0.172	51	0.165	48	
Guinea-Bissau	0.169	51	0.175	50	0.160	50	
Burkina Faso	0.162	52	0.169	52	0.157	52	
Somalia	0.161	53	0.164	53	0.156	54	
Ivory Coast	0.158	54	0.162	54	0.157	53	
Mozambique	0.149	55	0.159	55	0.138	56	
Sierra Leone	0.148	56	0.149	56	0.144	55	
Chad	0.135	57	0.140	57	0.136	57	

The most developed region in the Muslim world is predominantly Western and South-Eastern Asia and Northern Africa, while the least developed area is in Africa. The notable fact is that there is only a narrow range [0.175, 0.259] within which the development spectrum in the Muslim world is exhausted. The regional distribution also reveals certain patterns: South-East Asia, Asia and Western Asia have almost the same level of development, while the rest of Asia, South America

and Southern Europe make another distinct group (highlighted in the table below). Africa, especially the western and eastern Africa bear the brunt of underdevelopment both in the framework of MSI as well as HDI.

Table-2
MSI: Regional Comparison

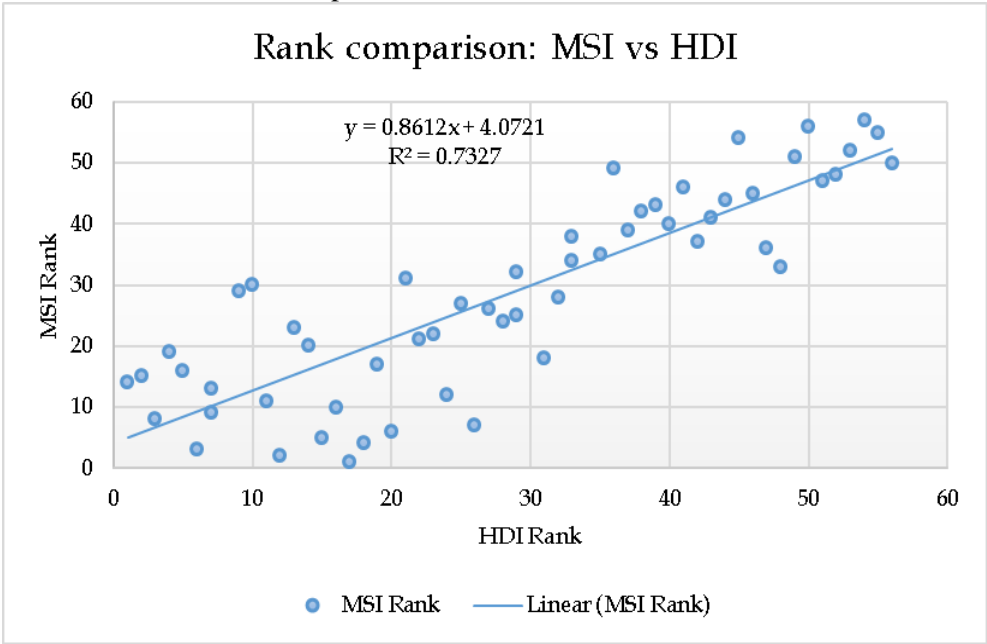
	Index (r=0.5)	Index (r=0.25)	Index (r=1)
South-Eastern Asia	0.259	0.244	0.262
Northern Africa	0.256	0.241	0.256
Western Asia	0.256	0.242	0.254
Central Asia	0.239	0.229	0.236
South America	0.236	0.220	0.239
Southern Asia	0.236	0.224	0.237
Southern Europe	0.232	0.220	0.228
Middle Africa	0.197	0.191	0.199
Western Africa	0.176	0.178	0.172
Eastern Africa	0.175	0.177	0.170

7.2. Comparison with HDI

Interestingly, the same scenario holds in other paradigms of development such as human development as measured by UNDP. One might be tempted to assume that this is not a mere coincidence, and in some indirect way it is the empirical evidence of the claim in the Qur'ān that “If the people of the towns had but believed and feared Allah, We should indeed have opened out to them (All kinds of) blessings from heaven and earth...” (Qur'ān, 7:96).

Even if MSI is broadly correlated with HDI, much of the divergence is visible at the higher levels of achievement (1st rank represents the highest level of development in MSI). Tunisia ranks 1st in MSI (r=0.5) but in HDI it ranks 17th among the countries belonging to OIC. Tunisia has performed extraordinarily well in the indicators which are generally not included in the HDI such as freedom of person and property and adherence to faith and deeds considered important in Islam. Albania presents a reverse case where it ranks 10th in HDI but 30th in MSI. An important reason is that among all the Islamic countries, it is in Albania that the

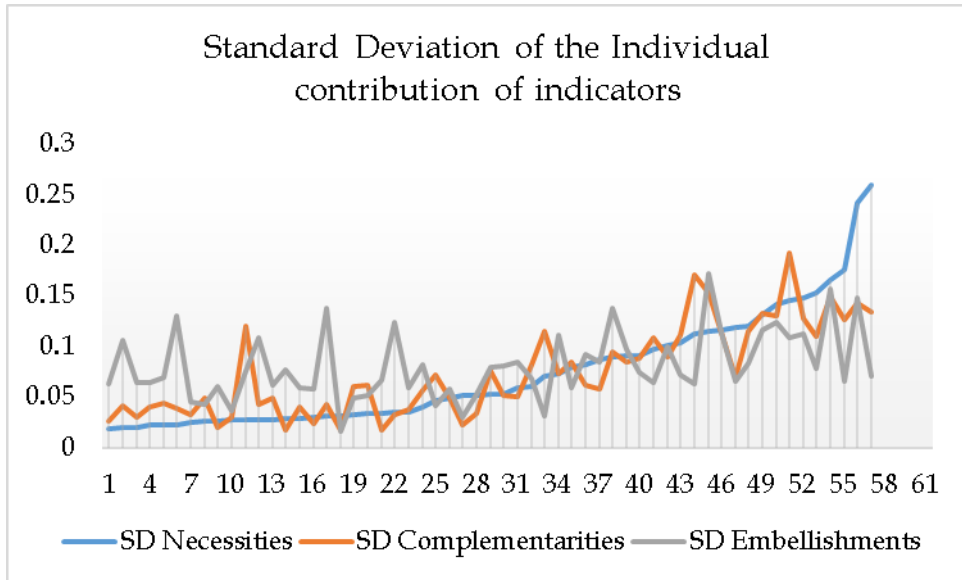
smallest number of people consider religion to be important and its performance on the indicator of faith is also poor.



7.3. Individual Contribution of Indicators to Overall Achievement

MSI is particularly useful when there is an unbalanced achievements in various indicators. Standard deviation being a measure of the distance from the mean, the policy makers can easily trace the indicator in which they are lagging relative to other indicators and may make the intervention. In view of the charge that the multidimensional indices only pack dimensions which have neither theoretical justification nor any intuitive interpretation (Ravallion 2012a; Ravallion 2012b), this property of MSI to decompose all the indicators to show their individual contribution to overall achievement is extremely important property.

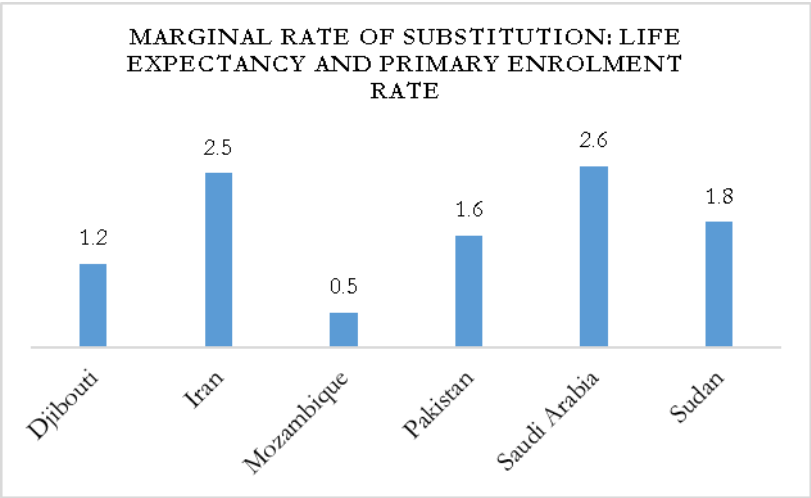
In the figure below, one can visually see the countries which have uneven development by their larger standard deviations.



7.4. Substitutability

The biggest problem with multidimensional indices is that even if they make explicit the apparent weights, they do not reveal the actual tradeoffs for critical scrutiny. We have computed the tradeoffs. As there is no monetary variable in our index, we cannot monetize the tradeoffs. We chose two indicators from the *necessary* category, Life Expectancy (years) and Primary Completion Rate, and computed their tradeoffs.

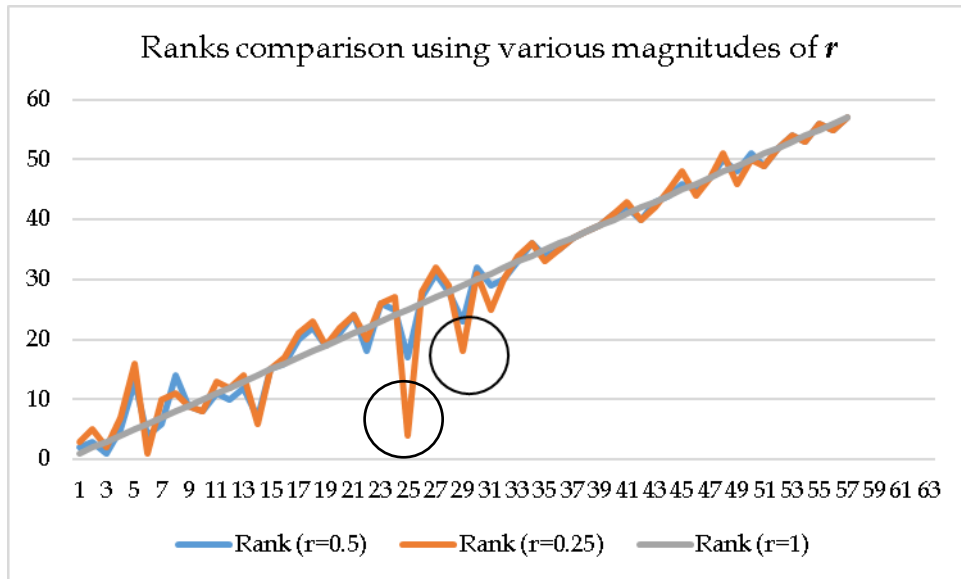
Figure-1
Percentage Decrease in the Primary Enrolment Rate
as a Result of 1 Year Increase in Life Expectancy



In the figure above, the tradeoffs are marginal rates of substitution: an increase of one year in the life expectancy leads to some decrease in the primary completion rate. If we consider the magnitude of the percentage decrease in primary completion rate as a result of one year increase in life expectancy, the results are reassuring. The highest change in the given dataset is that of 2.6 percent for Saudi Arabia, which is quite negligible as compared to the implausibly small weights attached by HDI to the least developed countries, while astronomically high weight attached to the rich countries (Ravallion 2012b).

7.5. Robustness Check

The choice of the parameter r as well as the indicators is, in essence, arbitrary and therefore it is important to change the assumptions of the model to see how it behaves. I have presented here the MSI ranks of the OIC countries with respect to three cases where r equals 0.5, 0.25 and 1.



We see in the above figure that with the exception of two countries which are markedly off the line, the ranks of the countries in the three scenarios do not show any major divergence. Since r is a decreasing function of MSI, these two countries (Turkmenistan and Azerbaijan indicated by the circles hold the 4th and the 18th rank) rank higher when the magnitude of r is 0.25. However, when r equals 0.5, these countries do not show such a drastic difference from the pattern when r equals 1. As regards the comparison between the two scenarios when r equals 0.5 and 0.25 respectively, the latter parameter makes the divergences from the straight line look more accentuated.

7.6. Limitations and Future Directions

The empirical application of the concept of *Maqāṣid* al-Sharī'ah being a relatively new discipline, one should not expect that a consensus on important aspects of the measurement will evolve any time soon. Some of the limitations of this study are that the choice of indicators is not wholly grounded in theory, and a lot of adhoc and arbitrary assumptions go in the construction of this index. Secondly, the database required for the measurement of unobservable concepts is woefully lacking and whatever is available is not necessarily relevant to the normative framework of Islam. The empirical exercise will therefore require more coordinated efforts on the part of religious scholars and development practitioners.

8. Concluding Remarks

The empirical investigation of the Sharī'ah concepts is intrinsically problematic and the available tools to measure the religious constructs are not satisfactory partly because they have been developed on the basis of value judgments which may not always be admissible in the Sharī'ah. Some of available tools suffer from conceptual and methodological problems. This paper discussed the challenges related with the measurement of *Maqāṣid al-Sharī'ah* and provided some insights as to how to address these issues. We also developed a *Maqāṣid al-Sharī'ah* Index (MSI) corresponding to three levels of *necessities*, *complementarities* and *embellishments*. This measure has tried to overcome the serious conceptual and methodological problems characteristic of many existing indices. It makes explicit the tradeoffs which generally remain implicit and create serious bias in the assessment of development. The contribution of individual components to the overall wellbeing is an additional advantage of this measure. However, the *empiricism* being new to Muslim scholarship, this work is carried out in the spirit of extending the debate further with a view to search for better measurement instruments.

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Appendix

Table-3
Percentage Contribution of Five Indicators of the Necessary Category

Individual Share	Necessities				
	Religion	Life	Progeny	Intellect	Property
Afghanistan	31.3	20.9	8.8	21.9	17.1
Albania	0.0	29.3	23.3	19.0	28.4
Algeria	23.6	21.1	17.9	17.3	20.2
Azerbaijan	17.5	23.1	16.1	17.9	25.3
Bahrain	21.6	22.8	21.3	16.3	18.1
Bangladesh	31.4	26.9	17.8	17.5	6.4
Benin	37.3	23.9	11.8	19.7	7.3
Brunei	23.9	23.9	22.9	17.5	11.8
Burkina Faso	41.1	22.8	10.9	17.3	7.9
Cameroon	33.6	17.2	9.8	18.1	21.3
Chad	60.4	23.3	5.8	0.0	10.5
Comoros	35.5	24.2	13.3	21.3	5.7
Djibouti	31.1	22.5	11.7	15.9	18.8
Egypt	23.7	20.6	17.3	17.4	21.0
Gabon	24.4	17.6	10.8	24.6	22.7
Gambia	34.6	21.7	13.6	18.2	11.8
Guinea	39.4	22.0	10.6	18.0	10.0
Guinea-Bissau	43.3	21.7	7.1	20.4	7.5
Guyana	25.0	21.4	16.6	18.2	18.8
Indonesia	26.8	23.4	17.3	19.3	13.3
Iran	23.1	21.2	17.7	16.8	21.1
Iraq	26.0	22.4	16.3	13.2	22.2
Ivory Coast	39.8	15.3	9.7	18.0	17.1
Jordan	23.1	21.3	17.3	15.6	22.7
Kazakhstan	17.4	21.2	19.0	18.2	24.1
Kuwait	21.6	22.0	20.5	17.9	18.0
Kyrgyzstan	23.2	22.4	17.7	18.4	18.2
Lebanon	22.0	23.8	21.3	14.9	18.0
Libya	23.5	22.7	19.1	17.0	17.8
Malaysia	24.3	23.0	22.9	17.6	12.1
Maldives	22.2	21.7	19.5	15.3	21.3
Mali	44.0	23.1	7.6	19.1	6.2
Mauritania	33.8	23.4	11.5	17.4	13.9
Morocco	23.3	21.6	15.9	17.7	21.5
Mozambique	47.5	17.3	15.2	17.5	2.5
Niger	42.1	25.8	9.4	14.2	8.6
Nigeria	46.0	20.4	8.5	25.2	0.0
Oman	21.6	22.8	20.2	17.4	18.0
Pakistan	31.0	24.6	10.3	16.7	17.4
Palestine	24.3	22.6	17.7	16.4	19.0
Qatar	20.8	22.6	23.0	16.2	17.4
Saudi Arabia	21.2	22.0	21.6	17.4	17.8
Senegal	33.7	24.6	15.4	15.0	11.3
Sierra Leone	59.8	0.0	0.0	32.4	7.8
Somalia	42.5	22.5	4.5	19.9	10.5
Sudan	30.0	21.6	12.0	21.7	14.7
Suriname	24.2	23.0	19.3	17.0	16.6

Syria	21.0	21.6	18.4	17.3	21.6
Tajikistan	25.4	22.6	13.0	19.6	19.5
Togo	36.3	20.5	10.6	20.0	12.6
Tunisia	23.2	22.0	18.4	15.4	20.9
Turkey	20.7	22.2	19.2	17.3	20.7
Turkmenistan	21.3	20.4	13.1	18.5	26.7
Uganda	36.8	23.0	15.3	14.0	11.0
United Arab Emirates	21.0	22.3	21.5	17.7	17.5
Uzbekistan	19.9	23.1	16.2	18.7	22.1
Yemen	29.2	23.2	14.6	16.7	16.3

Table-4
Percentage Contribution of Five Indicators of the Complementary Category

Individual Share	Complements				
	Religion	Life	Progeny	Intellect	Property
Afghanistan	26.8	19.8	23.9	18.9	10.6
Albania	8.4	26.4	19.5	22.1	23.6
Algeria	19.2	23.2	21.6	21.3	14.7
Azerbaijan	10.3	24.6	20.3	22.8	22.1
Bahrain	18.9	18.1	25.4	23.1	14.6
Bangladesh	28.3	19.9	27.9	22.1	1.7
Benin	32.0	27.1	17.0	21.3	2.5
Brunei	20.7	23.1	22.8	22.4	11.0
Burkina Faso	40.3	18.9	19.4	18.2	3.2
Cameroon	26.9	17.7	24.4	18.9	12.2
Chad	42.6	15.3	21.6	17.1	3.4
Comoros	38.1	0.0	23.4	33.8	4.8
Djibouti	30.6	16.0	23.7	17.9	11.8
Egypt	19.9	24.7	19.3	19.8	16.3
Gabon	24.8	23.8	14.4	14.7	22.4
Gambia	30.6	20.5	19.0	22.7	7.3
Guinea	36.5	22.3	14.8	21.4	4.9
Guinea-Bissau	35.2	28.6	15.4	18.9	1.9
Guyana	20.7	25.7	12.2	25.6	15.7
Indonesia	24.5	20.5	25.8	22.2	7.1
Iran	20.2	23.2	18.3	19.9	18.4
Iraq	22.7	20.1	23.6	18.5	15.2
Ivory Coast	41.1	22.2	0.0	24.5	12.2
Jordan	17.9	22.6	19.2	19.8	20.4
Kazakhstan	0.0	29.8	18.4	27.4	24.4
Kuwait	18.2	24.5	20.3	22.9	14.1
Kyrgyzstan	16.5	24.7	19.5	25.2	14.1
Lebanon	19.7	25.2	20.8	19.9	14.5
Libya	20.0	24.1	19.2	22.9	13.9
Malaysia	20.1	23.0	18.9	17.1	20.9
Maldives	21.0	21.8	20.8	18.8	17.6
Mali	28.9	26.8	21.6	21.6	1.2
Mauritania	32.6	26.2	17.6	15.0	8.7
Morocco	20.8	22.4	21.5	18.7	16.5
Mozambique	35.5	12.0	33.9	18.1	0.4
Niger	33.3	25.0	28.8	10.8	2.2
Nigeria	33.7	26.9	19.0	20.4	0.0

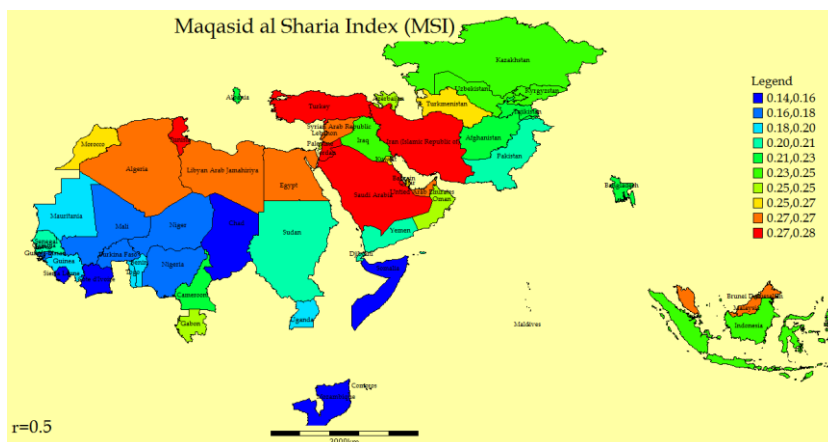
Oman	19.2	18.4	24.4	23.2	14.8
Pakistan	31.5	18.7	23.0	18.8	8.0
Palestine	25.4	10.8	22.1	24.8	16.9
Qatar	18.9	18.1	23.3	25.1	14.6
Saudi Arabia	17.6	23.7	21.4	23.7	13.6
Senegal	31.5	18.7	22.6	20.5	6.8
Sierra Leone	38.6	16.5	20.7	23.0	1.2
Somalia	41.0	11.9	40.0	0.0	7.1
Sudan	31.8	10.4	13.5	33.2	11.1
Suriname	21.6	19.2	20.4	23.9	15.0
Syria	18.4	24.7	20.4	19.6	16.9
Tajikistan	21.8	11.3	26.3	27.0	13.6
Togo	31.5	19.7	19.5	22.7	6.6
Tunisia	18.9	22.7	20.3	20.1	18.1
Turkey	17.3	24.1	18.8	21.0	18.9
Turkmenistan	12.4	24.0	17.9	21.6	24.0
Uganda	35.9	14.1	24.7	18.8	6.4
United Arab Emirates	18.1	24.4	22.6	21.0	14.0
Uzbekistan	13.8	23.3	21.1	25.6	16.2
Yemen	27.4	12.9	27.4	22.4	9.9

Table-5
Percentage Contribution of Five Indicators of the Embellishment Category

Individual Share	Embellishments				
	Religion	Life	Progeny	Intellect	Property
Afghanistan	25.9	21.1	30.1	6.0	16.9
Albania	11.3	15.3	23.6	27.4	22.4
Algeria	16.4	13.8	23.0	22.9	23.9
Azerbaijan	23.0	7.3	21.5	18.3	29.8
Bahrain	30.6	5.8	12.8	30.4	20.5
Bangladesh	15.2	24.4	23.4	11.3	25.7
Benin	16.2	5.3	32.5	15.5	30.5
Brunei	30.8	16.1	8.8	22.1	22.1
Burkina Faso	17.5	10.5	34.3	7.8	29.8
Cameroon	22.6	9.2	28.6	13.0	26.5
Chad	22.4	6.2	36.9	3.4	31.2
Comoros	19.8	16.0	27.4	11.8	25.0
Djibouti	20.4	9.3	31.4	8.3	30.6
Egypt	17.7	15.2	22.4	20.3	24.3
Gabon	23.1	11.8	26.7	10.0	28.3
Gambia	19.9	14.3	30.8	7.2	27.8
Guinea	21.7	12.6	28.2	10.2	27.4
Guinea-Bissau	20.3	14.7	32.4	4.1	28.5
Guyana	25.6	18.5	24.4	13.8	17.7
Indonesia	27.8	7.2	22.0	18.3	24.8
Iran	26.4	13.6	15.6	26.3	18.2
Iraq	22.1	12.2	24.0	16.9	24.7
Ivory Coast	0.0	9.6	40.2	14.6	35.7
Jordan	18.5	9.1	22.9	26.0	23.5
Kazakhstan	21.1	16.4	14.8	32.6	15.1
Kuwait	32.5	16.0	4.4	22.0	25.0
Kyrgyzstan	17.9	14.5	24.5	24.1	19.0
Lebanon	21.2	10.4	19.3	25.5	23.7

Libya	28.3	13.5	15.4	20.2	22.5
Malaysia	20.6	22.5	16.8	23.1	17.0
Maldives	27.3	22.6	25.7	15.8	8.6
Mali	18.3	17.5	29.8	9.4	25.0
Mauritania	26.1	1.9	32.5	8.8	30.7
Morocco	17.8	13.3	28.0	17.3	23.6
Mozambique	21.6	0.0	36.2	8.7	33.5
Niger	17.5	23.5	31.7	0.0	27.3
Nigeria	22.6	15.1	26.4	11.3	24.6
Oman	36.3	3.8	11.5	19.5	28.9
Pakistan	21.5	22.0	27.7	11.8	16.9
Palestine	14.7	14.1	24.3	24.7	22.2
Qatar	35.9	18.7	0.0	15.9	29.5
Saudi Arabia	18.1	27.5	9.6	25.1	19.7
Senegal	15.7	25.2	25.3	9.0	24.9
Sierra Leone	23.7	20.0	26.7	8.3	21.2
Somalia	27.2	6.7	30.1	9.7	26.3
Sudan	21.5	16.4	24.4	17.7	20.0
Suriname	32.2	23.9	26.6	17.4	0.0
Syria	22.8	9.7	21.8	18.9	26.8
Tajikistan	20.3	15.7	24.5	16.0	23.6
Togo	13.6	11.4	32.5	13.3	29.1
Tunisia	17.2	21.1	20.7	20.7	20.3
Turkey	11.7	26.1	18.0	26.4	17.8
Turkmenistan	28.3	14.6	14.5	20.2	22.4
Uganda	23.1	14.8	27.8	10.2	24.1
United Arab Emirates	27.0	18.9	9.7	22.8	21.6
Uzbekistan	26.8	23.3	20.9	10.4	18.6
Yemen	15.2	17.5	29.1	13.0	25.1

Table-6
MSI of the OIC Countries (Some OIC Countries of
South America not Shown in this Map)



Non-Monetary Poverty Measurement in Malaysia: A *Maqāṣid al-Sharī'ah* Approach

MOHAMED SALADIN ABDUL RASOOL

ARIFFIN MOHD SALLEH

Abstract

Islamic organizations such as zakāt institutions conceptualize poverty from the monetary perspective to identify the poor group. Despite being the most common method of measuring poverty in Malaysia and many other countries, there are some drawback in the monetary approach. For instance, non-monetary factors such as type of dwelling, ownership of wealth and healthcare which reflect quality of life are not included. Thus, a more comprehensive poverty measurement is deemed appropriate to reflect poverty. The objective of the paper is to propose an Islamic poverty measurement, proxied by Islamic Poverty Index (IPI). The present study is a quantitative study consisting of three main stages. Firstly, consensus of scholars were sought in deciding the dimensions of the IPI and their indicators. Secondly, weightage determination of each of the dimensions and thirdly, cutoff points or thresholds were determined. The results of the study confirmed that there were five dimensions of IPI incorporating maqāṣid al-Sharī'ah principles with religion and physical self with the highest weighted dimensions followed by knowledge, offspring and wealth. In addition, thirteen variables were identified as the main components of the IPI. Thus, this empirical study was able to propose a non-monetary measurement that is envisaged to reflect the multidimensional phenomena of poverty in a more holistic way and is expected to have an impact on Islamic organizations as it given new perspective of measuring poverty.

Keywords: Poverty, Multidimensional, Islamic Poverty Index, Monetary Poverty Measurement

JEL Classifications: O10, O11, O12.

1. Introduction

Islamic institutions in Malaysia play a variety of socioeconomic roles such as poverty alleviation. To perform this role, these institutions face a major task in identifying the poverty group. Most of these institutions measure and operationalize poverty from the monetary perspective using variables such as income, expenditure or consumption. According to Yusuf Al-Qardawi (1980), Islam outlines the self-sufficiency for an individual as the availability of basic food, drinks, shelter and other basic needs as defined by the society in which he or she belongs to. In addition, Al Sabai explains that the minimum living standard is inclusive of having family, housing and transportation (Monzer, 1982). Failure to attain this stipulated needs qualifies individuals to be poor. Poverty is not only complex and multi-dimensional in nature, it goes beyond the notion of income and encompasses social, economic and political deprivations (Shirazi and Amin, 2009).

The main objective of the paper is to present a non-monetary poverty measurement from an Islamic perspective. The proposed Islamic Poverty Indicator (IPI) consists of *maqāṣid-al Sharī'ah* (objective of the religion) dimensions, namely religion, knowledge, physical-self, offspring and wealth. The IPI, formulated using the weighted index method is expected to exemplify poverty from a multidimensional perspective. This paper is organized as follows. The next section outlines the literature review whereas the methodology undertaken in this study is deliberated in section 3. Section 4 present the findings of the study. Finally, the conclusion and recommendations of the study were highlighted in the final section.

2. Literature Review

Presently *zakāt* institutions in Malaysia use the monetary method to conceptualize poverty. The Poverty Line Income (PLI) and Had al Kifayah (HAK) method is commonly utilized to determine the poor. However researchers have argued that the current monetary approach is unable to reflect the multidimensional nature of poverty. Due to these reasons, policy makers and researchers in developed nations have opted for other approaches such as capability and social exclusion approaches which are multidimensional in nature that includes non-monetary indicators as mentioned by researchers such as Sen (1977, 1987, 1992); Nasbaum (1997, 2003); (2000, 2003); Waggle (2005, 2008, 2009); Alkire and Foster (2007, 2010) and Ravallion (1998, 2012). The UNDP developed the Human Poverty Index (HPI) and Human Development Index (HDI) through the studies by Sen and recently introduced the Multidimensional Poverty Index (MPI) developed

by Alkire and Santos (2010). The HPI measured poverty from three dimensions namely, the mortality rate (short life), knowledge and the overall standard of living (access to private and public resources). Similarly, health, education and standard of living has been included in the MPI using ten indicators. It is obvious that MPI has been extended from the HPI with the addition of new indicators although the dimensions were quite similar.

Nolan and Whelan (2010, 2012) highlighted that non-monetary indicators together with monetary data would be able to improve the measurement and understanding of poverty especially in rich countries. Employing the MPI, Awan et al. (2011, 2012) measured poverty in Pakistan by using the data of Pakistan Social and Living Standard Measurement Survey 2005-06. The study used nine dimensions such as electricity, asset, water, sanitation, housing, education, expenditures, land and empowerment. Results indicate that majority of Pakistan's households are deprived in five dimensions: empowerment, land, housing, sanitation and asset. In another study, Shirvanian and Bakhshoodeh (2012) found out that education and housing are vital dimensions that should be addressed by policy makers in Iran to combat poverty. Alternatively, Ali and Ahmad (2013) asserted that healthcare and education are critical aspects of poverty alleviation based on their multidimensional poverty study in Punjab, Pakistan.

In Malaysia, studies on multidimensional poverty was embarked by Mohd Fauzi et al. (2007, 2009) who focused his study on Malaysian natives. Specific dimensions that contributed to the high poverty incidence of natives such as social and economic exclusion such as education facilities, healthcare and infrastructure were highlighted. Another study by Che Mat et al. (2012) was undertaken in Baling, a district in Kedah, a state in northern Malaysia. Education, health, standard of living and wealth were chosen to represent the dimensions of poverty. These researchers used five different thresholds to identify the poor group, thus yielding the poverty rates which were all much higher compared to the PLI method.

Although multidimensional poverty have now been researched widely in the mainstream economy, studies have been lacking in the Islamic world except for studies by Islamic Relief (2008) and Rasool et al. (2011, 2012). These authors suggest the five principles of *maqāṣid al-Sharī'ah* principles as the dimensions of the poverty measurement, namely religion, physical self, knowledge, offspring and wealth.

3. Methodology

The dimensions in the IPI would be based on human needs (*maqāṣid al-Sharī'ah*) principles according to Islam as mentioned by JAWHAR (2007), and Rosbi and Sanep (2010). The proposed IPI would be based on the MPI developed by Alkire and Santos (2010). The main difference between the proposed IPI and the MPI developed by Alkire is the weightage in IPI is not equal in accordance to the *maqāṣid al-Sharī'ah* principles as suggested by Al-Ghazalli who pioneered these principles (Kamali, 2009). According to Al-Ghazalli, the objective of the Sharī'ah or *maqāṣid al-Sharī'ah* is to promote well-being of all mankind which lies in safeguarding their religion, physical-self, knowledge, offspring and wealth and are in a hierarchy. Another scholar, Shatibi concurs with these five objectives of Sharī'ah and their hierarchical sequence. Although majority of scholars do agree with the five dimensions of *maqāṣid al-Sharī'ah* proposed by Al-Ghazalli and endorsed by Shatibi, there are scholars who argued on the hierarchical sequence proposed by these two scholars (Salleh and Rasool, 2013). Thus, in the present study expert opinion was chosen to determine whether the hierarchy of the dimensions in the Malaysian settings at the present time is similar to the ideas of Al-Ghazalli and Shatibi. Although expert opinion could lead to biasness, this problem was reduced by choosing a panel of expert with vast experience in the field of poverty. In addition, the selected experts have various background such as Islamic economics, Islamic studies, development economics, Islamic development etc.

The overall process of the IPI formulation consist of three steps. Firstly, consensus of scholars who are be experts and experienced in the practice of *zakāt* were sought in deciding the dimensions and each of their indicators with the assumption that all indicators in a particular dimension are equally weighted. These selected dimensions and indicators were then sent to selected experts to examine its face validity. Secondly, weightage of each of the dimensions were calculated based on the rankings given by the scholars. The function of the weightage is to reflect the importance of each of the dimensions in the index. Thirdly, IPI computation and interpretation together with threshold determination were carried out. The overall expert review were undertaken through face to face interview involving a few rounds.

The non-monetary poverty measurement, the Islamic Poverty Indicator (IPI) was formulated in accordance to *maqāṣid al-Sharī'ah* principles, incorporating the methods by Alkire and Santos (2010). The formula for IPI is as below:

$$IPI_w = (W_1PS + W_2WE + W_3OS + W_4KN + W_5RE) \times 100\% \quad (1)$$

where

PS- physical self, WE-wealth, OS-offspring, KN-knowledge, RE-religiosity and

W_1, W_2, \dots, W_5 - weightage

4. Empirical Results

4.1. Dimensions, Weightages and Indicators

All the experts agree with the five dimensions of *maqāṣid al-Sharī'ah* principles. The non-monetary measurement, IPI is shown by the following equation, with the weightage of each dimension derived from the rankings determined by expert review as shown by Table 1:

$$IPI = (0.252PS + 0.129WE + 0.138OS + 0.186KN + 0.295RE) \times 100\% \quad (2)$$

The equation shows that 29.5% of poverty is contributed by spiritual factors, followed by 25.2% physical self, 12.9% wealth, 18.6% knowledge and 13.8% offspring. Thus, the spiritual dimension is with the highest weightage, about 30%. On the other hand, wealth is the lowest weightage dimension contributing almost 13% to the incidence of poverty. Hence, this result shows that experts in the present study have identified that all the dimensions as relevant and significant in the Malaysian context and are in accordance to the hierarchical sequence as proposed by Al-Ghazalli and Shatibi. Next, indicators agreed by more than 75% of the experts were used as the main criteria to decide the final list of variables to be included in the IPI. Initially a number of indicators were listed based on various sources such as Waggle (2005, 2008, 2009), JAWHAR (2007), Islamic Relief (2008), Alkire and Santos (2010), Rosbi and Sanep (2011), Alkire and Foster (2012), Awan et al. (2011, 2012) and Che Mat et al. (2012). The final indicators in the study were derived through expert review where thirteen indicators from five dimensions were identified (Table 2). Firstly, religiosity is considered as an important dimension of human needs. It is inclusive of religious knowledge, religious obligation, contribution and mosque activities. Secondly, physical self are physical needs in daily life such as healthcare and quality of dwelling or living place. Thirdly, knowledge or mind development is essential in developing the intellectual level and skills of individuals. It is inclusive of education level and skills. Fourthly, family or offspring are an important element of human needs. Finally, wealth accumulation such as savings or investments and ability to generate income or revenue from economic activities complete the formulation of the IPI.

Table-2
Indicators, Weightage and Threshold

Variables	Relative Weight (%)	Deprived if
RELIGIOSITY		
Religious knowledge	7.4	Household head has no basic religious knowledge
Religious obligations	7.4	Not Performing of religious obligation
Contribution	7.4	No contribution to close family members
Mosque activities	7.4	No attendance at mosque programmes
PHYSICAL SELF		
Dwelling	12.6	Dwelling is deteriorating
Health & not disabled	12.6	Household member with serious disease and disabled
WEALTH		
Employment type	4.3	Household head without permanent job
House ownership	4.3	Household do not own house (land)
Savings & investment	4.3	Household head or members without savings and investment
KNOWLEDGE		
Education level	9.3	Household head did not attend secondary school
Skills	9.3	Household head without any skills
OFFSPRING		
No of children	6.9	Household without children
Attend schooling	6.9	Any children did not attend school

4.2. Weightage of Indicators and Cut-Offs

After determining the indicators to be included in the IPI, the weightage of each indicators was calculated to determine the contribution of each indicators. The total relative weightage of the thirteen indicators would be 100, exemplifying if a households is deprived of all the thirteen indicators, meaning a household is completely deprived of means to perform daily activities to lead a decent living. The relative weightage of each indicator is obtained by dividing the weightage of each dimensions with the number of indicators in each dimension as shown by Table 2.

The next step is to decide the cutoff point or the threshold at two level, one at the indicator level and the other at the index level. At the indicator level, deprivation of a particular indicator could be interpreted as a threshold. For example, if a household do not have basic religious knowledge, then this inadequacy of religious knowledge is the threshold of religious knowledge. At the index level, if the total score of Total Weightage of Indicators (TWI) is more than the threshold value, denoted by K which would be determined by the researcher, than the household would be defined as poor. From an Islamic point of view, a individual or household is defined as poor if the household needs acquired is less than the total need whereas destitute is a situation where the household is unable to sustain even 50% or half of the needs. From a monetary point of view, this cutoff point is easily identified based on the PLI or HAK method. However from the non-monetary perspective, it is difficult to quantify the 50% or 100% level of needs. Alkire and Santos (2010) used $K=30\%$ in her study with the assumptions that a deprivation of 30% is sufficient to classify the household as poor. These value was obtained from a rigorous exercise of applying different K values to the index formulation. For this study, 3 cutoff points or thresholds is selected. Each cutoff consist of K1 that represents poverty line whereas K2 represents destitute threshold. Thus, the three IPI are constructed based on the cutoff points as shown by Table 3.

Table-3
Threshold (Cutoff) of IPIs

Islamic Poverty Index (IPI)	<i>Cut off</i> for Poor (K1)	<i>Cut off</i> for Destitute (K2)
IPI1	40	70
IPI2	45	75
IPI3	50	80

4.3. Poverty Determination Across Different Thresholds

For IPI1, the cutoff or threshold is decided based on K1 (total weightage of indicators) = 40% and K2=70%. For IPI2, the cutoff or threshold is decided based on K1 (total weightage of indicators) = 45% and K2=75%. For IPI2, the cutoff or threshold is decided based on K1 (total weightage of indicators) = 50% and K2=80%. Table 4 presents the various possible situations of deprivations and the status of poor based on the score of Total Weightage of Indicators (TWI) calculated. For instance, in situation 1, the household is deprived of all indicators in the two dimensions with the smallest weightage, namely offspring and knowledge, then the household is not poor according to all the IPI1, IPI2 and IPI3

because the calculated TWI is less than the cutoff point or threshold of the three IPIs which are 40 (IPI1), 45(IPI2) and 50 (IPI3):

$$TWI = 4.3+4.3+4.3+6.9+6.9 = 26.7$$

Table-4
Determination of Poor and Destitute

Situation	Deprived Indicators*					TWI	IPI1	IPI2	IPI3
	R	PS	K	OS	W		K1=40, K2=70	K1=45, K2=75	K1=50, K2=80
1	0	0	0	2	3	26.7	not poor	not poor	not poor
2	0	0	2	2	3	45.3	poor	poor	not poor
3	0	1	2	2	3	57.9	poor	poor	poor
4	0	2	2	2	3	70.5	destitute	poor	poor
5	4	2	0	0	0	54.8	poor	poor	poor
6	4	2	1	0	0	64.0	poor	poor	poor
7	4	2	2	0	0	63.3	poor	poor	poor
8	3	2	2	2	0	79.8	destitute	destitute	poor
9	3	2	2	2	1	84.1	destitute	destitute	destitute

*Note: R-religiosity, PS-physical self, K-knowledge, OS-offspring, W-wealth

On the other hand, if the household is deprived of all the indicators in the two dimensions with the biggest weightage, namely physical self and religiosity as shown by situation 5, then the household is poor according to all the three IPI, IPI2 and IPI3 because,

Total weightage of indicators (TWI) = $12.6+12.6+7.4+7.4+7.4+7.4 = 54.8$
(more than 40,45 and 50)

The situations depicted in Table 4 are hypothetical as the real situation would be a mixture of deprivations of various dimensions. Hence, there would be a lot of combination of deprivations giving different degree of deprivations. As a summary, it could be deduced that the severity of poverty depends on the number of deprived indicators and the weightage of each of the indicators. In general the more number of deprived indicators and the higher the relative weightage, the more deprived multi-dimensionally is the situation. The main issue in the context of IPI is determining the appropriate threshold as the multidimensional measurement or IPI is a non- monetary indicator (unmeasurable physically). Thus, it is subjective to select whether 40%, 45%, 50% or other suitable K value as it would have a strong impact on the selected poverty group. If the K is too high, the deprived group

would be smaller compared to a lower value of K as it needs a bigger number of indicators to be deprived. Hence, researchers need to come up with suitable K values with appropriate justifications.

5. Conclusion & Recommendation

The IPI proposed in the study is an initial attempt using *maqāṣid al-Sharī'ah* principles in developing a non-monetary multidimensional poverty measurement. The present paper proposes a multidimensional perspective of poverty measurement in the context of *zakāt* institutions utilizing weighted index as a tool of measurement. Although there are limitations of using index such as summarizing too much and communicating less, this method proposes a multidimensional perspective of measuring poverty. The paper introduced the IPI as a non-monetary poverty measurement incorporating the five *maqāṣid al-Sharī'ah* principles, namely religiosity, physical self, knowledge, offspring and wealth which were weighted hierarchically parallel with the ideas of Al-Ghazalli and Shatibi. These findings show that the relevancy and significance of *maqāṣid al-Sharī'ah* in the present economic and social environment. Thus, the formulation of the IPI would have an impact on Islamic institutions as it gives a new perspective of measuring poverty from a micro perspective. Hence, the IPI is envisaged to reflect the multidimensional phenomenon of poverty in a more holistic way. Thus, it is strongly recommended that a comprehensive study to further develop the IPI is carried out. Comparison with monetary poverty measurement is vital to see the differences between these methods. This would enhance the poverty measurement from an Islamic perspective as it comprises of non-monetary dimensions that would complement the existing monetary poverty measurements.

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A Structural Model for Human Development, Does *Maqāṣid* al-Sharī'ah Matter!

MEDHI MILI•

Abstract

Islamic scholars agree that Islam have the ultimate goal of being a mercy to humanity. This is, in fact, the primary purpose of Maqāṣid al-Sharī'ah. To achieve this goal it is necessary to promote human well-being. The main purpose of this study is to test how Maqāṣids' al-Sharī'ah contribute to promote human welfare. We use a Partial Least Squares-Path model that allows us to indentify the causal relationships between Maqāṣid al-Sharī'ah components proposed by al-Ghazali (Hifth al Nafs, Hifhd al Dīn, Hidh al 'Aql, Hidh al Māl, Hidh al 'Aql) and their impact on human well-being. Using a sample of 30 Islamic countries, our empirical results show that dimensions used for Maqāṣid al-Sharī'ah objectives are homogeneous and representative. Globally, we find that Maqāṣid al-Sharī'ah contribute significantly to human wellbeing in Islamic countries. We show that Hifth al Nafs and Hifhd al Dīn are the most significant components that affect human well-being. While we find evidence that Hidh al 'Aql didn't have a significant impact on human development index. This may be due to other factors that can affect the quality of life in some Islamic countries such as the effect of natural resource wealth.

Keywords: *Maqāṣid* al- Sharī'ah, human well- being, *Hifth al Nafs*, *Hifhd al Dīn*, *Hidh al 'Aql*, *Hidh al Māl*, *Hidh al 'Aql*, PLS-Path model .

JEL Classifications: I3, G38, D6, O15.

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1. Introduction

To establish good social relations in society, human always need moral principles that define the limits of his moral and ethical responsibilities in the society. These principles are always related to the importance of religion in the country. Generally, Islamic countries have not experienced this problem because *Islamic Shari'ah* is based on a comprehensive system of morality and can therefore treat all ethical issues in the society of a canonical point of view. It is also flexible enough and adapts perfectly to new situations.

Ethical principles of Islam constitute the basic foundation for human development. Ethic is not a separate discipline in Islam. It is part of the law itself. Muslims scholars tried in the past to rely on theories and ethical principles when ethical issues arise. Following Alghazali (1901) and Al Fasi (1380H), ethical theory of Islam is based on five objectives for *Maqāṣid al-Shari'ah*: preservation of religion (*al-Dīn*), life (*al-Nafs*), intellect (*al-'Aql*), progeny (*al-Nasl*) and wealth (*al-Māl*). These objectives of *Shari'ah* defend ethical principles in society and are likely to affect human wellbeing in the world. Several researchers (Chapra (2008), Al-Najjar (2008), Crane, R. D. (2009), ...) defend this thesis, but the majority did not attempt to quantify the impact of *Maqāṣid al-Shari'ah* on human development. This paper contributes to the literature by proposing an empirical approach for testing the impact of *Maqāṣid al-Shari'ah* on the Human Development Index.

Unlike the secular market paradigm, human well-being in Islam does not depend essentially on the maximization of wealth and consumption. It requires a balanced satisfaction of both material and spiritual needs of the human personality. The spiritual need is not satisfied only by the five pillars of Islam, it requires individuals to shape their behavior in accordance with the *Shari'ah* (Islam teachings), which is designed to enable the realization of *Maqāṣid al-Shari'ah* namely socio-economic justice and well-being of all God's creatures. Neglect the spiritual needs or physical needs impede the realization of true well-being and exacerbate the symptoms of anomie, such as frustration, crime, alcoholism, drug addiction, divorce, mental illness and suicide, revealing all a lack of inner life satisfaction of individuals.

Human development is known as an economic, social, cultural and political process for continuous improvement of the welfare of all individuals on the basis of their active and meaningful participation in development and equitable sharing of the wealth generated. It is based on the satisfaction of basic human needs on an ongoing basis to ensure safety and social stability. In the Qur'an this concept results

in reconstruction and reform in the ground. *Al araqf* -56 “ Do no mischief on the earth, after it hath been set in order, but call on Him with fear and longing (in your hearts): for the Mercy of Allah is (always) near to those who do good”.

The extrapolation of the texts of the Qur’ān and the *Sunna* and the legal provisions of worship and transactions, shows that human development is a legitimate target which must be established in the nation by their various brackets. So, everyone according to his responsibility and influence must reach this objective. Iben Achour (1998) suggests That *Maqāṣid* al-Sharī’ah in its three forms (The essentials (*Tharuriyyat*), The complementary (*Hajiyyat*) and The embellishments (*Tahseeniyyat*)) contributes to the development of human life in all its aspects (social, religion, Economic, ...). He claims that Islam is a full approach of reforms that starts with the reform of peoples which led to the development of the society eventually leading to the goodness of the world.

Despite this emphasis on morality, Islam does not recognize indisputable distinction between the material and the spiritual. All social and educational human efforts, has a spiritual character fully compliant with Islamic values. Working hard to ensure their own welfare and the whole welfare of his family and his society is as spiritual as the act of prayer as long as the physical effort is guided by moral values and does not remove the individual of the fulfillment of its social and spiritual obligations.

Thus, the ideal behavior within this paradigm is not synonymous with selflessness and it simply means the pursuit of self- interest within the constraints of social interest from all claims to scarce resources through the filter of moral values. These values are an inseparable part of the Sharī’ah and have been sent to all peoples at different periods in history, by a succession of prophets of God. Therefore, according to Islam, there is a continuity and similarity in the value system of all revealed religions to the extent that the message has not been lost or distorted through the centuries.

This paradigm assumes that individual behavior orients morality in an appropriate socio-economic and political environment and contributes to the realization of socio-economic justice and general human well-being, as the paradigm of market economy requires that the behavior in a competitive market must defend the social interest.

However, while the traditional economy presupposes the predominance of interested behavior of all individuals, Islam does not assume the predominance of ideal behavior. It adopts the realistic position that some people act normally a purely

ideal or purely interested manner, but the behavior of most people tends to be somewhere between the two extremes.

However, given that the ideal behavior is held to be more favorable to the goal human wellbeing, Islam tries to bring individual behavior as close as possible to the ideal. Rather, it tries to create an enabling environment through a social structure based on moral values, an effective system of motivation and both economical and social reform.

This environment can be created by an adequate public education, the creation of an effective framework of safeguards and by improving the existing socio-economic, legal and political institutions. Doing the five pillars of Islam is insufficient to create this environment. They tend to take individuals and groups aware of their social obligations and highly motivate principle values even if they go against their short-term interest. *Maqāṣids al-Sharī'ah* aim to idealize human behavior in order to develop the society in accordance with ultimate principles that preserve the wellbeing of mankind.

The aim of this paper is to show the impact of objectives *Maqāṣid al-Sharī'ah* on Human Development. We adopt the objectives of *Maqāṣid al-Sharī'ah* according to the five principles advanced by Al-Ghazali.

The writings of *Imam al Ghazali* (1091) limit *Maqāṣid al-Sharī'ah* in preserving five requirements (*called al usool al khams*). These principles are not the only ones but the principal *Maqāṣids al-Sharī'ah*. Our approach consists to propose a PLS-Path model which takes into account the inter relationship that may exist between the five principles of *Maqāṣid al-Sharī'ah*.

The rest of the paper is organized as follow. Section 2 presents the literature review concerning the Impact of *Maqāṣid al-Sharī'ah* on human wellbeing. It exposes also our empirical approach. Section 3 presents a detailed interpretation of the results. Section 4 concludes.

2. Impact of *Maqāṣid al-Sharī'ah* on Human Wellbeing

Reference works on *Maqāṣid al-Sharī'ah* arising from some scholars of Islam such as Al-Ghazali (1901), Al-Shatibi (2004), Ibn 'Ashur (1998) and Ibn Taymiyyah (al-Raysuni, 1992). These studies were interested in determining the legal dimensions of *Maqāṣid al-Sharī'ah*. Recently, several researchers have attempted to test the impact of a proper application of these *maqāṣid* on the human environment in all its aspects.

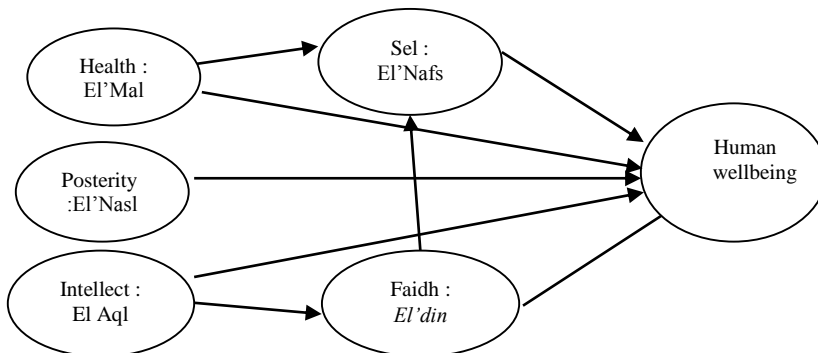
Chapra (2008) proposed a theoretical framework that addresses human development from a narrow perspective of *Maqāṣid al-Sharīʿah*. His work seems a philosophical progress that lacks quantitative effort to support its findings. Other researchers have tried to develop human development indexes that incorporate religious principles. Dar (2004), developed the Ethics-Augmented Human Development Index (HDI-E). He integrated for the first time explicitly ethical dimension through the incorporation of *faith*, freedom and also the environment aspect in human development index.

Anto (2009) suggests that human development in Islamic perspective must be based on *Maqāṣid al-Sharīʿah* and developed an index of human development based on the principles of Islam. He improved his index by including the right to freedom and the protection of the environment.

Unlike these works, our objective is not the creation of a new index for human development. But, we seek to test the impact of these *Maqāṣid* on Human Development. The five objectives of *Maqāṣid al-Sharīʿah* that we consider in our study are developed from the 12th century by the scholar Al-Ghazali (d. 1111) in his work *on fiqh Al Mustafa*, then subsequently detailed by Ibn Taymiyah and (m. 1328) and Abu Ishaq Al Shatibi (m. 1388).

To test the impact of each objective of *Maqāṣid al-Sharīʿah* on Human wellbeing, we apply a consistent econometric approach PLS-Path that allows us to estimate complex causal relationship between latent variables measured themselves by called manifest variables (observed variables). Our empirical approach consists to consider the objectives of *Maqāṣid al-Sharīʿah* as latent unobservable variables that affect human development in each country. Each of the five objectives of *Maqāṣid al-Sharīʿah* will be measured by a number of manifest observable variables. We consider the following causal model:

Figure-1
Impact of *Maqāṣid al-Sharīʿah* on Human wellbeing



We collect cross-sectional data on 30 Islamic countries relating to the year 2011. For each country a set of 15 indices are collected from different sources (see table 1). If the information for a measurement variable is not available on 2011 we select that of the previous year. The correction of missing data was used only for a few variables since this problem does not arise in the case of the human development index.

Table 1 reports the measurement indicators associated with each latent variable as well as sources of the data. The first objective of *Maqāṣid al-Sharī'ah* is *hifdh al-nafs* which means the preservation of life and health. This objective will be measured by four indicators that measure the effort expended by each country to protect lives and alleviate the poverty of his peoples.

Table-1
Dimensions of Components of *Maqāṣid al-Sharī'ah*

latent Variable	Measurement indicators	Sources
<i>Hifdh al-Nafs</i>	Health Care Index	poverty http://www.numbeo.com/health-care/rankings_by_country.jsp
	Human Rights Index	http://www.ohchr.org/EN/HRBodies/Pages/UniversalHumanRightsIndexDatabase.aspx
	Crime Index	http://www.numbeo.com/crime/rankings_by_country.jsp
	Poverty gap	http://data.worldbank.org/topic/
<i>Hifdh al-Dīn</i>	Percentage of total expenditure in religious education	Ministry of Education/Ministry of Finance of respective country
	Government Favoritism of Religion Index	http://www.thearda.com/internationaldata/index.asp
	Government Regulation of Religion Index,	http://www.thearda.com/internationaldata/index.asp
	Primary enrollment rate	http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=143&IF_Language=eng
<i>Hifdh al- 'Aql</i>	Secondary enrollment rate	http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=143&IF_Language=eng
	Public spending on education, total (% of GDP)	http://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS/countries?display=default
<i>Hifdh al-Māl</i>	International Property Rights Index	http://www.internationalpropertyrightsindex.org/about
	Inclusive wealth index	http://www.unep.org/pdf/IWR_2012.pdf
<i>Hifdh al-Nasl</i>	Divorce rate	UN; Euromonitor
	Child mortality rates	Mortality rate, under-5 (per 1,000 live births)
<i>Human wellbeing</i>	Human Development Index	https://data.undp.org/dataset/Human-Development-Index-HDI-value/

To ensure the protection of human life, it must first be a human life that comes into existence, then this life can be preserved and survive. So, it is necessary to prohibit the assassination, to heal every disease and provide enough food. These are the means to achieve the objective of *hifdh al-nafs*. We assume that *hifdh al-nafs* involves reducing the crime rate in the country and the preservation of Human Rights. We propose the following indicators for *hifdh al-nafs*: the health care index, Poverty gap which measure the intensity of poverty in the country, Human Rights Index and the Crime Index.

The Health Care Index reflects the overall quality of the health care system, health care professionals, equipment, staff, doctors, cost, etc.

Poverty gap index is defined as the average poverty gap in the population as a proportion of poverty threshold. *Crime Index* is an estimation of overall level of crime in each country.

The second component of *Maqāṣid al-Sharī'ah* is *hifdh Al-dīn* which means the preservation of religion. We measure this component by the effort of the state to spend on the education of religion and to promote religion in society and to implement rigorous regulation of religion. We consider the following three measurements indicators: Percentage of total expenditure in religious education, Government Favoritism of Religion Index and the Government Regulation of Religion Index.

The component *Hifdh Al-'Aql* includes the right to education and freedom of opinion. The role of government in *Hifdh al-'aql* can be conjugated by spending in education. The following indicators are considered for this objective: Primary enrollment rate, Secondary enrollment rate and total Public spending on education (% of GDP).

Hifdh al-Māl implies good government practices in the allocation of resources in the country. It also includes the protection of property and wealth of individuals and the prohibition of stealing. The first measurement used for *Hifdh al-Māl* is the International Property Rights Index which measures the intellectual and physical property. The second factor is The Inclusive Wealth Index that captures the value of resources depleted by human activities in the assessment of economic growth.

The last objective is *Hifdh al-Nasl* which can be measured by the size of the divorce rate in the country and the government's ability to reduce the rate of child mortality.

In this paper, we use a structural approach to test the impact of *Maqāṣid al-Sharī'ah* on human wellbeing index. PLS is a structured equation modeling technique that can analyze structural equation models (SEMs) involving multiple-item constructs, with direct and indirect paths. This approach is a method of analysis to study the impact of a number of blocks of variables on the same individuals (Tenenhaus, 1998). The PLS Path regression is a powerful approach for analyzing models because of the minimal demands on measurement scales, sample size, and residual distributions. The emphasis of PLS is on predicting the responses as well as on understanding the underlying relationship between variables.

Generally, groups of variable have some particular features such as high correlations. This leads to a problem of multicollinearity and makes it difficult predictive modeling using classical regression methods, hence, the use of structural equation models of latent variable.

In our research we consider six groups of variables, each of which is determined by i manifest variables: Let X_{ij} be the vector of i manifest variables of the latent variable j . Each group variable is observable expression of a latent variable ξ_j whose average is denoted m_j .

A hierarchical classification of manifest variables is first performed to obtain blocks of variables representing the latent variables in the model to estimate. The causal relationships between these blocks are made with partial correlations.

Then, the external model is specified with the reflective mode to the extent that manifest variables were chosen so that they reflect the dimension to which they refer.

The estimation procedure consists of two types of estimates of latent variables and the estimation of structural equations.

- The Estimation of Latent Variables

Latent variables ξ_j are estimated in two ways: the y_j estimated from the manifest variables X_{ji} and internal estimate z_j derived from external estimates y_i of ξ_j related to ξ_j .

It is, therefore, an iterative algorithm, comprising the following steps: First, we estimate the latent variables based on the external model (each latent variable is estimated based on manifest variables of the block)

$$y_j = \sum_{h=1}^{p_j} w_{jh} x_{jh}$$

Where the coefficient w_{jh} represents the external weight.

Then, we estimate latent variables based on the internal model (each latent variable is estimated based on other latent variables that are related).

$$z_j = \sum_{y_i \rightarrow y_j} e_{ji} y_i$$

Where e_{ji} is the internal weight which is defined by choosing a schematic structural calculation.

In a following step, we establish a relationship between the two types of estimates for determining the external final weight: $w_{ij} = cov(X_{ij}, z_j)$.

We repeat these three steps until convergence in the estimates of the latent variable.

- The Estimation of Structural Equation

Once scores (external final estimate) are obtained, we estimate the coefficient of internal model using multiple regression classics (MCO) or PLS. Indeed, the structural equations are estimated by replacing each latent variable by external estimate.

In this study, the relationship of the PLS algorithm is estimated using the PLS regression instead of OLS regression. Indeed, for two blocks of variables X and Y, the OLS regression explains the variable Y at the expense of variable X. It can produce aberrant signs and insignificant coefficients. Contrary, PLS regression explains both Y and X. It solves the problem of multicollinearity with the construction of major components.

3. Results and Interpretation

We perform PLS-PM analysis involving only reflective indicators for the inner estimation. Since each reflective block represents only one latent construct, it needs to be one-dimensional. This is why a preliminary exploratory analysis for verifying the composite reliability of blocks is required. Two different measures are available to test block one-dimensionality in PLS-PM framework: Dillon-Goldstein's rho and Cronbach's alpha. According to Chin (1998), Dillon-Goldstein's rho is considered a better indicator than Cronbach's alpha as it is based on the results from the model rather than on the correlations observed between the manifest variables in the dataset.

Following Werts et al. (1974), a block is considered homogeneous if this index is greater than 0.7.

The results of composite reliability test are resumed in table 2. Since the Dillon-Goldstein Rho index is always greater than 0.7 we can deduce that all six blocks of manifest variables can be considered one dimensional. In addition, all blocks are unidimensional because only the first eigenvalue for each block are greater than one. Therefore, the reflective model is appropriate.

Table-2
Homogeneity and Unidimensionality of MVs Blocks

Latent Variables	Dimensions	Cronbach's alpha	D.&G.'s Rho (ACP)	Critical Value	Eigenvalues
<i>Hifdh al-Nafs</i>	4	0.043	0.890	0.888	2.685 0.844 0.637 0.099
<i>Hifdh al-Dīn</i>	3	0.067	0.993	0.774	1.605 0.943 0.731
<i>Hifdh al-ʿAql</i>	3		0.917	0.829	1.811 0.714 0.403
<i>Hifdh al-Māl</i>	2	0.059	0.844	1.311	2.529 0.979
<i>Hifdh al-Nasl</i>	2		0.730	0.749	1.319 0.932
<i>Human wellbeing</i>	1	0.106	0.857	1.135	1.477

To test differently the discriminant validity of the model we can compare the square root of the average variance extracted (AVE) for each construct with the correlation between each construct and other constructs in the model. Measurement variables are considered to have adequate discriminant validity if the square root of the AVE for each variable is greater than the correlation between the construct and any other measures in the model. As shown in Table 3, all constructs in the estimated model also fulfill this condition of discriminant validity.

Table-3
Intercorrelations of the Latent Variables for First-Order Constructs

	<i>Hifdh al-Nafs</i>	<i>Hifdh al-Dīn</i>	<i>Hifdh al-ʿAql</i>	<i>Hifdh al-Māl</i>	<i>Hifdh al-Nasl</i>	<i>Human wellbeing</i>
<i>Hifdh al-Nafs</i>	0,851					
<i>Hifdh al-Dīn</i>	0,629	0,635				
<i>Hifdh al-ʿAql</i>	0,121	0,420	0,738			
<i>Hifdh al-Māl</i>	0,034	0,502	0,689	0,743		
<i>Hifdh al-Nasl</i>	0,182	0,258	0,375	0,632	0,788	
<i>Human wellbeing</i>	0,474	0,471	0,512	0,453	0,627	0,720

Notes: The bold diagonal figures are the square root of the average variance extracted; the off-diagonal figures are the correlations of the latent constructs.

After confirming the composite reliability, we can examine the relationship between each manifest variable and its own latent variable. In table 4 we present the weights of the relationships between each manifest variable and its own latent variable, together with the standardized loadings. On the same table we report also average communality index that measure the ability of each latent variable to explain its own manifest variables. Since this index higher than 0.5 for most blocs, we can conclude that, globally, latent variables are powerful at explaining their own manifest variables.

The latent variable *Hifdh al-Māl* expresses a slightly small value than 0.5. This can return to the ignorance of other measure variables that can better characterize the level of *Hifdh al-Māl* in each country. A low value in a loading factor suggests that the indicator has little relation to the associated construct variable. All indicators of a block of variables must reflect the same construct.

The normalized weight measure the impact of the corresponding manifest variable in computing the latent variable score as an index and the standardized loadings.

Hifdh al-nafas seems positively and significantly affected by the health care index and non Significantly affected by the human rights index. However, crime index and poverty gap-have negative and significant impact on *hifdh al-nafs* in each country. Health care index is the most Important measure that characterizes *hifdh al-nafs* since it express the higher normalized outer weight. The table shows that *Hifdh al-dīn* depends significantly on government regulation of religion index and the percentage of total expenditure in religious education. While, the government

favoritism of religion index has no significant effect on *hifdh al-dīn*. This can be explained by the nature of our sample of countries that may have the same support for the implementation of the practices of Islam in their societies.

Table-4
Normalized outer Weights and Average Communalities

Variable latent	manifest Variables	Loadings	Normalized outer Weights	Average communality
<i>Hifdh al-Nafs</i>	Health Care Index	1,042**	0,905	
	Human Rights Index	1,377	0,026	
	Crime Index	-0,010*	0,055	
	Poverty gap	-1,954*	0,153	0,541
<i>Hifdh al-Dīn</i>	Government Regulation of Religion Index,	4,427**	0,833	
	Percentage of total expenditure in religious education	2,982*	0,166	
	Government Favoritism of Religion Index	0,077	0,103	0,628
<i>Hifdh al-‘Aql</i>	Primary enrollment rate	4,981**	0,715	
	Secondary enrollment rate	2,354*	0,103	
	Public spending on education, total (% of GDP)	1,785**	0,037	0,587
<i>Hifdh al-Māl</i>	International Property Rights Index	3,258**	0,477	
	Inclusive wealth index	1,249*	0,051	0,321
<i>Hifdh al-Nasl</i>	Divorce rate	-4,767**	8,370	
	Child mortality rates	-1,371*	0,131	0,591
<i>Human wellbeing</i>	Human Development Index	2,184**	0,136	0,570

***, **, * denote significance at the 1%, 5% and 10% levels, respectively.

Regarding *Hifdh al-‘aql*, it appears significantly and positively affected by the three variables of measures considered. Primary enrolment rate seems the most important factor that ensures *hifdh al-‘aql* in the country. Divorce rate-have more significant impact on *al-hifdh nasl* than child mortality rate. Finally, the human development index developed by United Nations appears to be significantly representing the human wellbeing.

Table-5 shows that the goodness of fit index¹ for both the structural and measurement models are satisfactory with an absolute GoF value of 0.483 and an equal contribution of measurement model in constructing it. The relative GoF is very high. So are inner and outer models GoF.

Table-5
Goodness of Fit Index for the Hole Model

	GoF	GoF (Bootstrap)	Inner bound (95%)	Outer bound (95%)
Absolute	0,483	0,492	0,469	0,598
Relative	0,842	0,844	0,791	0,869
Outer Model	0,834	0,869	0,848	0,894
Inner model	0,831	0,837	0,818	0,863

After checking the reliability and validity of the relationship between manifest and latent variables, we present in the following the results of the estimation of the impact of latent variables (objectives *Maqāṣid* al-Sharī'ah) on the Human Development Index. Since the PLS approach is distribution free, the nonparametric bootstrap procedure is used to estimate the t-statistics and the significance levels for the structural path coefficients (Chin, 1998). The results of structural model are summarized in Figure 2. In our PLS model we test also whether *hifdh al-Dīn* has an impact on *hifdh al-Nafs*.

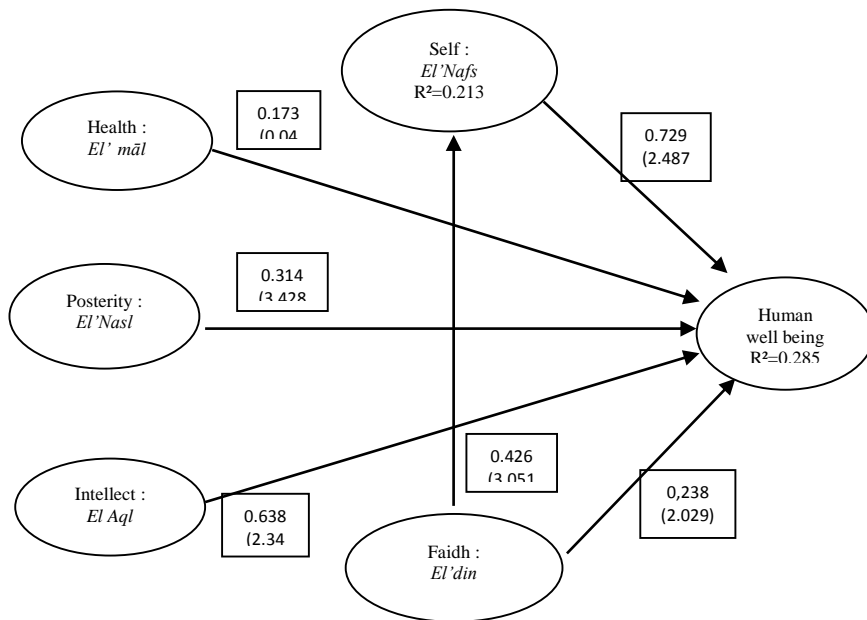
The regression coefficients and associated *t-values* are shown on the links (arrows) between exogenous and endogenous latent variables. Except *Hifdh al-Māl*, all constructs variables in the model have positive and significant effects on human wellbeing. This confirms that *Maqāṣid* al-Sharī'ah are likely to contribute to the development of human life in its economic and social aspects. The results show that the proposed model for human wellbeing has an R-square of 0.285. Additionally, the R-squares for the outcome constructs of *hifdh al-Nafs* is 0.213.

Hifdh al-Nafs and *Hifdh al-'Aql* seem to be the two main objectives of *Maqāṣid* al-Sharī'ah that most affect human development in Islamic countries since they express high coefficients of 0.729 and 0.638, respectively. The effort deployed by the government to preserve ownership of individuals (*hifdh al-Māl*) has no significant effect on the human development index. We suggest that this index should be better studied in future work since this indicator may reflects the stability

¹A global criterion of goodness-of-fit (GoF) can be given (Espisito, 2008) by the geometric mean of the average communality and the average R²: $GoF = \sqrt{(average\ communality) \times (average\ R^2)}$

of the security conditions in the country which has undoubtedly an impact on the quality of life in the country.

Figure-2
Results of PLS Estimation for the Theoretical Model



Hifdh al-Dīn also appears significant but have relatively lower impact on human development. We argue that the effect of *hifdh al-Dīn* is exercised on the human development index indirectly through its impact on *hifdh al-Nafs*. Indeed, *hifdh al-Dīn* seems to affect significantly *hifdh al-Nafs* with a coefficient of 0.426. In fact, strengthen the principles of Islam in the society through promoting of religious teachings or by establishing a regulatory framework able to maintain religious principles as a basis for the individual must necessarily have an effect on reducing indexes of crime or human rights. This will have an impact on *hifdh al-Nafs* globally.

Let's study the results of the structural model estimates. Table 6 shows the correlation and regression Path coefficients linking each exogenous latent variable to human wellbeing. The interpretation of this table should be done in conjunction with Table 3 which presents the loading factors. We can conclude that all path coefficient estimates of the structural model are significant except *hifdh al-Māl* which appears insignificant.

The results show that *hifdh al-Nafs* has the major contribution to R^2 (43.093%). The contribution of *hifd al-māl* to R^2 is the lower one. *hifd al-‘Aql* contribute higher than *hifz al-dīn* to R^2 explaining human development. Table 7 shows that all latent variables explain 28.7% of human wellbeing development.

Table-6
Impact and Contribution of Exogenous Latent Variables on the Endogenous Human Wellbeing

	<i>Hifdh al-Nafs</i>	<i>Hifdh al-Dīn</i>	<i>Hifdh al-‘Aql</i>	<i>Hifdh al-Māl</i>	<i>Hifdh al-Nasl</i>
Correlation	0.254	0.024	0.170	0.043	0.043
Path coefficient	0.729	0.238	0.638	0.173	0.314
t-statistic	2.487	2.029	2.344	0.049	3.428
Contribution to R^2 (%)	43.093	15.942	26.501	2.584	11.88

Table-7
Goodness of Fit Index for the Structural Model

R^2	R^2 (Bootstrap)	Ecart-type	Inner Bound (95%)	Outer Bound (95%)
0.287	0.296	0.053	0.257	0.298

The found that *hifdh al-Nafs* is the major objective of *Maqāṣid al-Sharī‘ah* affecting the human wellbeing can be justified by the teaching of both the Qur’ān and *Essouna*. The Prophet *Mohammed* said, “I will be an enemy of who kill a person with whom we have a deal”. He also said: “One who kills a person, non-Muslim under the protection of the State, shall not smell the fragrance of Paradise”. (Narrated by Bukhari). *Hifdh al-Nafs* values also the efforts of those who work for the safeguarding of life, we know that according to the Qur’ān that whoever kills an innocent soul, it is as if he killed all mankind, and that who saves one soul, it is as if he saved the whole humanity. *Hifdh al-Nafs* is also explained by reduction of crime rate in Islamic countries. The Prophet Mohamed did not pray the dead (*Janazet*) on a suicidal, it was just to highlight the seriousness of suicide. In this case, the companions of the Prophet who performed this prayer and asked Allah's forgiveness for this person. The prophet is justified in saying: “I do not pray on his body, so that Muslims do not commit suicide” Suicide is an act of weakness, depression and despair, the one who commits suicide a great sin but can receive forgiveness and mercy of God.

4. Conclusion

This study develops an empirical approach to test the real impact of *Maqāṣid al-Sharī‘ah* on the human wellbeing index. Our work is based on the five objectives

advanced by Al-Ghazali (1111). For each objective we selected a number of measurement indicators based specially on existing data. Our results show that *hifdh al-nafs* is the major objective of *Maqāṣid al-Sharī'ah* affecting the human wellbeing. While, *hifdh al-Māl* has no significant effect on the human development index. Limitation of our study to the five principles proposed by Al Ghazali can be considered as a limitation to this work.

Taqi al-Dīn ibn Taymiyya (d. 728/1328) was the first researcher to add new principles of *maqāṣid*, such as contract enforcement, preservation of kinship, honoring the rights of his relatives, the love of God, sincerity, loyalty and moral purity. Thus, Ibn Taymiya revised the scope of the *maqāṣid* from an open list of values, and its approach is generally accepted by contemporary scholars, including Ahmad al – Raysuni (2006).

In a very illustrious research, Ibn Ashur (1945/2006) provides some explicit aspects of *Maqāṣid al- Sharī'ah* that lead to human development, namely Promoting the welfare (*Jalb al-masalih*) and Avoiding the evils (*Dar al-mafāṣid*).

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Socio-Economic Philosophy of Conventional and Islamic Economics: Articulating *Hayat-e-Tayyaba* Index (HTI) on the Basis of *Maqāṣid al-Sharīʿah*

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Abstract

In this paper we have presented contrasting positions of Conventional Economics and Islamic Economics with respect to socio economic philosophy. The epistemology of human life as deemed in conventional economics is strongly rooted in rejection of religion and rewards in life hereafter. In the conventional terms, human is a self-autonomous being, with sole motives of self-interest, growth and development. Contrary to this position, Islam guides and encourages towards becoming a non-self-centric man, with a mission to spiritually develop one-self and others, by taking a leap from darkness to lightness. This Islamic religiostic approach in every sphere of life – Religion, Life, Intellect, Lineage, Property – is governed more generally by Maqāṣid al-Sharīʿah. Through which one gains internal

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and external satisfaction, leading towards a peaceful life; Qur'ānically termed as Hayat-e-Tayyaba. Further on, the notion of Growth and Development in Conventional Economics is contrasted with the superior notion of Hayat-e-Tayyaba for Islamic Economics. This paper identifies and suggests variables within the society for deriving essence of Maqāṣid al-Sharī'ah and utilizing it for developing a Hayat-e-Tayyaba Index. In order to articulate HTI, a survey exploring the religiosity among the male and female youth of Pakistan was carried out. The sample size is of 369, collected from six major cities of Pakistan. The experience of data collection and initial analysis is discussed for further research.

1. Tracing the Foundations of Conventional Economics¹

The shape of economics that we currently see in front of us has been powerfully influenced by an 18th century modern philosopher, Immanuel Kant². His pioneering work *Critique of Pure Reason* (1781) and his final working notes published as *Opus Postumum*, made the foundations for the current socio-economic discourse, while embossing the superiority of human reason over the divine commandments. His philosophy has been accepted and implemented by international development agencies, such as, International Covenant on Economic, Social and Cultural Rights (1966), enforce by United Nations UNESCO – based on Kant's practical ideas published in *Categorical Imperative and its Implications* (1785), (Schönfeld, 2012 :40).

Kant's major contribution is on transcendental idealism, in which he argues that “the highest standpoint of transcendental philosophy is that which unites God and the world synthetically, under one principle. Nature and freedom”, (Kant, 1993: 226, 21:23). Here, the ‘one principle’ indicates towards the human autonomy or full freedom, in which there is no role of God or any supreme authority. This

¹ We seek forgiveness from Allah (swt) for the blasphemous statements in this chapter.

² In this paper we will focus more on the works of Immanuel Kant. His workings are a combination of great thinkers, such as, Gottfried Wilhelm von Leibniz, Christian von Wolfius, David Hume, and further taken up by Georg Wilhelm Friedrich Hegel. And to sum up the importance of Kant in contemporary times: “It is hardly necessary at the present day to produce any arguments in support of such a view. The number of books on Kant's philosophy, published during the last century in almost every language of the world, speaks for itself. There is no single philosopher of any note, even among those who are decidedly opposed to Kant, who has not acknowledged his pre-eminence among modern philosophers. The great systems of Fichte, Schelling, Hegel, Herbart, and Schopenhauer branched off from Kant, and now, after a century has passed away, people begin to see that those systems were indeed mighty branches, but that the leading shoot of philosophy was and is still — Kant”, Muller (1922; Translation of Kant's *Critique of Pure Reason*).

phenomena can be further explained under the types of transcendental theology which Kant in his Critique of Pure Reason (1781) developed i.e. cosmotheology and ontotheology. Cosmotheology is the inference of existence of supreme being through some experience in general; and Ontotheology is seeking of supreme being through concepts only (Jones, 1996). Even in the cosmotheological proposition of there is a God “must be honored and obeyed in the moral-practical relation, just as much as if it were to be expressed by the highest being, although no proof of it takes place in technical-practical respect, and to believe would be an enthusiastic delusion – taking ideas as perception”, (Kant, 1993: 227, 21-21). According to Kant, God and the world are “not substances outside my thought, but rather the thought through which we ourselves make these objects”, the world is our experience, organized by categories and laws of our own making, and God is the representation of our own capacity to give ourselves the moral law through reason, (Kant, 1993:228, 21:21). Here the moral law “emerges from freedom...which the subject prescribes to himself, and yet as if another and higher person had made it a rule for him. The subject feels himself necessitated through his own reason...” (Kant, 1993: 208, 22-129). This is a fitting conclusion to Kant's philosophy of human autonomy, (Guyer, 1998, 2004: section 14).

Kant was the philosopher of human autonomy, advocating that the humans can use their reason to discover the knowledge and actions to live, without any divine support or intervention, (Guyer, 1998, 2004). The human being “creates the elements of knowledge of the world himself, a priori, from which he, as, at the same time, an inhabitant of the world, constructs a world-vision in the idea”, (Kant, 1993: 235, 21-31). In this context human being is a self-determining autonomous being. Further on “the human being, and in general every rational being, exists as end in itself, not merely as means to the discretionary use of this or that will, but in all its actions, those directed toward itself as well as those directed toward other rational beings, it must always at the same time be considered as an end.”, (Kant, 2002: 47). The human actions are subjected to the individual will and must fulfill the universality condition i.e. categorical imperative. Defined as, “act only in accordance with that maxim through which you can, at the same time, will that it become a universal law”, (Kant, 2002: 37). All these actions will fall under the umbrella of freedom, not under reason, as reason is merely a means, not an end. “In other words, freedom implies that practical reason can be pure (non-instrumental, unconditional), and hence that we are subject to the demands of the categorical imperative; and our subjection to morality implies that we must be free.”, (Williams, 2013).

This categorical imperative enforces the notion of freedom and equality for all human beings across the board; giving rise to the discourse of human rights, (Kant 1797, p. 230). “Such Enlightenment ideas stimulated the great modern social movements and revolutions, and were taken up in modern constitutions and declarations of human rights.”, (Gosepath, 2011). John Rawls also held the same believe, that, “ the parties arrive at their choice together as free and equal rational persons.”, (Sterba, 1980: 65-66) On the note of Kantian equality, John Rawls put forth two principles and a general conception for a well ordered society, (Sterba, 1980: 64):

1. First Principle: Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all.
2. Second Principle: Social and economic inequalities are to be arranged so that they are both:
 - a. To the greatest benefit of the least advantaged, consistent with the just savings principle, and
 - b. Attached to offices and positions open to all under conditions of fair equality of opportunity.
3. General Conception: All social primary goods – liberty and opportunity, income and wealth, and the bases of self-respect – are to be distributed equally unless an unequal distribution of any or all of these goods is to the advantage of the least favored.

These principles and general conception based on equality are derived from Kant’s own formula: “every member of the commonwealth must be entitled to reach any degree of rank which a subject can earn through his talent, his industry and his good fortune. And his fellow-subjects may not stand in his way by hereditary prerogatives or privileges of rank and thereby hold him and his descendants back infinitely”, (Sterba, 1980: 44). Rawls (1999: 79) clearly mentions that a rational man will prefer more of social primary goods – income and wealth, liberty, right and opportunities – rather than less, where the rational man is that who is free from all kinds of external constraints – God, the Angles, another world with heavens and hellfire – as it is beyond the scope of philosophical theory.

2. Requirements of Rational Philosophy in Real World³

This rationale philosophy requires a specific theme of life for its progression in this world; getting out of the under-developed phobia⁴. Rostow (1961), a market oriented theorist put forth five stages of growth cycle which is based on free will of individuals and no governmental constraints, perhaps the current neoliberal economic thought, (Giddens, 2009 :548-50). These five stages proposed for the low income societies is to economically develop them, and it is possible only when: they give up their cultural values, bring strong work ethic, reduce family size, reject fatalism⁵ and emphasize on savings and investment, (Giddens, 2009 :549)⁶. Grondona (2000) argues that the developmental values play a vital role in economic revolution, as it occurs when the individuals keep on competing, investing, innovating and working even when the country have achieved development. For this the necessary condition is the continuation of developmental values, thus these values must be intrinsic regardless of their benefit or costs attached with it, (Grondona, 2000 :45). He list down twenty contrasting cultural factors which acts as resistant to economic development, this is where the intervention is required in values for long term economic growth⁷:

1. Religion: from a Christianity point of view, the Catholics have a preference of poor over rich, whereas the Protestant have a vice versa preference. It was the Protestantism – Calvinist – which gave boost to economic development, as to them the rich (God's blessing) in this world are winners of the world hereafter and the poor's (God's condemnation) of this world are losers of hereafter. This view results in a strong incentive for rich and poor, both, to improve their condition through accumulation and investment. Thus, the Catholic values are resistant to economic development and Protestant values are favorable.

³ We seek forgiveness from Allah (*swt*) for the blasphemous statements in this chapter.

⁴ 85 percent of the world population live outside high-income countries, (Giddens, 2009: 548).

⁵ By fatalism we intend for "Logical fatalism", "Metaphysical fatalism" or "Theological fatalism", (Rice, 2013).

⁶ Giddens (2009: 554-56) further explains the State-Centred Theories, which gives alternative to prevailing market oriented theories and dependency theories. State-centered theories stresses on the role of government for economic development, as successfully seen in recent period within East Asian countries, especially in Hong Kong and Singapore. We argue that still the main objective of the system remains the same, with no difference in conventional ontological, cosmological and epistemological views.

⁷ In this paper we will discuss few of them which are directly relevant to Islam's standpoint.

2. Trust in the Individual: work and creativity are the principle engines of economic development. Individual must have faith in himself, they must not feel that others are responsible for them, they should be willing to take on risk contrary to the desires of government, they must turn themselves into a unique being, to live and think as he wish, to be who he is. If not done, then the development doesn't occur, what takes place then is either obedience or uprising.
3. The Value of Work: the Reformation – Calvinist interpretation – inverted the work ethic scale; prior the prestige was withheld by religious leaders, intellectuals, military leader, politician and the artist. But afterwards it was the entrepreneur who was given the crown. It is same inverted value system which gave rise to development in Western Europe, North America and East Asia, and it is the same reason for the poverty of Latin America and other Third World countries.
4. Time Focus: the advanced societies focus on the immediate future, for it is the only which can be planned or controlled. The traditional societies either glorify their past or see into distant, eschatological (death, judgment, heaven and hellfire) future.
5. Rationality: the rational person derives his satisfaction from the achievements which he gains, and by the end of the day, it's the progress – sum of small achievements in monetary terms.
6. Authority: supremacy of law has been established in rational societies, which is based on the cosmological view perceived by the philosophers of modernity. Whereas in the economic underdeveloped societies it is on the basis of a prince or an irascible, unpredictable God.

By recommending that cultural values and attitudes as major obstacles to progress, Montaner (2000) discusses the behavior of six elite groups, the politician, businessmen, the military, intellectual, clergy and leftist⁸. According to him, the clergy preach attitudes that are against the very notion of success; they condemn profit motive, competition and consumerism, (Montaner, 2000 :62). Whereas the intellectuals stress the danger of multinational companies, globalization and the economic models that emphasize on market forces, (Montaner, 2000 :63).

We can conclude in the words of Reisman (1998 :19): “it is no accident that the greatest era of capitalist development – the last two centuries – has taken place under the ongoing cultural influence of the philosophy of the Enlightenment,”

⁸ We will discuss on two groups only in this paper.

based on the prosecular, proreason trends in religion. There is need for objectively demonstrable human needs which shows no limit to man's need for wealth, if so done then, there is space for continuous economic growth, else the position held by religious thinkers regarding pursuit of spiritual values solely in this earthly life makes economics a science of secondary importance, (Reisman, 1998 :42).

3. Islamic Philosophy of Economics

Islamic Scholars in 20th century addressed the issue of rational economic system. They presented the standpoint of Islam on philosophy of economics, in the light of the Holy Qur'ān and Ahādīth. Within this period one renowned Islamic scholar Shaykh Abdul Bari Nadvi (Professor and Head of Department of Philosophy, Usmania University) extensively wrote on the conventional philosophy and prevailing economic thought. He also compared it with the Islamic spirit – identifying the incoherencies and a way out.⁹

وَمَا خَلَقْتُ الْجِنَّ وَالْإِنْسَ إِلَّا لِيَعْبُدُونِ - مَا أُرِيدُ مِنْهُمْ مِنْ رِزْقٍ وَمَا أُرِيدُ أَنْ يُطْعَمُوا - إِنَّ اللَّهَ هُوَ الرَّزَّاقُ ذُو الْقُوَّةِ الْمَتِينُ ﴿58﴾

And I did not create the jinn and mankind except to worship Me. I do not want from them any provision, nor do I want them to feed Me. Indeed, it is Allah who is the [continual] Provider, the firm possessor of strength. (Al-Qur'ān: 51:56-58).

مَنْ كَانَ يُرِيدُ حَرْثَ الْآخِرَةِ نَزِدْ لَهُ فِي حَرْثِهِ ۖ وَمَنْ كَانَ يُرِيدُ حَرْثَ الدُّنْيَا نُؤْتِهِ مِنْهَا وَمَا لَهُ فِي الْآخِرَةِ مِنْ نَصِيبٍ ﴿20﴾

Whoever desires the harvest of the Hereafter - We increase for him in his harvest. And whoever desires the harvest of this world - We give him thereof, but there is not for him in the Hereafter any share. (Al-Qur'ān: 42:20).

Allah (swt)¹⁰ have created man as the best of his creations and made him as his vicegerent. All the worldly things have been created for man, whereas the man has been created for life hereafter – *ākhirah*. All these blessings demand that the man must fulfill all the commandments of Allah (swt) – without any hesitation – in each and every aspect of his life, so that he could gain pleasure of Allah (swt) and eternal welfare and salvation, (Nadvi, 2005 :39,58,71).

⁹ In this paper we will focus more on the writings of Shaykh Abdul Bari Nadvi. His writings are a combination of great Islamic scholars, such as, Allama Shibli Naumani, Syed Sulaiman Nadvi, Maulana Abdul Salam Nadvi, Maulana Abdul Majid Daryabadi, Maulana Manazir Ahsan Gilani, Maulana Ashraf Ali Thanavi and Maulana Hussain Ahmad Madni.

¹⁰ *Subhanahu wa ta'ala*, Glorified and Exalted be He.

On the objective of Islamic knowledge, Nadvi (2005: 22) argues that the real purpose of Islam and the Holy Qur'ān is not to indulge in intellectual or technical, research or comparative theories dialogues, but to solely provide guidance and directions in this context. Accordingly, only that economic knowledge is fruitful that helps at each and every step in practical process of economic activity, and provide peace of mind in situation of prosperity and poverty.

“If I had a shop near the door of the Masjid, so that I would not miss any *Ṣalāh* with the congregation. Then I shall sell and buy, and make a modest profit every day. Allah, Great and Majestic, has not prohibited trade, but I want to be among those, “whom neither trade nor does selling distract from the remembrance of Allah.”(Al-Qur’ān: 24:37).” (Al-Jezairi :1/422). This narration is of Hazrat Abu Darda ra¹¹, companion of Holy Prophet Muhammad (*saaws*)¹²; in which he directs us that man has not been created for wealth accumulation or to over-cogitate upon his sustenance but, he is created only to worship his Creator (*swt*) and fulfill His (*swt*) commandments, (Nadvi, 2005 :25).

The basic underlying concept (ultimate vision) of Economics or its sub-branch Politics, is on meeting the requirement for human sustenance with convenience and comfort. Their sole objective is focused on bodily/worldly/physical life of human; conclusively, these are necessary means of life but surely not the purpose of life. It is a tragedy though that they have increased the ranking of means to the purpose. In the eyes of Islam this world and its life, is in its own-self, is not a purpose but a means to unlimited world and unlimited life, then how can we or should we treat the road with the same affection as of destination, this is the essential parting point between the Islamic economics and proreason or human self-autonomous economics (Nadvi, 2005 :26).

For example, if a Muslim individual or group gets full control over economic and political aspects, and derives all kind of comfort, but he or they are not practically acting upon Islamic principles and *sunnah* of Prophet Muhammad (*saaws*), only theoretically discussing it; nor they offer prayer and fast, nor their financial dealings are according to Islam, nor their moral values are of like Muslims. On the other hand a Muslim individual or group those are subordinated to some other political party and are not well-off financially but are not negligent from the infinite coming life, their life's are in accordance to Qur'ān and practically shining with *Sunnah*, then you decide yourself that who is better-off and

¹¹ *Razi Allah Tala Anhu*; Allah (*swt*) is well pleased with them.

¹² *Sallallahu Alaihi Wasallam*, Peace be upon Him.

preferable? (Nadvi, 2005 :28). There is no doubt that economic and political superiority if gained with the combination of *īmān* and piousness, then it will result in much better results – within this context there is no denial of the secondary importance of economic and political arena. Therefore, to be a good Muslim is primary task and to gain economic and political position, in individual or group capacity is secondary; again, the primary task is to become “*Momin Sualeh*”¹³, (Nadvi, 2005 :28).

يَا أَيُّهَا الَّذِينَ آمَنُوا ادْخُلُوا فِي الْبَيْتِ كَافَّةً ۚ وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ، إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ ﴿٢٠٨﴾

O you who have believed, enter into Islam completely [and perfectly] and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy. (Al-Qur’ān: 2:208)

The beauty of Islam lies in the code of life which it demands from the man, that is, best of the best in *ākhirah*. This gives an equal opportunity to the rich and poor to gain that stratum¹⁴. In contrast to it if the religion would have made the worldly possessions or worldly status in lowest of the lowest rank as an ultimate purpose (as an end in itself), then it would have made the man captive and would have given a unequal opportunity to the rich and poor, because these things are beyond man’s grip, (Nadvi, 2005 :29).

مَنْ كَانَ يُرِيدُ الْعَاجِلَةَ عَجَّلْنَا لَهُ فِيهَا مَا نَشَاءُ لِمَنْ نُرِيدُ ثُمَّ جَعَلْنَا لَهُ جَهَنَّمَ ۖ يَصْلَاهَا مَدْمُومًا مَذْخُورًا - وَمَنْ أَرَادَ الْآخِرَةَ وَسَعَىٰ لَهَا سَعْيَهَا وَهُوَ مُؤْمِنٌ فَأُولَٰئِكَ كَانَ سَعْيُهُمْ مَشْكُورًا ﴿١٩﴾

Whoever should desire the immediate - We hasten for him from it what We will to whom We intend. Then We have made for him Hell, which he will [enter to] burn, censured and banished. But whoever desires the Hereafter and exerts the effort due to it while he is a believer - it is those whose effort is ever appreciated [by Allah]. (Al-Qur’ān: 17:18-19)

Apparently it seems that among the major tasks of the Prophets of Allah (*swt*) and especially Prophet Muhammad (*saaws*) was on teaching the economic and political aspects of human life, but in reality the directions of Prophetic teachings are towards the achievements of and in, eternal life. All the guiding principles regarding economic and political issues are under the umbrella of eternal successes and just means to achieve them. Though, the road of *ākhirah* passes through this

¹³ A practical practicing Muslim.

¹⁴ Love of Allah (*swt*) and best of best place in Jannah.

world it was necessary to give directions of this world, so that the man would not lose his sight due to the amusing and detracting views, and with ease could continue his journey towards the ultimate destination, (Nadvi, 2005 :31-32).

الْحَمْدُ لِلَّهِ الَّذِي أَنْزَلَ عَلَى عَبْدِهِ الْكِتَابَ وَلَمْ يَجْعَلْ لَهُ عِوَجًا ﴿١﴾ فَيَمَّا لَيُنْذِرُ نَأْسًا شَدِيدًا مِّنْ لَّدُنْهُ وَيُبَشِّرُ الْمُؤْمِنِينَ الَّذِينَ يَعْمَلُونَ الصَّالِحَاتِ أَنَّ لَهُمْ أَجْرًا حَسَنًا ﴿٢﴾ مَا كُنْتُمْ فِيهِ أَبَدًا ﴿٣﴾

[All] praise is [due] to Allah, who has sent down upon His Servant the Book and has not made therein any deviance. [He has made it] straight, to warn of severe punishment from Him and to give good tidings to the believers who do righteous deeds that they will have a good reward. In which they will remain forever.(Al-Qur'ān: 18: 1-3)

As far as the economic activity of man is considered, it is a mean for gaining welfare in *ākhirah*. In this context Allah (swt) have explicitly taken care of man's sustenance, and thus not demanded any kind of overwhelmed activity for solving the economic problems, which would result in diverting the attention from the real objective of life. Man is only responsible for taking practical steps for his livelihood so that he doesn't become dependent on others and raise barriers in his stratum of *ākhirah*, (Nadvi, 2005 :40). The man starts to think that the income which he is gaining is due to his own hardship and struggle, Allah (swt) warns that, what so ever man generates economically, it is all due to the blessing of Him (swt) solely, and He (swt) gives in any quantity to anyone according to His (swt) will. *And Allah gives provision to whom He wills without account*, (Al-Qur'ān: 24:38), (Nadvi, 2005 :105). It should also be noted that the increase and reduction in income, prosperity and poverty is not related to any economic model and not due to any human intervention or planning, but it is directly from the will of Allah (swt), (Nadvi, 2005 :53). Again, man is only responsible for taking practical steps; whereas the results are in the total control of Allah (swt).

أَمْ يَقْسِمُونَ رَحْمَتَ رَبِّكَ ۚ لَخُنٌّ قَسَمْنَا بَيْنَهُمْ مَّعِيشَتَهُمْ فِي الْحَيَاةِ الدُّنْيَا وَرَفَعْنَا بَعْضَهُمْ فَوْقَ بَعْضٍ دَرَجَاتٍ لِّيَتَّخِذَ بَعْضُهُمْ بَعْضًا سُلْعِيًّا ۚ وَرَحْمَتُ رَبِّكَ خَيْرٌ مِّمَّا يَجْمَعُونَ ﴿٣٢﴾ وَلَوْلَا أَن يَكُونَ النَّاسُ أُمَّةً وَاحِدَةً لَّجَعَلْنَا لِمَن يَكْفُرُ بِالرَّحْمَنِ لِيُوقِعَهُمْ سَفْهًا مِّنْ فَضْلِهِ وَمَعَارِجَ عَلَيَا يَظْهَرُونَ ﴿٣٣﴾ وَلِيُؤْتِيَهُمْ آيَاتِنَا وَسُرُرًا عَلَيَا يَتَّكِبُونَ ﴿٣٤﴾ وَزُخْرَفًا ۚ وَإِنَّ كُلَّ ذَٰلِكَ لَمَّا مَتَاعُ الْحَيَاةِ الدُّنْيَا ۚ وَالْآخِرَةُ عِنْدَ رَبِّكَ لِلْمُتَّقِينَ ﴿٣٥﴾

Is it they who allocate the mercy of your Lord? We have allocated among them their livelihood in the worldly life, and have raised some of them over others in ranks, so that some of them may put some others to work. And the mercy of your Lord is much better than what they accumulate. Were it not that all people would become of a single creed (i.e. disbelief), We would have caused, for those who disbelieve in Rahman, roofs of their houses to be made of silver, and the stairs as

well, on which they would climb. And doors of their homes, and the coaches on which they would recline. And (would have made some of these things) of gold-ornaments. And all this is nothing but an enjoyment of the worldly life. And the Hereafter, with your Lord, is (destined) for the God-fearing. (Al-Qur'ān: 43:32-35)

وَمَا أَمْوَالُكُمْ وَلَا أَوْلَادُكُمْ بِالَّتِي تُحَرِّبُكُمْ عِندَنَا زُلْفَىٰ إِلَّا مَنْ آمَنَ وَعَمِلَ صَالِحًا ۖ فَأُولَٰئِكَ لَهُمْ جِزَاءٌ الْوَعْدِ بِمَا عَمِلُوا وَهُمْ فِي الْغُرُفَاتِ آمِنُونَ
 37 وَالَّذِينَ يَسْعَوْنَ فِي آيَاتِنَا مُعْجِزِينَ أُولَٰئِكَ فِي الْعَذَابِ مُحْضَرُونَ 38 قُلْ لَنْ رِيَّ يَبْسُطُ الرِّزْقَ لِمَنْ يَشَاءُ مِنْ عِبَادِهِ وَيَقْدِرُ
 لَهُ ۚ وَمَا تَنْقُصُ مِنْ شَيْءٍ فَهُوَ يُخْلِفُهُ ۚ وَهُوَ خَيْرُ الرَّازِقِينَ 39

And it is not your wealth or your children that bring you nearer to Us in position, but it is [by being] one who has believed and done righteousness. For them there will be the double reward for what they did, and they will be in the upper chambers [of Paradise], safe [and secure]. And the ones who strive against Our verses to cause [them] failure - those will be brought into the punishment [to remain]. Say, "Indeed, my Lord extends provision for whom He wills of His servants and restricts [it] for him. But whatever thing you spend [in His cause] - He will compensate it; and He is the best of providers." (Al-Qur'ān: 34:37-39)

In contrast to economics, the study of wealth; Islam propagates on the dangers and drawbacks of it, rather than inducing and commending on the wealth, Islam emphasis on acquiring the ultimate and unlimited welfare. The end result of conventional economics is to break apart the relation of man from his Creator (swt) and from eternal life, thus making him an avarice proliferating one, (Nadvi, 2005 :98).

لَا يَغُرُّكَ تَقَلُّبُ الَّذِينَ كَفَرُوا فِي الْبِلَادِ ۚ 196 مَتَاعٌ قَلِيلٌ ۚ ثُمَّ مَأْوَاهُمْ جَهَنَّمُ ۖ وَبِئْسَ الْمِهَادُ 197

The arrogance of the disbelievers about the land should not deceive you. It is just a little enjoyment. After that, their resort is Hell; and it is an evil abode. (Al-Qur'ān: 3:196-197).

Hazrat Abu Zar (ra) narrated that¹⁵, one day Prophet Muhammad (saaws) was sitting in the shade of Holy Kaba, when I reached there, He (saaws) saw me and said "By the Lord of Kaba, those people are in the most heavy losses, those people are in the most heavy losses..." I asked Him (saaws), "who are those people?" He (saaws) replied, "those who have great wealth, but the man who keeps on spending it from right left front back, to all sides, but such type of people are very few.", (Tirmizi :Kitab ul Aimaan wal Al Nuzoor: Bab Kaifa Kanat Yameenu Al Nabi:2:63, Bukhari :6638).

¹⁵ Meaning of the Hadith, not exact translation.

The problems faced within the economic system are in reality just two: acquisition of wealth and utilization of it - these two problems make the definition of conventional economics. The terminology used for wealth in Qur'ān and Hadith is “*Māl*”. And the word *māl* is used in context of earning (*kasb*) and spending (*infāq*). Whereas when we see the Holy Qur'ān, not a single verse could be found which uses term *māl* in absolute sense of *kasb*, i.e. earning without any differentiation between right and wrong – *halāl* or *harām*. Further on, there is no direct obligation on man to earn of any kind – only for the sake of earning. Where ever it is, its only forcing to earn in the rightful manner – *halāl* way and for eternal purpose. The context of *kasb* (earning) and *infāq* (spending) used in Holy Qur'ān and Aḥādīth is in accordance of construction or destruction of life hereafter – *ākhirah*. *To search lawful earning is obligatory after the compulsory things (like prayer, fasting, belief in God)*, (Baghawi, 1405H :2/128). Accordingly – *And you love wealth with immense love*, (Al-Qur'ān: 89:20). *And indeed he is, in love of wealth, intense*, (Al-Qur'ān: 100:8) – the man is already obsessed with the concept of *kasb* intrinsically, that there is no more need to emphasize directly on it or push towards it. Rather the necessary condition is to bound him and his earning methodology within the *taqwá* (piousness) and *ākhirah* context, (Nadvi, 2005 :82).

مَا أَقَاءَ اللَّهُ عَلَى رَسُولِهِ مِنْ أَهْلِ الْقُرَى فَلِلَّهِ وَلِلرَّسُولِ وَلِذِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسَاكِينِ وَابْنِ السَّبِيلِ كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ ﴿٧﴾

Whatever Fai‘ Allah has passed on to His Messenger from the people of the towns is for Allah and for the Messenger, and for the kinsmen and the orphans and the needy and the wayfarer, so that it may not circulate only between the rich among you. (Al-Qur'ān: 59:7).

By fanning the notion of *kasb*, the results would be like the social chaos that we are witnessing now, in the shape of increase in sexual desires, by increasing its means; cinema and theater, novel, drama, dances and clubs, pornography, naked or half naked dresses, unveiled, mixed gathering etc. For the sake of survival of mankind, Allah (*swt*) have already planted the optimal level of desires between both sexes, any kind of external force for enhancing it will result in disaster. The requirement in here is to bring it back within the moderate levels by advocating and promoting for *hijab* (veil).

The same case in here is with *kasb*, it is required to be within moderate levels, need of time is to press it down rather induce it further. But the proreason economic system brought the philosophy with it that the human being and human

life is made for progress and growth, it denied the whole history of mankind, culture, civilization, religion, spirituality, morality, social values and made it the slogan for not only its own nation, but expanded it internationally to the arena of politics and culture along with economics. Raising the slogan of increase in the standard of living, as if it is the ultimate vision and sole problem of life, (Nadvi, 2005 :85).

In around 75 places in the Holy Qur'ān there is discussion on *māl* but within it in not a single place it is taken as a demandable, rather the accent is on its condemnable aspect and its recommendation for *infāq*, (Nadvi, 2005 :89)

In contrast to this, to uphold the slogan of proreason economics of increase in the worldly standard of living, the teachings for individuals, communities, nations and internationally, would have to (and are) emphasize(ing) on selfishness, taking more than giving, more on generating than spending, rather than cultivating the benevolent or sacrificing attitude, it is seeding an avarice attitude; because in this path of materialistic economic system, the standard of living can only be increased by generating more income and wealth. On the other hand the real spirit of Islamic economic system is on *infāq* (spending) and sacrificing for others. *Infāq* doesn't mean spending money only on others, but it also includes the intellect or physical power, leisure time anything which Allah (swt) have granted. And from this *infāq* we mean only that which fits perfectly within the framework of Islam; in which the fundamental purpose is not to increase the economic level but to substantially increase the eternal level – higher and higher rank or level in *ākhirah*, (Nadvi, 2005 :103-4, 107). The significance of this point is discussed over the straight thirteen verses of the Holy Qur'ān (2: 261-274), apart from all other places as well.

يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفَقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِآخِذِيهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ - الشَّيْطَانُ يُعِدُّمُ الْفَقْرَ وَيَأْمُرُكُم بِالْفَحْشَاءِ وَاللَّهُ يُعِدُّكُمْ مَغْفِرَةً مِنْهُ وَفَضْلًا وَاللَّهُ وَاسِعٌ عَلِيمٌ

٢٦٨ ق

O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth. And do not aim toward the defective therefrom, spending [from that] while you would not take it [yourself] except with closed eyes. And know that Allah is Free of need and Praiseworthy. Satan threatens you with poverty and orders you to immorality, while Allah promises you forgiveness from Him and bounty. And Allah is all-Encompassing and Knowing. (Al-Qur'ān: 2:267-268)

The foundation of Islam is not on economic growth (accumulation of wealth) but it is on spending of wealth, without any doubt it is the only Qur'ānic Islamic solution to all the economic problems, (Nadvi, 2005 :21). One other mistake we make is that we unconsciously assume the income or wealth which we gained through the blessings of Allah (swt), as our own property. But in reality our income and our wealth are in the ownership of Allah (swt), our status in this regard is of trustee (*ameen*) and we are bound to spend it according to the will of Allah (swt), neither to be thrifty nor be extravagant, (Nadvi, 2005 :286-7, 300). *Believe in Allah and His Messenger and spend out of that in which He has made you successors. For those who have believed among you and spent, there will be a great reward, (Al-Qur'ān: 57:7). And those who, when they spend, are neither extravagant nor miserly and it (i.e. their spending) is moderate in between (the two extremes,) (Al-Qur'ān: 25:67).* The purpose of this *infāq* within Islamic Economics is definitely not to solve the economic problems, in fact it is for gaining the pleasure and loyalty of Allah (swt), and this is the fundamental difference between the proreason humanistic approach and Islam's divine approach, (Nadvi, 2005 :301).

Islamic economics tends to transfer the wealth from the rich to poor with their willingness and happiness, due to which not only the few days of this worldly life of the poor constitutes but more over the eternal and religious life of the rich organizes, which in reality is the essence of Islamic teachings. In connection with the order for spending in the path of Allah (swt), it has also been warned that, *and spend in the way of Allah and do not throw [yourselves] with your [own] hands into destruction [by refraining]. And do good; indeed, Allah loves the doers of good, (Al-Qur'ān: 2:195).* If the poor safeguard his wealth of *īmān* (faith) with his poverty, then the spiritual and moral doors of patience and pleasure, contentment and trust are opened for him. But the proreason economics have indulged the poor with the slogans of income, poverty, growth and equality, which have slaughtered the world as well as the poor's peace and inner satisfaction. Compared to this jeopardy, if the economics is tied up with eternal welfare then the poor in their tartly stringency will find their heart full of peace and prosperous, (Nadvi, 2005 :379).

Although the hatred from *māl* or calling upon the poverty and misery is not desired in its own self, but the path on which the Holy Prophets and especially our Prophet Muhammad (*saaws*) walked on was of poverty and frugality, not of wealth or status, (Nadvi, 2005 :100). Also the earliest companions of Prophet Muhammad (*saaws*) were poor but they were the most successful among the mankind, *and when it is said to them, "Believe as the people have believed," they say, "Should we*

believe as the foolish have believed?" Unquestionably, it is they who are the foolish, but they know [it] not, (Al-Qur'ān: 2:13).

Impact of Sins on Worldly Life

The current condition of us (Muslims) in shape of laziness in obedience and extra courage in sins is due to our false thinking that its impact would be on the Day of Judgment only, we are simply not aware that its impact is also on this worldly life, (Thanvi, 2012 :31). We find a lot of discussion in the Holy Qur'ān regarding the sinful acts of civilization and the punishment from Allah (swt) which they faced due to it; *satan (iblees)*, the people of Prophet Nuh (as), Prophet Aad (as), Prophet Samood (as), Prophet Shoaib (as), firoon, qaroon and bne israel¹⁶, (Thanvi, 2012:37).

وَمَا ظَلَمُونَا وَلَكِنْ كَانُوا أَنفُسَهُمْ يَظْلِمُونَ ﴿٥٧﴾

And they (by their ingratitude) did Us no harm, but were harming only themselves. (Al-Qur'ān: 2:57).

Following are the few direct impacts on life due to sins, (Thanvi, 2012):

1. Impact on livelihood: Narrated by Thawban ra, “The Messenger of Allah (saw) said: 'Nothing extends one's life span but righteousness, nothing averts the Divine Decree but supplication, and nothing deprives a man of provision but the sin he commits.'”(Abdullah :Kitab al Fitān/Bab al Uqubat/4022).
2. Difficulty in acquiring desired objectives: *Whoever fears Allah, He brings forth a way out for him, (Al-Qur'ān: 65:2).* One who commits sins faces problems in acquiring desired objectives.
3. Devalued in the eyes of the Creator (swt): *And the one whom Allah puts to disgrace, there is none to give him respect, (Al-Qur'ān: 22:18).* He is devalued in the eyes of Allah (swt) and simultaneously among the whole creations.
4. Chaos on land and sea: *Calamities have appeared on land and sea because of what the hands of the people have earned, so that He (Allah) makes them taste some of what they did,(Al-Qur'ān: 30:41).*

¹⁶ Though the damages or disadvantages are to such an extent that we can't encompass it, shall discuss it shortly and in context of economics.

5. Confiscation of blessing and descent of troubles: *All this is because Allah is not the one who may change a favour He has conferred on a people unless they change their own condition*, (Al-Qur'ān: 8:53).
6. Contraction in livelihood and contentment: *As for the one who turns away from My message, he shall have a straitened life, and We shall raise him blind on the Day of Judgment*, (Al-Qur'ān: 20:124)

The bounty of Allah (swt) is showered on those who follow his doable instructions, not only in the life hereafter but also in this worldly life.

1. Expansion in livelihood: *If they had upheld the Torah and the Injil and what had been sent down to them from their Lord, they would surely have had plenty to eat from above them and from beneath them*, (Al-Qur'ān: 5:66). If one follows the instructions of Prophet Muhammad (saaws) he will be blessed immensely.
2. Descent of unlimited resources (barkaat): *If the people of the towns believed and feared Allah, We would have opened for them blessings from the heavens and the earth*, (Al-Qur'ān: 7:96).
3. Ease in acquiring desired objectives: *And whoever fears Allah, He brings about ease for him in his affair*, (Al-Qur'ān: 65:4).
4. Purified life: *Whoever, male or female, has acted righteously, while being a believer, We shall certainly make him live a good life, and shall give such people their reward for the best of what they used to do*, (Al-Qur'ān: 16:97).
5. Increase in wealth and timely rain: *Pray to your Lord for your forgiveness, - Indeed He is Very- Forgiving. And He will cause the heavens to rain upon you in abundance. And will help you with riches and sons, and will cause gardens to grow for you, and cause rivers to flow for you*, (Al-Qur'ān: 71:10-12).
6. Blessing of respect and status: *and Allah will raise those, in ranks, who have believed and are given knowledge. Allah is well aware of what you do*, (Al-Qur'ān: 58:11).
7. Unlimited increase (barkaat) in wealth: *and whatever zakāh you give, seeking Allah's pleasure with it, (it is multiplied by Allah, and) it is such people who multiply (their wealth in real terms.)*, (Al-Qur'ān: 30:39).

8. Promises of vicegerent and peace: *Allah has promised those of you who believe and do good deeds that He will certainly make them (His) vicegerents in the land, as He made those before them, and will certainly establish for them their religion which He has chosen for them, and will certainly give them peace in place of fear in which they were before, (Al-Qur'ān: 24:55).*

4. Towards *Maqāṣid al-Sharī'ah* and *Hayat-e-Tayyaba* Index

The wisdom and ultimate vision of Sharī'ah as postulated by Allah (swt) is to help the mankind in reaping benefits in both the worlds – here and hereafter. In this order exploring the objectives of Sharī'ah – *Maqāṣid al-Sharī'ah* – could be beneficial for us in understanding the foundations of provisions and wisdom behind the maxims. Accordingly the *maqāṣid* has been divided into five categories: Religion, Life, Intellect, Lineage, and Property; (Shatibi, 1388). If we are able to protect all these five foundations then we (all creations) will be able to prosper in this world and hereafter.

Encyclopedia on Islamic Jurisprudence (2012)¹⁷ compiled a list of variables which works in background supplementing each *maqṣad*, highlighting the fact that positive fulfillment of these variables ensures a complete coherence in *Maqāṣid al-Sharī'ah*. These variables are:

#	Transliteration	Translation	Arabic
1.	<i>Ar-Rahma</i>	Mercy	الرحمة
2.	<i>Al-Istiḡama</i>	Integrity	الاستقامة
3.	<i>Al-Taḡwá</i>	Piety	التقوى
4.	<i>Al-Shukur</i>	Thankfulness	الشكر
5.	<i>As-Sabar</i>	Patience	الصبر
6.	<i>Al-Sidq</i>	Honesty	الصدق
7.	<i>Al-'Adl</i>	Justice	العدل
8.	<i>Al-Iffah</i>	Chastity	العفة
9.	<i>Al-Wafah</i>	Fulfillment	الوفاء
10.	<i>Al-Samaha</i>	Tolerance	السماحة

¹⁷مجلس أمناء مؤسسة زايد بن سلطان آل نهيان، معلمة زايد للقواعد الفقهية والأصولية

For each variable there are few more qualities which comprehensively construct the respective variable. All the qualities are derived from the Holy Qur'ān and Aḥādīth¹⁸. These qualities are listed below¹⁹:

#	Variable	Qualities (Translation)	Qualities (Arabic)
1.	<i>Ar-Rahma</i>	Mercy, Pity, Kindness, Compassion, Charity, Help <u>Opposite qualities:</u> Harshness, Hardship, Cruelty, Suffering, Torture	الرأفة، الشفقة، العطف، الحنان، الاحسان، النجدة <u>صفات متناقضة معه:</u> القسوة، الشدة، الغلظة، العذاب، الظلم
<p>قُلْ لِمَنْ مَا فِي السَّمَوَاتِ وَالْأَرْضِ قُلْ لِلَّهِ كَتَبَ عَلَى نَفْسِهِ الرَّحْمَةَ Say, .To whom belongs all that is in the heavens and on the earth?. Say, .To Allah.. He has prescribed Mercy for Himself. (Al-Qur'ān: 6:12).</p>			
2.	<i>Al-Istiqaama</i>	Righteousness, Moderation, Justice <u>Opposite qualities:</u> Corruption, Deviation, Libertinism	الصلاح، الاعتدال، العدالة <u>صفات متناقضة معه:</u> الفساد، الاعوجاج، الفسق
<p>إِنَّ الَّذِينَ قَالُوا رَبُّنَا اللَّهُ ثُمَّ اسْتَقَامُوا فَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ Surely, those who say, .Our Lord is Allah. and then stay firm, they will have no fear, nor shall they grieve.(Al-Qur'ān: 6:12).</p>			
3.	<i>Al-Taqwá</i>	Meditation of God, Fear of God, Devout <u>Opposite qualities:</u> Immorality, Inattentive, Careless	مراقبة الله تعالى، خشية الله تعالى، الورع <u>صفات متناقضة معه:</u> الفجور، الغفلة، اللامبالاة
<p>يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَكُونُوا مَعَ الصَّادِقِينَ O you who believe, fear Allah, and be in the company of the truthful.(Al-Qur'ān: 3:102).</p> <p>يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ حَقَّ تَقْوَاهُ. وَلَا تَمُوتُنَّ إِلَّا وَأَنتُمْ مُسْلِمُونَ O you who believe, fear Allah, as He should be feared, and let not yourself die save as Muslims. O you who believe, fear Allah, as He should be feared, and let not yourself die save as Muslims.(Al-Qur'ān: 3:102).</p>			

¹⁸ In this paper we have mentioned the verses of the Holy Quran only.

¹⁹ All these qualities are taken from Encyclopedia on Islamic Jurisprudence (2012) معلمة زايد للقواعد - الفقهية والأصولية

#	Variable	Qualities (Translation)	Qualities (Arabic)
4.	Al-Shukur	Praise, Recognition of Blessings, Fulfilling <u>Opposite qualities:</u> Non Recognition of Blessings, Ingratitude, Disobedience	الحمد، الاعتراف بالنعمة، الوفاء <u>صفات متنافية معه:</u> كفر النعمة، الجحود، العقوق
<p>وَأَذِّنْ رَبِّكَ لِمَنْ شَكَرْتُمْ لَأَزِيدَنَّكُمْ وَلِمَنْ كَفَرْتُمْ إِنَّ عَذَابِي لَشَدِيدٌ ﴿١٤٧﴾</p> <p>(Recall the time) when your Lord declared, .If you express gratitude, I shall certainly give you more, and if you are ungrateful, then My punishment is severe. (Al-Qur'ān: 14:7).</p>			
5.	As-Sabar	Deliberate, Gentleness, Tolerance <u>Opposite qualities:</u> Anxiety, Despondent, Hasty	التأني، الرفق، الحلم <u>صفات متنافية معه:</u> الجزع، القنوط، العجلة
<p>إِلَّا الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ وَتَوَاصَوْا بِالْحَقِّ وَتَوَاصَوْا بِالصَّبْرِ ﴿١٠٣﴾</p> <p>Except those who believed and did righteous deeds, and exhorted each other to follow truth, and exhorted each other to observe patience. (Al-Qur'ān: 103:3).</p>			
6.	Al-Sidq	Truthfulness, Sincerity, Qualities <u>Opposite qualities:</u> Lying, Hypocrisy, Show-Off	قول الحق، الإخلاص <u>صفات متنافية معه:</u> الكذب، النفاق، الرياء
<p>مِنَ الْمُؤْمِنِينَ رِجَالٌ صَدَقُوا مَا عَاهَدُوا اللَّهَ عَلَيْهِ فَمِنْهُمْ مَنْ قَضَىٰ نَحْبَهُ وَمِنْهُمْ مَنْ يَنْتَظِرُ وَمَا بَدَّلُوا تَبْدِيلًا لِيَجْزِيَ اللَّهُ الصَّادِقِينَ بِصِدْقِهِمْ وَيُعَذِّبَ الْمُنَافِقِينَ إِنْ شَاءَ أَوْ يَتُوبَ عَلَيْهِمْ إِنَّ اللَّهَ كَانَ غَفُورًا رَحِيمًا ﴿٢٣﴾</p> <p>Among the believers, there are men who came true to the covenant they had with Allah. So, some of them have fulfilled their vows (by sacrificing their lives in the way of Allah), and some of them are (still) waiting, and they did not change (their commitment) in the least. (All this happened) so that Allah may give reward to the truthful ones for their truthfulness, and punish the hypocrites, if He so wills, or accept their repentance. Surely, Allah is Most-Forgiving, Very- Merciful. (Al-Qur'ān: 33:23-24).</p>			
7.	Al- 'Adl	Fairness, Settlement, Wisdom <u>Opposite qualities:</u> Injustice (Unfair), Oppression, Aggression, Nepotism, Excessive	الإنصاف، التسوية، الحكمة <u>صفات متنافية معه:</u> الظلم (الجور)، البغي، العدوان، المحاباة، الإفراط
<p>إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُمْ بَيْنَ النَّاسِ أَنْ تَحْكُمُوا بِالْعَدْلِ ﴿٥٨﴾</p> <p>Surely, Allah commands you to deliver trusts to those entitled to them, and that, when you</p>			

#	Variable	Qualities (Translation)	Qualities (Arabic)
		<i>judge between people, judge with justice. Surely, excellent is the exhortation Allah gives you. Surely, Allah is All-Hearing, All-Seeing. (Al-Qur'an: 4:58).</i>	
8.	<i>Al-Effah</i>	Contentment, Piety, Ascetic <u>Opposite qualities:</u> Avarice, Greed, Bulimia	القناعة، الورع، الزهد <u>صفات متنافية معه:</u> الطمع، الجشع، الشره
		<p>قُلْ لِلْمُؤْمِنِينَ يَغُضُّوا مِنْ أَبْصَارِهِمْ وَيَحْفَظُوا فُرُوجَهُمْ ذَلِكَ أَزْكَى لَهُمْ إِنَّ اللَّهَ خَبِيرٌ بِمَا يَصْنَعُونَ ﴿٣٠﴾</p> <p><i>Tell the believing men that they must lower their gazes and guard their private parts; it is more decent for them. Surely Allah is All-Aware of what they do. (Al-Qur'an: 24:30).</i></p>	
9.	<i>Al-Wafah</i>	Trustworthiness, Keeping Covenants, Honesty, Sincerity <u>Opposite qualities:</u> Treachery, Breach, Betrayal, Rejection, Fraud, Deficient Measure	الأمانة، حفظ الذمم والعهود، الصدق، الإخلاص <u>صفات متنافية معه:</u> الغدر، النكث، الخيانة، الجحود، الغش، التطفيف
		<p>وَأَوْفُوا بِعَهْدِ اللَّهِ إِذَا عَاهَدْتُمْ وَلَا تَنْقُضُوا الْأَيْمَانَ بَعْدَ تَوْكِيدِهَا وَقَدْ جَعَلْتُمُ اللَّهَ عَلَيْكُمْ كَفِيلًا إِنَّ اللَّهَ يَعْلَمُ مَا تَفْعَلُونَ ﴿٩١﴾</p> <p><i>Fulfill the Covenant of Allah when you pledge, and do not break oaths after you swear them solemnly, while you have made Allah a witness over you. Surely, Allah knows all that you do. (Al-Qur'an: 16:91).</i></p>	
10.	<i>Al-Samaha</i>	Facilitation, Amnesty, Generosity, Altruism, Good Opinion About Others <u>Opposite qualities:</u> Odious, Agony, Dispute, Monopolization, Mistrust	التيسير، العفو، السخاء، الإيثار، حسن الظن <u>صفات متنافية معه:</u> التعسير، الإعنات، المشاحة، الاستنثار، سوء الظن
		<p>فَبِمَا رَحْمَةٍ مِنَ اللَّهِ لِنْتَ لَهُمْ وَلَوْ كُنْتَ فَظًّا غَلِيظَ الْقَلْبِ لَانْفَضُّوا مِنْ حَوْلِكَ فَاعْفُ عَنْهُمْ وَاسْتَغْفِرْ لَهُمْ وَشَاوِرْهُمْ فِي الْأَمْرِ فَإِذَا عَزَمْتَ فَتَوَكَّلْ عَلَى اللَّهِ إِنَّ اللَّهَ يُحِبُّ الْمُتَوَكِّلِينَ ﴿١٥٩﴾</p> <p><i>So, (O Prophet) it is through mercy from Allah that you are gentle to them. Had you been rough and hard-hearted, they would have dispersed from around you. So, pardon them, and seek Forgiveness for them. Consult them in the matter and, once you have taken a decision, place your trust in Allah. Surely, Allah loves those who place their trust in Him. (Al-Qur'an: 3:159).</i></p>	

All these *maqāṣids*, variables and qualities will be helpful in developing an index. Where each *maqṣad* is further divided into micro and macro perspective. Micro level perspective will deal with the individual and macro perspective will deal with government level policies. Thus, the index will be able to cover variables from individual's perspective, society's perspective, countries perspective and *ummah* perspective. The combination of *maqāṣid* and qualities is intended to make a comprehensive index which would not only cover the quantitative aspect (as in *Maqāṣid al-Sharī'ah*) but also it covers the qualitative aspect; thus taking us towards a broader concept of *Hayat-e-Tayyaba*.

Connecting *Hayat-e-Tayyaba* with *Maqāṣid al-Sharī'ah*

We now turn towards introducing a unified terminology which could comprehensively cover the essence – in words and spirit – of *Maqāṣid al-Sharī'ah*. At the same time it could be a referral point, upon which we could gauge the notion of prosperity – according to the philosophy of Islamic economics.

مَنْ عَمِلَ صَالِحًا مِّنْ ذَكَرٍ أَوْ أَنَّىٰ وَهُوَ مُؤْمِنٌ فَلَنُحْيِيَنَّهٗ حَيٰوَةً طَيِّبَةً ۖ وَلَنَجْزِيَنَّهُمْ أَجْرَهُم بِأَحْسَنِ مَا كَانُوا يَعْمَلُونَ ﴿٩٧﴾

Whoever, male or female, has acted righteously, while being a believer, We shall certainly make him live a good life, and shall give such people their reward for the best of what they used to do. (Al-Qur'ān: 16:97).

The Qur'ānic terminology of *Hayat-e-Tayyaba* captures the philosophy of Islamic economics and at the same time it engulfs the crux of *Maqāṣid al-Sharī'ah* within it. Contrastingly, in contemporary economics everything boils down to the notion of growth and development, which is singularly represented by gross domestic product (GDP). Also, GDP implicitly represents the philosophy of reason (enlightenment) and materialism.

The prayer of Prophet Ibrahim (as) also directs towards the importance of eternal actions (observation of Islamic rituals) which fulfills the commandments of Allah (swt), for gaining the worldly needs and wants. Even the worldly needs and wants are again tied up with the eternal welfare; *Our Lord, I have settled some of my children in a valley of no vegetation, close to Your sanctified House, so that, Our Lord, they may establish Ṣalāh. So, make hearts of people yearn towards them, and provide them with fruits, so that they may be grateful. (Al-Qur'ān: 14:37).* Further on, Allah (swt) accepted His prayers and enlarged the circle of his blessings upon disbelievers, even though these blessings are minute and contains no reward in hereafter for them: *He (Allah) said, As for the one who disbelieves, I shall let*

him enjoy a little, then I shall drag him to the punishment of the Fire. How evil an end it is! (Al-Qur'ān: 2:126).

In this context the notion of growth and development with GDP as its target variable seems – not even in the smallest sense – compatible with *Hayat-e-Tayyaba*. Thus we recommend developing *Hayat-e-Tayyaba* Index (HTI-Index) to gauge the prosperity of *Ummah*.

5. Articulating and Measuring HTI

Religiosity and spirituality have started gaining footholds in academia. Apart from economics and finance; management sciences have taken a leap in formulating and measuring the impact of religion and spirituality on entrepreneurs, employees and businesses. The prominent themes arising out of them are in the context of role of spirituality in developing entrepreneurial mind-set, and workplace spirituality. Qureshi (2013) developed a theoretical model of 'Entrepreneurship Plus' on the basis of Islamic spirituality. In this paper he argues that Islamic spirituality "is instrumental in transforming the utilitarian, resource ownership focused and a fiercely competitive mindset in to a mindset that seeks the pleasure of Allah (*swt*), has a belief in more from less (*Barakat*) and that of cooperation and service", thus impacting and enhancing the entrepreneurial process. Further on, the combined impact of Islamic spiritual orientation and the entrepreneurial process leads to *Nafs Mutmainna* (inner peace) and subsequently towards *Hayat-e-Tayyaba*. To empirically validate this theoretical model a survey instrument (questionnaire) was designed containing constructs of Islamic spirituality and individual entrepreneurial orientation. The survey was conducted in six major cities of Pakistan – Karachi, Sukkur, Multan, Faisalabad, Islamabad and Peshawar. Questionnaire was filled by 369 university level students, belonging to various degree programs. All these students were participating in a entrepreneurship training workshop, which prepared them to participate in a business plan competition titled, "INVENT - The Entrepreneurial Challenge", conducted by Institute of Business Administration, Karachi in April 2013. Eleven different constructs were measured through this questionnaire, six of them were on Islamic spirituality, (Qureshi, 2013); two on spirituality or life outlook, (Frey et al., 2002); and the rest of the three were on individual entrepreneurial orientation, (Bolton & Lane, 2012).

For articulating and empirically measuring HTI in this paper, we are utilizing the same data set. The constructs of Qureshi (2013) comprises of 29 questions on *Imān* (Faith), *Ṣalāh* (Prayer), *Ilm & Zikr* (Knowledge & Remembrance), *ḥuqūq al-*

‘ibād (The Rights of the People), *Ikhlāṣ* & *Iḥsān* (Sincerity & Excellence), *Dawah* (Invitation). And the constructs of Frey et al. (2002) comprises of 12 questions on Self-Efficacy and Life-Scheme. The former construct covers the area of *Maqāṣid al-Sharī‘ah* and the latter construct articulates life outlook; complete questionnaire is attached in the appendix. All the questions were asked on a scale of 1 to 5. All the questions are on micro level i.e. from an individual perspective. The *Maqāṣid al-Sharī‘ah* questions were asked in quantitative way, were the answer have to be given within a range of Never, Few Times, Sometime, More Often and Always. The answers were to be given by keeping in view the life spend in last seven months. For example a question on prayer: ‘I pray all five prayers within their respective times’, had to be answered within the given range by reflecting on the routine in the last seven month. Some other questions e.g ‘I recite the Holy Qur’ān – daily’, has to be answered by keeping in view the daily routine over the past seven months. The life outlook questions were of more of qualitative type, which again contained questions from individual perspective, and had to be answered within a range of Strongly Agree, Disagree, Neutral, Agree and Strongly Agree. For example a question on life scheme: ‘There is a great void (emptiness) in my life at this time’, had to be answered within the given range and after reflecting the feelings of the last seven month.

The questionnaire was printed and distributed among the workshop participants before the commencement of workshop, and was collected after the workshop ended. Key learning’s from this whole exercise were²⁰:

1. To keep the Islamic terminologies as simple as possible; and translate it in local language. E.g. word ‘Namaaz’ would have been better and easy to grasp then ‘*Ṣalāh*’ – in Pakistan context.
2. Develop a separate questionnaire for females or at least mark few questions specifically for females. As females has different obligations and method of offering. E.g. males have to offer *ṣalāh* in *masjid* with *jamaat*; females have no such obligation.
3. Give the meaning or synonym or translation of difficult words in brackets.
4. Make specific and to the point questions. And take up only one context in a single question. Can develop more questions if the variable doesn’t cover the essence. E.g. question; ‘I precisely calculate my wealth for paying zakat and offering *qurbani*’, now it contained two different things, *zakāh* and

²⁰ Few more are discussed in the analysis discussion.

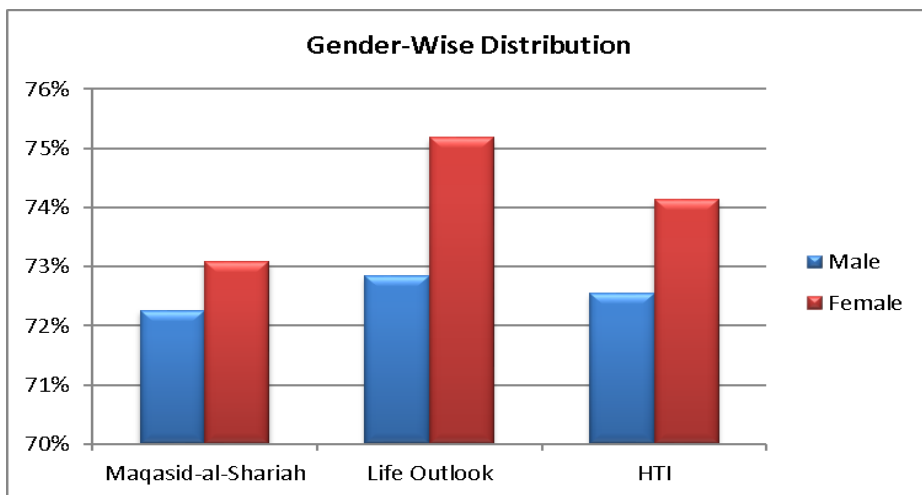
qurbani (*udhiyah*) and while viewing the context of Pakistan, more people are inclined towards *qurbani*. So it would have been better if two different questions were developed and asked.

5. Reverse questions are difficult to handle as it creates confusion among the participants and the results are distorted due to it. On the other hand all positive questions makes an easy to fill – without reflecting – responses, which again don't give reliable results.
6. Avoid all type of questions which specifies or targets towards any *madhab*. Make the questions general, on the basis of *Maqāṣid al-Sharī'ah*.
7. A generalized section should be created for people of other religions to fill in. We faced Hindu and Christian participants during the survey. In order to not to hurt their feelings we told them to fill the life view questions.

The collected data was compiled, cleaned and organized for descriptive analysis. Below are the tables and discussion on the results of the survey. The tables are created gender-wise, city-wise and overall. All the results are out of a maximum score of 5. We have calculated the *Maqāṣid al-Sharī'ah* construct and Life Outlook construct separately, giving the average score of each construct and its sub-construct. Each construct and sub-construct has been given equal weightage. An overall combined average score converted in percentage is also given for easy reference and index creation.

Gender-Wise Distribution: Male								
Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.644	3.731	3.204	3.842	3.829	3.427	3.479	3.806
Percentage	72.88%	74.62%	64.09%	76.84%	76.59%	68.53%	69.58%	76.11%
No. of Observations	268	266	268	272	271	255	252	253
Missing Values	7	9	7	3	4	20	23	22
Total Sub-Average					72.26%	3.613	72.84%	3.642
Total Average								3.627
Total Percentage								72.55%
Average Age	23.80							

Gender-Wise Distribution: Female								
Constructs	Maqāṣid al-Sharī'ah						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.962	3.750	3.283	3.699	3.891	3.339	3.659	3.858
Percentage	79.23%	75.00%	65.66%	73.98%	77.83%	66.79%	73.18%	77.16%
No. of Observations	94	94	94	94	94	89	88	88
Missing Values	0	0	0	0	0	5	6	6
Total Sub-Average					73.08%	3.654	75.18%	3.759
Total Average								3.706
Total Percentage								74.13%
Average Age	21.45							



Out of 369 filled questionnaires, 275 were filled by males and 94 by females, with an average age of 23 and 21 respectively. Females showed slightly higher scores in micro level *Maqāṣid* al-Sharī'ah then males. Similarly the life outlook results showed higher scores for females. Overall the *Hayata-e-Tayyaba* Index (HTI) for males is 72.55 percent and for females is 74.13 percent.

City-Wise Distribution: Karachi

Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.688	3.657	3.148	3.826	3.864	3.306	3.544	3.812
Percentage	73.76%	73.13%	62.96%	76.53%	77.27%	66.12%	70.89%	76.25%
No. of Observations	166	166	166	170	169	155	158	159
Missing Values	6	6	6	2	3	15	14	13
Total Sub-Average					71.62%	3.581	73.56%	3.678
Total Average								3.6295
Total Percentage								72.59%
Average Age	24.64							

City-Wise Distribution: Sukkur

Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.669	3.640	2.746	3.508	3.369	3.085	3.340	3.467
Percentage	73.38%	72.81%	54.92%	70.15%	67.38%	61.69%	66.80%	69.33%
No. of Observations	26	25	26	26	26	26	25	25
Missing Values	0	1	0	0	0	0	1	1
Total Sub-Average					66.72%	3.336	66.72%	3.336
Total Average								3.336
Total Percentage								66.72%
Average Age	21.55							

City-Wise Distribution: Faisalabad

Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.636	3.627	3.109	3.500	4.018	3.260	3.750	3.593
Percentage	72.73%	72.55%	62.18%	70.00%	80.36%	65.20%	75.00%	71.85%
No. of Observations	22	22	22	22	22	20	18	18

Missing Values	0	0	0	0	0	2	4	4
Total Sub-Average					70.50%	3.525	73.42%	3.671
Total Average								3.598
Total Percentage								71.96%
Average Age	20.15							

City-Wise Distribution: Multan

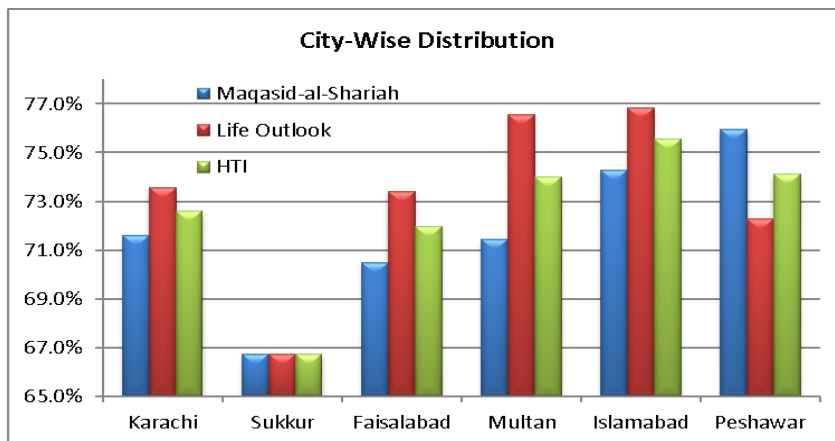
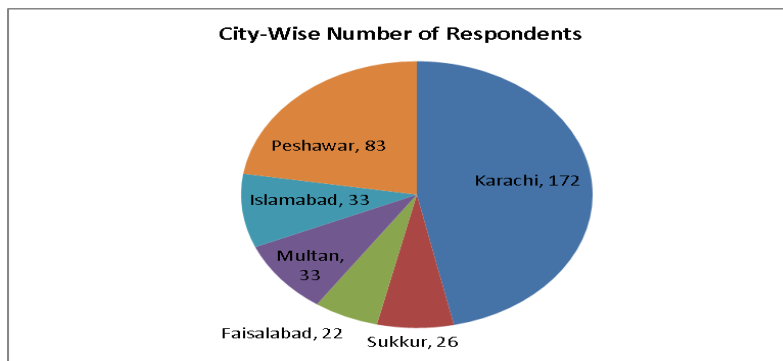
Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.938	3.570	3.169	3.713	3.763	3.285	3.616	4.040
Percentage	78.75%	71.41%	63.38%	74.25%	75.25%	65.70%	72.32%	80.81%
No. of Observations	32	32	32	32	32	33	33	33
Missing Values	1	1	1	1	1	0	0	0
Total Sub-Average					71.46%	3.573	76.56%	3.828
Total Average								3.701
Total Percentage								74.01%
Average Age	22.71							

City-Wise Distribution: Islamabad

Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.897	3.680	3.442	3.867	3.903	3.494	3.667	4.017
Percentage	77.94%	73.60%	68.85%	77.33%	78.06%	69.88%	73.33%	80.33%
No. of Observations	33	33	33	33	33	32	30	30
Missing Values	0	0	0	0	0	1	3	3
Total Sub-Average					74.28%	3.714	76.84%	3.842
Total Average								3.778
Total Percentage								75.55%
Average Age	24.91							

City-Wise Distribution: Peshawar

Constructs	<i>Maqāṣid al-Sharī'ah</i>						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.701	3.965	3.494	3.947	3.920	3.756	3.399	3.829
Percentage	74.02%	79.31%	69.88%	78.94%	78.41%	75.13%	67.98%	76.58%
No. of Observations	83	82	83	83	83	78	76	76
Missing Values	0	1	0	0	0	5	7	7
Total Sub-Average					75.94%	3.797	72.28%	3.614
Total Average								3.706
Total Percentage								74.11%
Average Age	21.12							



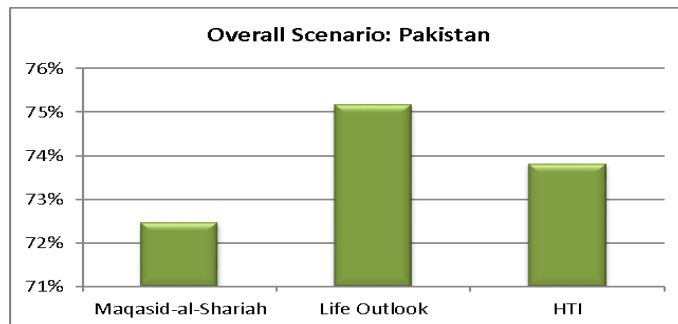
City-Wise Percentages in Each Sub-Construct ²¹								
	F	P	IZ	HI	IK	D	SE	LS
Karachi	73.76%	73.13%	62.96%	76.53%	77.27%	66.12%	70.89%	76.25%
Sukkur	73.38%	72.81%	54.92%	70.15%	67.38%	61.69%	66.80%	69.33%
Faisalabad	72.73%	72.55%	62.18%	70.00%	80.36%	65.20%	75.00%	71.85%
Multan	78.75%	71.41%	63.38%	74.25%	75.25%	65.70%	72.32%	80.81%
Islamabad	77.94%	73.60%	68.85%	77.33%	78.06%	69.88%	73.33%	80.33%
Peshawar	74.02%	79.31%	69.88%	78.94%	78.41%	75.13%	67.98%	76.58%

Number of respondents for Karachi, Sukkur, Faisalabad, Multan, Islamabad and Peshawar were; 172, 26, 22, 33, 33 and 83 respectively. Islamabad with 75.6 percent reported to be highest in HTI, followed by Peshawar 74.1 percent and Multan 74 percent. The average age of respondents from Islamabad had the highest average age among the sample; of 24.91 years – other demographic factors should also be studied. Peshawar reported 75.9 percent, the highest, in micro level *Maqāṣid* al-Sharī'ah, followed by Islamabad and Multan. Islamabad had the highest percentage of 76.8 percent, in life outlook.

These results are preliminary, indicating towards the possibility of designing and conducting HTI index. The data size should have been much greater with representation from all levels of society and across Pakistan.

Overall Scenario: Pakistan								
Constructs	<i>Maqāṣid</i> al-Sharī'ah						Life Outlook	
Sub-Constructs	F	P	IZ	HI	IK	D	SE	LS
Average	3.728	3.736	3.225	3.805	3.845	3.404	3.525	3.819
Percentage	74.55%	74.72%	64.50%	76.10%	76.91%	68.08%	70.51%	76.38%
No. of Observations	362	360	362	366	365	344	340	341
Missing Values	7	9	7	3	4	25	29	28
Total Sub-Average					72.48%	3.624	75.18%	3.759
Total Average								3.691
Total Percentage								73.82%
Average Age	23.22							

²¹ Yellow highlights show the highest cities in each sub-category, whereas the green ones show the second ranking.



The overall picture of Pakistan shows that the religiosity and spirituality is high. The individual level *Maqāṣid* al-Sharī'ah is at 72.48 percent, whereas the life outlook is slightly higher at 75.18 percent; resulting in a HTI of 73.81 percent. People seem to feel satisfied and content with their life; still they have to deliver more on the Islamic rituals. Maybe, for the betterment of HTI we can assign some weightage to the constructs, rather than making them all at equal.

Conclusion

Our motive was to elaborate the position of enlightened philosophers and their impact on the field of economics and society on the whole. We highlighted the fact that the field of economics is developed by explicitly rejecting the external constraints i.e. existence of God, the importance of religion, life hereafter, rewards in heavens and existence of hell. In contrast the position of Islam as set by Allah (swt) and His Prophet Muhammad (saaws) in the Holy Qur'ān and Hadīth was presented. The importance of *īmān* and *aakhirah* for the betterment of wordily life and life hereafter was presented. These aspects are to be taken as philosophical foundations for Islamic economics. It was discussed that the variables of conventional economics are in direct control of Allah (swt) and to gain positive increment in them and that also in an easy way needs a prior condition of *taqwā* – reduction in sins. Further on, we briefly discussed the role of *Maqāṣid* al-Sharī'ah and listed ten other variables, which if combined, would give quantitative and qualitative dimensions to measure the real prosperity of Individual, Society, Country and *Ummah*; leading towards a more comprehensive measure then GDP – *Hayat-e-Tayyaba* Index (HTI). Here, HTI was articulated and measured through two broad constructs, representing *Maqāṣid* al-Sharī'ah from individual micro level and life outlook. The data collected was represented gender-wise, city-wise and overall country wise, followed by discussion of HTI in all these contexts. Key learning's on questionnaire development and data collection methodology was also taken up. For further research and development we need to elaborate the individual

and society level variables for HTI; that also in the light of above discussed Islamic philosophy of economics so that accordingly, inwardly and outwardly, in both forms the mankind is not left out from the Islamic economic blessings.

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Appendix

Survey Instrument: Questionnaire on Islamic Spirituality and Life View

#	Item
	<i>Īmān</i> – Faith
F1.	I stay away from <i>ḥarām</i> acts in my work to avoid Allah's divine wrath.
F2.	I ask Allah to help me (<i>istikhara</i>) when I make important decisions in my life.
F3.	When confronted with problems I review my past actions for any sinful act.
F4.	I start my day with a <i>du'ā</i> to get support (<i>barakah</i>) of Allah (swt).
F5.	If I am unsure of an acts permissibility, I still act upon it.
	<i>Ṣalāh</i> – Prayer
P1.	I pray all five prayers within their respective times.
P2.	I feel normal if I leave a <i>ṣalāh</i> .
P3.	When confronted with problems I offer <i>ṣalāh</i> to seek help from Allah (swt).
P4.	While outside I seriously look for <i>masjid</i> at <i>ṣalāh</i> time.
	<i>Ilm & Zikr</i> - Knowledge & Remembrance
IZ1.	I spend sufficient time for seeking the knowledge of Islam – daily.
IZ2.	I recite the Holy Qur'an – daily.
IZ3.	I read and act upon at least one <i>Sunnah</i> – daily.
IZ4.	I study <i>seerah</i> of our beloved Prophet (<i>saaws</i>) – daily.
IZ5.	I make <i>zikr</i> of <i>kalima</i> , durood sharif and <i>istighfar</i> – daily.
	<i>Huqūq al- 'ibād</i> - The Rights of the People
HI1.	I spend some amount of my money in charity (<i>ṣadaqah</i>).
HI2.	I break promises that I make.
HI3.	I speak negative of others behind their back (backbiting).
HI4.	I get angry on others easily for whatever mistake they make.
HI5.	I personally take care of my parents and grandparents.
	<i>Ikhlāṣ & Iḥsān</i> - Sincerity & Excellence
IK1.	While doing any good action my intention (<i>niyyah</i>) is to please Allah only.
IK2.	I precisely calculate my wealth for paying zakat and offering <i>qurbani</i> .
IK3.	I spend in charity in such a way that at least some people would know about it.
IK4.	I assist others in their work even though I don't gain any worldly benefit from it.
IK5.	I try not to misuse university (or office, market, hotels, airplane etc) resources freely available to me
	<i>Dawah</i> – Invitation

D1.	I dedicate some time along with my family in order to learn Islamic teachings.
D2.	While going for <i>ṣalāh</i> I encourage my fellow Muslims to pray.
D3.	If an evil act is being done by someone, i do not consider it bad in my heart.
D4.	I dedicate some time for spreading the message of Islam to others because that is my responsibility.
D5.	I attend Islamic lectures (<i>bayanaat</i>) – weekly.
Self-Efficacy	
SE1.	There is not much I can do to help myself.
SE2.	Often, there is no way I can complete what I have started.
SE3.	I can't begin to understand my problems.
SE4.	I am overwhelmed when I have personal difficulties and problems.
SE5.	I don't know how to begin to solve my problems.
SE6.	There is not much I can do to make a difference in my life.
Life Scheme	
LS1.	I haven't found my life's purpose yet.
LS2.	I don't know who I am, where I came from, or where I am going.
LS3.	I have a lack of purpose in my life.
LS4.	In this world, I don't know where I fit in.
LS5.	I am far from understanding the meaning of life.
LS6.	There is a great void (emptiness) in my life at this time.

Islamic Wealth Management and the Pursuit of Positive-Sum Solutions

MOHAMMAD OMAR FAROOQ•

Abstract

How is Islamic wealth management (IWM) distinguished from conventional wealth management? In this paper it is argued that the level of concentration of wealth at both national and international level is related to the conventional wealth management, where the latter can be viewed having a zero-sum bias and IWM, in its current practices, is more of an appendage to its conventional counterpart. The focus of this paper is to articulate, explain and advocate approaching IWM from positive-sum perspective, meaning that genuine wealth management does not have to be broadly at the expense of others. Rather, sustainable and fair wealth management is not only compatible with, but also is facilitated by broad economic development where the standard of living of an increasingly larger proportion of the society improves. More importantly, Islam upholds a fundamental principle against ever-increasing concentration of wealth that causes wealth to circulate among a few privileged wealthy and places a specific burden on the rich to avoid such undesirable level of concentration, for which God warns of stern consequences in the life hereafter. This paper identifies a number of areas that those wealthy parties who care about Islamic principles and accountability before God should appreciate and help foster.

Keywords: Financial Development, Islamic Finance, Wealth Management.
JEL Classifications: G000, P430, Z120.

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1. Introduction

Wealth management involves integrated financial services incorporating financial planning as well as portfolio management as part of comprehensive advisory and management of a client's wealth. High Net Worth Individuals (HNWIs), business owners – big and small, and families can benefit from wealth management service by engaging qualified specialists to assist with integrated services, coordinating the role of those providing services related to banking, law, tax, investment management, estate, etc.

Wealth management presupposes existence of wealth. Therefore, it is geared not just toward a smaller segment of overall population, but also with special bias toward those with high net worth. Notably, effective employment of wealth management strategies generally requires that the client has significant net worth. At one level, it is also alternatively known as Private Banking, especially for wealthy clients. Though the focus on this niche developed during last 2-3 decades of the twentieth century, it has become an important area of investment and financial expertise, where both professional and higher education are available for those who seek relevant specialization.

What is essentially distinctive about Islamic wealth management? The new discipline of Islamic finance is primarily focused on Sharī'ah-compliance, which strictly means that it is legalistically distinctive due to adherence to certain prohibitions (e.g., *ribā* – commonly equated with interest in a blanket manner;¹ *gharar* – excessive risk and uncertainty; *maysir* – gambling; and a few things that are prohibited on their own, such as pork, intoxicant, pornography, etc.). IWM has emerged as part of Islamic finance and broadly shares the features, underlying principles, advantages as well as limitations. Except the legalistic distinctions, just as Islamic finance is broadly based on conventional finance to the extent that currently it can hardly function without embracing or depending on interest-based tools, such as LIBOR as a benchmark, IWM also faces similar limitations and constraints.

Since there is a robust literature on Islamic finance and also plenty of writings on IWM, in this paper we focus on the subject of IWM from a not-so-common perspective. While the emergence and growth of Islamic finance is a remarkable development, it is yet significantly delinked from some of the important Islamic

¹ Farooq (2009)

principles, a core one of which is laid out in the Qur'an as following: "... it (*i.e., wealth*) may not (*merely*) make a circuit between the wealthy among you ..." [59/al-Hashr/7] In this paper we explore some of the relevant implications of this key Qur'anic verse for Islamic wealth management.

Before proceeding further, it should be clarified that wealth management has at least three dimensions. First, expansion and development of wealth and ensuring its productive use to fulfill needs; second, expansion of investment to produce more wealth; and third, equitable distribution and prevention of overly skewed concentration of wealth. Much of the related literature in economics and finance deals with the first and the second aspect related to wealth. Indeed, the pursuit of positive-sum solutions requires the positive dynamics of wealth creation,² utilisation and management. However, this paper is focused particularly on the third aspect, *i.e.*, wealth management aspect, especially due to the fact that this aspect in the context of desirable pattern and pursuit of wealth creation on the one hand and development and prosperity on the other is greatly neglected.

2. Islam is Against *Kanz* (Accumulation Leading to Highly Skewed Concentration)

The context of this principle as enunciated in the complete verse [59/al-Hashr/7] is that, while the Prophet Muhammad was alive, a portion of the wealth generated or acquired by the society was assigned to his authority, which was explicitly to be utilized to mitigate the common tendency toward concentration of wealth among a few and wealth circulating among those privileged few. Unfortunately, the full and relevant implication of this verse has not been adequately understood, acknowledged and benefited from in much of the period since the first few decades of the post-Prophetic era. While modern societies and economies have modulated toward the relevant, but delimited role of the government to address the issues and challenges of development and inequalities so that the society broadly can benefit from the economic activities, the real and fundamental value and principle underlying this verse is yet to be duly and adequately embraced.

In light of this verse, it is the collective responsibility of not just the society in general, but also the responsibility of every member of the society, including and particularly the rich, wealthy and privileged to proactively work toward an economic and financial system where wealth does not experience unhealthy, unjust and highly skewed concentration and the means are in place to facilitate proper

² Kloppenburg (2007).

circulation of wealth for the entire society. What is particularly relevant in this context is not just merely the government or the public trying to fix or mitigate the problem of concentration of wealth, but also that the rich has a heavy burden on their shoulder, if they are believers, that they not merely pursue amassing wealth, but also that they do so within the broader objective of this fundamental Islamic economic principles.

This principle, among a few others, is not merely for wealth management to be Islamic wealth management, but also finance to be Islamic finance, or banking to be Islamic banking, or economy to be Islamic economy. But before exploring the implications of this principle further, let us try to understand the essence of wealth management in general.

Conventional wealth management seems to reflect zero-sum perspective and bias, where for some to win it seems that others, the vast majority, have to lose or at least be bypassed. Thus, subject to some specific assumptions, as it is argued in this paper, can we view the existing and growing highly skewed concentration of wealth having a zero-sum bias where gains for a very small segment are accompanied by losses or no gains of the overwhelming majority? While wealth management is lot more serious than any “game,” what is important here is to embrace the quest for non-zero-sum solutions, which can also be described as win-win solutions.³

It should be noted that conventional wealth management cannot be strictly categorized as zero-sum, when one takes into account many mitigating developments, such as minimum wage legislation, improved work conditions, old age pension, unemployment benefits, health care, progressive taxation system, etc., either through regulatory incentives for the private sector or more direct provision through the public sector. However, what is emphasized in this paper is the strong built-in bias toward the rich in both wealth creation and utilization aspects, which renders the wealth management aspect into a domain preponderantly for the rich. Thus, the thrust of this paper should be understood as the strong, built-in bias than the strict definition of “zero-sum”.

In the context of wealth management, it is important to keep in mind that its main focus and priority are HNWIs, i.e. the rich to ultra-rich. How do the rich remain rich and become richer and also the ultra-rich become even richer? Does the approach reflect a zero-sum or positive-sum bias? Do approaches and strategies

³ Nagel (2001); Brams and Taylor (2000); Boatright (2010).

of the wealth managers reflect any consciousness and bias for positive-sum solutions? Unfortunately, there are good reasons to make the case that they generally seek solutions that are either zero-sum or without any sensitivity toward the impact on the broader society. Another word, there seems to be a fundamental lack of interest in seeking win-win solutions in conventional wealth management. Let's try to understand current situation and trend in the context of the most important economic power of our time, USA, while acknowledging that the experience of USA cannot be generalised or taken as typical.

According to a US study by the Centre on Budget and Policy Priorities, "between 1979 and 2007, average income after taxes in the top 1 percent of the distribution rose 277 percent, meaning that it nearly quadrupled. That compares with increases of about 40 percent in the middle 60 percent of the distribution and 18 percent in the bottom fifth." The issue to better understand is where the gain of the top 1% or top 20% comes from.⁴

The study further shows: "... [b]oth measures of income were highly concentrated. In 2007, the top 1 percent of households received 21 percent of income before taxes and transfers and 17.1 percent of income after federal taxes and transfers, while the bottom 80 percent of households received less than half of income both before and after taxes and transfers" (41 and 48 percent, respectively).

Moreover, as mentioned in the same study by Congressional Budget Office (CBO) "latest analysis of trends in income distribution from 1979 to 2007 has shown that federal taxes and transfers had a smaller effect in reducing before-tax inequality in 2007 than they did in 1979."⁵ Thus, if federal tax and transfers have little impact on the concentration of income, the question arises as to what else might be possible ways to reduce the concentration.

3. Wealth is More Concentrated than Income

As wealth accumulation is related to income, it is noteworthy that while there is concentration in income as well, the concentration in wealth is much more significant.

A family's income is the flow of money coming in over the course of a year. Its wealth (sometimes referred to as 'net worth') is the stock of assets it has as a

⁴ Stone et al. (October 23, 2012).

⁵ Ibid.

result of inheritance and saving, net of liabilities. Wealth is much more highly concentrated than income, although the concentration of wealth is not increasing as much as income is.⁶

Taking a snapshot in 2007, top 1% had 21% of income, but 35% of wealth, while bottom 90% had 53% of income, but 27% of wealth. Thus, it is another area of inquiry to identify the dynamics of how such concentration of income and wealth develops and why the concentration is much greater in wealth than in income.

Wolff found that the top 1 percent of the income distribution received a little more than a quarter of all income in 2007 (according to the SCF data), while the top 1 percent of the wealth distribution held more than a third of all wealth. Similarly, the top 10 percent of the income distribution received a little less than half of all income, while the top 10 percent of the wealth distribution held almost three-quarters of all wealth.⁷

However, as Nobel Laureate Joseph Stiglitz has exposed the reality, "The top 1 percent of Americans gained 93 percent of the additional income created in the country in 2010, as compared with 2009."⁸

In 1955 there were approximately 100,000 millionaires [in 2002 dollars] in USA, which grew to approximately 1,500,000, a 15-fold increase in less than four decades.⁹ The story then changed not to proliferation of millionaires, but billionaires. Understanding the millionaires as well as ultra-HNWIs is a key aspect of understanding the dynamics of concentration of wealth. Notably in contrast, according to the *Statistical Abstracts of the United States 2012*, percentage of those below poverty level grew from 13 in 1980 to 14.3 in 2009, while those below 125 percent of the poverty level grew from 18.1 to 18.7 percent. [Table 711]

The global portrait of the wealthy and the related concentration are not much different.

⁶ Ibid.

⁷ Ibid.

⁸ Stiglitz (2012), p. 3.

⁹ Sahr (2002) <http://oregonstate.edu/cia/polisci/faculty-research/sahr/summill.pdf>, citing Kevin Phillips (1991). *The Politics of Rich and Poor: Wealth and the American Electorate in the Reagan Aftermath*, Harper-Collins, Appendix A.

After a robust growth of 8.3% in 2010, the global population of high net worth individuals (HNWIs) grew marginally by 0.8% to 11.0 million in 2011. Most of the growth can be attributed to HNWIs in the US\$1 to US \$5 million wealth band that represent 90% of the global HNWI population. In contrast, global HNWI wealth in 2011 fell by 1.7% to US\$42.0 trillion versus 9.7% growth in 2010.¹⁰

“A disproportionate amount of wealth remains concentrated in the hands of Ultra-HNWIs. At the end of 2010, Ultra-HNWIs represented only 0.9% of the global HNWI population, but accounted for 36.1% of global HNWI wealth. That was up slightly from 35.5% in 2009.”¹¹

The overall picture of inequality and concentration of wealth in the Muslim world is not much different either, if not worse, even though the causes and factors contributing to such concentration are not necessarily similar. Indeed, the inequality and concentration in the developed world exist parallel to both political and economic democratization. However, the Muslim-majority countries, with some really few notable exceptions, are characterised by monarchies, sheikhdoms, dictatorships, or pseudo-democracies reflecting concentration of power on the political front and the wealth controlled by corrupt governments and their cronies on the economic front. As Umar Chapra points out:

All Muslim countries fall within the category of developing countries, even though some of them are relatively rich. Most of these countries, particularly the poorer ones, are, like other developing countries, best with a number of extremely difficult macroeconomic imbalances, which are reflected in high rates of unemployment and inflation, excessive balance of payment deficits, continued exchange rate depreciation, and heavy debt burdens. *They are also experiencing extreme inequalities of income and wealth.*¹²

Chapra illuminates the point that this is not just concentration of wealth, but also of power, and this concentration has a zero-sum bias with direct link to the “misery of the masses.”

“The concentration of wealth and power, also due partly to official policies and partly to the exploitative economic system that has prevailed for centuries, has

¹⁰ Capgemini/RBC Wealth Management (undated).

¹¹ Merrill Lynch (2011).

¹² Emphasis added. M. Umar Chapra (1988).

restricted competition, generated widespread collusion and created a climate conducive to the misery of the masses.”¹³

4. The Poverty Trend in Contrast

As the rich have become richer and a larger number of individuals now belong to the millionaire and billionaire club, the trend in poverty in contrast is worth looking into. Notably, a larger number of people have risen above the poverty line. However, their rise and the very large number that failed to do so raise important issues about the concentration of wealth.

In 2011, 46.2 million people were counted as poor in the United States, the same number as in 2010 and the largest number of persons counted as poor in the measure’s 53-year recorded history. The *poverty rate*, or percent of the population considered poor under the official definition, was reported at 15.0% in 2011, statistically unchanged from 2010. The 2011 poverty rate of 15.0% is well above its most recent pre-recession low of 12.3% in 2006, and has reached the highest level seen in the past 18 years (1993). The increase in poverty over the past four years reflects the effects of the economic recession that began in December 2007. Some analysts expect poverty to remain above pre-recessionary levels for as long as a decade, and perhaps longer, given the depth of the recession and slow pace of economic recovery. The pre-recession poverty rate of 12.3% in 2006 was well above the 11.3% rate at the beginning of the decade, in 2000, which marked a historical low previously attained in 1973 (11.1%, a rate statistically tied with the 2000 poverty rate).¹⁴

For 40+ million people in poverty in America, the prosperity of the past three decades during which there has been the largest number of billionaires and millionaires added to the economy, their pool either has been largely untouched or may even have grown.

In 2012, we estimate that 3.2 billion individuals – more than two-thirds of the global adult population – have wealth below USD 10,000, and a further one billion (23% of the adult population) are placed in the USD 10,000–100,000 range. While the average wealth holding is modest in the base and middle segments of the pyramid, total wealth amounts to USD 39 trillion, underlining

¹³ Ibid., p. 142.

¹⁴ Gabe (2012).

the potential for new consumer trends products and for the development of financial services targeted at this often neglected segment.

The remaining 373 million adults (8% of the world) have assets exceeding USD 100,000. This includes 29 million US dollar millionaires, a group which contains less than 1% of the world's adult population, yet collectively owns nearly 40% of global household wealth. Amongst this group, we estimate that 84,500 individuals are worth more than USD 50 million, and 29,000 are worth over USD 100 million.¹⁵

While there is a mixed picture about the global trend in poverty, there are many sources that indicate that after the initial thrust in reduction of global poverty during the 1940s-1960s, the pace of reduction has slowed and the number of people in poverty is rising again. World Resources Institute provides another illuminating perspective based on poverty trends of those living \$1 and \$2 per day. Covering the global trend during 1981-2001, it shows that those living on \$2 per day increased from 2,502 million to 2,736 million (a 12% increase), while during the same period those living on \$1 per day was reduced from 1,482 million to 1,093 million (a 26% decline).¹⁶

A significant reduction came from China alone, without which the picture is quite different. Between 1981 and 2004, the number of people living below \$2.15 a day increased from 2.452 billion to 2.547 billion. However, if China is excluded, compared to 1.576 billion in 1981, it increased to 2.095 billion.¹⁷

The world speaks about economic development, which includes reducing inequality and alleviating poverty. However, inequality as an important cause of, or at least a key impediment to, alleviation of poverty is not adequately discussed. Contemporary research should focus on this aspect a lot more closely. Also, it is worth noting that many among the rich are also among the top philanthropists, but their philanthropy is generally geared toward making a difference to major social or health problems of the world, but rarely toward studying and ameliorating the problems and solutions of systemic bias toward concentration. If it can be analytically and empirically established that modern, conventional economic and

¹⁵ Credit Suisse Research Institute (2012), p. 16.

¹⁶ World Resources Institute, "\$1 and \$2 Per Day Poverty Trends, 1981-2001," <http://www.wri.org/publication/content/7975>, citing Shaohua Chen and Martin Ravallion (2004). "Absolute poverty measures for the developing world, 1981-2004," Proceedings of the National Academy of Sciences of USA, <http://www.pnas.org/content/104/43/16757.full.pdf+html>.

¹⁷ Chen and Ravallion, *ibid.*, Table 4.

financial system basically seeks or is comfortable with zero-sum bias and the pattern of concentration of wealth is an indicator of the zero-sum approach, then it is relevant to take a fresh look at it holistically, much beyond just wealth management.¹⁸

As far as the broader issues of inequality, concentration, and poverty, there needs to be a multi-faceted, holistic approach requiring input and participation all the relevant stakeholders. Korten, for example, in his work *Agenda for a New Economy: From Phantom Wealth to Real Wealth* calls for a “living economy” focused on the real dimensions of life and away from the “phantom” world of financialization and speculation and argues for seven point interventions, which is summarised in the seventh point: “*Create a system of global rules and institutions that support living-wealth indicators and money systems, shared prosperity, living enterprises, real democracy, and local living economies.*”¹⁹

Full range of ideas about development, concentration and wealth management is well beyond the scope of this paper with a narrow focus: wealth management. The conventional wealth management, mostly anchored in the financial markets, is far from any agenda for refocusing on the “real economy.” If the conventional wealth management can be viewed as having zero-sum bias, what can be said about Islamic wealth management?

5. Islamic Wealth Management as an Appendage of Conventional Wealth Management

As part of the overall Islamic finance industry, the literature pertaining to Islamic wealth management is growing.²⁰ Several broad observations can be made in this regard. First of all, not all the HNWI Muslim investors are interested in putting all their eggs in one basket, i.e., the Sharī‘ah-compliant basket. As one such report on Islamic Wealth Management suggests: “The allure of exotic financial instruments, where the sky is the limit in terms of returns, is simply too appealing to those with the means to take advantage of them. The future for the Islamic

¹⁸ Is the pattern of economic development that is characterized by high inequality and concentration of wealth a reflection of zero-sum approach or bias? The scope of this paper is not adequate to address that issue at length, but there is a need for further studies from this perspective. Rob Radcliffe, “Is Economic Development a Zero Sum Game?” Resource Development Group Blog, April 15, 2012, <http://www.rdgfundraising.com/blog/is-economic-development-a-zero-sum-game/>.

¹⁹ Korten (2010). Emphasis is by the author, Korten.

²⁰ Basel (2012); Ma’sum Billah (2009); Wouters (2013); Iqbal and Wilson (2005); Jaffer (2009); Kamso (2013); Kuwait Finance House; Rasban (2006); Sandwick (2009); Shafii, Zurina, Zahinah Mohd. Yusoff, and Shahizan Md. Noh (2013).

wealth management industry lies in trying to secure more than simply the 25 per cent that many clients are comfortable relegating to the Islamic finance sector.”²¹

Secondly, Islamic finance industry (IFI) in general is still primarily a prohibition-driven industry.²² This means that as Islam prohibits certain things pertaining to financial dealings, which include *ribā*, *gharar*, *maysir* and transactions involving anything that in itself is prohibited, the primary, or even its exclusive, goal has become the adherence to these prohibitions. IFI has successfully come up with legalistically-distinctive alternatives to its conventional counterpart. However, this success is also without any link either to the Islamic imperatives or the broader socio-economic objectives (*maqāṣid*).

Thirdly, there are some limitations on the technical aspects, including tools and products. For example, short-selling is generally not considered permissible. Derivatives are also generally off-limit. However, that does not mean that the industry has faithfully and diligently avoided these aspects. Rather, there are legal ruses (*hiyal*) to get around all these aspects that are generally considered prohibited.²³

Lastly, there is an original sin. Those who were the original source for funding this industry were probably already in serious and fundamental violation of the Qur’anic verse 59/al-Hashr/7 that the wealth should not circulate among the wealthy few. Also, taking interest in Islamic finance by these original backers may not necessarily have been to somehow address the implication of the imperative of that Qur’anic teaching. This is particularly important because while wealth creation must be sustained and augmented for more prosperity, the existing pattern of wealth creation is inherently skewed leading to exacerbated concentration, which may as well accompany impoverishment or stagnation of the rest of the society.²⁴

Especially taking into consideration the last aspect, it is important to assess how much different Islamic wealth management to date is from its conventional counterpart. Is Islamic finance in general and Islamic wealth management in particular development-relevant or development-neutral? Do they have positive implication for the broader goals of the economy and society, such as poverty alleviation, reduced inequality and concentration of wealth, widely shared and

²¹ Yasaar Media. *Islamic Wealth Management 2009*, Dubai, UAE, p. 9, http://www.yasaarmedia.com/Yasaar_Media_Islamic_Wealth_Management_2009.pdf.

²² El Gamal (2008).

²³ Jobst (2008) and Alsayyed (2009)

²⁴ Kloppenburg (2007), op. cit., p. 2.

higher standard of living, greater job creation or employment effect? Or, are they basically neutral regarding the *status quo*, or possibly even making it even worse by facilitating the rich becoming super-rich and super-rich becoming ultra-rich and so on with a deep-rooted zero-sum bias?

Notably, IFI and as its part Islamic wealth management operate in a handicapped environment. IFI in most countries operate in a dual-system environment where Islamic and conventional co-exist and compete with each other. Shari‘ah experts and regulators allowing conventional banks to offer Islamic windows have made the environment more constrained for genuine growth of Islamic finance, as the Islamic financial institutions are under constant pressure to match both the performance and the services of their conventional counterpart. In some GCC countries, attracting deposits through prizes and raffles (lotteries) obscures the reality as to how much of the deposit is seeking Islamic financial outlets because of the commitment to Islamic imperatives and how much of it is simply diversifying their eggs into multiple baskets to get a wider chance for these “Shari‘ah-compliant” prizes.

Furthermore, the industry operates mostly without having an economy that also embraces the underlying Islamic principles. Thus, for example, in regard to the monetary system, the issues of the role of banks in creating money, fractional reserve system, etc. are not even addressed and conventional framework as *status quo* is taken for granted to be quite alright for Islamic finance to operate in. Under such constraints, is fostering a positive-sum bias at all realistic? Well, let us briefly explore how wealth management can be transformed to seek positive-sum solutions, especially since it should be regarded as an imperative from the Islamic perspective.

6. Transforming WM Seeking Positive-sum Solutions

Before delving into this specific question, let us first illuminate the Islamic perspective in this context. Whose motivation and aspiration should it be to see that our wealth acquisition, accumulation and management should not just meet legalistic Islamic criteria, but that also the wealth owners should be concerned whether their success and achievement will meet approval and approbation from God? In this context we will focus on that particular verse in the Qur’an.

“What Allah has bestowed on His Messenger (and taken away) from the people of the townships, - belongs to Allah, - to His Messenger and to kindred and orphans, the needy and the wayfarer; *in order that it may not (merely) make a*

circuit between the wealthy among you. So take what the Messenger assigns to you, and deny yourselves that which he withholds from you. And fear Allah, for Allah is strict in Punishment. [59/al-Hashr/7]²⁵

An important underlying feature of Islam is greater emphasis on God-consciousness (*taqwá*) than on law and legalities. Lest it is misunderstood, no society can be without law, legal foundation and a legal framework. From Islamic perspective too, law and the legal system are integral parts of Islamic way of life. However, the Islamic approach even to the matters of law is based on *taqwá*. That is why the Qur'an does not begin with stating that here are the laws and follow or implement it. After the brief opening chapter, the Qur'an begins with the following: "... This is the Book; in it is guidance sure, without doubt, for those who are God-conscious (*muttaqin*, those with *taqwá*). [2/al-Baqarah/2]

Thus, to be a Muslim or a believer is to live an *akhirah* (afterlife)-bound life. As in 59:7 God specifically reminds us of his strictness in punishment in regard to those wealthy who either seek or are unconcerned about concentration of wealth, the wealthy should consider it an imperative to not only desist from pursuing further concentration of wealth, but also to be persistent and creative in ways to reverse the existing concentration, and even go beyond to see that prosperity and wealth are widely shared.

²⁵ Some clarification about this verse that contains the underlying Islamic principle about concentration of wealth is warranted. During the time of the Prophet, as the guardian of the new community, the responsibility was fundamentally bestowed upon him to ensure and work toward the prevention of unjust concentration of wealth. Thus, what is identified here as belonging to God and His messengers is essentially to serve broader causes of the society, including serving the interest of the needy and the deprived. During the post-prophetic era, this responsibility lies with the society collectively and the state/authority in particular to ensure the same. Notably, while this one-fifth was assigned exclusively to the Messenger, no one from his relatives was to be his heir and receive any inheritance after his death. While he was alive, not only he lived a most frugal life, his trust (*tawakkul*) in God was so complete that whatever reached him as part of his assigned share or in other permissible ways, he did not want to hold it for more than three days. [*Sahih Al-Bukhari*, trans. by M. Muhsin Khan, Vol. 3, #573] Another word, he utilized the resources for some permissible purpose or task. Even when his own daughter, married to Ali, shared with the Prophet her toils due to straining manual work, the Messenger taught her some special *dua* (supplication) that would bring her blessing (*baraka*), but did not allocate her any servant from his disposal. [*Sahih al-Bukhari*, trans. By M. Muhsin Ali, Vol. 5, #55]

This responsibility of the Messenger as the trustee of a specifically designated fund was based on his impeccable integrity and thus his role and authority was unquestionable and unconstrained. However, in the post-prophetic era, even though the same responsibility is on the shoulder of the society in general and state/authority in particular, due to the fact that there cannot be the same level of trust, the role of the government at any level must be duly constrained through checks and balances and subject to relevant public scrutiny. Even the four Caliphs after him were bound by this accountability.

7. Is Positive-sum Approach Realistic?

Positive-sum approach might not be realistic in conventional system and with conventional mind-set. Consider for example, the following perspective, as explained by Baschab and Piot, that tends to suggest or uphold that concentration is essential to wealth creation.

Wealth creation always comes from concentration. Concentrated business ownership, concentrated stock positions, betting it all on black in Vegas. All great fortunes are made from concentration. Likewise, all small fortunes are made from concentration. It is reminiscent of the old joke: “How do you make a small fortune? Start with a large one and keep in concentrated.” There is a tendency for private wealth to want to keep concentration, which may or may not work out.²⁶

While such a perspective might not be as explicitly articulated by those involved with conventional wealth management, the very suggestion that concentration is good or necessary reflects a mind-set that dominates the industry and its core participants. The participants in and the advocates of the IWM segment generally have explicit articulation about Shari’ah-compliance, but hardly about the fact that undesirable level of concentration exists, that is it bad for the economy and society, and most importantly that it is incompatible with the values and preferences of any person believing in Islam. Unfortunately, the IWM segment of financial services industry currently is an appendage to its conventional counterpart, except legalistically. How then the idea of positive-sum approach can be advocated and facilitated?

Well, technically speaking, unless wealthy people embrace the idea that positive-sum is good not just for the society, but also for themselves, it is difficult to see them standing on one leg to rush to this approach. That’s where the religious perspective of Islam becomes relevant, especially if we are talking about “Islamic” wealth management.

So, let’s take the case of an UHNW client interested in IWM and a manager/advisor, individual or institution, serving such a client. Positive-sum approach would not fly, if there is no demand from the client’s side. If the UHNW client is interested simply in traditional IWM (as currently practiced in the

²⁶ Baschab and Piot (2010).

industry), then the client probably would be conveying his interest in merely Shari'ah-compliant IWM with the same zero-sum bias. On the other hand, if the client appreciates the Islamic perspective on positive-sum approach and solution and embraces the Qur'an's anti-*kanz* (anti-concentration) guidance, then he himself would be asking what can he do, what options are there available, what creative and constructive ways can be found to seek profit and become wealthy, while the wealth and prosperity are widely shared. He would then be expecting the wealth managers and advisors to help him achieve his IWM goals with a positive-sum approach.

Just like the client needs to embrace the positive-sum approach, the Qur'anic guidance and admonition is as much applicable to the IWM managers. Parallel to the demand for positive-sum approach to wealth management ideas, the managers/advisors have to do their homework to present suitable ideas, products and avenues of investments that would help the clients become wealthy within the framework of the Qur'anic guidance. This would be similar to what Fong and Law has suggested as guardianship role of the wealth management industry.

In the wealth management industry, professionals should rebalance their incentives from transaction revenue to assets ... not only the underlying causes of the crisis, but also protect the real economy from the excesses of the financial sector. In order to regain trust from clients, they should switch their role from salesmanship to guardianship.²⁷

Of course, wealth management presupposes wealth creation and those who are already wealthy are endowed with blessings that they should use to achieve broader Islamic objectives.²⁸ This means that for positive-sum approach, the real story is not in finance, or for that matter in Islamic "finance". Rather it is in the broader economy. Another word, if the economic system and its working are not conducive to broader participation, the desired outcomes cannot be expected to be achieved in the financial arena. However, wealth is not merely a financial or economic factor; it is also a socio-political factor as it also translates into power. Often HNW people have not just high net worth, but also high level of power and leverage. So, what can a HNW or wealthy person emphasize and what are the things that can be done to facilitate the wealth creation and accumulation process to be with positive-sum bias and more equitable?

²⁷ Mun and Kiat (2009), p. 82.

²⁸ Ismail (2010).

It is important to note that while there has been recognition of the problem of concentration of wealth in the economic literature, that this is probably a fundamental cause of and impediment to poverty alleviation and equitable development has not received the deserving attention. Thus, someone seeking readymade, tested, effective solutions for reversing concentration might find the situation frustrating, and approaching any asset manager/advisor might elicit frowns, if not worse. Yet, if a HNW or UHNW client seriously embraces the principle that concentration of wealth among a few is undesirable and for Muslims is a serious sin, the client not only can push for suitable ideas, but also facilitate as well as patronize exploration of new ideas, ways and solutions.

While this paper cannot deal with the full range of ideas, we will identify a few relevant aspects that are particularly relevant in the context of wealth management in general and Islamic wealth management in particular. Among the few things that those involved with Islamic wealth management as managers and as clients need to appreciate are the following.

a. Real Economy

With extreme financialization of the modern economy, where activities in the financial/monetary sector has become rather broadly delinked from the real economy,²⁹ wealth accumulation is expected to result in highly skewed concentration.³⁰ The ongoing global financial crisis has been significantly impacted by financialization, where financial leverage tends to dominate the equity capital market and the financial markets tend to eclipse the real sector of the conventional industrial economy.³¹ The true measure of an economy's production and consumption is reflected in the real sector. Instead of focusing on or emphasizing funds or private equity managers that serve more as intermediaries, the people with wealth should find entrepreneurial channels that add to productive economic activities. This may include the role through venture capital but not merely as a vehicle for wealth accumulation, but to foster the real economy.

Indeed, it is increasingly being recognized that financial sector in general and financial institutions in particular need to be "strong partners" in support of the real economy.³²

²⁹ Farooq (2009). Also on the relevance of the real economy, see Industrial Bank Limited (2012); ICBC (undated); and Sheng (2012).

³⁰ Fireside (2009), p. 58.

³¹ Deeg and O'Sullivan (2009); and Stanford (1999).

³² Deutsche Bank (2012); and Kloppenburg (2007), op. cit., pp. 2-3.

Though it would not help in wealth creation at the same scale for the wealthy, but if they can rise above the wealth-addiction³³ and embrace the notion of greater circulation of wealth, the concept of social business entrepreneurship, as advocated by Professor Muhammad Yunus, a Nobel Peace Laureate and the acknowledged guru of microfinance, would be quite relevant. Social business involves applying the creative vision of the entrepreneur to today's "most serious problems: feeding the poor, housing the homeless, healing the sick, and protecting the planet."³⁴ According to Yunus, "a social business is a non-loss, non-dividend company designed to address a social objective within the highly regulated marketplace of today. It is distinct from a non-profit because the business should seek to generate a modest profit but this will be used to expand the company's reach, improve the product or service or in other ways to subsidise the social mission."³⁵ Of course, such business would appeal to or interest only those wealthy who already have fulfilled their desire of buying and owning an entire Hawaiian island or the most luxurious yacht that they can boast of. Regardless, here we are not talking about those who are addicted to wealth accumulation or take pride in it (let alone consider it as a sin), but rather about those who are concerned about not just avoiding undesirable wealth accumulation, but also aspire to facilitate broader circulation of wealth and thereby be saved from the dreadful accountability to God in the hereafter. In this context, a HNW client would be asking potential managers/advisors for recommendations that are more closely linked with the real economy.

b. Job Creation

A corollary to avoiding wealth accumulation from the froth of financialization, HNW and UHNW individuals can emphasize investments that are tied to job creation. New business and productive enterprises generally are expected to create jobs. However, what we are talking about here is somewhat beyond the job creation that serendipitously happens as part of expanding productive activities. Such individuals would be seeking opportunities and asking for advice where they can have the maximum impact on job creation – creation of good paying jobs that help people come out of poverty and then gradually make transition to the middle class. This requires a fundamental shift of paradigm about what the businesses in general and corporations in particular are. As Robert Lusch has argued about the

³³ Slater (1980); Kassiola (1990), p. 136; Watts (2012); O'Boyle (2005), pp. 55-57; and Danner (2002).

³⁴ Yunus (2009).

³⁵ Wikipedia. http://en.wikipedia.org/wiki/Social_business.

purpose of business/corporation: “The fundamental purpose of the corporation is not wealth creation. It is job creation and collaborating with all stakeholders (including the customer) to co-create value.”³⁶ While this view may not be a popular, such perspective and approach of course have significantly different macroeconomic implications, as far as how macro objectives are prioritised and pursued.³⁷

This goes fundamentally against the most accepted objective of the corporations that they are to maximize the shareholder value. The fact of the matter is that small shareholders might not be affected in a big way if a corporation does try to balance its objective of maximizing shareholder value with the goal of job creation. For HNW/UHNW, it is expected to have some impact on their wealth accumulation, but when job creation is part of a broader strategy and approach, it is not necessary that they need to pursue wealth accumulation as the primary, let alone exclusive, goal or focus. Indeed, in a positive-sum approach all the stakeholders bring to bear their resource, talent and influence to build a larger middle class, where asset ownership and wealth accumulation become broad based and provide the wealthy people opportunities to enhance their wealth through this expanding development.

c. Spreading Asset/Capital Ownership

The countries that have experienced significant development and accumulation of wealth have also done so parallel to the broader population rising above poverty and enjoying higher standard of living. In the process not only the middle class has expanded as the largest class, but also the asset/capital ownership has spread widely. Islamic perspective on wealth cannot focus on merely wealth accumulation and management without finding ways to spread asset/capital ownership.³⁸

What options might be available to the HNW/UHNW parties to facilitate such spreading of asset/capital ownership? Anyone interested in poverty alleviation and broad-based economic development needs to appreciate the relevance of asset-building approach as part of the overall strategy.³⁹ Asset-building can take many forms and be achieved in a variety of ways. Grameen Bank’s microcredit movement for poverty alleviation has accepted asset-building as an integral part of

³⁶ Lusch (2006).

³⁷ Stanford (1999).

³⁸ There is a robust literature on the consequences of wealth creation that has inherent bias leading to highly skewed concentration. See Stiglitz (2012); Kirchhoff (1994), p. 59; and Rowlingson and McKay (2012), p. 37.

³⁹ Ford Foundation (2002); Sherraden (1991).

its strategy.⁴⁰ Notably, the microcredit movement is not based on charity, rather on making the asset-accumulation in a society an activity that is inclusive and broad-based. While HNW/UHNW individuals might have fewer options in using microcredit as a means for wealth accumulation,⁴¹ there are indeed areas they might take interest in. For example, they should encourage business enterprises to take closer interest in Employee Stock Ownership Programmes (ESOP), which enables the employees of a company to help accumulate wealth while enhancing their broader asset ownership.⁴²

The Islamic wealth managers can gather better market intelligence regarding companies that offer ESOPs. HNW/UHNS clients can also create awareness in the business and financial community that they would prefer to invest in companies that have ESOPs or would like to move toward ESOPs. They can also emphasize investing in those companies that take good care of their employees.

Looking into some of these aspects is handicapped by the fact that financial analysis for investment purpose rarely takes into consideration any labour-related indicator.

d. Emphasis on going Public

Another aspect of spreading asset/wealth ownership is to turn private businesses into public securities. Private equities are great avenues for enhancing one's wealth accumulation, but it also is more conducive to more skewed concentration. Those who seek wealth without adding to wealth concentration should emphasize turning their privately held companies into public securities for participation of the broader investing public.

As noted economist Gregory Mankiw has pointed out, it is not uncommon to think that "spreading the wealth" belongs to the domain of government responsibilities,⁴³ especially through a welfare system based on taxation and income transfer. However, while government is definitely part of the equation and both a welfare system and taxation are expected to remain a critical piece of the puzzle, the prevailing conventional system and as its appendage Islamic finance, approach the issue of addressing concentration and equality on an after-the-fact basis. That is, let the wealthy pursue their wealth accumulation in whatever way

⁴⁰ Mainsah, et. al. (2004); OECD (2003).

⁴¹ Kloppenburg (2007).

⁴² Ashford and Shakespeare (1999).

⁴³ Mankiw (2010).

they deem and find appropriate, while let the government try to mitigate the consequences. The issue of concentration in zero-sum approach goes nowhere because the wealthy individuals and institutions are not merely wealthy. They also wield disproportionate power, which they utilize to advance their own vested interest and some are indifferent to, and others engage in thwarting, the pursuit of poverty alleviation or broad based economic development. Indeed, the issue of wealth accumulation by those who actually “earn” - as in the case of many notable people, such as Bill Gates, Steve Jobs or Steven Spielberg, who not only become themselves rich, but also their contribution make millions of other people to move up the economic ladder – might be less of an issue than those whose wealth accumulation “... come from manipulating the system.”⁴⁴

The bottom line is that if the HNW clients are interested in “Islamic” wealth management, they need to recognize that currently the market does not offer much opportunity for fulfilling the Qur’an’s anti-*konz* expectations. However, once they themselves take it seriously, they have the economic and political leverage to create options that would better meet the Islamic expectations, while pursuing wealth accumulation and addressing wealth management.

The pursuit of healthy wealth creation that does not lead to zero-sum bias of the extremely few vis-à-vis the vast majority requires not just a change of mind-set, but also a fundamental “reconfiguration” of the system that generates such skewed wealth creation and ever-growing concentration. Muchie and Xing aptly illuminate:

Spiralling concentration of wealth in fewer hands accentuates social division and social waste. The problem of poverty lies not in poverty per se but in the economic arrangement that keeps concentrating wealth in fewer and fewer hands. Poverty reduction is not merely reducing numbers of people who are poor or even reducing wealth or the number of the wealthy. It is not even a mathematical function of the increase of numbers of wealthy people. *It lies in a systematic social reconfiguration where the system does not reproduce itself through poverty, inequalities, social waste and injustice. It is the systematic embedment of poverty that must be ultimately undone.* So it is not enough to say poverty reduction is merely co-related with wealth reduction. *It is how wealth is accumulated and shared that can create poverty production rather than poverty eradication. Change means precisely changing the social relation of wealth*

⁴⁴ Ibid., p. 295.

*creation and distribution in society to overcome the problem of poverty production that the current dominant pattern of wealth creation endangers.*⁴⁵

Thus, broader economic justice and balance may not be the goal or mandate of the conventional economic system and, as part of it, conventional wealth management, but wealth creation, utilisation and management, to be Islamic, cannot merely mimic the conventional counterpart. Rather, to be Islamic, the anti-*kanz* mandate of the Qur'an needs to be reflected in the interrelated dynamics of wealth creation, utilisation and management. From Islamic perspective this requires inculcating Islamic values, instead of mere legalistic application of Islamic laws and rulings.⁴⁶ Such transformations require systemic changes as enunciated by Korten in terms of "seven points of intervention," for example.⁴⁷

8. Conclusion

This paper is neither intended to nor has the scope to provide answers to all the relevant questions. Its main purpose is to provoke and redirect our thinking and research toward one of the key issues affecting fundamental economic realities of life. This paper underscores the principle that to be "Islamic," wealth management must not be contented with merely zero-sum solutions, perspective or attitude (i.e., "I win, you lose"). There is a corollary to this attitude that might be more prevalent and has similar impact and that is, "I win, what happens to you does not matter." From Islamic perspective, this cannot underlie IWM. The value parameters and strategies of IWM must be distinguished from the conventional zero-sum bias, so that the growth and enhancement of wealth are broad-based, and instead of deferring all the responsibilities of ensuring fairness in economy and finance to the government and public authorities, anything Islamic must have built-in commitment and approach to transform the activities in the framework of positive-sum solutions.

A positive-sum approach does not necessarily mean impoverishing the wealthy through taxes and transfers or their charity/philanthropy after becoming rich, super-rich or ultra-rich. Rather, more creative and committed approach should be undertaken by individuals and institutions to make the prosperity systematically broad-based, starting with the pattern of wealth creation and utilisation. It is not just an Islamic imperative, but also that it is very much possible and thus there is no excuse in perpetuating wealth management that seeks solutions with zero-sum

⁴⁵ Emphasis added. Muchie and Li Xing (2006).

⁴⁶ Farooq (2011).

⁴⁷ Korten (2010).

bias or is unconcerned about positive-sum solutions. Barring this, call it Sharī'ah-compliant, call it halal, but not "Islamic" wealth management, because being Islamic is not just about permissibility and legalities, but also about imperatives and broader goals (*maqāṣid*).

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EVENTS AND REPORTS

9th IDB Global Forum on Islamic Finance

In conjunction with the 40th Annual Meeting of the IDB Group, the Islamic Research and Training Institute (IRTI) organized the 9th IDB Global Forum on Islamic Finance on June 24, 2015. It was themed on **“Islamic Finance and Economic Development: Lessons from the past and Strategies for the Future”**

The Forum highlighted the relation between Islamic finance and socio-economic development and how such finance can be applied to meet important development needs such as food security, energy and infrastructure development, education and promotion of international trade. The lessons learned from the development financing activities of IDB made it more useful from practitioners' perspective.

The Forum also discussed the requirements and the key initiatives for the development of Islamic financial sector. It presented a roadmap for the development of this rapidly evolving and strategically vital industry.

During this Forum two major papers were issued:

- 1. *IRTI Occasional Paper on Islamic Finance and Economic Development: Lessons from the past and Prospects for the Future***
- 2. *Islamic Financial Services Industry Development: Ten-Year Framework and Strategies, A Mid-Term Review***

To increase the interaction between Islamic finance experts and practitioners a web-based platform ***Communities of Practice in Islamic Finance*** was also launched during the occasion.

This 9th Forum was continuation of the series of Forums that were initiated by IRTI in 2006. The Forum, aims at providing a platform for strategic policy dialogue for sharing experiences with regard to developing the various segments of the Islamic Financial Services Industry; identifying key challenges of the industry's different segments in an integrated manner and promoting cooperation, knowledge

sharing and partnership in alleviating the challenges thus facilitating the industry's orderly development, competitiveness and stability.

Seminar/Workshop on *Maqāṣid* al-Sharī'ah based Index Part-2

The Part-2 of Seminar/Workshop on *Maqāṣid* al-Sharī'ah based Index was held from 26-27 June, 2014 in Yogyakarta, Indonesia. The program was organized by IRTI in collaboration with University Islam Indonesia. The purpose of the seminar was not only to present papers but take the movement forward to create enabling platform and linkages for realization in future of a *Maqāṣid* al-Sharī'ah based index of Socio-Economic Development.

A total of 20 papers were selected for the seminar/workshop. The papers concentrated on the measurement of development through welfare. i.e., positive approach. Some papers focused on evaluation of Islamic banking and financing instruments for their contribution to achievement of *Maqāṣid* al-Sharī'ah. With the discussion of new ideas the seminar helped in bringing the various researchers closer to each other and share their thoughts. The authors and participants were enthusiastic to contribute further. Two volumes of the book on *Maqāṣid* al-Sharī'ah based indicators of socio-economic development are going to come out of these two part seminars.

In addition, some other seminars organized by IRTI in collaboration with other institutions are listed below:

Third International Conference on Inclusive Islamic Financial Sector Development and Working Group Meeting on Zakat Standardization	with Bank Indonesia	28-29 August, 2014, Jakarta, Indonesia
International Conference on Finance and Development in Muslim Economies	with Bangor University	15 September, 2014, UK
6 th International Conference on Islamic Banking & Finance: Risk Management, Regulation and supervision	with Central Bank of Turkey	16-17 September, 2014, Turkey
Thematic Workshop on Revival of Waqf for Socio-Economic Development	with Universitas Airlangga	28-29 September, 2014, Indonesia
Roundtable Discussion on Taxation in Islamic Finance	with Malaysian Institute of Accountants and Universiti Kebangsaan Malaysia	13-14 October, 2014, Malaysia

**Obituary: Veteran Islamic Economist
Dr. Ziauddin Ahmad passes away**

by

M Fahim Khan & Muhammad Ayub

Renowned Islamic economist, professional central banker, a seasoned policy maker, and a pioneer of Islamization of banking and finance in Pakistan, Dr. Ziauddin Ahmad passed away on July 6, 2014 after protracted illness.

Born on 4th August 1930, Dr. Ziauddin accomplished his formal education at Harvard University, USA, from where he did M.A. in 1963 and Ph.D. in Economics in 1964. During his distinguished career as an economist and academician, he held the positions of Deputy Governor, State Bank of Pakistan from 1978 to 1983 and Director General, International Institute of Islamic Economics, Islamabad from 1983 to 1988. He remained member of the Council of Islamic Ideology in Pakistan for five years when he played a vital role in preparation of the reports of the Council of Islamic Ideology (CII) on Islamization of Pakistan's economy that could be considered as the most comprehensive description of Shariah based economic and financial system with complete structure by that time.

Dr Ziauddin pioneered the work on Islamic Banking & Finance in late 1970's when Islamic finance was not yet taken up by the governments as a needed dimension in their public policies nor it was a commercial enterprise pushed by the financial institutions. During this period, a series of international events were held to serve as important land-mark in the struggle of the Muslim *Ummah* for Islamic resurgence. His very important contribution was his work on preparation of the structure of fiscal and monetary system of Islam as Member, Council of Islamic Ideology, Pakistan, and as Convener, Panel of Economists and Bankers set up by the Council of Islamic Ideology to suggest measures for re-modeling the economic and financial system of the country on Islamic lines. This led to bridging of the gap and transforming of the theory into policy making space. The CII Report facilitated the move towards Islamization of the banking sector, government finance, international trade and the financial sector as a whole.

Dr Ziauddin actively participated in almost all pioneering conferences, seminars and colloquia organized in those days on Islamic economics, amongst which the first International Conference on Islamic Economics held in the Holy City of Makkah in 1976 and the two seminars on the Monetary and Fiscal Economics of Islam held at Makkah (Oct. 1978) and Islamabad (Jan. 1981) were prominent. While the Makkah Seminar addressed itself to some of the major theoretical problems, the Islamabad Seminar, along with further strengthening the theoretical research, undertook a thorough examination of some of the experiments in Islamic banking in different parts of the world in general, and the Report of CII, Pakistan on the Elimination of Interest from the Economy (June, 1980) in particular – a historic document and a pioneering effort to be used by other Muslim countries in their efforts to transform their banking system, in accordance with Islam. Dr Ziauddin, being the most prominent of its architects, presented salient features of that report in the Seminar.

His another major contribution for promoting Islamic economics in its infancy is establishment of International Institute of Islamic Economics (IIIE) in the International Islamic University, Islamabad. After quitting the position of Deputy Governor of the State Bank of Pakistan, he took over as the founder Director General of the IIIE and helped elevate the institution which is among the first few institutions of its kind in the world in the field of Islamic Economics. During his tenure, new M.Sc and Ph.D. programs were introduced, capacity building for Islamization was accelerated by initiation of training programs in Islamic economics and finance for senior government officials, and research was highly promoted.

Dr. Ziauddin served as a luminary for research scholars, speakers at conferences, academicians and the policy makers in the areas of economics and finance. His style of extempore speaking in seminars and conferences seemed as if he was reading from his carefully worded paper with full care of punctuation marks. His lucid writings could serve as ceaseless guide for authors on Islamic economics and finance. He produced many papers and books on different aspects of Islamic economics and was co-editor of the books, "*Money and Banking in Islam*" and "*Fiscal Policy and Resource Allocation in Islam*". His book, "*Islam, Poverty, and Income Distribution*", published in 1991 portrays the Islamic approach to issues of poverty and income distribution in the perspective of Islam's overall scheme for the establishment of a just socio-economic order. It sets out the broad contours of the policy framework provided by Islam for eradication of poverty and achievement of an equitable distribution of income and wealth. It also brings out the distinctive features of the Islamic approach to issues of poverty and

income distribution compared to certain other systemic approaches. Especially, following monographs papers have been referred immensely in the literature on Islamic banking and finance:

1. The Present State of Islamic Finance Movement, International Institute of Islamic Economics, Islamabad, 1985;
2. Some Misgivings about Islamic Interest Free Banking, IIIE, Islamabad, 1985.
3. Islamic Banking: State of the Art, Islamic Economics Studies (IRTI), Vol. 2; No. 1, December, 1994.

In these monographs / papers, Dr Ziauddin analyzed the Islamic banking practices as evolved by that time keeping in view the basic principles of Islamic finance, and suggested to introduce reforms to bring Islamic finance in line with system as was originally conceived to achieve the socio-economic objectives.

Earlier, during his carrier at the State Bank of Pakistan, he also served as Chairman of the Deputies of the Intergovernmental Group of Twenty Four on International Monetary Affairs; Associate Member, Interim Committee of the Board of Governors of the International Monetary Fund; Member, Board of Governors of the Pakistan Administrative Staff College, Lahore, Member, Board of Governors of the National Institute of Business Administration, Karachi, Senior Fellow, Pakistan Institute of Development Economics (PIDE), Member, Advisory Panel of the Applied Economic Research Centre of the University of Karachi and Member, Expert Group on Development Policy and Planning, ESCAP, Bangkok. He had been advisor to the Pakistan Delegation to the annual meeting of the IMF and the World Bank since 1964.

Dr. Ziauddin rendered invaluable services for the economy of Pakistan, the Central Bank of Pakistan and for Islamic economics as an evolving discipline. He was one of the architects of the Research Department in the State Bank of Pakistan set up in 1948. His conviction with Islamic economics and finance was inspired by the inaugural words of the founder of Pakistan that required the Research Department to work on interest-free Islamic system of finance. He initiated and encouraged the work not only on monetary aspects – the main area of any central bank, but also on the Islamic economic system as a whole. In this perspective, Dr. Ziauddin served as a focal person, as indicated above, in the work by the CII and the ‘Panel of Economists and Bankers’ set up in 1977 to assist the CII in the delicate task of finding ways and means to eliminate interest from the country’s economy as a whole and to remodel the economic and financial system of the

country in accordance with the injunctions of Islam. Particularly, his contribution as ‘Convener’ of the Panel of Economists and Bankers was outstanding for preparation of an overarching schema that could be treated as a landmark for transformation of economies throughout the Muslim world to conform to the tenets of Islam. Thus, Dr Ziauddin was among a few personalities in the world who initiated efforts to introduce Islamic economic system in the world in modern age.

In addition to his distinctive contribution as a pioneering Islamic economist, he will also be remembered for his piety, quest for knowledge, hard work and *halal* income and, most importantly, extreme humbleness. He did not like fame and preferred to be unnamed. He lived a simple life of an unknown soldier in the last decades of his life when he progressed in age with Parkinson's disease; as Almighty tested him more, the more he became patient with Allah's decree. Nevertheless, his efforts were recognized in several ways. The IDB Prize in Islamic Banking and Finance for the Year 1411 Hijri (1991) was given to Dr. Ziauddin Ahmad. Also, the State Bank of Pakistan instituted, in December 2001, Ph.D. Scholarship in Economics in the name of Dr. Ziauddin Ahmad for deserving students at the Pakistan Institute of Development Economics (PIDE), Islamabad. May Allah rest the departed soul in eternal peace (Ameen) !

The late Dr. Ziauddin Ahmad

by

S.M. Hasanuzzaman

Dr. Ziauddin Ahmad was one of the architects of the Research Department in the State Bank of Pakistan (set up in 1948) who tried to make the department into an open academic set up rather than bureaucratic and strictly formal machinery. Scholars were free to explore and find out the matters of fact but not forced to follow the line of their boss.

Since the very beginning, Dr. Ziauddin's conviction was inspired by the inaugural words of the founder of Pakistan that called the Research Department to work on interest-free Islamic system of finance. In the State Bank he encouraged the work on the Islamic economic system as a whole. This could provide an idea as to how an interest-free system would fit in the overall set up. The requirement of the constitution of 1973 to eliminate interest from monetary transactions gave further fillip to this inspiration. It was under this background that the Council of Islamic Ideology set up a Panel of Economists and Bankers in 1977 to assist the

Council in the delicate task of finding ways and means to eliminate interest from the country's economy and to remodel the economic and financial system of the country in accordance with the injunctions of Islam. Dr. Ziauddin was appointed Convener of the Panel which submitted its most exhaustive, epoch-making report in February, 1980. During deliberations in the Panel Dr. Ziauddin played a vital role to ensure that the report should not provide a loophole to resorting to interest. The report was treated as a landmark and applauded by relevant quarters throughout the world and the first ever comprehensive, all-embracing and convincing study made so far.

Dr. Ziauddin's academic talents reflected in seminars and conferences in which he seemed to skin through the salient features of any paper, review or comment and with full demonstration of empathy expressed his opinion in a very articulate and coherent manner. His style of extempore speaking seemed as if he was reading from his carefully worded paper with full care of punctuation marks. It was free from verbiage and remained strictly to the point.

While Dr. Ziauddin worked in the State Bank of Pakistan in different capacities including Economic Adviser and Deputy Governor, his immediate subordinates like Director and Executive Director who had become experts in their respective fields (monetary policy, fiscal policy and balance of payments) had a very high opinion for him in respect of his sound knowledge, deep and authoritative insight in all these fields. His personal accomplishments raised him to the position of member, Board of Governors, IMF and consultant/adviser to a large number of national and international organizations.

In his capacity of being the first Director General of the International Institute of Islamic Economics, International Islamic University, he made a signal contribution in developing an integrated teaching and research programme in Islamic economics for undergraduate and post-graduate levels. During his stay in the Institute, he played a very significant role in the development of nascent discipline of Islamic economics. He is the author of *Islam, Poverty and Income Distribution*, and co-editor of *Money and Banking in Islam* and *Fiscal Policy and Resource Allocation in Islam*.

During his private meetings I did not find him recriminating anybody nor evince inveigh against his subordinates or colleagues. He remained humble about his achievements or performance. On the other hand I always found him an affable ascetic although reserved, and having no interest in social gatherings and wasting time in gossip and idle talk. I do not remember if he ever took a cup of tea in the

office. Anyhow, if junior officers had to sit with him till late night he would order for tea for them if somebody demanded for it.

I have rarely found persons who are naturally incapable of committing a vice. Dr. Ziauddin was one of them.

May Allah rest the departed soul in eternal peace (Ameen).

BOOK REVIEW

Islamic Microfinance for Sustainable Development

Authors: Nasim Shah Shirazi, Abdelrahman Elzahi & Ishraga Khattab
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Jeddah, 2014.
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Year: 2014 Pages: 283 + xxiv

Reviewed by: Muhammad Akram Khan*

About 1.2 billion people around the globe live in extreme poverty and 870 million go to bed hungry every night. The ILO estimates that almost 202 million people were unemployed last year, an increase of five million over 2012.¹ In this perspective a lot of thinking is going on to find practical solutions for the problem of widespread poverty. The idea of microfinance has received a lot of attention in the economic literature. Naturally, the Muslim economists also got interested in the idea as the Islamic laws of *zakāh* and *waqf* provided a lot of scope for adapting the concept in the Islamic framework. Despite its popularity in the literature, microfinance is available to merely 100 million people around the globe, out of which only a minority is Muslims. A vast majority of the Muslim poor do not avail of the conventional microfinance as it involves dealing in interest. That has diverted attention of the Muslim societies and Islamic financial institutions to find ways and means for providing microfinance on terms and conditions that are Islamic. The idea was to help the Muslim poor overcome their inhibitions and provide means for

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¹ Clark, Helen. 2014. Tackling poverty, inequality, and environmental unsustainability in the new global agenda: The role of solidarity and advocacy, UNDP, 18 May.
[http://www.undp.org/content/undp/en/home/presscenter/speeches/2014/05/18/helen-clark-video-address-on-tackling-poverty-inequality-and-environmental-unsustainability-in-the-new-global-agenda-the-role-of-solidarity-and-advocacy-to-the-third-world-congress-of-the-international-trade-union-ituc-/](http://www.undp.org/content/undp/en/home/presscenter/speeches/2014/05/18/helen-clark-video-address-on-tackling-poverty-inequality-and-environmental-unsustainability-in-the-new-global-agenda-the-role-of-solidarity-and-advocacy-to-the-third-world-congress-of-the-international-trade-union-ituc/)

improving their lot through religiously acceptable means of finance. That gave birth to the idea of Islamic microfinance.

The present book is a welcome addition to the scant literature on Islamic microfinance. An Introduction by Nasim Shah Shirazi provides the context and summarizes the outcomes of the individual papers providing an overview of the contents to the interested readers. The book brings together thirteen selected papers presented in a conference on “Inclusive Islamic financial sector development: Enhancing financial services for the microenterprises” organized jointly by Islamic Research and Training Institute (IRTI) and Sudan Academy for Banking and Financial Services in October 2011.

The book is divided into five parts. Part-1 addresses the efficiency of microfinance institutions; Part-2 addresses microfinance and poverty reduction, it consists of three papers providing case studies from Pakistan, Indonesia, and Nigeria. Part-3, consisting of two papers, provides comparative analysis of Islamic and conventional microfinance institutions in Bangladesh. Part-4 address the issue of job creation through microfinance. The two papers in this part focus on Sudan’s experience. Lastly, the Part-5 analyses the opportunities and challenges faced by Islamic microfinance in enhancing the financial inclusion.

The book provides thought provoking ideas and empirical work shedding light on the effectiveness of both the conventional and Islamic microfinance. It thus tries to draw attention of the academia and policy makers to some important aspects for the promotion of Islamic microfinance and micro-enterprise. However, there are six papers (#3, 5, 7, 8, 11 and 12) that are very technical, thus for an ordinary reader it is difficult to grasp their messages. Scholarship of the authors gets in the way of readership. Technical jargon without explanation has jeopardized accessibility of the text. Title of the book conveys the impression that the volume will discuss how Islamic microfinance can help in attaining sustainable development. However, the reader is disappointed to see that the subject does not come under discussion at all. It does not belittle value of the papers as such. It only speaks for an inappropriate title for the book. Perhaps, a better title could be: “Some aspects of microenterprise and Islamic microfinance”.

The rationale for Islamic microfinance lies in devising means that avoid interest as is present in conventional microfinance. However, the papers here do not directly deal with this aspect of Islamic microfinance to show whether it has succeeded in providing finance on better terms. Similarly, among the other factors relating to low financial inclusion of the poor are their inability or lack of confidence to interact with

formal organizations such as the microfinance institutions. Most of the poor are illiterate and cannot even sign a document. For them, dealing with a formal organization creates serious obstacles. Moreover, the backward and forward linkages with finance are also important for alleviating poverty. Even if we provide finance to the poor, if they do not have the managerial ability or decision-making powers or the technical know-how, they are likely to waste it. They may not have the ability to use the finance appropriately. Even if they have the ability to use the finance, they may not be able to market their products. Local laws and regulations could also create unfriendly and difficult environment for the poor to do business. That would suggest that mere finance might not make the poor productive until they have training in some skills, elementary management and marketing abilities and an enabling environment to do business. How does Islamic microfinance solve these problems and how is the Islamic approach distinctive from the conventional microfinance? The cost of finance in conventional microfinance is an important detriment in alleviating poverty. How does Islamic microfinance overcome this problem when its proponents also propose *murābahah*-based or *ijārah*-based finance? These are substantial questions and require deep thinking. However, the papers in the book do not discuss these issues. I hope that the editors and authors would take my criticism in good spirit and endeavor to publish future documents on Islamic microfinance that encounter the real issues in Islamic microfinance. That is how the Islamic microfinance can have some appeal for the wider global community.

The book is an edited document of selected papers. A number of papers contain spelling and editorial mistakes and do not adhere to uniform system of citation. The editors did not take enough pains to make some of the highly technical papers intelligible by adding explanatory notes. The book does not have an index at the end, which is customary in all technical and scholarly works. A book published on such important topic should be of international standard in its presentation and content.

Morality and Justice in Islamic Economics and Finance

Author: Muhammad Umer Chapra

Publisher: Edward Elgar Publishing, Inc

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Year: 2014 Pages: 277 + ix

Reviewed by: Salman Syed Ali*

This is the latest book from renowned author Dr. Umer Chapra addressing the hallmarks of Islamic economics and finance, namely, morality and justice, and their implications for the society. Dr. Chapra intended to write a full-fledged book on the concept of justice in Islam. This has been his long-standing wish and still very much a desired objective. However, due to other obligations and engagements this kind of large-scope project would take more time or may remain unfinished. Realizing this, Dr. Chapra embarked on a project of a manageable scope, to write about morality and justice in Islamic economics and finance, which builds on his previous work.

The book consists of an in-depth introduction on the role of Islamic economics and finance in promotion of economic justice, along with eight of his previously published papers collected together. These are organized under two parts: one focusing on Islamic economics, the other concentrating on Islamic finance. The idea behind collecting these papers together is that “the whole is greater than the sum of its parts” scattered in various journals and books.

The introduction begins with presentation of the vision of Islam to be ‘blessing for mankind’ and states the factors behind Muslims’ failure to realize this vision today. It stresses the crucial importance of justice in society and shows its centrality in the message brought by all the prophets and messengers of Allah. It then goes on to explain the role that a financial system can play in promoting justice, and discusses how Islamic finance can do just that. In the sphere of economics, it can promote sustainable development in conformity with the vision of the society, expand employment and self-employment opportunities, increase supply of need-fulfilling

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goods and services, reduce concentration of wealth, and minimize inflationary pressures.

A listing of the titles of the subsequent eight chapters would be sufficient to give an idea about the breadth and importance of the work. Chapter 1: Is it necessary to have Islamic economics?; Chapter 2: Islamic economics: what it is and how it developed; Chapter 3: Ethics and economics: the Islamic imperative; Chapter 4: Ibn Khaldun's theory of development: does it explain the low performance of the present-day Muslim world? The second set of four chapters focuses on justice through Islamic finance. Chapter 5: The case against interest: is it compelling? Chapter 6: Innovation and authenticity in Islamic finance; Chapter 7: Challenges facing Islamic financial industry; and Chapter 8: The global financial crisis: some suggestions for the reform of the global financial system in the light of Islamic finance.

The message of the book if summarized is as follows: An important objective of Islam is to realize justice in greater human society. Laws and moral values are there to help in this realization. The economic system may be able to promote justice by transforming the individual from 'economic man' to a morally-conscious human being. The financial system may be able to promote justice if, in addition to efficiency and stability, it satisfies at least two more conditions. One is that it should encourage risk sharing between the financier and financed rather than risk shifting, and the other is that a portion of the financial resources should also be available to poorer sections of the population so that wealth may not remain circulating among the rich only.

The book is of interest both to experts and ordinary readers interested in interaction of moral economic and financial systems in shaping of the society.

**ABSTRACTS OF ARTICLES PUBLISHED IN
DIRASAT IQTISADIAH ISLAMIAH
IN VOL. 20 No. 2**

الحوكمة في المصارف الإسلامية اليمنية دراسة تطبيقية

د. محمد فرحان* - محمد أمين قائد عبدالقادر♦

ملخص الدراسة

(Published in *Dirasat Iqtisadiyah Islmiah* Vol. 20 No. 2)

هدفت هذه الدراسة إلى التعرف بصفة أساسية على مبادئ الحوكمة في المصارف الإسلامية وقياس مدى تطبيق تلك المبادئ في المصارف الإسلامية اليمنية، ولتحقيق أهداف الدراسة تم تغطية الجانب النظري من الدراسة من خلال الاطلاع على الكتب والدوريات والمجلات والندوات والمؤتمرات والدراسات العلمية، بينما تم تغطية الجانب الميداني للدراسة من خلال اتباع المنهج الوصفي التحليلي، وذلك بتصميم استمارة استبيان مكونة من (29) سؤال تغطي معظم مبادئ الحوكمة في المصارف الإسلامية وبما يتناسب مع الطبيعة المميزة لها عن غيرها من البنوك التقليدية، إذ تم توزيع الاستبانة على عينة الدراسة التي شملت كل مجتمع الدراسة المكون من أربعة مصارف إسلامية يمنية.

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♦ باحث متخصص في المصارف الإسلامية.

أما فيما يتعلق بتحليل النتائج الميدانية للدراسة فقد تم الاعتماد على الحزمة الإحصائية للعلوم الاجتماعية (SPSS) وما تتضمنه من متوسطات حسابية وانحرافات معيارية في عملية تحليل الفرضيات واختبارها، ومن خلاله تم التوصل إلى مجموعة من النتائج تتلخص في أن مستوى تطبيق المصارف الإسلامية اليمنية لمبادئ الحوكمة وقواعدها هو بمستوى متوسط، مع ملاحظة أن هناك قصوراً في بعض الجوانب يتمثل في عدم توفر متطلبات الإفصاح والشفافية بالنسبة للعمليات المالية الإسلامية التي تتميز بها المصارف الإسلامية عن غيرها من المصارف التقليدية، وكذا عدم توفر العدالة في نظام الرواتب والأجور للعاملين بالمقارنة مع المصارف والمؤسسات المنافسة.

ومن خلال نتائج الدراسة تم التوصل إلى مجموعة من التوصيات موزعة بحسب الجهات ذات العلاقة، حيث أوصت الدراسة مجالس الإدارة والإدارات التنفيذية في المصارف الإسلامية اليمنية بالاهتمام بتوفير متطلبات الإفصاح والشفافية بالنسبة للبيانات المالية الخاصة بالعمليات المالية الإسلامية، وتوفير العدالة في نظام الرواتب والأجور للعاملين، وكذا تفعيل دور هيئة الرقابة الشرعية والعمل على استقلاليتها، كما أوصت الجهات الرقابية والإشرافية ممثلة بالسلطات النقدية (البنك المركزي اليمني) بضرورة تطبيق مبادئ وقواعد الحوكمة فيها أولاً، كما أوصت الدراسة الحكومة بالعمل الجاد في استكمال كافة متطلبات إنشاء سوق للأوراق المالية.

أثر وإمكانية تطبيق محاسبة القيمة العادلة في المصارف الإسلامية

أ. د. هوام جمعة* - حديدي آدم♦

ملخص

في إطار سعيها المتواصل لتحقيق أهداف المحاسبة المالية، المتمثلة بشكل رئيسي في تزويد مستخدمي البيانات المالية بمعلومات مفيدة تساعدهم في اتخاذ قرارات اقتصادية رشيدة، فقد توجهت معظم الهيئات المهنية المشرفة للمعايير المحاسبية في معظم الدول، ومنها مجلس معايير المحاسبة الدولية نحو مفهوم القيمة العادلة أساساً لقياس البنود المالية حيثما أمكن ذلك، في محاولة لمعالجة عيوب أساس التكلفة التاريخية. وقد أحدث هذا التوجه العديد من الآراء المؤيدة والمعارضة لهذا المفهوم، كما اعتبره بعضهم تغييراً محورياً في الفكر المحاسبي.

وكانت المحاسبة المالية، والقياس المحاسبي خصوصاً، تحت المجهر خلال فترة التغييرات الاقتصادية الجوهرية في العقدين الأخيرين. فمن هذه الأحداث: توحيد المعايير المحاسبية دولياً والفضائح المالية (قضية شركة إنرون مثلاً) والأزمات الاقتصادية المتلاحقة أو حتى تعقيدات العمليات المصرفية والثورات التقنية والمعلوماتية المختلف. وهذا ما يطرح السؤال المنطقي، ماذا عن التمويل الإسلامي؟ وما الفرق الذي

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ستحدثه هذه الاعتبارات المحاسبية في صناعة الصيرفة الإسلامية؟ هل هناك دور جديد لقياس محاسبي من منظور إسلامي؟!

والحديث عن القياس المحاسبي كما أشرنا يستوجب النظر أولاً في أهداف المحاسبة المالية وتحديد متطلبات الإطار النظري في هذا الخصوص. ويأتي بعد ذلك النظر في خيارات القياس المتعددة ومدى ملاءمتها لبيئة الأعمال، ومن ثم تحديد الخيار الأنسب أو مجموعة الخيارات المناسبة للتطبيق. ويضيف المنظور الإسلامي أبعاداً جوهرية أخرى إلى المسألة، كمدى تحقيق وسائل القياس المحاسبية للمقاصد الشرعية إضافةً إلى قدرتها على تفادي المحظورات مع التمتع بحرية تطبيقية جيدة.

لذلك تهدف هذه الدراسة إلى البحث عن إيجاد أرضية مشتركة بين معايير المحاسبة الدولية أو معايير الإبلاغ المالي، وكذا المعايير المحاسبية الإسلامية بصفة عامة، وإمكانية توجه هيئة المحاسبة والمراجعة للمؤسسات المالية والإسلامية نحو معايير محاسبة القيمة العادلة بصفة خاصة وإمكانية تطبيقها في المصارف الإسلامية من خلال عملية القياس والإفصاح والاعتراف، ومدى تحقيق وسائل القياس المحاسبية المبنية على أساس القيمة العادلة للمقاصد الشرعية إضافةً إلى قدرتها على تفادي المحظورات، وأثر تطبيق معايير محاسبة القيمة العادلة على جودة المعلومات المحاسبية للمصارف الإسلامية.

الكلمات الدالة: القيمة العادلة، المصارف الإسلامية، جودة المعلومة المحاسبية، إمكانية التطبيق

استحضار مقصد المعروف والرفق في السلوك الاقتصادي للمسلم

د. محمد سنيني*

ملخص

"توهم الربا كالعلم به"، قالها المقرئ المالكي في قواعده¹. إنها تُبين مدى شرطية تحقق التماثل في مبادلة الأموال الربوية، ولكن لما قال المقرئ بعد القاعدة السابقة: "قد يباح بعض الربا عند مالك: إما للمعروف كالمبادلة، أو للرفق..."²، تُبين مدى قدرة القيم في صرف المعاملة من الفساد إلى الصحة، بل إن الارتفاق جعله الشرع سببا لاستثناء القرض من ربا النسيئة المجمع عليه، كل ذلك لاستثارة المواساة والتعاطف والتواد في قلب المسلم إذا ما أريد للأخوة الإيمانية أن تكون أحد العوامل الأساسية لترابط المجتمع المسلم وديمومته. وبالمقابل لما نهى الشرع عن جملة من التصرفات كالنجش، والبيع على البيع، والسوم على السوم، وكل ما يعكر

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¹ - القواعد، لأبي عبد الله محمد بن محمد المقرئ الجد، دراسة وتحقيق: محمد بن محمد الدرداني، إشراف: د. علي سامي

النجار (رسالة دكتوراه: دار الحديث الحسنية، الرباط، السنة: 1400هـ/1980م)، قاعدة رقم: 874، ص 348.

² - قواعد المقرئ، قاعدة رقم: 879، ص 349.

صفو الأخوة الإيمانية، أراد بذلك حماية لحمة المجتمع من أسباب التباغض والتحاسد والتفرق.

إن ثمة نظائر روعي فيها مقصد المعروف والرفق، فالغمر لا يراعى ولو كان فاحشا في التصرفات التي يقصد منها الإحسان الصرف، كما في باب التبرعات. كما أن ثمة قواعد رجع الجواز فيها، كقاعدة "ضع وتعجل"، لانطوائها على براءة الذمم، وهو مقصد يتطلع إليه الشرع، ويتضمن رفع الضرر عن المدين، فإن في براءة ذمته تخلص له من الأسر، لأن الغريم المدين يسمى: أسيرا.

إن ذلك التطلع لبراءة ذمة المدين رتب عليه الشرع تكفير الذنوب، فقد روى مسلم قوله صلى الله عليه وسلم «حُوسِبَ رَجُلٌ مِمَّنْ كَانَ قَبْلَكُمْ فَلَمْ يُوْجَدْ لَهُ مِنَ الْخَيْرِ شَيْءٌ إِلَّا أَنَّهُ كَانَ يُخَالِطُ النَّاسَ وَكَانَ مُوسِرًا فَكَانَ يَأْمُرُ غُلَمَانَهُ أَنْ يَتَجَاوَزُوا عَنِ الْمُعْسِرِ، قَالَ: قَالَ اللَّهُ عَزَّ وَجَلَّ: نَحْنُ أَحَقُّ بِذَلِكَ مِنْهُ تَجَاوَزُوا عَنْهُ»³، وقد سماه القرآن صدقة في قوله تعالى: (وَإِنْ كَانَ دُوْ عُسْرَةٍ فَنَظِرَةٌ إِلَى مَيْسَرَةٍ وَأَنْ تَصَدَّقُوا خَيْرٌ لَّكُمْ إِنْ كُنْتُمْ تَعْلَمُونَ(280)) (البقرة)، ناهيك عن النصوص المرغبة في إنظار المعسر رفقا به، ودفعاً لحرجه، وفي تسميته صدقة دعوة لتكثيره، وترويض النفس على التحلي به.

ويضاف إلى ذلك كله تلك النصوص الدافعة إلى استحضار الرفق ورفع الغبن واستبعاد استغلال حاجات الناس وضرورتهم، واجتناب الصيد في مآسيهم، وتقديم المصلحة العامة على المصلحة الخاصة في سلوك الاقتصادي للمسلم.

³ - أخرجه مسلم في صحيحه، واعتنى به: أبو صهيب الكرمي (الرياض: بيت الأفكار الدولية، 1419هـ/1988م)،

المساقاة، باب فضل إنظار المعسر، رقم: 1561، ص 639.

فالبحت يركز على بيان مدى أثر القِيم، ومنها المعاملة بالمعروف والرفق في حياة المسلم الاقتصادية، وبيان مآلات الغبن والاستغلال والجشع والطمع والاحتكار وغيرها من رذائل النفس، وشهواتها الطافحة، ليس فقط على المتصف بها، بل على المجتمع برمته، وما تفرزه من اختلال وتخبط وهزات في المنظومة الاقتصادية والمنظومة الاجتماعية.

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Documents occasionnels

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TRANSLITERATION TABLE

Arabic Consonants

- Initial, unexpressed medial and final:

ء '	د d	ض ḍ	ك k
ب b	ذ dh	ط ṭ	ل l
ت t	ر r	ظ ṣ	م m
ث th	ز z	ع ʿ	ن n
ج j	س s	غ gh	ه h
ح ḥ	ش sh	ف f	و w
خ kh	ص ṣ	ق q	ي y

- Vowels, diphthongs, etc.

Short	ا a	إ i	و u
Long	أ ā	ي ī	و ū
Diphthongs	أ aw	ئ ay	

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