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«Show us the straight way.»
Surat Al-Fatiha, 1:6 Holy Quran

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The Shari'ah Scholar's Journal



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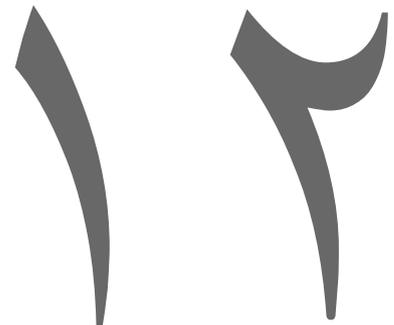
SHARI'AH SCHOLARS
Muhammad Shafi Usmani
Khalid Zaheer

ISLAMIC STUDIES
Ezzedine Ghlamallah
Christos Alexakis

THE INTERVIEW
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ISLAMIC BELIEF & STUDIES
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البركة



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Editorial

Dear Readers

Islamic concept of democracy is different from capitalistic democracy. In a capitalistic democracy, the elite class is able to expend on political campaigns and hence take part in politics and where crony capitalism results in business and political class combining to pursue theirself interest. In a capitalistic democracy, the accountability is restricted to laws set by humans and beyond which, there is no controlling mechanism if there is no belief in afterlife accountability.

In an Islamic political system, afterlife accountability, if it is understood and observed clearly, will result in self-regulating mechanisms in all organs of state. Institutions after all, are represented and run by humans. With its distinctive worldview, Islam inculcates in a human, the concept of afterlife accountability and which act as a self-regulating mechanism. Indeed, historically, when rulers in Islamic state have lived in light of this recognition, they have exemplified modest and simple living.

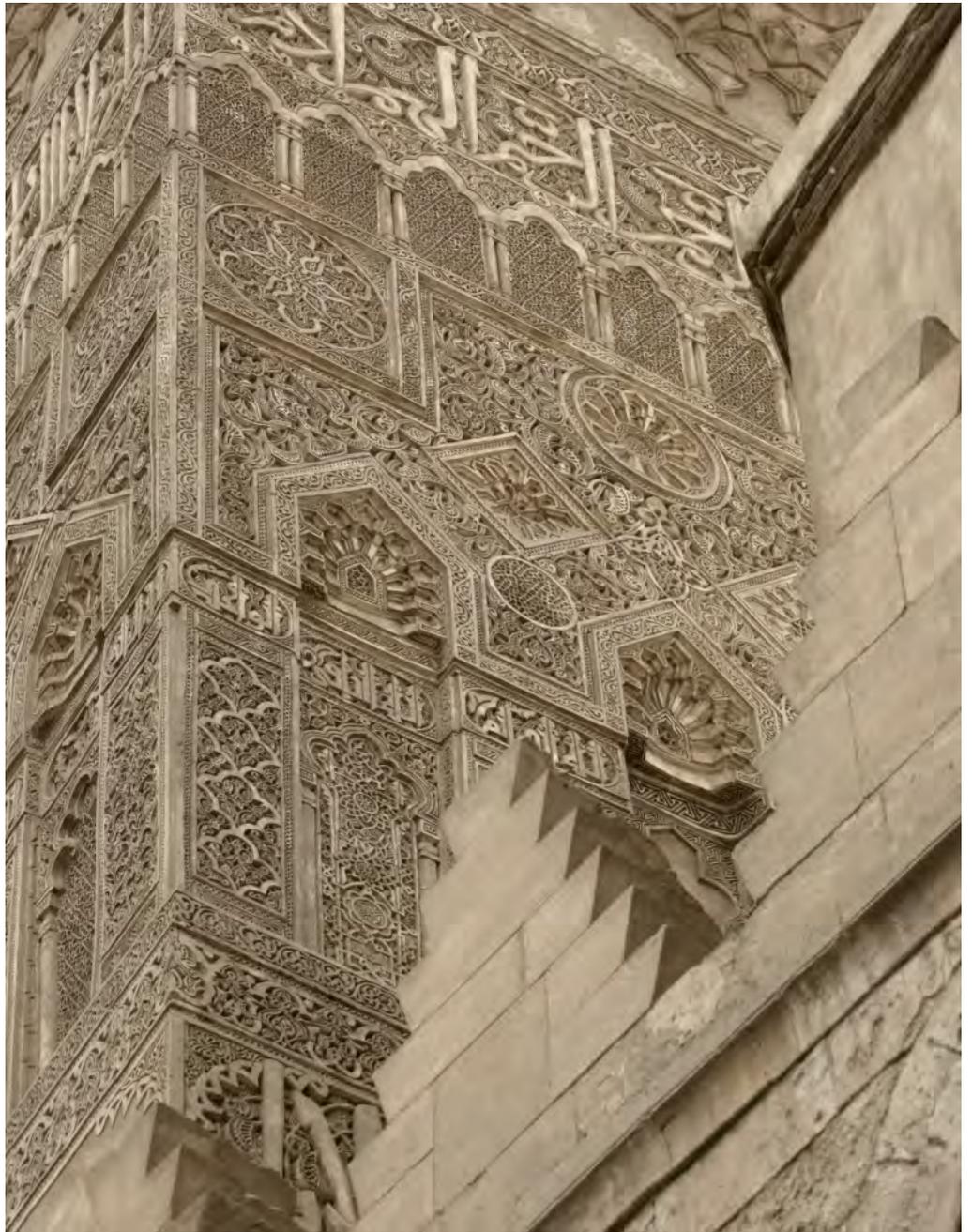
In matters where explicit divine guidance is present, democracy in an Islamic state would take divine guidance as guiding light and the divine guidance is itself quite logical, just, and equitable and has proven to be welfare-enhancing in collective spheres of life.

The divine principles rather than giving way to autocracy and exploitation, engender strong accountability, limit the government's power to levy exorbitant taxes and ensure socio-economic justice and civil equality. Islam directs Muslims to uphold justice and directs that even enmity of a nation must not digress them from the path of justice.

Injustice is one of the main hurdles in bringing about peace in this world. Injustice in politics, in economics and in every sphere of life must be avoided as per Islam.

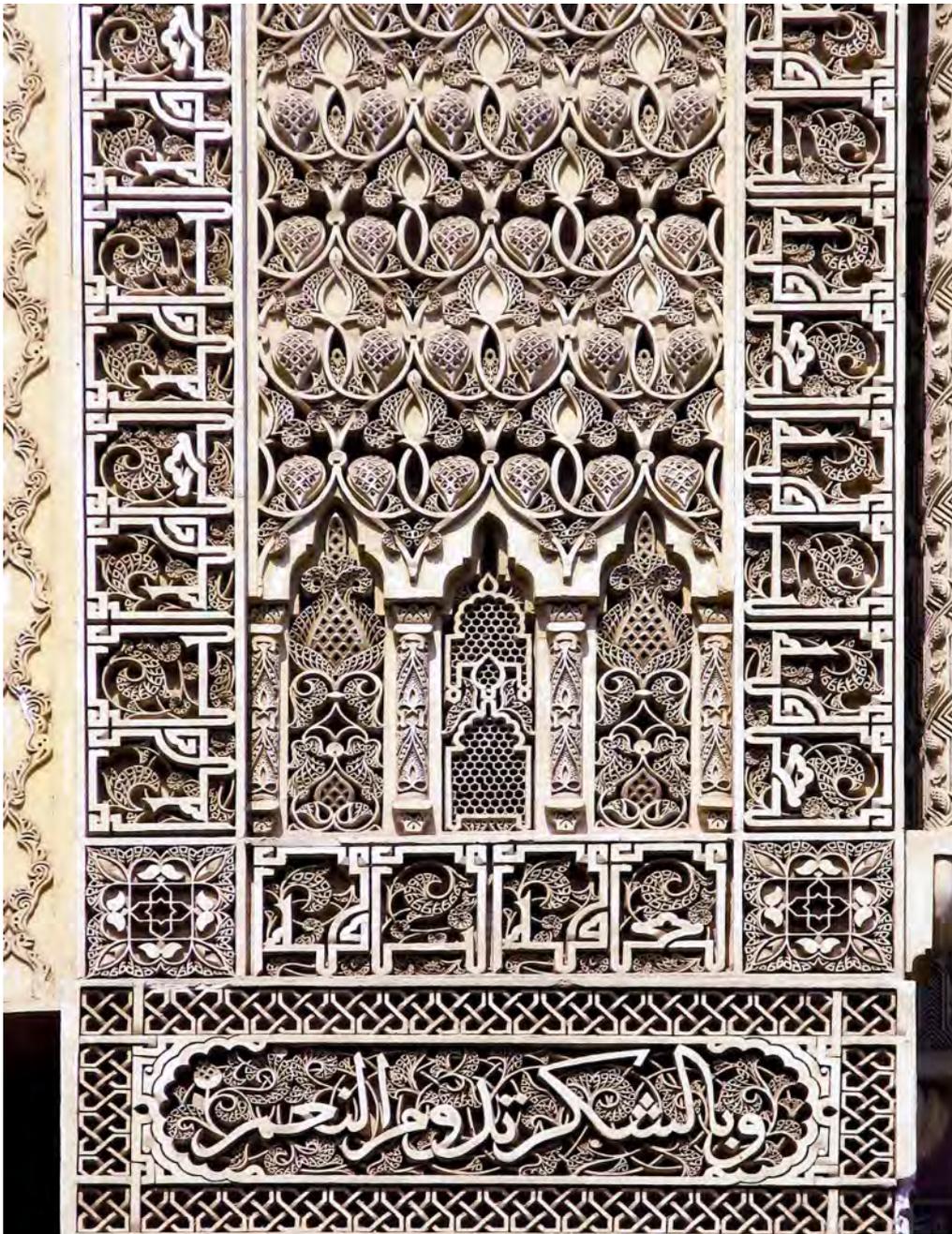
On the other hand, secularism as a philosophy or comprehensive doctrine is not entirely democratic as it does not allow religion to prevail in public sphere of life even democratically. It confines religion to one's private life only and does not permit democracy to allow religion to expand into the public sphere of life. If Muslims want state administered Zakat and Waqf for themselves in Muslim majority regions, secularism denies this right to Muslims even if Muslims put up a completely democratic desire for it through elections and referendums.

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Muhammad Shafi Usmani

Mufti .Mufti Muhammad Shafi Usmani was a Hanafi jurist and mufti, an authority on shari'ah, hadith, tafsir, and tasawwuf. He graduated in 1917 from Darul Uloom Deoband, where he later taught hadith and held the post of Chief Mufti. He resigned from the school in 1943 to devote his time to the Pakistan Movement. After the independence, he moved to Pakistan, where he established Darul Uloom Karachi in 1951. He is regarded as the first Grand Mufti of Pakistan. Of his written works, his best-known is Ma'ariful Qur'an, a tafsir of the Qur'an.

The Objects of the Distribution of Wealth According to Islam

By Mufti Muhammad Shafi Usmani

If we consider the injunctions of the Holy Qur'ân, it would appear that the system for the distribution of wealth laid down by Islâm (a sketch of which will be presented later on) envisages three objects:

(a) The establishment of a practical system of economy

The first object of the distribution of wealth is that it would be the means of establishing in the world a system of economy which is natural and practicable, and which, without using any compulsion or force, allows every individual to function in a normal way according to his ability, his aptitude, his own choice and liking, so that his activities may be more fruitful, healthy and useful. And this cannot be secured without a healthy relationship between the employer and the employee, and without the proper utilization of the natural force of supply and demand. That is why Islâm does admit these factors. A comprehensive indication of this principle is to be found in the following verse:

“We have distributed their livelihood among them in worldly life, and have raised some above others in the matter of social degrees, so that some of them may utilize the services of others in their work.” (43:32)

(b) Enabling everyone to get what is rightfully due to him

The second object of the Islâmîc system of the distribution of wealth is to enable everyone to get what is rightfully his. But, in Islâm, the conception and the criterion of this right is somewhat different from what it is in other systems of economy. Under materialistic economic systems, there is only one way of acquiring the right to wealth, and that is a direct participation in the process of production. In other words, only those factors that have taken a direct part in producing wealth are supposed to be entitled to a share in wealth, and no one else. On the contrary, the basic principle of Islâm in this respect is that wealth is in principle the property of Allâh Himself and He alone can lay down the rules as to how it is to be used. So, according to the Islâmîc point of view, not only those who have directly participated in the production of wealth but those too whom Allâh has made it obligatory upon others to help, are the legitimate sharers in wealth. Hence, the poor, helpless, the needy, the paupers, and the destitute— they too have a right to wealth. For, Allâh has made it obligatory on all those producers of wealth among whom wealth is in the first place distributed that they should pass on to them some part of their wealth. And

the Holy Qur'ân makes it quite explicit that in doing so they would not be obliging the poor and the needy in any way, but only discharging their obligation, for the poor and the needy are entitled to a share in wealth as a matter of right. Says the Holy Qur'ân:

“In their wealth there is a known right for those who ask for it and those who have need for it.” (70:24-25)

In certain verses, this right has been defined as the right of Allâh. For example, this verse in connection with harvests:

“and pay what is rightfully due to Him on the day of harvesting.” (6:142)

The word “right” in these two verses makes it clear that participation in the process of production is not the only source of the right to wealth, and that the needy and the poor have as good a right to wealth as does its primary owners. Thus Islâm proposes to distribute wealth in such a manner that all those who have taken a part in production should receive the reward for their contribution to the production of wealth, and then all those too should receive their share whom Allâh has given a right to wealth (These two groups of sharers will be discussed in greater detail later on).

(c) Eradicating the concentration of wealth

The third object of the distribution of wealth, which Islâm considers to be very important, is that wealth, instead of becoming concentrated in a few hands, should be allowed to circulate in the society as widely as possible, so that the distinction between the rich and the poor should be narrowed down as far as is natural and practicable. The attitude of Islâm in this respect is that it has not permitted any individual or group to have a monopoly over the primary sources of wealth, but has given every member of the society an equal right to derive benefit from them. Mines, forests, un-owned barren lands, hunting and fishing, wild grass, rivers, seas, spoils of war, etc., all these are primary sources of wealth. With respect to them, every individual is entitled to make use of them according to his abilities and his labor without anyone being allowed to have any kind of monopoly over them.

“So that this wealth should not become confined only to the rich amongst you.” (59:7)

Beyond this, wherever human intervention is needed for the production of wealth and a man produces some kind of wealth by deploying his resources and labor, Islâm

gives due consideration to the resources and labor thus deployed, and recognizes that man's right of property in the wealth produced. Everyone shall get his share according to the labor and resources invested by him. Says the Holy Qur'ân:

“We have distributed their livelihood among them in worldly life, and have raised some above others in the matter of social degrees, so that some of them may utilize the services of others in their work.” (43:32)

But in spite of this difference among social degrees or ranks certain injunctions have been laid down in order to keep this distinction within such limits as are necessary for the establishment of a practicable system of economy, so that wealth should not become concentrated in a few hands.

Of these three objects of the distribution of wealth, the first distinguishes Islâmîc economy from Socialism, the third from Capitalism, and the second from both at the same time. (This point will be discussed in detail later on.)

Having indicated these basic principles of Islâmîc economy, we would now proceed to a brief exposition of the system of the distribution of wealth which one can derive from the Qur'ân, the Sunnah, and the elucidations of the Muslim jurists (Fuqahâ).

The Capitalist View of the Distribution of Wealth

In order to understand the Islâmîc point of view fully, it would be better to have a look at the system of the distribution of wealth that is obtained under the Capitalist economy. This theory can be briefly stated like this – wealth should be distributed only over those who have taken a part in producing it, and who are described in the terminology of economics as the factors of production. According to the Capitalistic economics, these factors are four: -

- 1- Capital– which has been defined as “the produced means of production” (that is to say, a commodity which has already undergone one process of human production, and is again being used as a means of another process of production).
- 2- Labor– that is to say, any exertion on the part of man.
- 3- Land– which has been defined as “natural resources” (that is to say, those things which are being used as means of production without having previously undergone any process of human production).
- 4- Entrepreneur or Organization– the fourth factor which

In the pre-Islamic period, certain Arab tribes used to carry on their trade with the help of money borrowed on the basis of interest from other tribes. Islam put an end to such transactions altogether. Ibn Juraij says:

"In the pre-Islamic period, the tribe of Barm Amr bin Auf used to take interest from the tribe of Banu-al-Mughira, and the Banu-al-Mughira used to pay this interest. When Islam came, the latter owed a considerable amount of money to the former."

And further on:

"The Banu-al-Mughira used to pay interest to the Banu Thaqif."

Let it be understood that the position of every Arab tribe was like that of a joint company, carrying on trade with the joint Capital of its individual members. So, when a tribe would borrow collectively from another tribe, it would usually be for the purposes of trade. The Holy Qur'an prohibited even this practice.

Thus, under the Islamic system of economy, if a man wants to lend his money to a businessman for being invested in business, he will have first to decide clearly whether he wishes to lend this money in order to have a share in the profit, or simply to help the businessman with his money. If he means to earn the right to a share in the profit by lending his money, he will have to adopt the mode of "partnership" or that of "cooperation". That is to say, he too will have to bear the responsibility of profit or loss- if there is eventually a profit in the enterprise, he shall have a share in the profit; but if there is a loss, he shall have to share the loss too.

On the other hand, if he is lending this money to another person by way of help, then he must necessarily regard this help as no more than help, and must forgo all demand for a "profit". He will be entitled to get back only as much money as he has lent out. Islam considers it not only unjust but also meaningless that he should fix a rate of "interest" and thus place all the burden of a possible loss on the debtor.

This discussion makes it clear that Islam places the responsibility of "taking the risk of loss" on Capital. The man who invests capital in a risk-bearing business enterprise shall have to take this risk.⁵ Thus while, according to most economists, the essential characteristic of an "entrepreneur" is that he takes a risk, Islam considers it to be in principle the characteristic of "Capital". Thus, under the Islamic system of economy, Capital and Entrepreneur become one and the same, and their share in the distribution of wealth is profit, not interest.

But if one were to regard (as some economists do) the essential characteristic of an entrepreneur to be management and planning, then this activity falls under the head of "labor" and to consider it as a separate factor is unnecessary elaboration.

If a man invests capital borrowed on the basis of "debt without interest" and has not made any agreement with the creditor for a "partnership" or "cooperation", the debtor himself becomes the owner of this capital after having borrowed it, and now he invests it in the capacity of a Capitalist. So, he himself shall have to bear the responsibility of loss.

The Difference between Rent and Interest

The foregoing discussion has sufficiently established the fact that Islam considers "profit" and "wages" to be lawful and "interest" to be unlawful. Now we are left with the fourth item - namely "rent". Islam considers this too as lawful. But there arises a question in the minds of some men on this point- when taking or giving interest on capital is unlawful because of there being a fixed rate, why should rent on land (which includes machinery, according to our terminology) be lawful, rent also being something fixed?

In order to answer this question, one should first understand that important distinction. The material resources employed in economic operations are of two kinds. On the one hand are those goods which, in order to be utilized and exploited, do not have to be wholly consumed but may retain their form as such while being utilized - e.g., land, machines, furniture, carriages, etc., which can be utilized without impairing their identity. Since such commodities are exploitable in themselves, and the modes of utilizing them are such that the person who takes them on rent does not have to exert himself in the least, while their constant use depreciates them in value, so taking or giving "wages" for the utility yield is quite just and reasonable. It is to these "wages for the utilities provided" that Islam gives the name of "rent". On the other hand, money is a commodity which has to be wholly consumed in order to be utilized. One cannot derive any benefit from it until one has bought something for this money. So, money is not utilizable in itself. Hence, on the one hand, no matter what the benefit which the debtor wishes to derive from it, he has to spend the money and then to put in his own labor in order to derive that benefit; on the other hand, the value of money does not suffer on account of being used by him. That is why it would be unreasonable to impose a fixed rate of interest on this

brings together the other three factors, exploits them and bears the risks of profit and loss in production.

Under the Capitalist economy, the wealth produced by the cooperation of these four factors is distributed over these very four factors like this: one share is given to capital in the shape of interest, the second share to labor in the shape of wages, the third share to land in the shape of rent (or revenue), and the fourth share (or the residue) is reserved for the entrepreneur in the shape of profit.

The Socialist View of the Distribution of Wealth

Under the Socialist economy, on the other hand, capital and land, instead of being private property, are considered to be national or collective property. So, the question of interest or rent (or revenue) does not arise at all under the philosophy of this system.

Under the Socialist system, the entrepreneur too is not an individual but the state itself. So, profit as well is out of the question here – at least in theory. Now, there remains only one factor– namely, labor. And labor alone is considered to have a right to wealth under the Socialist system, which it gets in the shape of “wages.”

The Islâmic View of the Distribution of Wealth

The Islâmic system of the distribution of wealth is different from both. From the Islâmic point of view, there are two kinds of people who have a right to wealth:

- (1) Those who have a primary right – that is to say, those who have a right to wealth directly in consequence of a participation in the process of production. In other words, it is those very “factors of production” which have taken a part in the process of producing some kind of wealth.
- (2) Those who have a secondary right – that is to say, those who have not taken a direct part in the process of production, but it has been enjoined upon the producers to make them co-sharers in their wealth. We shall discuss in some detail these two groups of people who have a right to wealth.

Those who have a Primary Right to Wealth

As indicated above the primary right to wealth is enjoyed by “the factors of production”. But “the factors of production” are not specified or technically defined, nor is their share in wealth determined in exactly the same way as is done under the Capitalist system of economy. In fact, the two ways are

quite distinct. From the Islamic point of view, the actual factors are three, instead of being four: -

- 1- Capital- that is, those means of production which cannot be used in the process of production until and unless during this process they are either wholly consumed or completely altered in form, and which, therefore, cannot be let or leased (for example, liquid money or food stuffs etc.).
- 2- Land- that is, those means of production which are so used in the process of production that their original and external form remains unaltered, and which can hence be let or leased (for example, lands, houses, machines etc.).
- 3- Labor- that is, human exertion, whether of the bodily organs or of the mind or of the heart. This exertion thus includes organization and planning too. Whatever “wealth” is produced by the combined action of these three factors would be primarily distributed over these three in this manner: one share of it would go to capital in the form of profit (and not in the form of interest); the second share would go to land in the form of rent, and the third share would be given to labor in the form of wages.

Money Lending Business

The fourth form of investing Capital which has since ever been practised in non- Islamic societies is the money lending business. That is to say, one person lends out capital in the form of a debt, and a second person puts in his labor; if there is a loss, it has to be borne by labor, but, profit or loss, interest does accrue to capital in any case. Islam has interdicted this form of investment.

"O, believers, fear your Allah, and give up what is still due to you from the interest (usury), if you are true believers. But if you do not do so, then take notice that Allah and His Messenger shall war with you." (2:279) The Holy Qur'an also says:

"Yet if you repent (of usury) you shall have your principal. Do not be unjust to any one, nor should anyone be unjust to you." (2:278) In these two verses, the phrases "what is still due to you from the interest" and "you shall have the principal" make it quite explicit that Allah does not condone the least quantity of interest, that "giving up the interest" implies that the creditor should get back only the principal. Thus, one can clearly see that Islam considers every rate of interest (except zero %) to be totally inadmissible.



money. The owner of the money has the free choice either not to lend his money at all or to enter into a "partnership" or "cooperation" with the person who needs the money. But if he lends the money in the form of a debt, Islam cannot allow him to charge an interest on it according to a fixed rate.

It is on this basis that we have defined our terms like this - the things which are not utilizable in themselves without being wholly consumed would be called "capital"; when they enter into a commercial enterprise as a factor of production, they would be entitled to profit; the things which are utilizable even without being wholly consumed would be called "land", and on account of having participated in the process of production they would receive some part of the wealth in the form of rent.

The Prohibition of Interest and its Effect on the Distribution of Wealth

As the foregoing discussion has made clear, one of the basic differences between the Islamic system and the Capitalist system with regard to the distribution of wealth is that Capitalism allows interest, while Islam forbids it. Now, it would be proper to have a cursory glance at another aspect of the problem too - what are the consequences that follow from the interdiction placed upon interest?

In fact, the prohibition of interest has very far-reaching, beneficial, and profound effects on the whole system of the production of wealth itself. But this discussion would lead us far beyond the subject of this article. So, for the moment, we shall only summarily indicate the effects which Islamic injunctions do have on the system of the distribution of wealth. A very simple consequence of the prohibition of interest is that it produces a balance and uniformity in the distribution of wealth. The necessary characteristic of the economy based on interest is that the profit of one of the parties (i.e., Capital) is assured in a fixed form under all circumstances, but, contrarily, the profit of the other party (i.e. Labor) remains uncertain and doubtful. Big commercial enterprises, no matter how profitable they become, can never be considered immune from risk.

In fact, while the "risks" of big business have been decreased because the means of production are available in an adequate measure, they have at the same time been increased by certain external factors. The bigger is the enterprise, the greater these risks are. So, under the Capitalist economy, the balance of the distribution of wealth

becomes very unsteady. Sometimes the debtor has to bear severe loss, while the creditor goes on minting money. Sometimes, on the other hand, the entrepreneur earns a huge profit, while the man who has provided the capital gets only an insignificant share from it.

Contrary to it, since Islam prohibits interest, it would in practice allow only two forms of investing capital in the modern world- "Partnership" and "Cooperation" . Both these forms are completely free from this injustice and imbalance in the distribution of wealth. Under these two forms of investment, if there is a loss, it has to be borne by both the parties, and if there is a profit, both have a proportionate share in it. This mode of investment to a great extent serves as an effective check on the concentration of wealth, which is the greatest evil of the Capitalist economy. Wealth, instead of becoming accumulated in the hands of a few, is so distributed over a very large number of individuals in the society that no injustice is done to anyone. Under the Capitalist system, economy being based on interest, Capitalists come not only to own the greater part of national wealth, but also to control the whole market and to run it in their own selfish interest. As a result of this, the system of "the supply of commodities" and that of "prices" can no longer function in a natural manner, but becomes artificial in so nefarious a way that no sphere of life, from economy, manners and morals to politics, can escape its evil influences. By prohibiting interest, Islam has struck at the very root of these evils. Under the Islamic system, everyone who invests his money has a share in the enterprise and its policy, bears the responsibility of profit and loss both, and thus he is no longer allowed to have his own way in business.

A Doubt and its Clarification

It is necessary to clarify a doubt that may arise here. In discussing the evils of the economy based on interest, we have said that it produces an imbalance in the distribution of wealth, and that one of the two parties in a business enterprise is necessarily affected by it. Some people are quite likely to raise the objection that the man who suffers a loss in a transaction based on interest, suffers it through his own choice - if he deliberately exposes himself to such risk, why should the law of the Shari'ah interfere with his right to do so?

Even a little reflection would easily solve this problem. A slight acquaintance with the Islamic way of life should be sufficient to bring out the principle that, according to Islam, the mutual consent of two parties does not always justify a

certain transaction. If a man is willing to get murdered by another man, this fact would not absolve the murderer of his crime. Even in the case of fornication, which the West in its shortsightedness considers to be a private affair of the individual, mutual consent of the two parties cannot absolve the criminals. The question of the distribution of wealth and economic welfare goes much beyond this. We have already explained, with due quotations from the Holy Qur'an, that wealth is in principle the property of Allah Himself, and that the ownership He has bestowed upon man is, far from being unconditional and unbridled, subject to certain principles laid down by Allah Himself. That is the reason Islam does not allow the mutual consent of the parties concerned to be treated as a justification for a transaction which Islam regards as intrinsically unjust or which can prove to be detrimental to the collective welfare of society. This is the *raison d'être* behind the strong prohibition, in the tradition of the Holy Prophet (buying grain from the caravans coming from the country-side before they reach a town), of buying goods brought from the country-side through a middle man in the days of famine), (exchanging grain that is yet in the ears for grain that has already been harvested), (exchanging fruits on a tree for plucked fruits), and of (taking a fixed amount of grain from the harvest of a land given on lease), in spite of their being based on the mutual agreement of the parties involved. Hence, the mere fact that the parties involved have agreed upon it, cannot serve as a valid justification for a transaction based on interest. In the early days of Islam, the objection which people bred in the pre-Islamic ways generally raised against the prohibition of interest was this:

"Trade is exactly like interest." (2:275)

The Holy Qur'an refutes this argument in a concise phrase:

"And Allah has permitted trade, and forbidden interest." (2:275)

It is worth noticing here that, in refuting this objection, Allah the Exalted has not enunciated any principle or purpose of the prohibition of interest, but has, so to say, simply indicated that since Allah has declared trade lawful and interest unlawful, one shall have to abide by this commandment, whether one understands its *raison d'être* or not. Instead of elucidating the justifying principles in this place, the Holy Qur'an has adopted the mode of authority, which cuts off the very root of all objections to the prohibition of interest.

In short, the prohibition of interest by Islam is the wisest solution of the problem which, on the one hand, eliminates many evils of the Capitalist economy, and, on the other, leaves no need for the adoption of the tyrannical and unnatural economic system of Socialism. This is the middle way which alone can save the modern world from the two extremes of license and servitude, and lead it towards a balanced and equitable economic system. The French orientalist Louis Massignon has said something very pertinent on this point: -

"In the conflict between Capitalism and Socialism, only that culture can be assured of a secure and bright future which not only prohibits interest but also makes people abide by this prohibition."

The Problem of Wages

So far we have been able to establish one basic distinction between Islam and Capitalism with regards to the distribution of wealth - and this distinction is related to the subject of interest. Now, there is another distinction between the two which one must bear in mind, and which concerns the relationship between the employer and the employee. This would necessitate a discussion of the problem of wages.

The violent reaction against the Capitalist system in the present age is largely an outcome of the conflicts between employers and employees and of the problems arising from the fixation of wages. Since the Capitalist economy is based on the principle of selfish and unqualified private ownership, the relationship of "Supply and Demand" between the employer and the employee is only a mechanical, harsh, and formal relationship which rests on undiluted self-interest. The employer respects the humanity of the employee (laborer) only so far as he is obliged to do so in the interest of his own business. As soon as he no longer feels this obligation, he readily adopts oppressive measures. On the other hand, the employee is interested in the work of the employer and prepared to carry out his orders only so long as his livelihood depends on the employer. The moment this dependence is over, he will unscrupulously shirk his work and even go on strike. This results in a perpetual struggle between the Laborer and the Capitalist, making it impossible for a healthy rapport to emerge between the two.

On the contrary, although Islam does admit the principle of supply and demand as affecting, to a certain extent, the relationship between the employer and employee, yet it has at the same time imposed certain restrictions on the supply

as well as the demand of labor in such a manner that their business relationship no longer remains merely mechanical, but becomes almost fraternal. As to what should the attitude of the employer be towards the

employee, the Holy Qur'an has made it quite explicit in a short but comprehensive phrase, while citing the words of Hazrat Shu'aib . Hazrat Shu'aib stood in the position of the employer for Hazrat Musa and said:

"I do not desire to lay (an undue) burden of labor on you. If Allah wills, you will certainly find me to be one of the righteous." (28:27)

This verse makes it quite clear that an employer who is a Muslim and whose ultimate goal in life is hence to become "righteous", cannot be "righteous" until and unless he has the desire to protect his employee from the burden of unnecessary labor. The Holy Prophet has elucidated this point further in explicit terms:

"Your brethren are your servants whom Allah has made your subordinate. So, the man who has his brother as his subordinate, should give him to eat from what he himself eats, and to wear what he himself wears. And do not put on them the burden of any labor which may exhaust them. And if you have to put any such burden on them, then help them yourselves (in this work)."

Another tradition says:

"Pay his wages to the worker before his sweat gets dried."

The Holy Prophet (Sr-) also said that there are three people who will find him on the Day of Judgement as their enemy. One of these three is:

"The man who employs a worker on wages, then takes the full measure of work from him, but does not pay him his wages."

How solicitous the Holy Prophet was about the rights of the laborer can be gauged from a tradition which comes down from Hazrat Ali . He reports that before his departure from this world, the last words of the Holy Prophet were:

"Take heed of the (daily) prayers and of (the rights of) those who are subordinate to you."

In consequence of these injunctions, the laborer was able to receive a dignified and brotherly position in Islamic society, and we find countless examples of this in the history of the Early Period of Islam. One can say with absolute confidence and certainty that it is not possible to safe-guard the rights of the laborer in a better way.

On the other hand, Islam has laid down certain other injunctions which bind the employee as well, and has thus

made his relations with the employer still more congenial. From the Islamic point of view, the laborer, in undertaking the responsibility of doing some work for an employer, enters into a contract which he must honor not only for earning his livelihood but also for his felicity in the other world which is his real and ultimate goal. The Holy Qur'an has this to say on the subject:

"O believers, fulfil your bonds." (5:1)

And further on:

"Surely the best man you can hire is the one who is strong and trustworthy." (28:26)

And still further:

"Woe to those who are dishonest in weighing and measuring - those who exact full measure when they receive their due from others, but give less than due when they measure or weigh for them." (83:1)

According to the elucidations of the jurists of Islam (Fuqaha), the words underweighing and undermeasuring in this verse includes in its connotation even the laborer who receives in full the wages that have been agreed upon, and yet does not give the full measure of work, and employs that portion of time which he has given away to the employer in doing some other work, contrary to the wishes of his employer. These injunctions, thus, declare the shirking of work to be a great sin, and make it quite clear to the employee that once he has taken upon himself the responsibility of doing some work for an employer, the work has now become his own, and that he is under the obligation to complete it with perfect honesty, application, and zeal, otherwise he will not be able to attain the felicity in the other world which is his real and ultimate goal.

With regard to the problem of wages, in short, Islam, while admitting to a certain extent the principle of "supply and demand" has at the same time laid down certain injunctions for the employer and the employee both, so that the system of supply and demand has come to be based on human sympathy and brotherhood, and not on self-interest.

One may possibly have a doubt here- that the nature of the injunctions laid down by the Qur'an and the Sunnah in order to control the employer and the employee both, is similar to that of moral precepts, which have no validity from the economic or legal point of view. But such an objection would arise from an improper understanding of the spirit of Islam. One should all the time bear in mind that Islam is not a mere economic system, but a complete code of life in which all the spheres of human life function as inter-related parts of a whole.



The attempt to consider any one of these spheres in isolation from others would necessarily produce many misunderstandings. The true aspect of each of these spheres can emerge only when it is given its proper place within the total code of life, and is viewed in this perspective. So, it would not be possible to exclude these so-called "moral precepts" from any discussion of the Islamic economy.

Then there is another distinctive feature of Islam. If one takes a larger view, even these "moral precepts" are in reality legal injunctions, for the reward or the punishment of the other world finally depends on them- and it is the reward and punishment which has the fundamental importance in the life of a Muslim.

It is just this "Doctrine of the Other World" which has not only given the authority of Law to Ethics, but has also been at the back of "laws" in the technical sense. If you carefully consider the Qur'anic idiom, you will find that the notions of "fear of Allah" and "solicitude for the other world" are always appended to every legal or ethical injunction. The secret behind it is that, in fact, man can never be made to abide by laws merely out of fear of human force or coercion until and unless "solicitude for the other world" is there to keep a constant watch over each and every action, movement or thought of man. As for that, the several thousand year old history of mankind, which has been full of numberless oppressions, inequities and crimes inspite of all the legal imperatives, can easily bear witness to this irrefutable fact. And, in particular, the so-called "civilized world" of today has made it clear like day-light that the speed with which crimes have been increasing is far greater than the speed with which legal machinery is being strengthened to overtake them.

So, the fond belief that the relations between the employer and the employee can be improved with the help of legal provisions is no more than a self-delusion of the worst sort. Its real remedy is only the "solicitude for the other world"- and nothing else. And Islam has put all possible emphasis on just truth in this matter. The modern mind, which has gotten itself entangled in the confusions of the worldly life and has thus lost the capacity to look beyond matter, may perhaps find it difficult to understand this truth. But it is certain that if mankind is at all destined to attain a peaceful existence, it will, after a hundred pitfalls, arrive finally at the truth which the Holy Qur'an has stressed again and again. The world has already witnessed sufficiently the veracity of this Qur'anic concept during the time when Islam was really functioning as

a system in actual practice. In the history of that period, one would seek in vain for an example of the conflicts between employers and employees which have been upturning our world for some time past. It was just these "moral precepts" of the Qur'an and the Sunnah which made a practical demonstration of how this problem could be solved in a satisfactory way, and because of which the history of the Early Period of Islam is almost free from the violent disputes and workers' strikes of today.

The Secondary Heads of the Distribution of Wealth

So far our discussion has been concerned with those who have a primary right in the distribution of wealth. A significant characteristic of the Islamic theory of the distribution of wealth is that, in order to strengthen the weaker elements of society and to make those who have no work to do capable of useful work, it has prescribed, beside the factors of production, a long list of those who have a secondary right to wealth, and has laid down a regular system for gaining this objective. In the introductory part of this article, it has already been indicated that wealth is in principle the property of Allah Himself, that He is the real creator of wealth, and it is He who has bestowed upon man the right of ownership over it.

Man is, no doubt, the owner of the reward which he gets in return for his endeavour, but it is Allah who, in His grace, gives him the ability to make this endeavour and it is He who has created wealth. So, man is not altogether free to put his property to any use he likes, but is bound by the Commandments of Allah. Man is hence under the obligation to spend this wealth where Allah commands him to spend.

This basic idea automatically leads to a second category of entitlement to wealth outside the factors of production that is to say, according to the Islamic point of view every such - person is entitled to wealth to whom the -primary owners of wealth are bound under an obligation laid on them by Allah to convey it. Thus we arrive at a long list of the secondary heads in the distribution of wealth, under each of which there are persons entitled to a share in wealth.

In laying down these categories, Islam in fact wants that wealth should be given as wide a circulation in society as possible, and that the restrictions that have been imposed on the concentration of wealth through the prohibition of interest should be further extended. It is not possible to give a detailed account of these categories in this short article. We would, however, enumerate them briefly:

(a) **Zakat**

The first and the widest of these heads is Zakat. The Holy Qur'an has mentioned this obligation in numerous places along with Salat (the daily prayers). Every person who possesses silver or gold or cattle or merchandise in a certain prescribed quantity and above it is under the obligation to spend, after the passage of one year, a certain part of his possessions on other needy persons.

And with regard to the man who does not fulfil this obligation, the Holy Qur'an has this to say:

"Those who treasure up gold and silver, and do not spend them in the way of Allah - give them tidings of painful chastisement, the day this (wealth) shall be heated in the fire of Hell, and their foreheads, their sides, and their backs shall be branded with it. (It will be said to them,) 'This is what you had treasured up for yourselves; now taste of what you were treasuring.'" (9:34-35)

Then the Holy Qur'an itself has laid down eight items where this Zakat is to be spent. By prescribing eight items of expenditure under the single head of Zakat, the Holy Qur'an has opened the way to the widest possible circulation of wealth.

The common factor among these items of expenditure for Zakat which entitles a person to receive it is "poverty" and "neediness". And this head (Zakat) is chiefly meant for the eradication of poverty. An indication of how wide the distribution of wealth among the poor and the needy can be made under the head of Zakat, is provided by the fact that the national income of Pakistan was nearly Rs. 15,300,000,000 in 1965; now, if we levy Zakat on this national income at its lowest rate (that is 2.5%), it comes to mean that at least Rs. 302,500,000 can be distributed among the needy and the poor annually. One can easily see what a huge amount of money will every year pass from the pockets of the Capitalists to the hands of the needy and the poor, if all the factors of production pay the annual Zakat regularly, and how soon the glaring inequality in the distribution of wealth will thus be done away with.

(b) **'Ushr**

'Ushr is in fact a form of Zakat which is levied on land produce. But, since human labor is comparatively less involved in this kind of production, the rate of the levy here is 10%, or in some cases 20% instead of 2.5%. This

levy is due only on the produce of those lands which, according to the expositions of the Fiqh, come under the special category of 'Ushri lands. 'Ushr is spent on the same items as Zakat.

(c) **Kaff arat**

Islam has prescribed another regular mode of transmitting wealth to hundreds of individuals in a society - and that is the mode of "Kaff arat" (expiation money). If someone breaks his fast during Ramadan without a proper excuse, or kills another Muslim unintentionally, or compares his wife with the back of a female within prohibited degrees of relationship (which amounts to taking an oath not to have connubial relations with her), or breaks a vow after having taken it, he has been enjoined to spend (compulsorily in some cases, and voluntarily in others) some of his wealth over the needy and the poor.

This can be done in the form of cash, and also in the form of food or clothes.

(d) **Sadaqat-ul-Fitr**

Besides this, it has been made compulsory for those whose possessions come up to a certain specified quantity that on the occasion of the Fitr they should, before going to the prayers, distribute among the needy, the poor, orphans and widows, wheat or its price at the rate of 1 3/4 seers per number of the family. Everyone has to pay this sum not only on his or her own behalf, but even on behalf of one's minor children. To make such charity obligatory this condition too is not necessary that the possessions which give rise to the obligation should consist of objects of growth or should have been held for one complete year. So, the sphere of this obligation is even wider than that of Zakat, and it can lead to the greatest possible demonstration of the principle of brotherhood, particularly on the occasion of a collective festivity.

These four categories are intended to distribute wealth among the needy and the poor. Beside them there are two more categories which are intended to provide help to one's relatives and to give them a share in one's wealth. One of them is the category of "Nafaqat" (Maintenance) and the other is that of "Wirasat" (Inheritance).

(e) **Nafaqat**

Islam has placed on everyone the responsibility of

supporting his close relatives, some of these relatives are such as must be supported in any case compulsorily, whether one is well-to-do or poor does not matter - among such relatives are, for example, one's wife and minor children. Then, there are other relatives who have to be supported only if one possesses the means to do so.

The Islamic law provides a long list of such relatives. This injunction gives rise to a very fine arrangement for the maintenance of the helpless and weak members of a family.

(f) **Wirasat**

The Islamic system of inheritance has a basic importance in the Islamic system of the distribution of wealth. It is not really necessary to expatiate upon the inequity produced in the distribution of wealth by the restricted forms of inheritance. One of the greatest causes of the inequity that is found in Western countries in this sphere is just this, and many economists have admitted this fact. The system of inheritance that is generally prevalent in Europe is the rule of primogeniture- that is to say, all the property of the deceased goes to the eldest son and all the other children are totally deprived of it. Moreover, in certain places, a man can, if he so wishes, dispose of his whole property by will to any person, thus depriving even his male offspring of a share in the inheritance. As a result of this system, wealth gets concentrated instead of being circulated. On the other hand, according to the Hindu code, the male members of the family jointly inherit the property, and the females are totally excluded from inheritance. This is an obvious injustice to women. Moreover, the sphere of the circulation of wealth is even here narrower than what it is under the Islamic system.

On the contrary, the system of dividing inheritance laid down by Islam does away with all these evils. The characteristics peculiar to this Islamic system are as follows: -

(a) A long list of inheritors has been prescribed in accordance with the degrees of relationship, because of which the inherited wealth gets a very wide circulation. It should be noticed here that, in order to give a wide circulation to wealth, it could be as well enjoined that the whole inheritance should be distributed among the poor or be deposited in the Bait-ul-Mdl (Public Exchequer). But, in that case,

everyone would have tried to spend all his wealth during his own lifetime, and this would have only upset the economy. It is for this reason that Islam has laid down a system which requires that the inheritance should be divided amongst the relatives of the deceased- an arrangement which should be the natural desire of the owner of this wealth.

(b) As against all the other systems of inheritance in the world, Islam has given to woman also the right to inherit property. The Holy Qur'an says:

"There is a share for men from what is left by parents and kinsmen, and there is a share for women from what is left by parents and kinsmen, whether it be little or much- and it is a determinate share." (4:6)

(c) The deceased has not been given the prerogative to deprive a legal heir of his or her share, nor to make any kind of modification in the prescribed share of any heir. This injunction puts a complete end to the possibility of a concentration of wealth resulting from inheritance. The Holy Qur'an says:

"You do not know which one of them, among your fathers and your sons, is nearer in profit to you. This is the law laid down by Allah." (4:10)

(d) No distinction has been made among children on the basis of priority of birth. An equal share has been allotted to the elder and the younger.

(e) It has been forbidden to make a bequest in favour of an heir, in addition to the prescribed share. Thus, no heir can receive anything from the estate of the deceased over and above his or her own share of the inheritance.

(f) A part of the property can be bequeathed to one who may not be an heir. This also helps in the circulation of wealth, for a part of the property is given away as legacy before the sharing of inheritance takes place.

(g) But a testator cannot dispose of all his property by will. He is allowed to bequeath up to one third of his property, and has no legal right to exceed this limit. This injunction thus serves to avoid that danger of the concentration of wealth which would arise if a man were allowed to dispose of all his property by will. At the same time, it also safeguards the rights of

the near kindred.

(g) **Khiraj and Jizyah**

Beside the above categories, there are two more which require the owners of wealth to pay a part of it to the government of the country - one is "Khiraj" (tribute) and the other is "Jizyah."

Khiraj is a kind of levy on land which is imposed only on those lands which come under the category of Khirdji according to the expositions of the Fiqh, and the government can spend it on community projects. Jizyah, on the other hand, is received from those non-Muslims who are citizens of an Islamic state and the protection of whose life, property, and honor is the responsibility of the state, and also from those non-Muslim states with which peace has been made on the condition of their paying the Jizyah. This sum as well is to be spent by the state on projects of collective unity.

The secondary categories of the distribution of wealth outlined above are only those in which it has been enjoined upon the primary owners of wealth to spend a part of it as a matter of individual responsibility. Besides these categories, there are, in the Qur'an and the Sunnah, exhortations to spend wealth on the poor and the helpless and for the collective good of the Muslims. Says the Holy Qur'an:

"They ask you as to what they should spend. Say 'What is left over.'" (2:219)

This verse makes it clear that what is commendable in the eyes of Allah is that a man should not confine himself to spending only as much as he is under an obligation to spend, but should consider it to be a great blessing for himself to give everything that exceeds his own needs to those members of his society who are destitute of wealth. The Holy Qur'an and the Traditions of the Prophet are full of exhortations on the subject of "spending in the way of Allah."

The Eradication of Beggary as a Profession

The measures adopted for giving the weaker members of

society the right to have a share in the wealth of the rich were at the same time likely to produce another evil in society - that this section of society might become parasitical, and live as a permanent burden on society. In order to check this tendency, the Shariah has subjected these people as well to certain special regulations:-

(i) A man who is healthy and physically fit has not been given the right to beg, except under special circumstances. According to the Holy Qur'an, the commendable quality of the genuine "Fuqara" (beggars) is that:

"They do not beg of men importunately." (2:273)

(ii) The man who has the wherewithal for a day has been forbidden to beg.

(iii) A tradition of the Holy Prophet (—) condemns begging as a humiliation.

(iv) The man who possesses wealth up to the prescribed quantity has been forbidden to accept charity even without begging.

(v) The poor and the helpless have been persuaded to shun charity, to earn their livelihood through their labor as far as possible, and to look upon hard work as noble.

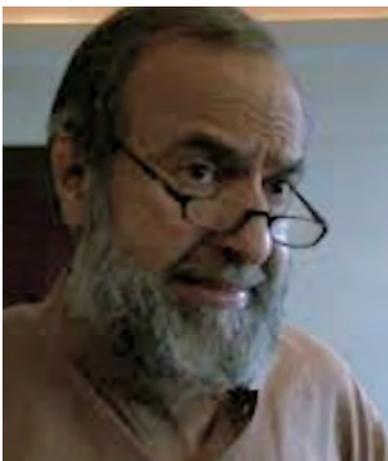
(vi) Those who possess wealth have been admonished that it is not enough merely to set apart a sum of money for charity- they are also responsible for seeking out those who are really needy and thus genuinely entitled to charity, and for distributing it among them.

(vii) Through the department of moral censorship, provision has been made for the eradication of beggary.

In consequence of the healthy system of the distribution of wealth which Islam has instituted by means of these injunctions, our history offers instances of a state of society where one sought in vain for a man who would accept charity.







Khalid Zaheer

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Why Economics?

By Khalid Zaheer

The basic purpose of this life is 'ibadat (51:56), ie humbly serving Allah, and not the achievement of material benefits. Why then are we supposed to be concerned about such 'mundane' matters in Islam as economics? The reason is that 'ibadat also entails acknowledging Allah's blessings and showing Him gratefulness on receiving those blessings. It is, therefore, important that believers should not only indulge in the material affairs of life but also excel in them as much as their potential and Allah's guidance allows. However, indulgence in economic affairs should not cause an individual to be unmindful of Allah's remembrance, the impending accountability on the Day of Judgement, and Allah's commands. The Qur'an says while describing the correct attitude of the God-fearing believers that they are:

Men who are not distracted from the remembrance of Allah by trade and commerce and buying and selling, who stand by their devotional obligations and pay Zakah, who fear the day when hearts and eyes would flutter in trepidation. (24:37)

That approach in life can only be adopted if economic matters are conducted, like all other human affairs, according to the guidance provided by the Divine Revelation. In other words, Islam does not require its followers to shun worldly life in favour of asceticism; instead it urges them to play a full, meaningful role in the worldly matters within the guidelines of the Shari'ah. There is nothing intrinsically evil about the worldly matters according to the teachings of Islam; it is only the imprudent overindulgence in them which creates evil. In fact, to a God-fearing believer, according to a statement of the Prophet (sws): 'this world is a cultivating field for the hereafter'. Thus an individual who cares for the concerns of his life-after-death cannot be unconcerned about worldly matters.

Some Important Clarifications

Aside from the above-mentioned basic premise, Islamic teachings also give some other important guiding rules in the conduct of economic life which help in achieving the real purpose of life mentioned above.

The real status of an individual is not to be gauged from his economic condition or contribution towards economic progress of the society but from his level of God-consciousness. Thus although each individual is expected to play a role in the society according to his nature and abilities, achievement of the higher economic results by individuals do not in any manner confer upon him a higher social status. In an Islamic society, nobility is to be gauged from the level of God-consciousness (taqwa) of an individual and not from his material possession. The Qur'an says:

Indeed, the most honourable amongst you in the sight of Allah is he who is the most God-conscious. Indeed Allah is All-knowing, All-Aware. (49:13)

Thus a society where money and better economic conditions are considered an



undisputed status symbol is most certainly not an ideal Islamic society. The best understanding of this concept is indicated by the fact that the Prophet Muhammad (sws) voluntarily opted to lead a life of an extremely poor man despite having better material alternatives.

Another guiding principle that emerges from the above-mentioned understanding is that everyone has been created in this world to play an important role. Allah has created human beings unequal in their physical and mental abilities. That arrangement is by design and not accidental. The diverse needs of our worldly life demanded that individuals expected to play roles to satisfy those needs should have different abilities. There is thus nothing inferior about an individual possessing different abilities from others. An individual is expected that he correctly identifies the area of his contribution to the society and concentrates in excelling in that area rather than envying unnecessarily the achievements of others who have been purposely bestowed with different abilities than his. The Qur'an says:

Do not covet what Allah has favoured some with more than He has some others. (4:32)

If an individual with limited abilities and opportunities has achieved what he could given his constraints, he should be considered a high-achiever, while if the one with superior abilities and better opportunities does not perform to his optimum, although achieves in relative terms much more than the former, he will still be considered a low-achiever in the eyes of Allah. The Qur'an says:

We never burden a soul beyond capacity. (7:42)

An additional purpose of the diversity in abilities of humans in the design of Allah was that He wanted people to be placed in a trial where different individuals are playing different roles, some at higher levels of the worldly ladder and others at lower levels. Thus if a lower-level worker of an organisation, for instance, discharges his organisational obligations to the best of his abilities and is also a grateful servant of his Allah, His real success in the hereafter is guaranteed. If on the other hand the chief executive of the same organisation is not discharging his worldly and religious obligations properly, his success in the hereafter will be in serious jeopardy.

The Qur'an keeps reminding the believers that their material achievements are in fact the bounties of Allah. According to the correct understanding of the Qur'anic guidance when we engage in economic activity, we do not earn a living; in fact we just 'look for the bounty of Allah'. (62:10). As far as the expression 'earning' is concerned, it is used by the Qur'an to describe the good or bad deeds we perform intentionally in this world, which will ultimately be rewarded or punished in the life to come. For instance, the Qur'an says:

Those were the people, and they have passed away. Theirs the reward for what they earned, as yours will be for what you earn. You will not be questioned about their deeds. (2:134)





Ezzedine Ghlamallah

Ezzedine Ghlamallah is an entrepreneur and the founding President of SAAFI, an insurance brokerage firm specialized in the conception and distribution of Takaful and Islamic finance solutions. With his team composed by consultants in wealth management, lawyers, economists, insurers and financial professionals all experts in Islamic finance and Takaful, he also advises firms and organizations wishing to structure Takaful or Islamic finance projects.

Islamic economics and cancellation of debt interest

By Ezzedine Ghlamallah

If there are a plethora of PhDs in economics, few are able to take care of this ultra-liquid-dependent financial system, which after over-consuming toxic products - that is, unsaleable financial assets on the market has come close to overdosing in 2008.

It is always surprising to note that the names of these toxic financial products evoke narcotic products. In the world of finance, these products are commonly referred to as junk bonds, which are translated as "rotten" bonds, denoting high-risk speculative bonds in the United States, the rating of which is , according to Standard & Poor's, below investment grade, that is, from BB + to D. The term "synthetic" securitizations - which legally retain ownership of a portfolio of receivables, while transferring the risk to third parties - and it also used. These names refer to the first to junkies (addicts) and for the second to synthetic derivatives of cocaine.

The name of the palliative used by the central banks to keep the financial system alive also reinforces the analogy: it is treated with boluses "massive liquidity injections" through quantitative easing and negative interest rates which being, a threat to financial stability.

Despite this, the central banks are unable to restore the vitality of the system and the economic slump continues.

However, we know two major aspects of the life of a drug addict: it is not allowed to trust him, in a crisis of lack, he would sell "father and mother" to get a dose, and if does not manage to wean itself, it is assured death.

The only care that can enable him to survive is also known: a detox and the adoption of a healthier lifestyle.

This rehab could result in the abandonment of the interest and the "printing press" which inexorably contribute to the increase in the money supply and the decrease in its unit value.

As for the adoption of a healthier lifestyle, it could be achieved by the attachment to saving principles, such as those advocated by the Islamic economy, such as the absence of unjust enrichment, without providing productive or third-party work, or sharing wealth creation and risk among all stakeholders through financing and backing the real value-adding economy.

It took a few centuries before the Islamic civilization reached its peak and its contributions to humanity in the field of culture and science were numerous. Today, Islamic civilization still has much to offer through the Islamic economy that



provides concrete solutions to contemporary economic problems including excessive debt. Debt is the cause of depressions, which are the consequences of attempts to deleverage economic agents, following a violent reversal of a beneficial situation linked to the abundance of credit.

As an example of the excess of indebtedness, we can quote the words of the rating agency Standard and Poor's indicating that the majority of the countries of sub-Saharan Africa noted, could have in the next years, to put their income more available to service their debt. The reason is the rise in interest rates, and hence the tightening of credit, as well as the worsening trade balances linked to the often speculative fall in commodity prices and the increase in imports. The process resulting in a depreciation of African currencies against the major currencies and thus an increase in the debt. Ultimately, it will be the African citizens who will suffer the consequences, which will result in a reduction in infrastructure investment and social spending.

The official development assistance in 2014 provided by the industrialized countries of the North to the 122 countries of the Third World amounted to 88 billion dollars whereas the same year, they had to transfer to the service of the debt a

sum superior to the banks of the North which does not allow them to get out of the colonial system of export of raw materials without transformation.

By multiplying the debt with the help of credit and individualism, capitalism devours all other forms of social ties including those based on mutual aid and solidarity.

Debt is an extremely robust and well-established operating system. It is a form of institutionalized injustice that makes greedy, selfish, and violent behavior acceptable.

States, businesses, and households with high debt levels around the world must know that, in view of the ancient wisdom and scriptural sources of the three monotheistic religions, the loans they have made are null and void.

Only the capital loaned must be repaid; as for the interests, they must be purely and simply canceled.

The foundations and the rise of Islamic finance seriously question the current model of debt and offer concrete solutions that not only stop it but also refocus funding to the real economy to finally free employment and growth.





Christos Alexakis

Christos Alexakis was born in 1965 in Piraeus, Greece. He is Associate Professor in the Department of Finance and Accounting at the ESC Rennes School of Business. He has taught in the Universities of York, Leeds, Bradford, the University of Athens and the University of Piraeus. He has written a number of scientific papers published in high quality referred academic journals, as well as several

The Challenges of Islamic Finance

By Christos Alexakis

Islamic Finance is an alternative system of financial services, compliant with the principles of *Shari'ah* and Divine Ethical Standards, aiming at a fair commercial gain with a simultaneous humanitarian concern.

Islamic Finance is an asset-backed system. Money has no intrinsic value. The prohibition of the receipt and payment of *riba*, is of particular importance in the Islamic financial system. *Riba* is thought to be a threat to society as a fixed rate of return discourages entrepreneurship and productivity. Business owners and investors could be less motivated and careful about performance, as guaranteed returns involve no direct risk. Also, speculative behavior based on uncertainty – *gharar* - is discouraged. Finally, activities (investment /financing) can only be performed within *Shari'ah* approved activities. Islamic Finance promotes financing of trade and exchange of goods and services to ensure a close link between the real economy and the financial sector, because all financial contracts should be backed by assets or activities of the real economy.

Islamic Finance is gaining a growing interest in the international financial arena. As per recent Deloitte's report: By the end of 2018, it is estimated that Islamic banking assets could reach up to US\$3.4 trillion. The estimated growth of the industry is based on the assumption that the potential size of the industry grows steadily with a satisfactory growth rate. This assumption is based on a number of factors like, the global Muslim population continues to grow, awareness about Islamic banking and finance (IBF) continues to rise, and the per capita income and wealth held by Muslims are also rising, in line with the trends in other faith-based groups.

At this point I" must note that Islamic Finance participants must pay special attention to financial inclusion. Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. Financial inclusion is a positive thing benefiting individuals and society. Thus, policies supporting financial inclusion should be designed and implemented.

The support of financial inclusion by governments is a clear task. Nevertheless, the Islamic Finance and Banking industry can play a role in this. It is estimated that given the demography of the Muslim population, financial inclusion is key to further



growth of Islamic Banking and Finance. It is estimated that by doubling the pool of Muslim customers for Islamic banks, the size of the industry will increase by 2.5 times.

Regarding Algeria, and based on a recent study (2108), Algeria is in the top 10 countries with the highest increase in Financial Inclusion score. According to this study the top 10 is: *Kyrgyz Republic, Algeria, Iraq, Congo Dem. Rep., Bahrain, Indonesia, Uruguay, Russian Federation, Venezuela and Moldova*, (“SPATIAL DETERMINANTS OF FINANCIAL INCLUSION OVER TIME” by Ibrahim Bozkurt, Rifat Karakus and Melek Yildiz, (2108), Journal of International Development)

Islamic finance could contribute to the financial inclusion agenda through two main mechanisms: profit and loss sharing (PLS) or risk-sharing instruments, like *musharakah* and *mudharabah*, as an alternative to conventional debt-based financing and risk transfer in addition to and Islamic social finance instruments, such as *zakat*, *waqf* (endowment fund), *shadaqah*, and *qard hasan* (benevolent loan), which complement PLS instruments. PLS promotes the financial inclusion agenda because the concept can offer access to finance to low-income segments at an affordable and fair rate: the imposition of cost and the distribution of profit are

based on the actual performance of the business. As a result, the optimum application of PLS will create an equitable distribution of income and wealth among partners or between wealth owners and entrepreneurs, presenting the concept of justice and fairness in financial dealings.

Finally we must note that another policy implication is the presence of significant spillovers and that decisions of policy makers influence not only their own country but also neighboring countries. A positive (negative) change in financial inclusion of a country may negatively (positively) influence the change in financial inclusion level of the contiguous country. Therefore, improving well-balanced collaboration between the border countries is important for providing maximum benefit to them.

This is a big challenge and opportunity for the Maghreb countries.





Mohd Ma'Sum Billah

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He is the author of 26 books in the areas of finance, insurance, capital market, business, asset management and e-Commerce

Interview with Prof. Dr. Mohd Ma'Sum Billah

Professor of insurance & finance, Islamic Economics Institute, King Abdul Aziz University, Kingdom of Saudi Arabia. Billah had been serving both academic as well as corporate industries for more than 20 years with management, teaching, research, solution proving and sharing of strategic & technical thoughts towards the advancement of Takaful in particular and Islamic finance in general besides Halal standard. In addition, he had also been affiliated with corporate, academic and financial industries besides NGOs in his capacity as a member in the board, advisor, strategic decision maker, transformer and reformer with strategic solutions.

Q: As a renowned scholar who has inspired many researchers, academics, industrialists and professionals, can you tell us more about your experience in the field of Islamic economics and finance and especially in Takaful?

Ever since the modern initiative of the idea of Islamic economics, finance and subsequently the insurance (Takaful) had been realized by phases namely; shortly after the 2nd world war, early 1960s and the late 1970s the positive mind-set, standards, system, products, services and returns had significantly been progressed as at to date with gradual effect. Among the experiences that I had been having for the past almost 25 years in the field of Islamic economics, finance and Takaful in my humble capacity as a teacher, researcher, motivator, presenter, viewer, advisor, assessor, trainer and publisher in different jurisdictions among both Muslim and non-Muslim, had indeed been promising with encouraging factors. Nevertheless, there had been numerous shortcomings that had been encountered by the progress of the total system and that is, due to misconception, foreign influence, lack of *Shari'ah* knowledge and *Shari'ah* compliant applied mechanisms and insufficient specialized and quality research on required issues.

Q: Takaful is perceived that its products and services are targeted to Muslims only; we know that Takaful institutions cater for all religions, or to every customer, please tell us how do you think we should market the takaful products & services to both Muslims and Non-Muslims ?



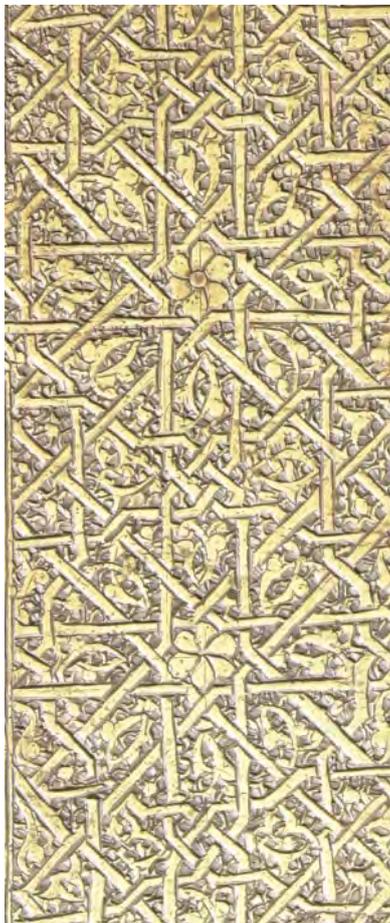
Takaful is a commercial entity aiming at risk management within the *Shari'ah* principles and the Divine ethics with its universal character to serve all (as to one's life or property) regardless of one's religion, gender, colour or even status. It is thus, a misconception to advocate that, Takaful is meant for Muslim only. Therefore, Takaful products and services shall be designed for and be promoted among both Muslim and non-Muslim so that, everyone is encouraged to participate in and benefit from the holistic model of Takaful. In Europe or any non-Muslim jurisdiction the idea of Takaful shall not be a subject of confusion as to whether it is a religious entity for the interest of Muslim only while discouraging non-Muslim to participate in or otherwise. Hence, an effective public awareness about the truth of Takaful shall be made by establishing the fact that, Takaful is a *Shari'ah* alternative insurance model, which offers products and services for all regardless of one's religious background.

Q: What inspires you?

In a conventional insurance practice, the relationship between the insurer and the policy holder is purely commercial one with buying and selling, liabilities and rights and based on non-transparent culture. Takaful is on the

other hand, a *Shari'ah* alternative insurance model enshrined with divine ethical principles of mutual cooperation and solidarity within the of holistic spirit of brotherhood. Thus, among the inspiring factors of Takaful are; it is formalised based on mutuality with shared responsibility against risk and catastrophe, total transaction is on transparent, *Shari'ah* compliant investment return is available for the participants and no fear of misappropriation or gaining opportunity at the expense of others. It promotes a universal character in caring for all humanity besides creating a platform for the participants with charitable action through the contribution channels to the risk management pool, which cares for all fellow participants against unexpected catastrophe.





Asif Iftikhar

Mr Asif Iftikhar is a Fellow at Al-Mawrid and also a permanent member of the Social Sciences Faculty at the Lahore University of Management Sciences (LUMS), Lahore (Pakistan) where he has been teaching courses related to Islam, Islamic law, business ethics, and communication skills for more than seven years now. He is also serving as a Member of the UBL Shari'ah Advisory Board.

The Authenticity Of Hadith

By Asif Iftikhar

"O ye who believe! Obey Allah and obey the Prophet and those charged with authority among you. Therefore, if there is a difference of opinion among you in any matter, refer it back to Allah and His Prophet¹, if ye do believe in Allah and the Last Day." (4:5)

This verse of the Quran clearly indicates that the original sources of knowledge on Islam are only two: The Holy Quran and the Sunnah of the Prophet (sws²). The first addressees of this verse were the Companions³ of the Prophet (sws). It was they who were the first to be told that they should refer to the Quran (refer it back to Allah) and the Sunnah (and His Prophet) in case they had a difference of opinion in any matter pertaining to religion. Therefore, only these two can be considered as original sources of religious knowledge by the Muslims. All other sources of religious guidance are subservient to them.

The problem is that today many people regard the Sunnah and the Hadith as synonymous terms, whereas the two are quite distinct from each other. The Sunnah (or Sunnat-i-Thaabitah⁴) refers to 'those established customs of the Prophet (sws) that were passed on as religion to the Muslim Ummah⁵ by the Companions of the Prophet (sws) through their practical consensus⁶ on these customs or through their perpetual adherence⁷ to them'⁸. Therefore, there is no doubt about the authenticity of the Sunnah as an original source. Just as the Quran was perpetuated by oral transmission, the Sunnah was passed on by perpetual adherence. Hence, the authenticity of the Sunnah does not depend on the narratives told by a few individuals; the entire society in the Prophet's time adopted and transmitted the Sunnah, thereby making it an established fact of history.

A Hadith on the other hand, refers to a short narrative which describes a statement or an action or a tacit approval of the Prophet (sws). Most of these narratives were told by a few individuals at each link of the chain of narrators and, therefore, are very appropriately called Akhbaar-i-Ahaad⁹.

As the transmission of Ahaadith¹⁰ went on, it became evident that the Hadith¹¹ was being invaded by many forgeries. Therefore, scholars of Hadith formulated numerous methods of evaluation by which genuine Ahaadith could be sifted out of the mass of forgeries. These methods belong to either of the two disciplines essential for investigating the authenticity of Ahaadith: Fann-i-Riwaayat and Fann-i-Daraayat. Fann-i-Riwaayat¹², which has many branches, involves investigation of the complete chain of narrators¹³ going back to the original narrator of a particular version¹⁴ of the Hadith in question. This science, thus, investigates the bonafides, the moral character, truthfulness, and power of memory of the narrators. Fann-i-

Daraayat, on the other hand, investigates the authenticity of a Hadith by determining whether or not its subject-matter is acceptable.

A Hadith is accepted only when its authenticity has been established on the basis of both Fann-i-Riwaayat and Fann-i-Daraayat. Therefore, a Hadith can be regarded as a source of religious guidance only if the basis of that Hadith exists in the Quran or the Sunnah or the established principles of human nature and intellect. Moreover, it should not be contradictory to any of these bases, and should have been transmitted by reliable sources¹⁵. A Hadith which meets these criteria is accepted as a bonafide record of the Sunnah and of information pertaining to Islam. However, the following points must be kept in mind which stem from these criteria:

1. No Hadith can present anything as religion which does not have its basis in the Quran or the Sunnah or the established principles of human nature and intellect. Therefore, whatever a Hadith presents would either be an explanation of a principle found in these sources or a branch emanating from that principle.

2. A Hadith must not be against the Quran or the Sunnah or the established principles of human nature and intellect. In short, the Hadith in question must conform with the entire fabric of Islam.

3. A Hadith must have been transmitted by reliable sources. The first two of these points relate to Fann-i-Daraayat and the last to Fann-i-Riwaayat.

Unfortunately, the scholars competent to analyse Ahaadith on the basis of these criteria are few, and the untrained eye is often confused while studying the Hadith. There are three major reasons for this confusion:

1. Almost all the available written collections of Ahaadith, including the most revered ones, contain those Ahaadith which were analysed primarily on the basis of Riwaayat. Most Ahaadith, therefore, have to be analysed further on the basis of Fann-i-Daraayat before they can be accepted or rejected.

2. In most cases the context of a Hadith is not clear or is even left out. The reason is that a typical Hadith is what is called Riwaayat-bil-Maa'naa, which refers to such a Hadith the narrators of which had not transmitted its exact subject-matter but had used their own words to convey the meaning. Riwaayat-bil-Maa'naa has also led to complete distortion of the actual subject-matter in many cases. Occasional alteration in the text by mistakes in copying has also added to these problems.

3. Placing a Hadith in its right context is not the job of a

layman. It requires a sound understanding and appreciation of the classics of Arabic literature of the Prophet's time and training in various disciplines necessary for understanding and analyzing any segment of the whole corpus of the sources of religious knowledge. In short, analysis, in the true sense of the word, of this historical record---the Hadith---is the job of a scholar. Unfortunately, this confusion pertaining to Ahaadith has given rise to some adverse reactions. People who have shown such reactions can be classified into two categories:

1. There are those who have reacted by formulating the erroneous premise that the Hadith can in no way be a reliable source of religious knowledge. This reaction went beyond all proportion when they confused the Hadith with the Sunnah and then refused to accept even the Sunnah as an original source.

2. On the other hand are those who tried to defend the status of the Sunnah as an original source but in the process lost sight of what they were actually defending. They too have come to regard the Sunnah and the Hadith as one and the same thing. Therefore, they consider those Ahaadith which have already been evaluated on the basis of Fann-i-Riwaayat as an unchallengeable source of knowledge even where the possibility of further analysis on the basis of Fann-i-Daraayat clearly exists.

As far as the former group is concerned, the very premise it has formulated is incorrect. Many Ahaadith were fabricated; there is no doubt about that; but it does not imply that all Ahaadith are false. A Hadith can neither be considered as genuine nor as fabricated until proper analysis on the basis of both Fann-i-Riwaayat and Fann-i-Daraayat has been made. Moreover, it must be remembered that the Sunnah relates to that part of religion which the Prophet (sws) taught as the instructor of divine law and as a model for mankind so that his followers should mould their lives in accordance with the wishes of the Almighty by performing the rituals and following the injunctions found in Islam. Transmission of the Sunnah was his duty and, therefore, it was not passed on to a few narrators merely but to the whole society at that time and was transmitted to the Muslim Ummah by the perpetual adherence of the Companions of the Prophet (sws). For example, the exact significance of the Quranic term Al-Salaat¹⁶ is not something which the Prophet (sws) explained to a few narrators only---who might or might not have passed on the information to someone like Imam Bokhari¹⁷, who might or might not have accepted it as genuine¹⁸---but something which the Prophet (sws) explained to the whole Muslim community in his time orally and through



demonstration. Therefore, Al-Salaat, as the Prophet (sws) defined it, became so much a part of the daily routine of those people that it is now an established historical fact. It is also natural that in the case of the Sunnah---which relates to the performance of rituals and execution of injunctions and not to articles of faith---some variations should emerge. Such variations as do not distort the broader structure of the Sunnah are acceptable. The Prophet's reply 'La Ba's' (no problem) on a certain occasion when some people were not certain whether they had correctly made the Haj owing to such minor variations also corroborates this principle. Questions as 'should the hands be clasped together above or below the navel in Al-Salaat' are hardly important and minor variations on their account do not impair the position of the Sunnah as an original source. Therefore, this position of the Sunnah cannot be denied on the grounds that some Ahaadith had been fabricated. Take a crude example---that of circumcision. For centuries, Muslims have been circumcising the male child. They still regard it as part of the Sunnah passed on from generation to generation. Few parents need a Hadith from Al-Bukhari or Al-Muslim¹⁹ before circumcising their child. Today, those who deny the Sunnah would find, on close inspection, that they too had been circumcised by their people. They would be lying if they denied that more often than not their parents did not have to bother about finding a Hadith to justify that 'terrible act of cruelty' to their child.

The latter group has great contempt for those those scholars who use Fann-i-Daraayat for making further analyses of a Hadith which had already been confirmed as genuine on the basis of Fann-i-Riwaayat by earlier scholars. In the following paragraphs we present a translation of a portion from a book²⁰ by Maulana Habib-ur-Rahman Kandhalvi. This portion of his book discusses Fann-i-Daraayat and highlights its importance. It clearly points out that Fann-i-Daraayat is essential for confirming the authenticity of Ahaadith and that the option of using this approach is still available to Hadith scholars of today as much as it was to the scholars of earlier times.

The translation begins thus:

"Although books on these two disciplines: [Fann-i-Daraayat and Fann-i-Riwaayat] have been available in the sub-continent²¹ for a long time, few scholars have made use of Fann-i-Daraayat and that too for merely solving problems in Fiqh²².

If Fann-i-Daraayat was limited to a small number of scholars in an age when learning was in its prime, its virtual non-existence in the present age of blind acquiescence in conventions must come as no surprise. However, it is important to discuss the significance of Fann-i-Daraayat.

The Foundations of Daraayat

The basis of Fann-i-Daraayat can be found in the Quran. When some hypocrites tried to cast aspersions on the honour of Aa'isha (may Allah be pleased with her), one of the Prophet's wives, some of his Companions were also misled. She was accused of adultery on one occasion, and it is recorded in Al-Bukhari and Al-Muslim that even Hasan Bin Thaabit and Mistaih Bin Athaathah were among the accusers. Thus, both of them were punished for calumny when the Quran declared the accusation to be baseless, though they were faithful Companions of the Prophet (sws). The Quran giving its judgement on the issue says, 'As to the party among you who have published this falsehood...' (24:11). According to Tafseer-i-Jalaalain, a well-known exegesis of the Quran, 'a party among the faithful' is the interpretation of the Arabic word 'minkum' used in the verse. This interpretation indicates that not only the hypocrites but also some faithful Companions of the Prophet (sws) were involved in spreading the scandal. Therefore, the Quran was addressing the Companions of the Prophet (sws) when it said:

'Did not the faithful men and the faithful women, when they heard this, judge in their own minds for the best; and say, this is a manifest falsehood.' (24:16)

Now, in accordance with the principles of Fann-i-Riwaayat, the names, reliability and trustworthiness of all those who testified against Aa'isha (may Allah be pleased with her) should have been investigated and the testimonies accepted or rejected on that simply basis; however, God Almighty chose to reject all the testimonies without giving any such justification for this decision. God said that since all the testimonies were against reason, the faithful should have refused to accept them at the outset of the matter.

It is clear from this discussion that a statement which is fundamentally against reason, deserves nothing but an outright denial. There is no need in that case for further investigation. This manner of thinking is closely associated with Fann-i-Daraayat, the foundations of which, as that of Fann-i-Riwaayat, can be traced back to the times of the Prophet's Companions.

Once, some Companions of the Prophet (sws) had a difference of opinion over whether eating cooked food necessitated performing Wadhu²³ again for Al-Salaat. Abu Hurairah (may Allah be pleased with him) reported that the Holy Prophet (sws) had once said that eating cooked food did necessitate performing Wadhu again for Al-Salaat. On hearing that, Abdullah-bin-Abbaas (may Allah be pleased with him) rebuked him by saying that then even hot water

[ie, heated by placing under fire] should necessitate Wadhu. Now, Abdullah-bin-Abbaas did not doubt Abu Hurairah's sincerity, but since he found the narrative contrary to common sense, he rejected it. Owing to such complications, when the compilation of the Hadith began, the leading scholars of that time, realizing the significance of Fann-i-Daraayat, postulated principles along with those of Fann-i-Daraayat to check the infiltration of forgeries.

Imam Ibni Ali Jauzee is reported to have said:

`If you find a Hadith against the dictates of common sense or contrary to a universal rule, consider it a fabrication; discussions about the trustworthiness of its narrators are needless. Similarly, such Ahaadith should be suspected as are beyond comprehension to the extent that they leave no room for any possible explanation. Also, a Hadith in which colossal recompense is promised for a minor deed and a Hadith which is absurd in meaning are suspect. For example take this one: "Do not eat a pumpkin that has not been halaled." Therefore, many Hadith scholars consider absurdity in a Hadith as a clear evidence of the narrators' prevarication.

All these principles relate to the text of Hadith. However, in certain cases, they are applicable to the investigation of a narrator's reliability as well, for example in the following cases:

When a person narrates a Hadith not reported by anyone else and he had not even met the authority he is quoting.

When, as Khateeb points out in his book "Al-Kifaaya", only one narrator reports a Hadith whereas the situation described in it is of such a nature that it should have attracted the attention of many others.

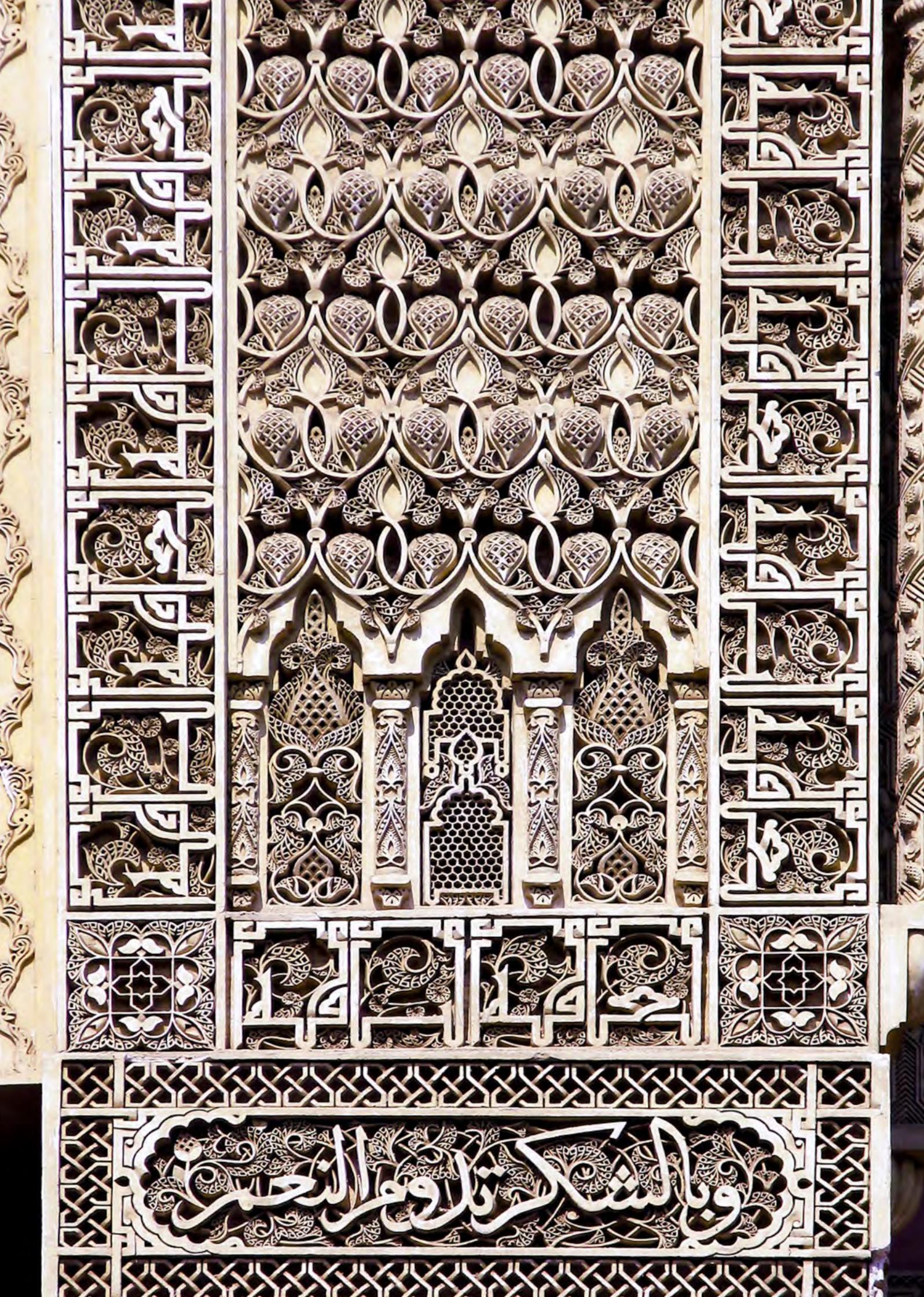
When a Hadith is reported by only one person whereas the incident reported is so extraordinary that scores of people should have reported it; for example, if it were reported by somebody that in a certain year someone had kept the Hajjis from making the Haj, a ritual of great importance, it would be an incident which, if it had occurred, would have been reported by many others.'

From the passage quoted above, it can be concluded that such Ahaadith as the following cannot be accepted and there

is no need for investigating the reliability of their narrators:

1. A Hadith which is fundamentally against the dictates of common sense.
2. A Hadith contrary to a universally accepted principle; for example, there is a general tendency among human beings to regard urine, faeces and all such excreta as filth; now, if a narrator were to report that someone tasted the Prophet's urine with his tacit approval and conclude that even such excreta of the Prophet (sws) are to be hallowed by the believers, it would only be assumed that the narrator possessed a mind full of nothing but nonsense.
3. A Hadith relating something which is against common human experience.
4. A Hadith contrary to the Quran or Hadith-i-Mutawaatir²⁴ or Ijma²⁵, especially when no possible explanation for this contradiction exists; for example, a narration which approves of drinking of blood, whereas the practice is not only forbidden by the Quran but also by the Sunnah and is held in abomination by a majority of Muslim scholars. Such a Hadith is bound to be a fabrication.
5. A Hadith in which enormous reward is promised for a relatively minor deed.
6. A Hadith which warns of an extremely severe punishment for a relatively minor deed; for example, take this one; 'He who cuts down a jujube tree shall be thrown upside down into Hell.'
7. A Hadith which is meaningless; for example, 'Do not eat a pumpkin that has not halaled.'
8. A Hadith in which the narrator quotes an authority he had never met, and no one else confirms his narrative.
9. A Hadith which should have been in the knowledge of numerous authorities, but only one narrator reports it.
10. A Hadith relating an incident which, if it had occurred, would have been reported by hundreds of people; yet only one narrator reports it; for example, the sun re-ascending itself for the sake of a Companion of the Prophet (sws)." ("Mazhabi Daastanain aur un kee Haqeeqat", Pgs 9-12)







Ibn Kaldoun

The Muslim Ummah has produced many saints, reformers, philosophers, scientists, architects, historians, sociologists, jurists and physicians. Their invaluable contributions to the treasure of human knowledge and civilisation cannot be over-emphasised.

They upheld the cause of truth, goodness and justice with courage, determination and sincerity of purpose. They devoted their lives to the furtherance of human welfare and intellectual pursuits. They strove hard to cut the intricate knots of social, academic and theological problems and to resolve the conflicts that posed serious threats to social integration and solidarity of our body politic. They have indeed left indelible marks on the pages of history. Ibn Khaldoun was one of such great historical figures of Islam. He has the singular distinction of being the first sociologist of the world and the acknowledged founder of the philosophy of history.

Aboo Zayd Waliyyuddeen 'Abdur Rahman Ibn Muhammad, popularly known as Ibn Khaldoun, was born in Tunisia on the 1st of Ramadhaan 732 A.H. (27th May 1332). His ancestors moved from Hadhramawt and settled in Seville (Spain) in 300 A.H. His grandfather came over to Tunisia and settled there. Ibn Khaldoun was fortunate to receive preliminary education from his own father.

He was later on tutored by erudite scholars. His teachers were much by impressed his extraordinary intelligence. From his very early life, he exhibited signs of talent, which blossomed in his later years into a prodigious genius. He started his education by memorising the glorious Quraan. This was followed by lessons in philosophy and Arabic literature. When he was only twenty years old, he was appointed secretary to the Hafsid Sultan, Aboo Is'haaq Ibraaheem. He discharged his duties very diligently for about three years. Then he moved to Morocco and served the Mernia Sultaan Aboo Inaan in the same capacity. In this way, he acquired a wealth, of experience and immensely enriched his knowledge of the culture of various races and countries. While working under different patrons and in different conditions, he had the opportunity to develop social contacts, which enhanced his knowledge of individuals, societies and of politics. In recognition of his extraordinary ability, to carry out reforms for the good of the common people, honors were showered on him from all sides during the period of his holding different offices.

However, times never always run smooth. Fortune's wheel took a turn for the worse. Pitfalls came in his way and obstructions and hardships hindered his progress. He was unable to resist opposition and political rivalry. Ultimately he was imprisoned, thus started a new phase of life that enabled him to gain new experiences and outlooks. It is quite true that great personalities have to pass through the crucible. They have to face severe trials. Nevertheless, adversities also bring great opportunities. What seems bitter and sour to a layman is sweet to



those who are destined to perform great deeds. Ibn Khaldun was no exception to this rule.

In 1364, C.E. Ibn Khaldun was entangled in politics in Africa and remained so involved for ten years. Like a great political figure, Ibn Khaldun found great consolation in his political trials and vicissitudes.

He, however, bade farewell to politics and left for Castle of Taughaut where he remained for four years. He now devoted himself to meditations on what he had observed and experienced in the past. He pondered over the events with particular reference to their causes and effects. The fruit of his meditation was his famous 'Muqaddamah,' his magnum opus.

Ibn Khaldun was anxious to write the history of Berbers, but in the Castle of Taughaut, he did not find the essential facilities for the compilation of this important work. What lacked there was a proper library without which his contemplated history would have remained a mere skeleton. He therefore returned to Tunisia where there was a good extensive library. He laboured hard and completed his first draft.

In 1382, C.E. Ibn Khaldun was appointed professor of Hadith in Azhar University by the Mamlook Sultaan, Al- Malik Az-zaheer Barqooq. It was a mere chance because Ibn Khaldun happened to pass through Cairo on his way to Makkah to perform the Hajj. He was, however, detained in Cairo. After two years, the high rank of Chief Qaazi was bestowed upon him. During his stay in Egypt, a disaster befell him. His entire family was drowned in a sea journey. This tragedy compelled him to resign his office and he went to Makkah in 1387 C.E. to perform the Hajj. He, however, returned to Cairo where he completed the 'history' and his 'Autobiography' in the year 1392 C.E.

Ibn Khaldun was the first thinker to record history in its philosophical and sociological perspective. He thus gained for himself a prominent position in history. He was also the founder of sociology. As a historian, he has set forth the principles of historical analysis and criticism in his 'Muqaddamah'. While dealing with the social phenomena of man's life, he has explained the difference in customs and institutions wrought by physical environments of races, climate and production. Much stress he has laid on the psychological changes in human communities, and the succession of cultural periods. He has not forgotten to elucidate the relation of individual to society. He has plainly and skilfully defined the respective duties of each. As a careful and keen observer of causes and effects, he has presented his view in the following words of wisdom: "Know thou, may Allah enlighten us and thee, that we view this world and all creation therein arranged in an orderly and exact manner, with effects linked to causes, and forms connected to forms."

Ibn Khaldun has also explained the theory of intelligence' by pointing out that knowledge is not inborn but is acquired and the intensity of memory varies from individual to individual. Ibn Khaldun continued to remain at Cairo. He breathed his last on the 25th Ramadhaan, 808 A.H. (19th March 1406). He left behind him his monumental works, particularly 'The Muqaddamah', which will serve the scholars of history and sociology as a perennial source of guidance and reference.





Lynn Teo Simarski

Lynn Teo Simarski, a writer and editor specializing in the Middle East, lived in Syria for two years.

Visions of Damascus

By Lynn Teo Simarski

Damascus, possibly the oldest continuously inhabited city still standing, has inspired legends, visions, and literary tributes for millennia. Centuries of visitors, from the early Arab geographers to European merchants and travelers, have sketched the spiritual and natural dimensions of Damascus, honored as "The Garden of the World."

Despite its long history, the city today still seems as freshly-scented, resplendent and sensual as when the traveler Ibn Jubayr beheld her in the 12th century, "ringed by her orchards as a halo rings the moon." Behind Damascus rises rugged Mt. Qasiyun, with the ancient suburb of Sali-hiya clinging to its slopes; below, on the plain, stretch the old city and the Ghuta, a flaring skirt of orchards. Canals flow with the mountain water of the Barada River, threading through the city to the gardens beyond. Night transforms the panorama, swept by soft jasmine-scented breezes, into a scattering of star-like lights across the plain, dimming into the dark oasis beyond. At a turning point in modern history, T.E. Lawrence once surveyed Damascus at dawn: "The silent gardens stood blurred green with river mist, in whose setting shimmered the city, beautiful as ever, like a pearl in the morning sun."

Damascus wears gracefully the many titles bestowed for her beauty - "Right Hand of Syrian Cities," "Bride of the Earth," "Queen of Cities" - and in Arabic she is called "al-Fayha," "the Fragrant," for her scent. The Emperor Julian saw Damascus as "the eye of the whole East." To al-Idrisi, writing in 1154, Damascus was "the most delightful of God's cities"; centuries later, to Lawrence, she was still "a lodestar to which the Arabs were naturally drawn."

The aura of a holy city clings to Damascus. She is one of three or four earthly paradises venerated by Arab writers, and many regard her as the loveliest. "Nothing attributed by way of description to the heavenly paradise is not found in Damascus," wrote the great geographer Yaqt in the 13th century.

The city is rich in sacred sites, with venerable links to prophets and religious figures. Abraham's steward Eliezer was a Damascene, and an ancient legend holds that Cain slew Abel in a cave atop Mt. Qasiyun. The Qur'an, in Sura XXIII, "The Believers," tells how Jesus and Mary found a lofty refuge with shelter and springs, and tradition - unsubstantiated by any historian -locates the site on a mountain top near Damascus.

The waters of Damascus are another source of pride and legends. Even down to the beginning of this century, Damascenes held that their water could cure leprosy. St. Paul is believed to have stayed at a house on the Street Called Straight, which still bisects the old city, and was visited by Ananias, whose chapel can be seen near the city gate Bab Tuma, or Thomas's Gate. Paul himself was later threatened, and



escaped only by night, lowered in a basket through an opening in the city wall where St. Paul's Gate now stands. Damascus also holds special significance for Muslims. The city was the capital of the Umayyad state, which ruled during an important part of Islam's greatest cultural flowering. It is one of three main gathering places, along with Baghdad and Cairo, for pilgrims to Makka. And a Damascus cemetery holds the grave of Bilal, the Prophet's muezzin (See *Aramco World*, July-August 1983).

Local folklore holds that, on Judgment Day, Jesus will descend to earth upon the eastern minaret, named for him, of Damascus's Umayyad Mosque - a belief that recently caused consternation, during renovation in the old city, among Christian merchants forced to vacate their shops near the minaret and thus relinquish proximity to the site of the Second Coming. Another local tradition, however, specifies the place of Jesus's return as the minaret at Bab al-Sharqi, the Eastern Gate.

Accounts of Damascene miracles and prophecies have been passed down through the ages, but as for detailed description of the city itself, very little exists before the ninth century of our era. Damascus became part of the Islamic

empire in the year 635, and more than two centuries later, about 869, a historian named al-Baladhuri wrote the earliest surviving account of the Muslim conquests. During the siege of Damascus, he wrote, the great general Khalid ibn al-Walid camped outside Bab al-Sharqi, still today the terminus of the Street Called Straight, while at Bab Tuma to the north waited the troops of Amr ibn al-'As, the future conquerer of Egypt. Arab geographers and historians journeying across the Islamic world soon began registering a wealth of impressions about Damascus. Most accounts praise the natural beauty of the city's setting, with its bountiful water system, scented air, and lush Ghuta. One of the first Arabic geographical handbooks - written by one merchant, al-Istakhri, in 951, and edited by another, Ibn Hawkal, in 978 - describes Damascus, "the most glorious" of Syrian cities, with the wide Barada River flowing through it, "so deep that a rider cannot ford it. Below the city, again, the river waters all the villages of the Ghuta. But from above, the water is conducted into all the houses and streets and baths of the city."

Writing in Baghdad at about the same time, the geographer and traveler al-Muqaddasi also left a portrait of Damascus. Born in Jerusalem, he performed the pilgrimage to Makka at age 20, and later traversed the entire Islamic world except

for Spain. In Damascus, he reported, prices are moderate, fruits and snow abound, and the products of both hot and cold climes are found. Nowhere else will be seen such magnificent hot baths, nor such beautiful fountains, nor people more worthy of consideration.

Unlike many other writers whose records survived, the famous geographer al-Idrisi, writing in Sicily in 1154, apparently never visited Damascus, but instead compiled his account of the Crusader-era Holy Land from books and returning travelers. He mentioned the Valley of the Violets, stretching from Damascus's western gate for 12 miles and planted with various fruit trees. He also described the city's water system, including Nahr Yazid, named after the Umayyad caliph who reconstructed the canal which still flows across the foot of Salihya.

Damascus during the era of Saladin is described in flowery detail in the diary of Ibn Jubayr, a Spanish Arab who traveled to Egypt, Arabia, and Iraq. He arrived in Damascus from the north on the morning of July 5, 1184, and his description of the city he surveyed is often quoted:

Its rivulets twist like serpents through every way, and the perfumed zephyrs of its flower gardens breathe life into the soul. To those who contemplate her she displays herself in bridal dress, calling to them, 'Come to the halting-place of beauty, and take midday repose.'

Its ground is sickened with the superfluity of water, so that it yearns even for a drought, and the hard stones almost cry out to you, 'Strike with thy foot: here is water wherein to wash, cool and refreshing, and water to drink.' [The Qur'an, Sura XXXVIII, Verse 42]... To the east, its green Ghuta stretches as far as the eye can see, and wherever you look on its four sides its ripe fruits hold the gaze.

On the Barada's banks to the west of the city, where the Ottoman takiyya or pilgrim Inn now stands, lay two green maydams -the Sultan's polo fields, "like pieces of rolled-out silk brocade, for their greenness and beauty," with the river flowing between and poplar trees all around. Here the famous Mamluk sultan Baybars later constructed Qasr al-Ablaq, his magnificent black-and-ochre stone palace.

As more Europeans came to Damascus in the following centuries, they too left their impressions. In a famous account of a journey through Ottoman Syria - from Aleppo to Jerusalem in the spring of 1697-Henry Maundrell told of his first, captivating glimpse of Damascus:

We continued a good while upon the precipice, to take a view of the city.... It exhibits the paradise below as a most

fair and delectable place, and yet will hardly suffer you to stir away, to go to it: thus at once inviting you to the city, by the pleasure which it seems to promise, and detaining you from it by the beauty of the prospect.

The domes and minarets rising above the orchards gave the Englishman the sense of a "noble city in a vast wood." While exploring the Ghuta, wrote Maundrell, "You discover ... many turrets, and steeples, and summer-houses, frequently peeping out from amongst the green boughs.... On the north side of this vast wood is a place called Solhees [Salihya]; where are the most beautiful summer-houses and gardens."

Visitors lavished long passages on the splendors of Damascus's Umayyad Mosque. In the 10th century, al-Muqaddasi praised the mosque's opulent decor:

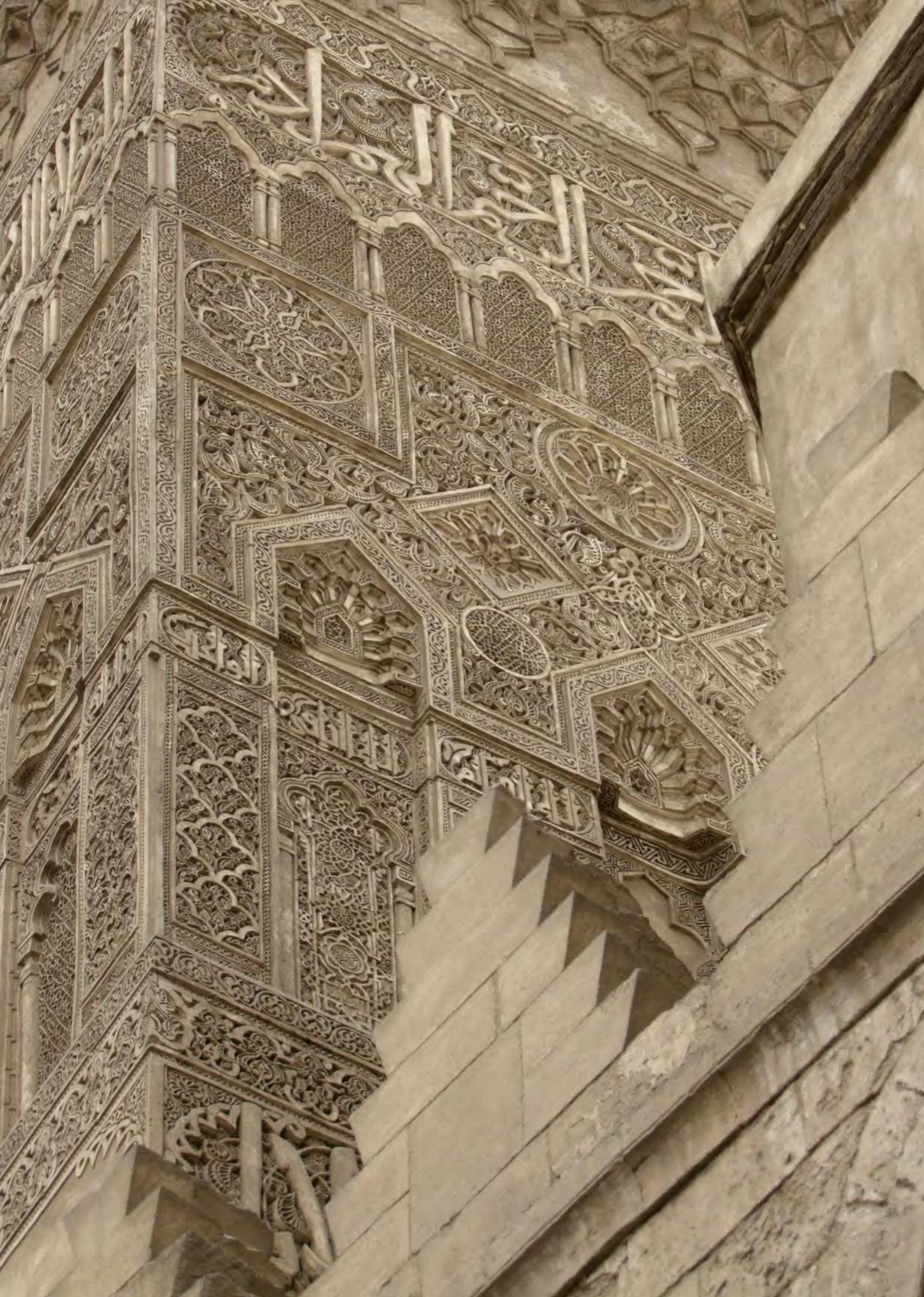
The Mosque of Damascus is the fairest of any that the Muslims now hold.... The whole area is paved with white marble. Even to the very ceiling are mosaics of various colors and in gold, showing figures of trees and towns and beautiful inscriptions.... Both within the mihrab, and around it, are set cut-agates and turquoises of the size of the finest stones that are used in rings. On the summit of the dome of the mosque is an orange, and above it a pomegranate, both in gold.

Al-Muqaddasi also reported that to build the mosque two centuries before, when Umayyad Damascus ruled the Islamic world, the caliph al-Walid had commissioned artisans from Persia, India, West Africa, and Byzantium, spending seven years of Syria's earnings and 18 shiploads of Cypriot gold and silver.

In the 12th century, the mosque impressed the Spanish Arab Ibn Jubayr just as strongly, particularly the cupola over the mihrab, which dominated the old city's skyline then just as it does today. "From whatever quarter you approach the city," he observed, "you see this dome, high above all else, as though suspended in the air." One day at dawn, Ibn Jubayr climbed with some friends to the top of the dome -and thus was able to confirm the adage that said, "No spiders ever spin their webs in the mosque, nor do any swallows ever nest there."

The mosque courtyard at the time, during the epoch of Saladin, was a lively center of social life. "There is always a concourse of townspeople, coming to meet and converse pleasurably every evening," said Ibn Jubayr. "You may see them coming and going from east to west ... walking and talking."

About 1300, when Syria was ruled by the Mamluks of Egypt, the cosmographer Muhammad ibn Abi Talib - called al-Dimashqi, after his native city - described the mosque during the middle of the month of Sha'ban, when it was lit with



12,000 lamps. About a quarter-century later, Damascus was visited by one of history's great travelers - Shaykh Abu 'Abd Allah of Tangier, better known as Ibn Bat-tuta (See *Aramco World*, January-February 1978). He left a record of the Umayyad Mosque's decoration prior to its burning during the conquest of Timur, or Tamerlane: The interior was embellished with gold and multi-colored mosaic, 74 stained-glass windows, and marble columns - and the mosque employed 70 muezzins.

Visitors fortunate enough to be in Damascus at the time of the Hajj, or Muslim pilgrimage, witnessed a colorful spectacle. About 1430, the French knight Bertrandon de la Brocquiere recorded the return of a 3000-camel pilgrims' caravan from Makka, which traditionally arrived at the maydan, or open space, south of the city near the village of Qadam. The caravan included "Moors, Turks, Barbaresques, Tartars, Persians, and other sectaries of the Prophet Muhammad," while the Qur'an, wrapped in silk, was borne upon a camel covered in silk trappings, preceded by drummers, trumpeters, and musicians.

Four centuries later, the famous traveler Charles M. Doughty sketched Damascus at pilgrimage time in *Travels in Arabia Deserta*:

There is every year a new stirring of this goodly Oriental city in the days before the Haj. In the markets there is much taking up in haste of wares for the road. The tent-makers are most busy in their street.... The carriers in the bazaar are selling apace the water-skins and leathern buckets and saddle-bottles. ... Already there come by in the streets, passing daily forth, the akkams [drivers] with the swagging litters mounted high upon the tall pilgrim-camels. ...

Damascus's rich bazaars impressed travelers with the variety of goods and the excellence of craftsmanship. Al-Dimashqi, in the early 14th century, extolled Damascus's rose water, which was exported to the Hijaz, India, and China, and concocted at the village of al-Mazza - today a modern apartment district of Damascus. Some years later, Ibn Battuta described the bazaars; one passed, he wrote, through the southern gate of the Umayyad Mosque, called Bab al-Ziyada, into a fine coppersmiths' bazaar that lined the mosque's southern outer wall. "Where the bazaar now stands was formerly the palace [called al-Khadra, or the Green Palace] of the [Umayyad] Caliph Mu'awiya, and the houses of his people," Ibn Battuta related. "The Abbasids pulled it down and transformed the place into a bazaar." On another side of the mosque, Ibn Battuta explored the bazaars of the jewelers, booksellers, glassblowers, and papermakers.

The fine damascened swords were praised about a century later by de la Broc-quiere; they were so highly polished that "when anyone wants to arrange his turban, he uses his sword for a looking glass. Its temper is perfect, and I have never seen swords that cut so excellently."

About 1850, under the Ottomans, a "deputation to the East" sent by the Malta Protestant College visited the bazaars, finding that the saddlery [located just north of the citadel] is in high repute. Damascus is also celebrated for its gold and silver tissues, and striped silk and cotton stuffs; unset precious stones, especially pearls and turquoises, are abundant; every sort of gold and silver trimming is also plentiful and cheap.

The mission also judged Assad Pasha's great khan, or inn-storehouse, to be the most splendid structure of the kind in the East, being built of alternate layers of black and white marble, having several tiers of large galleries, with nine domes, and the centre of the court ornamented with an immense fountain. It is used as an exchange.

In recent years, the khan, under restoration, has stood empty and open to the sky.

Many travelers have painted vivid portraits of Damascus's people, who have long held a strong sense of identity as citizens. They have also enjoyed renown for their elegance and taste for cultivated living, as expressed in their opulently appointed homes with fountains, Persian carpets, inlaid ivory and mother-of-pearl furniture, and damask silk textiles. In the 12th century, Ibn Jubayr noted their gracious manners:

When one meets another, instead of giving the ordinary greeting he says respectfully, 'Here is your slave,' or 'Here is your servant at your service.'... Their style of salutation is either a deep bow or a prostration, and you will see their necks at play, lifting and lowering, stretching and contracting. Sometimes they will go on like this for a long time, one going down as the other rises, their turbans tumbling between them.

Many centuries later, T.E. Lawrence, with his characteristically deft pen, summed up Damascenes: They "were as extreme in thought and word as in pleasure." He witnessed the city's wild celebration as the Arab troops arrived:

Every man, woman, and child in this city of a quarter-million souls seemed in the streets, waiting only the spark of our appearance to ignite their spirits. Damascus went mad with joy. The men tossed up their tarbushes to cheer, the women tore off their veils. Householders threw flowers, hangings, carpets, into the road before us: their wives leaned,

screaming with laughter, through the lattices and splashed us with bath-dippers of scent.

The 20th century also brought two great woman travel-writers to Syria. A Friday in Damascus around 1905, wrote Gertrude Bell, was a sight worth traveling far to see. All the male population dressed in their best parade the streets, the sweetmeat sellers and the auctioneers of second-hand clothes drive a roaring trade, the eating shops steam with dressed meats of the most tempting kind, and splendidly caparisoned mares are galloped along the road by the river....

She was also invited into the graceful atmosphere of a great Damascus house:

We entered through a small door in a narrow winding street by a dark passage, turned a couple of corners and found ourselves in a marble court with a fountain in the centre and orange trees planted round. All the big rooms opened into this court.. .and coffee and sweetmeats were served by the groom of the chambers, while I admired the decoration of the walls and the water that bubbled up into marble basins and flowed away by marble conduits. In this and in most of the Damascene palaces every window sill has a gurgling pool in it, so that the air that blows into the room may bring with it a damp freshness.

Freya Stark, who followed in 1928, lived in Damascus's old city for some time, and her Letters from Syria chart a rising enchantment with the city. From her house's flat roof, she watched cloud shadows sweeping over the city's domes and hills; "The light is lovely, so pure and brilliant... There is nothing on these naked hills to interfere with its lovely play, and they change like water with the reflections of the sky." When sunset heralded the end of Ramadan, the Muslim fasting month, she observed,

Such a business in the bazaars, shopping for the feast. It lasts three days. We went on to the roof to hear the muezzin: it is

extraordinarily moving, voice after voice ringing out from the high steeples to declare the greatness of God to the people below.

Even present-day Damascus, with industries sprawling outward into the Ghuta and apartment blocks creeping up the slopes of Mt. Qasiyun, continues to captivate travelers. The most engaging modern eulogy to the city - an account of life in the old town interwoven with history - is Mirror to Damascus, written in 1967 by the English poet and novelist Colin Thubron. The savoir-vivre of Damascenes, in his eyes, dates back to the glorious era of the Umayyads:

The grace of the Damascenes is still spoken of, their love of fine clothes and food, their passion for music. It is probably absurd to ascribe this spirit to the pleasure-loving eighth-century caliphs, yet if they returned to the East tomorrow, I believe that Damascus would be the city of their choice still. Palpably haunted by kings and past glories, even 20th-century Damascus inspires travelers to visions, as when Thubron saw an apparition - the caliph Yazid of Umayyad times:

Some cities oust or smother their past. Damascus lives in hers. Her marble courtyards stir the mind to strange fancies, glimpsed the end of a joyous procession: [Yazid] had passed by in his silken hunting dress, cheetah at pommel, hawk on wrist....

In a breath of Jasmine, asplash of rose water, the play of a fountain - or the lilting rise of the Damascene drawl - the many splendored city continues to enchant.

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