

**International Journal of  
Islamic Economics and Finance Studies**  
(Uluslararası İslam Ekonomisi ve Finansı Arařtırmaları Dergisi)

*[www.ijisef.org](http://www.ijisef.org)*



# International Journal of Islamic Economics and Finance Studies

(Uluslararası İslam Ekonomisi ve Finansı Araştırmaları Dergisi)

November / Kasım 2016

Volume / Cilt: 2

Issue / Sayı: 3

p-ISSN: 2149-8393

e-ISSN: 2149-8407

[www.ijisef.org](http://www.ijisef.org)

International Journal of Islamic Economics and Finance Studies (IJISEF) is an international, academic, periodical and peer reviewed journal published by Centre of Political Economical and Social Research (PESA). The Journal particularly focuses on topics related to Islamic Economics, Islamic Banking, Islamic Financial Markets, Islamic Management, Fiqh and other relevant topics. The Journal is dedicated to building a platform for academicians, market and those who are interested in Islamic economics and finance studies to share, discuss, evaluate and distribute their works and opinions.

International Journal of Islamic Economics and Finance Studies is published three times a year. Further information on the International Journal of Islamic Economics and Finance Studies can be found at: <http://www.ijisef.org/>

Permission to make digital or hard copies of part or all of the International Journal of Islamic Economics and Finance Studies for personal or classroom use is granted without fee provided that copies are not distributed for profit or directional commercial advantage. No part of this publication may be reproduced or distributed in any form or by any means, or stored in data base or retrieval system, without the prior written permission of the publisher. Permission may be requested from the PESA Research and Publication Department.

Copyright © 2015 by PESA

No responsibility for the views expressed by authors and reviews in the International Journal of Islamic Economics and Finance Studies is assumed by the editors or by the Publisher Center for Political, Economic and Social Research (PESA).

Printed at Gelişim Ofset - Sakarya /TURKEY

## Contact Editorial Office

**Address:** Arabacı Alanı Mahallesi Mustafa Ocak Sokak No:9 D:2 Serdivan-Sakarya/Türkiye

**E-mail:** [ijisef@gmail.com](mailto:ijisef@gmail.com)

**Phone:** +90 532 769 5899

**Fax:** +90 (264) 295 6233

**Published by:** Center for Political, Economic and Social Research (PESA)

Politik Ekonomik ve Sosyal Araştırmalar Merkezi (PESA)

[www.pesar.org](http://www.pesar.org)

# International Journal of Islamic Economics and Finance Studies (IJISEF)

Published by PESA, On Behalf of PESA the Owner is

*Fatih YARDIMCIOĞLU*

**Editor in Chief / Baş Editör**

*Mehmet ASUTAY*

**Editors / Editörler**

*Şakir GÖRMÜŞ*

**Editorial Assistants / Editör Yardımcıları**

*Salih ÜLEV*

*Mervan SELÇUK*

*Hakan ASLAN*

*Mücahit ÖZDEMİR*

## **INTERNATIONAL ADVISORY BOARD / DANIŞMA KURULU**

**Habib Ahmed**, Durham University, UK

**Lokman Gündüz**, Central Bank of the Republic of Turkey

**Haider Ala Hamoudi**, University of Pittsburgh, USA

**M. Kabir Hassan**, University of New Orleans, USA

**Mohammad Hudaib**, University of Glasgow, Scotland, UK

**Zamir Iqbal**, World Bank, USA

**Abdul Ghafar Ismail**, IRTI, Islamic Development Bank, Saudi Arabia

**Rifki Ismal**, Bank Indonesia, Indonesia

**Hylmun Izhar**, IRTI, Islamic Development Bank, Saudi Arabia

**Yusuf Karbhari**, Cardiff Business School, UK

**Necmettin Kızılkaya**, University of Istanbul, Turkey

**Dian Masyita**, University of Padjadjaran, Indonesia

**Shehab Marzban**, Hamad bin Khalifa University, Qatar

**Shinsuke Nagaoka**, Kyoto University, Japan

**Saduman Okumus**, Istanbul Commerce University, Turkey

**Mehmet Sarac**, University of Istanbul, Turkey

**Zurina Shafii**, Universiti Sains Islam Malaysia, Malaysia

**Fatih Savaşan** – Sakarya University, Turkey

**Noor Zahirah Mohd Sidek**, Universiti Teknologi MARA, Malaysia

**Olivia Orozco de la Torre**, Casa Árabe, Spain

**Abdullah Turkistani**, King Abdul Aziz University, Saudi Arabia

**Rodney J. Wilson**, Durham University, UK & INCEIF, Malaysia

*Abstracting/Indexing: ASOS Index, Index Islamicus Google Scholar, BASE, CiteFactor, ESJI, Research Bible, Scientific Index, JournalTOC, DRJI, İSAM, J-GATE*

[www.ijisef.org](http://www.ijisef.org)

## CONTENT / İÇİNDEKİLER

<b>Musharakah Tjjarah Cross-Border Financing: Concept, Structure and Salient Features</b>	<b>1</b>
<i>Sharullizuannizam Salehuddin, Buerhan Saiti</i>	
<b>Islamic Economics and Happiness Economics a Case Study on the Role of Central Banks in Approaching Human Wellbeing</b>	<b>27</b>
<i>Prof. Dr. Fouad H.Beseiso</i>	
<b>Islamic Economic System, Poverty and Insurgency: From Zakāh Distribution to Capacity Building</b>	<b>53</b>
<i>Mahmud Adesina Ayuba (PhD)</i>	
<b>Economic Sustainability For Islamic Nanofinance Through Waqf-Sukuk Linkage Program (Case Study In Indonesia)</b>	<b>73</b>
<i>Khairunnisa Musari</i>	
<b>Accounting Issues in Sukuk Issuance</b>	<b>95</b>
<i>Prof. Paolo Pietro Biancone, Mohammad Ziad Shakhathreh</i>	
<b>Development of Islamic Finance in Europe and North America: Opportunities and Challenges</b>	<b>109</b>
<i>Ahmad Alharbi</i>	
<b>Islamic Perspective on the Impact of Ethics and Tax for Nigerian Economic Development</b>	<b>137</b>
<i>Almustapha A. Aliyu, Mohammed Yusuf Alkali, Ibrahim Alkali</i>	
<b>Zakat and Distribution of Wealth on Islamic Economy: Case of Morocco</b>	<b>151</b>
<i>Dr. Hamida Lahjouji, Dr. Khalid Rouggani</i>	
<b>Serbest Piyasa Ekonomisi ve İslam Ekonomisi Üzerine Karşılaştırmalı Bir Analiz</b>	<b>161</b>
<i>Fatih Kazancı</i>	
<b>İslam Ekonomisinin Arzuları ve Gerçekleri Arasındaki Uzaklaşma: Farklılığı Azaltmaya Yönelik Bir Politik Ekonomi Yaklaşımı (Çeviri)</b>	<b>179</b>
<i>Uğur Uyğun, Abdullah Talha Genç, Salih Ülev</i>	
<b>Shari'a-compliant Microfinance (Kitap Tanıtımı)</b>	<b>201</b>
<i>Arş. Gör. Mücahit Özdemir</i>	

Dear Readers,

I am pleased to hand the third issue of International Journal of Islamic Economics and Finance Studies (IJISEF) over to you. I hope the articles included are interesting for you and will enrich the literature on Islamic Economics and Finance. We have ten articles (one of them in Turkish, others are in English), one translation and one book review.

First article proposed a product to enable the Bank to undertake project and contract cross-border financing activities. Second one discusses the role of Central Bank in approaching human wellbeing. Third and ninth article is related with zakat and distribution of wealth.

Forth article is related with Islamic liquidity management instruments. Fifth study argues that sukuk potentially to be an Islamic nanofinance instrument. The sixth article is accounting issues in sukuk. The seventh article argues that opportunities and challenges for Islamic finance in Europe and North America. The eighth article evaluate the ethics and tax from Islamic perspective. The last article compare Islamic Economics with free market economy. The issue also includes the translation of the article named "Divergence between Aspirations and Realities of Islamic Economics: A Political Economy Approach to Bridging the Divide" and review of the book named "Sharia Compliant Microfinance".

I would like to thank all our Editorial Board and reviewers for their hard work. I hope that thanks to the help from our Readers, and all people cooperating with us, IJISEF aim to be one of the most important and contributed journals about Islamic Economics and Finance in our region.

Nice reading!

Şakir GÖRMÜŞ, PhD

Editor

INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



**Musharakah Tijarah Cross-Border Financing: Concept, Structure and Salient Features**

**Sharullizuannizam Salehuddin**

*Department of Finance, University Malaya, Kuala Lumpur, Malaysia*

**Buerhan Saiti**

*IIUM Institute of Islamic Banking and Finance (IiBF), International Islamic University Malaysia (IIUM), Malaysia, borhanseti@gmail.com*

ARTICLE INFO

ABSTRACT

**Keywords:** Islamic Finance, Musharakah, Qard, Wakalah, Cross-Border Financing, Project and Contract Financing, Joint Venture.

Musharakah Tijarah Cross-Border Financing ("Product") is the product to enable the Bank to undertake project and contract cross-border financing activities or other identified business ventures on "pure" Joint Venture basis, using the underlying Islamic financing contract of Musharakah. Musharakah concept has a low market share of less than 2.5% in the overall existing Islamic financing products in Malaysia. This product encourages mobilization of idle capital / cash entities and thus provides a basis for economic cooperation between these organizations in the society. The product also is expected to inject greater prosper to the Bank's overall performance and ultimately able to assist small time landowners in a big way through business risk sharing. Musharakah provides an alternative investment, which will cater for Islamic investors and partners, especially from GCC, who may have been reluctant to invest in conventional or current debt-based financing scheme. With Musharakah concept, the most preferred and globally accepted Islamic financing, this can attract these investors to participate on similar risk-sharing arrangements through the creation of Specific Investment Account (SIA) or Islamic Syndication to back financing made into the Joint Venture.

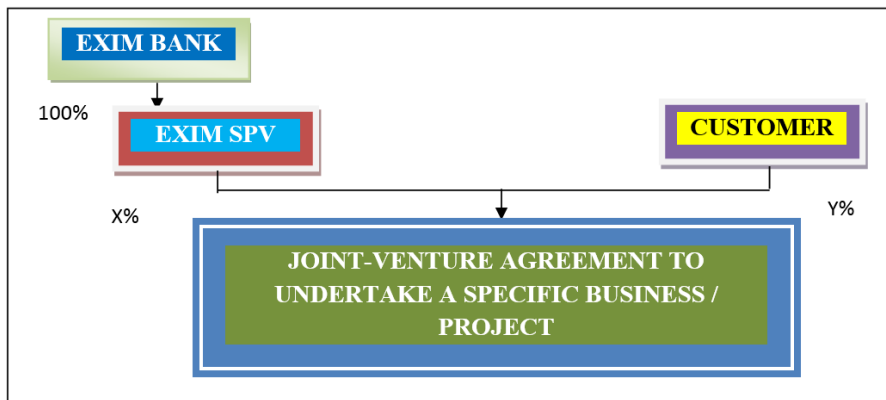
© 2016 PESA All rights reserved

## 1. Introduction

*Musharakah Tijarah* Cross-Border Financing using the underlying *Shariah* contract of *Musharakah*. *Musharakah* literally means sharing. It is the modern term for *Shirkah Al-Amwal*, one type of Islamic partnership. The capital raised shall be used to finance identified business ventures that generates revenue. The profits generated shall be shared between the Bank and Customer in a pre-agreed profit sharing ratio.

For example, AB Bank, as the financier through AB Special Purpose Vehicle and Customer will contribute capital in the project / business venture which Customer has earlier requested for funding. This joint venture can be done through *Musharakah* Joint Venture (JV Partners) and Joint-Venture Agreement. The capital raised shall be used to finance property development projects and contract financing or other identified business ventures (“the Project”) that generate revenue with the objective of making profit.

The simple product arrangement is shown in **Diagram 1**



Capital Contribution to the Joint Venture (JV) is subject to negotiation, feasibility study, internal policies, Board of Directors approval and project’s meeting the relevant credit risk’s requirements. AB Bank via AB SPV and Customer shall regulate their relationship as the shareholders of *Musharakah* JV in the JV Agreement. Both JV partners shall be represented in the JV’s Joint Management Committee or “JMC”. This arrangement will entail both parties jointly contributing capital in the JV Agreement. AB Bank, through its AB SPV, will take up majority / controlling stake in *Musharakah* JV, with the balance to be contributed by the Customer. The purpose of this financing is to channel the funding direct to the project or business undertaking with AB SPV via JMC having the rights to observe and monitor regarding the business and non-business aspects of the JV and its business.



Based on the simple product arrangement, several benefits already identified from this product are as follows:

**Possibility of having higher net margin**

The return from *Musharakah*-based products is higher than those provided under the normal debt financing arrangement due to the inherent higher risk involved. We are looking at Risk Rating Method per project benchmark on projects in which we have the option of exercising extensive participation. The Bank shall have share control over the management of the project via representative in JMC.

**High Return**

The Bank has opportunities to earn higher returns through sharing of the profits as high risk high return.

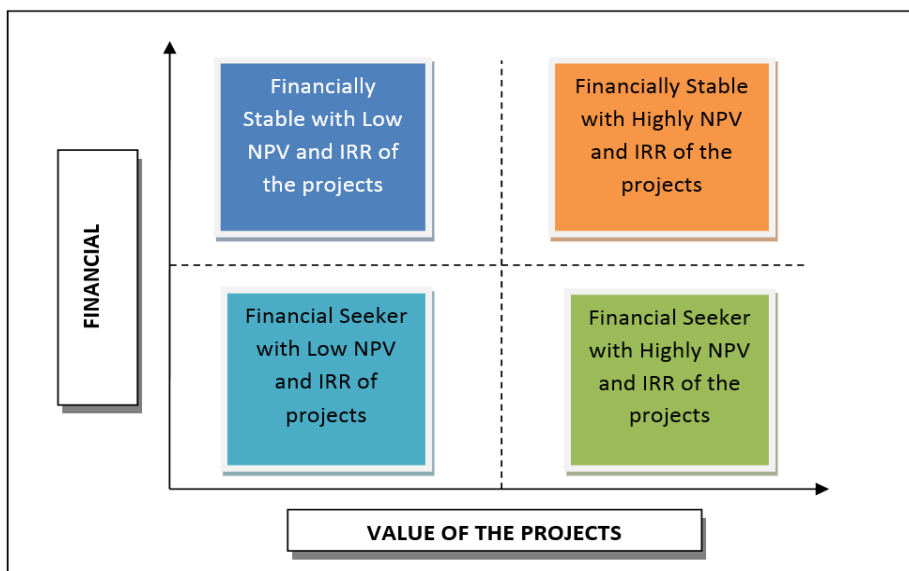
**Minimization of Capital Leakage**

Compared to the current financing arrangement where financing is extended to the owners of the business venture/projects, direct project/business financing can minimize capital leakage through active participation in the project management.

**More Acceptable Proposition to investors from Middle East**

*Musharakah* provides an alternative investment, which will cater for Islamic investors and partners, especially from GCC, who may have been reluctant to invest in conventional or current debt-based financing schemes. With *Musharakah*, the most preferred and globally accepted Islamic financing structure, we can attract these investors to participate on similar risk-sharing arrangements through the creation of Islamic Syndication to back the financings made into the JVs.

Since the product requires a degree of sophistication from the investors, it is intended for the product to initially, be marketed to targeted groups of customers as per matrix below:



## 2. Risk Analysis

### 2.1 Market Risk

The utmost challenging issue faced by Islamic Financial Institution in the process of the implementation of the Islamic financial system is the advancement of *Musharakah* instrument that can provide the investors an adequate level of liquidity, security and profitability to support their holding. In Islamic financial system, *Musharakah* is acceptable because it represents a position in real assets and having risk-bearing characteristics whose rate of return is variable and tied to the performance of the asset.

- Risk Mitigation

- Pre-emptive measures:

The financing (credit) proposal paper submitted by EXIM Bank's personnel to Board of Directors should include the project cash-flow evaluation using corporate finance approach (using NPV, IRR, DCF valuation) to investigate its viability breakeven analysis and possible default.

- Post-monitoring measures:

Hedging instruments in the form of currency markets should be put place.

### 2.2 Credit Risk

The Bank limit its role in monitoring the company's performance without intervening the partner's roles in managing and upholding confidentiality which does not relate to the specific joint-venture project for *Musharakah*

financing. The financing provided by banks is also not a part of the permanent capital of a company, though there is no legal restriction for banks to finance the working capital requirement of a company in the form of “equity” or capital participation if it is mutually agreed between the contracting parties. The decision whether to enter into a *Musharakah* arrangement with a company is based on time-honoured and prudent practices observed by banks all over the world. Proficient management, commitment-worthiness and a good performance record are some of the utmost important criteria on which a decision is normally taken.

However, in cases of new companies, banks have to exercise their good judgement. Banks may adopt different techniques in evaluating a *Musharakah* financing proposal. To evaluate the earnings ability of a proposal with objectiveness the under noted exercise will be uncovering helpful in quantifying the profit operation of a company wishing to enter into a profit and departure sharing arrangement with a bank.

The profit projections made by a company in line with its past performance or in the light of its justifiable future plans and the economic climate in general are among the basis used in determining the profit sharing ratios for a *Musharakah* venture. In *Musharakah*, banks only provide funds whereas a company or its directors besides providing capital use their enterprise, energies, skills, expertise and connections in running the business and its affairs.

The drawback is that projects for funding through *Musharakah* are expected to be selected primarily on the basis of both anticipated profitability and the credit-worthiness of the partner. Potential exposure to credit risk became one of the main resistance points for Bank in persuading *Musharakah*.

The credit risk may arise when the counterparty fails to meet its obligations in accordance with the agreed terms and conditions. In event of defaults in debt contracts, the collateral pledged to the bank shall be liquidated to recover the principles. The only way Banks can minimize credit risks in “equity” or capital financing is by aggressively engaging in the improvement of the assets and recovering returns through the sale of its share in the project at the appropriate time. The back side of it, it’s hard to dispose the asset at a fair value and the return of the financier will suffer although stringent monitoring and control are in place. While the banks can sell its shares either to the entrepreneur or other interested parties, one way in which the value of a firm can be enhanced is by by issuing initial public offering (IPO) in the stock market. The latter would be possible if a well-functioning and a proficient stock market exists.

### 2.3 Operational Risk

*Musharakah* structure is document intensive compared to conventional, tedious documentation procedures for financing drawdown, and more *Shariah* audits, time consuming and costlier for issuer. *Musharakah* in particular requires more commitments and effort from the Bank in the aspect of monitoring and supervision as the Bank assumes business as well as credit risks. Given the fact that *Musharakah* is “equity” or capital financing in character, collateral is not prerequisite. This inability to secure a lien on the assets of the business partner would require careful evaluation of the prospects of the business. As the entire business is based on confidentiality, the client entering into *Musharakah* may put a condition that the Bank will not interfere with the management affairs that is not related to the joint-venture project and will not disclose any information about the business to any person without prior permission of the client. However, the extent to which EXIM Bank’s Board Representative may have the access to primary and sensitive information of the invested entity would depend on whether such financing does not rank the same as a debt holder (i.e. first claimant). If the financing does not rank the same as a debt holder, given the higher capital risk exposure, the Board Representative should be allowed to access to primary and sensitive information of the invested entity, including discussion on the company’s exposures with other bank.

### 2.4 Liquidity Risk

In an Islamic Bank, the security is only needed to protect the respective customers from their inability to repay to the bank if they unsuccessfully run their business with the funds provided by the bank. If this happened, and the security is held by the Bank, the customer’s account payable could be settled through the selling of security. The mismatch between the amount money withdrawn and the completed work could happen and which may lead to overspending at the end, especially if the money for the specific project is not efficiently managed and utilized. In such case, the Bank shall intervene to resolve the situation as soon as it notices any indication of such mismatch. The best solution for the Bank is by executing a workable drawdown mechanism that can avoid Capital Leakage. It is imperative that the Bank releases cash orders and direct payments to certain identified beneficiaries. Also, progressive monitoring of assets and liabilities in the JV for construction

projects under JV can be done stringently by using the general formula as per below:

$$\text{Entitlement for Current Disbursement + Outstanding Capital to be redeemed} \leq \text{Current Deposits (payments received in Project Account and Sinking Fund) + Receivables (pending certification and payment receipts)}$$

Returns to the banks are more uncertain as they depend on the performance of the business; in other words, there are no guaranteed annual profits. It is risky to finance medium and long-term projects out of short-term funds. The inappropriate matching between the maturities of the assets and liabilities in the Bank's balance sheet lies at the root of this problem. When there is a mismatch between the two, liquidity risks arise.

- Risk Mitigation

- In order to avoid possible exposure on the liquidity risk, the liability should be in long-term maturity to enable the Bank to finance the assets using "equity" or capital financing. The risk-adjusted profit for the bank increases should the investment made in assets for longer terms (i.e. equities) which are financed by the long-term liabilities.

- As the banks deal mainly with deposits that are short term, the complementarities between assets and liabilities indicate that it is just optimum (in terms of risk-adjusted profits) to use assets that have a relatively short-term maturity. Since the availability of long-term liabilities is limited in many Islamic financial markets, most banks would prefer to engage in short-term fixed income instruments like *Murabahah* and *Ijarah* to avoid liquidity mismatch.

- Under AAOIFI 3/1/5/14, it is permissible, based on the association or a decision of the partners, not to distribute profits of the company from the creation of Sinking Fund. It is also permissible to set aside periodically a certain ratio of profit as solvency reserve or as a reserve for meeting losses of capital (investment risk reserve or as a profit equalization reserve).

## 2.5 Legal Risk

Various regulatory requirements will need to be met when investing directly in a business. The SPV structure will perceive benefits for Bank in terms of "Ring-Fenced" and insolvency-remoteness (such as from some of the extraneous risks associated with the ownership of the asset, example

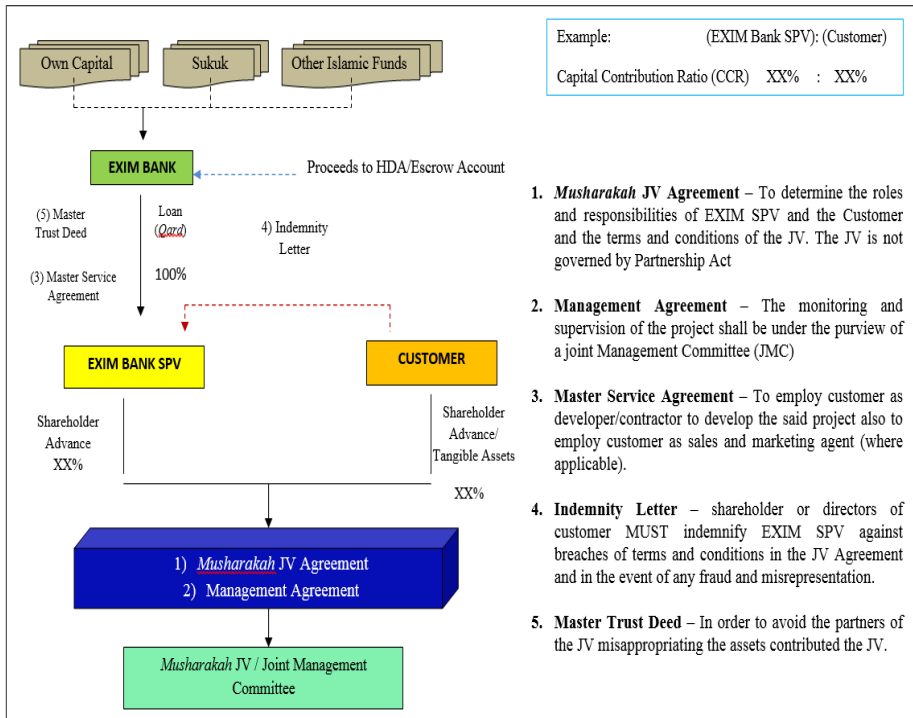
environmental liability). The Bank's liability is up to extent of its financing in the specific JV, extended via the SPV if there are liabilities arising, it would "claw" back to the SPV only if the SPV has given a shareholder's guarantee, and otherwise, liability will stop at the JV level. The legal document must clearly stipulate:

- ✓ Purpose of *Musharakah* venture
- ✓ Relationship between contracting parties
- ✓ Rights, roles and responsibilities of the contracting parties to the *Musharakah* venture
- ✓ Capital contributed by contracting parties
- ✓ Profit Sharing Ratio adopted for the *Musharakah* venture
- ✓ Provision on Loss shall be borne proportionate to the capital contribution
- ✓ Calculation methodologies and timing for profit distribution
- ✓ Specific tenure of venture
- ✓ Pricing or valuation methodology used for underlying asset or shares
- ✓ Reporting of the *Musharakah* performance which include the frequency and the type of information to be include in the report
- ✓ Collateral and guarantees including rights over assets, if any
- ✓ Provision on Terms and Conditions on dissolution, termination, redemption or withdrawal of *Musharakah* venture
- ✓ Fees and charges to be borne or waive by the contracting parties

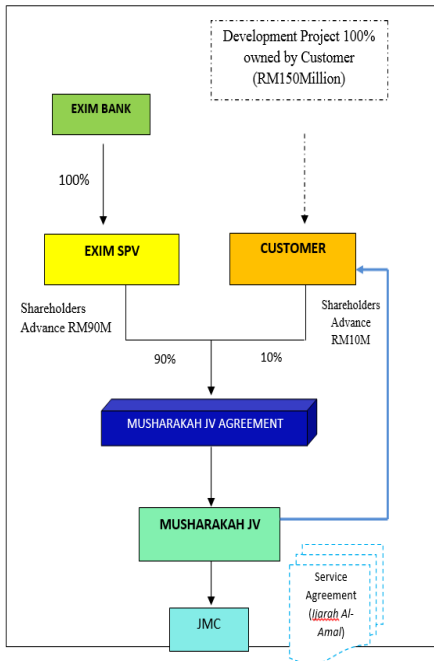
The JV Agreement should entail the rights and exclusively of each partners. It is also more important to be involved in the day-to-day management as stated in the agreement. The Bank should be watertight in governing the business, and should not just be a JMC Nominee. Thus JV agreement should also focus the legal perspective in Civil Law, necessary undertakings and pre-determination of default / negligence.

### 3. Salient Features and Product Structures

#### 3.1 Product Legal Structures



### 3.2 Product Mechanism Structure



- Customer as the Developer, to execute Development Project worth RM150.0 million in sales proceeds.
- EXIM SPV injects loan (Qard) of RM90.0 million for working capital of the Project, while Customer's capital contribution is by Land, worth RM10.0 million.
- In order to avoid the partners of the JV misappropriating the assets contributed into the JV, a Master Trust Deed over such assets is to be issued by the JV in trust of each of the partners to the JV. This shall enable a Trust Caveat to be entered and lodged by the JV to acknowledge that the land contributed as "capital" by Customer whereas the beneficial interest of the Land is held by the partners.
- Service Agreement (under *Ijarah Al-Amal* concept) shall state the employment of the Customer by EXIM SPV via the JV as:
  - The developer, to complete the works arising from or in relation to the Project.
  - The Customer will be employed as the Attorney to sign the sale and purchase agreements, pursuant to the Service Agreement, on behalf of the JV
- Capital redemption payment may only commence upon completion of the development project.
- Profit will be shared and distributed upon completion of the project.



The following table shows the product features for *Musharakah Tijarah* Cross-Border Financing:

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
1.	<i>Musharakah</i> JV Partners	i. Malaysian Controlled Company; ii. AB SPV
2.	<b>Business Model and Financing Objective</b>	<p>Incorporated partnership governed by JV Agreement under <i>Musharakah</i> concept. Active participation by AB Bank via AB SPV as majority stakeholder. <i>Shariah</i>-compliant financing with the objective of making profits. To bridge finance the Project's working capital and capital expenditure to the completion of the project overseas inclusive but not limited to:</p> <ul style="list-style-type: none"> <li>I. Fixed assets (inclusive of land, vehicles, machinery, equipment and tools);</li> <li>II. Working capital (raw materials, construction material, supplies);</li> <li>III. Labour (payment to sub-contractor);</li> <li>IV. Professional fees;</li> <li>V. Preliminary expenses.</li> </ul>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
3.	Special Purpose Vehicle (SPV)	<p>AB Bank is represented by AB SPV as JV partner. A Master Trust Deed is to be executed in favour of AB Bank over the monies held by AB SPV pursuant to the <i>Musharakah</i> Venture for the purpose of channelling the financing funds to individual JVs.</p> <p><u>Rationale of SPV set-up:</u></p> <ol style="list-style-type: none"> <li>a. AB SPV is “ring-fenced” against liabilities of the JVs.</li> <li>b. SPV is established for the specific venture and terminate upon completion of projects.</li> <li>c. AB SPV has insolvency remote features: specific set-up purpose, sub-contract to AB Bank via Master Agency Agreement, no employees and quantifiable liabilities.</li> </ol> <p>(Note: JV is governed by Contract Act which is based on terms and conditions, instead of Partnership Act that is based on unlimited liabilities (clause in JV Agreement))</p>
4.	Facility Agent	<p>AB Bank (via Master Agency Agreement with AB SPV)</p> <p><u>Roles and Responsibilities</u></p> <ol style="list-style-type: none"> <li>1) Reviewing and approving the construction, progress and execution plan of the Project;</li> <li>2) Determination of fees payable to the consultants and / or professionals appointed for the Project;</li> <li>3) Approving all financial statements prepared and submitted by the Customer</li> <li>4) Reviewing and approving the working budget and working capital requirements proposed or formulated by the Customer in relation to the Project.</li> </ol>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
5.	JMC	Besides covenants, the active monitoring and management of the Project under the purview of the JMC assisted by qualified personnel including RM and/or external PMC for early detection of any problems in Project. All these factors will minimize both performance and capital payment risk.
6.	Sources of Funds	<p>Funding includes</p> <ol style="list-style-type: none"> <li>I. Own Capital</li> <li>II. Sukuk</li> <li>III. Other Islamic Funds</li> <li>IV. Investment Account Platform (issued by BNM)</li> </ol> <p><u>Rationale sukuk and other Islamic funds:</u></p> <ul style="list-style-type: none"> <li>• Back to back funding arrangement with lower cost of fund or issuance of Sukuk (no dividend payment until declaration of profit) carrying zero risk weighted.</li> <li>• AB Bank leverages on external funding arrangement.</li> </ul>
7.	Eligibility	<ol style="list-style-type: none"> <li>1) Malaysian owned / controlled companies registered under Companies Act 1965.</li> <li>2) Customer possesses valid license / permit / contractor registration from the relevant authorities.</li> <li>3) Start-up companies</li> <li>4) No track record</li> <li>5) Lack of capital</li> <li>6) Have viable project and expertise</li> <li>7) No securities</li> </ol>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
		Note: the above list is non-exhaustive in nature and is meant to serve as a guide on the type of companies/business that the Bank should be extending the <i>Musharakah Tijarah</i> Cross-Border Financing-i facilities.
8.	Target Sector	Development Projects Financing.
9.	Tenure of Joint Venture	Min 1 year and Max 7 years.
10.	Currency	The offering of this project is in RM and any other currencies acceptable to AB Bank.
11.	Margin Participation	<p>I. AB SPV's minimum financing size in MTF-i is RM2 million</p> <p>II. The Financing or Capital Contribution is between 70% (minimum) to 90% (maximum) of Project Cost</p> <p>III. However, Project Cost in Development Project Financing must take into account the anticipated minimum sales to complete project based on the Project's cash flow schedule (where applicable)</p> <p><u>Rationale of Capital Contribution of 90%:</u></p> <p>Higher margin will be compensated in the Profit Sharing Ratio. However, this margin would depend on our risk appetite and negotiation with Customer. This is major differential advantage for MTCBF-i. As a JV partner, AB Bank must ensure sufficient capital injection for working capital and CAPEX to avoid non-delivery of project. The delivery of the project will protect AB's capital financing in the JV ultimately.</p>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
		Capital redemption to AB Bank is subject to satisfactory project completion and sufficient sales proceeds. As a JV partner, both capital redemption and profit payment to AB Bank are directly linked to achievement in sales proceeds. Project completion may be in phases and subsequently sales will materialize.
12.	<b>Qualified Capital &amp; Capital Contribution Ratio (CCR)</b>	<p>i. Initial agreed CCR is (AB SPV) : (Customer), i.e. X% : Y% or other ratio determined by the Bank</p> <p>ii. The quantum and type of Capital Contribution of each party must be clearly stated and agreed upfront</p> <p>iii. The only type of capital accepted is cash in any currencies. Any variation, which includes assets which market value is available and can be valued independently, is subject to AB Bank BOD's approval.</p> <p>iv. All forms of debts shall not qualify as <i>Musharakah</i> capital. Payment due from other partners or third parties is considered as debt and will be treated in a separate contract.</p> <p>v. CCR changes progressively once capital redemption takes place.</p> <p>Note: Proposed Capital Contribution Matrix based on Risk Rating Methods as per <b>Appendix I.</b></p>
13.	<b>Disbursement Procedure</b>	<p>i. This procedure refers to the disbursement of funds to the Project venture</p> <p>ii. Disbursement patterns will mirror the Project's cash flow needs and may not have</p>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
		<p>equal disbursement quantum throughout the tenure of the Project</p> <p>iii. Disbursement is upon fulfilment of all applicable conditions and perfection of all legal documentation to the satisfaction of AB Bank.</p>
14.	<b>Distributable Profits</b>	<p>i. The formula to derive the base of the profit calculation must be agreed upfront by both parties. The projected profit is based on pro-forma figures of both Projected P&amp;L and cash-flow, which may change as revenue and costs elements change. Credit risk is also taken into consideration in determining the formula</p> <p>ii. Distributable Profits (before tax) may be declared at quarterly, semi-annual or annual basis. There are accrued in <i>Musharakah</i> management accounts and later disbursed to Partners upon realization of Cash Surplus (i.e. Sales Proceeds in Cash)</p> <p>iii. AB Bank's Profit portion to be recognized in Customer's accounts as Financial Expenses instead of Dividend Paid, upon disbursement.</p>
15.	<b>Profit Sharing Ratio ("PSR") and Loss Sharing Ratio ("LSR")</b>	<p>i. The Distribution Profit shall be in accordance with the ratio as agreed upfront as (AB SPV) : (Customer), i.e. X% : Y%</p> <p>ii. The determination of PSR is either:</p> <p>a. PSR agreed upfront as fixed throughout Tenure: or</p> <p>b. Present PSR equals to up to beginning CCR of the accounting period, since CCR is subject to change progressively upon capital redemption; or</p>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
		<p><b>c. Profit Sharing Ratio Matrix (Appendix II)</b></p> <p>iii. The loss sharing ratio (LSR) must be equivalent to CCR at any point of time.</p> <p>iv. The PSR may be revised either based on the mutual agreement of the partners or based on a certain benchmark agreed upon by the partners as the case may be. (BNM: Concept Paper – <i>Shariah</i> Requirements, Optional Practices and Operational Requirements of <i>Musharakah</i>)</p> <p>Note: The profit earn from contract awarded will place in Project Account and distribute until end of the project and subject to the IRR of the project.</p>
16.	<b>Profit Distribution Date (Excess Profit Payment)</b>	The date of profit paid to shareholders upon realization of Cash Surplus. AB Bank had the discretion to release profit payment to the partners from the Distribution Profit Account or Escrow Account or hold the payment by transferring the profit to Sinking Fund instead.
17.	<b>Availability Period</b>	Subject to the nature of Project.
18.	<b>Collateral</b>	<p>Nil. However, 3<sup>rd</sup> party's collaterals are allowed to secure AB SPV's Capital Contribution only</p> <p>Note: The collateral can only be liquidated in the event of misconduct (ta'addi) or negligence (taqsir) or breach of specified term (mukhalafah al-shurut) of contract. (BNM: Concept Paper – <i>Shariah</i> Requirements, Optional Practices and Operational Requirements of <i>Musharakah</i>)</p>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
19.	Guarantee	Nil. Guaranteed profit and principle are not allowed. Performance Guarantee from shareholders or directors of Customer or third party allowable.
20.	Indemnity	The directors or shareholders of Customer must execute Indemnity Letter to indemnify AB SPV against breaches of terms and conditions in the Joint-Venture Agreement and in the event of any fraud and misrepresentation.
21.	Periodic Review	AB Bank's Credit Committee will be updated by JMC on a annual basis.
22.	Exit Plan	<p>i. Form of the <i>Musharakah</i> JV Share Certificate</p> <p>AB SPV's commitment will be in cash and shall be represented by this share certificate. This form is issued by Customer to certify AB SPV shares in the project or business referred to in the Joint-Venture Agreement</p> <p>ii. Form of the Sale of <i>Musharakah</i> JV Share Certificates Agreement</p> <p>This form gives AB SPV the right at its absolute discretion at any time to sell the Share Certificate on a staggered basis as set out in the Joint-Venture Agreement</p> <p>iii. There are 3 events of sale of <i>Musharakah</i> JV Share Certificates:</p> <p>a. AB SPV to exit early from JV in the event of non-default</p>



No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
		<p>b. Prepayment by Customer (own means, exclusive from JV's revenue and returns) in the event of non-default</p> <p>c. AB SPV to exit from JV in the event of default</p> <p>Formula for determining sale price of <i>Musharakah</i> JV Share Certificates must be agreed upfront as follow:</p> <p><b>Selling Price = P + Premium</b></p> <p><b>Where;</b></p> <p><b>P = Outstanding Capital</b></p> <p><b>Premium = P x Y x (n/365)</b></p> <p><b>Y = Negotiated % agreed by partners</b></p> <p><b>n = Number of days elapsed from the date of disbursement to the date of divestment.</b></p> <p>The formula applies for situations in which there has been no prior redemption of capital or payment of profit. Otherwise, it will be adjusted due to effects of these payments accordingly.</p> <p>Or</p> <p><b>Market Value x Capital Contribution (whichever is higher)</b></p> <p>iv. AB SPV may deliver a Notice of Sale of <i>Musharakah</i> JV Share Certificates to a 3rd party, other than Customer, at a negotiated market value.</p>
23.	<b>Designated Accounts</b>	Project a/c, Escrow a/c, Sinking Fund and Distribution a/c where applicable. AB SPV's representatives will act as the sole signatory to all the accounts.

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
24.	Documentation	<p><u>Mandatory documentation are:</u></p> <ul style="list-style-type: none"> <li>i. Letter of Engagement</li> <li>ii. Joint-Venture Agreement / Co-Ownership Agreement</li> <li>iii. Indemnity Letter</li> <li>iv. Form of the <i>Musharakah</i> JV Share Certificate; and</li> <li>v. Form of the Sale of <i>Musharakah</i> JV Share Certificates Agreement</li> </ul> <p>Additional documentations are need to be considered:</p> <ul style="list-style-type: none"> <li>I. Management Agreement</li> <li>II. Service Agreement</li> <li>III. Letter of Undertaking by the partner to utilize the facility strictly for the purpose of the financing</li> <li>IV. Declaration of Trust</li> <li>V. Deposit of Land Title</li> <li>VI. Companies Act 1965 related documents and forms</li> </ul> <p>Other relevant documents as advised by AB Bank's legal advisor and management as long it is <i>Shariah</i> Compliant.</p>
25.	Capital Adequacy Requirement	<p>AB Bank's capital base erosion treatment at single tier level; minor investment in AB SPV, together with 150% risk weight on the financing amount. (BNM Guidelines on Property Development and Property Investment Activities by Islamic Banks).</p>
26.	Termination	<p>Upon expiry of the <i>Musharakah</i> Tenure and project completion, the <i>Musharakah</i> joint</p>

No.	Item	<i>Musharakah Tijarah</i> Cross-Border Financing Features
		venture is terminated, unless extended with the mutual consent of the JV partners. EXIM SPV may undertake recovery actions via disposal of the Project Land / Asset after all creditors' obligations have been honoured.

#### 4. Conclusion

In this paper, we have examined the concept, structure and salient features of *Musharakah Tijarah* Cross-Border Financing is the product to enable the Bank to undertake project and contract cross-border financing activities or other identified business ventures on “pure” Joint Venture basis, using the underlying Islamic financing contract of *Musharakah*. Same time, we have discussed the risks associated with the proposed product such as market risk, credit risk, operational risk, liquidity risk and legal risk. Additionally, the current most of products are offered by Islamic banks based on sale-based contracts such as *Murabahah*, *Tawarruq*, *Ijarah*, *Salam*, *Istisna*, etc., which trigger some issues from *Shariah* perspective such as benchmarking of interest rate. This product encourages mobilization of idle capital / cash entities within cross-border financing activities and thus provides a basis for economic cooperation between these organizations in the society. The product also is expected to inject greater prosper to the Bank’s overall performance and ultimately able to assist small time landowners in a big way through business risk sharing or profit and loss sharing (PLS) mechanisms. *Musharakah* provides an alternative investment vehicle, which will cater for Islamic investors and partners, especially from Gulf Cooperation Council (GCC), who may have been reluctant to invest in conventional or current debt-based financing schemes. With *Musharakah* concept, the most preferred and globally accepted Islamic financing mode, this can attract these investors to participate on similar risk-sharing arrangements through the creation of Specific Investment Account (SIA) or Islamic Syndication to back financing made into the Joint Venture. Premised on the above, *Musharakah Tijarah* Cross-Border Financing provides the Bank wider customer experience for markets that are still largely untapped. It also provides opportunities to expand the investment choices / opportunities available to the Bank clients and allow them to execute alternative investment strategies. Customer also may leverage on market reputation as a JV partner to the Bank.

**References:**

- Accounting and Auditing Organization for Islamic Financial Institution. *“Accounting Standard FAS 3 – Musharaka Financing”*.
- Bank Negara Malaysia, *“Capital Adequacy Framework for Islamic Banks (Capital Components)”*, November 2012.
- Bank Negara Malaysia: Concept Paper – *Shariah Requirements, Optional Practices and Operational Requirements of Musharakah*.
- Bank Negara Malaysia, *“Guidelines on Musharakah and Mudharabah Contracts for Islamic Banking Institution”*, June 2010.
- Bank Negara Malaysia, *“Guidelines on Property Development and Property Investment Activities by Islamic Banks”*, January 2009.
- Lembaga Piawaian Perakaunan Malaysia, *“Shariah Compliant Profit-Sharing Contracts”*, March 2012.
- Malaysian Institute of Accountants (MIA), *“Tax Treatment on Islamic Finance in Malaysia”*, November 2012.

## Appendix 1

Capital Contribution Matrix (Based on Risk Rating)

Possibility of Default	Explanation	Capital Contribution Ratio (Bank:Customer)
1 (Highest Credit Quality)	Rating 1 denotes lowest expectation of default risk. Rating 1 is only assigned where customer is expected to have strong capabilities to fulfil financial obligation. Payment capacity is highly unlikely to be adversely affected by foreseeable event.	90% : 10%
2 (Very High Credit Quality)	Rating 2 denotes expectation of very low default risk. Strong capacity fulfilment of financial commitments is expected. The customer is expected to withstand potential adverse market condition. Capacity of payment financial obligation is most significantly vulnerable to foreseeable event.	85% : 15%
3 (High Credit Quality)	Rating 3 represent expectation of low risk of default including in the event of adverse market condition.	
4 (Good Credit Quality)	Rating 4 indicates expectation of default risk is currently low. Payment capacity of financial obligation is deemed adequate. Adverse market or economic conditions however are more likely to	

	impair the financial capacity for payment.	
<b>5 (Higher Credit Risk)</b>	Rating 5 indicates higher vulnerability to default risk, particularly in the event of adverse changes in business or economic condition over time.	
<b>6 (Significant Credit Risk)</b>	Rating 6 indicates significant credit risk. The customer is currently to meet financial commitment, but adverse financial or economic condition will likely impair capacity to meet financial commitment.	<b>70% : 30%</b>
<b>7 (Substantial Credit Risk)</b>	The customer is currently vulnerable and payment capacity hinges on favourable financial and economic condition. Default is a real possibility.	
<b>8 (Very High Credit Risk)</b>	Customer is highly vulnerable to adverse financial and economic condition. Default appears probable.	
<b>9 (Exceptionally High Level of Credit Risk)</b>	Default is imminent and inevitable or customer is in standstill.	

**Note:** Advance margin will be compensated in the Profit Sharing Ratio. However, this margin would depend on our risk appetite and negotiation with Customer. This is major differential advantage for JV. As a JV partner, Bank must ensure sufficient capital injection for working capital and CAPEX to avoid non-delivery of project. The delivery of the project will protect Bank's capital financing in the JV ultimately. Capital redemption to the Bank is subject to satisfactory project completion and sufficient sales proceeds. As a JV partner, both capital redemption and profit payment to the Bank are

directly linked to achievement in sales proceeds. Project completion may be in phases and subsequently sales will materialize.

**Appendix II**

**Profit Sharing Ratio Matrix (Based on Risk Rating)**

Possibility of Default	1 – 2 YEARS TENURE OF JV	2 - 5 YEARS TENURE OF JV	5 - 7 YEARS TENURE OF JV
	(Bank : Customer)	(Bank : Customer)	(Bank : Customer)
1	30% : 70%	35% : 65%	40% : 60%
2	35% : 65%	40% : 60%	45% : 55%
3	35% : 65%	40% : 60%	45% : 55%
4	35% : 65%	40% : 60%	45% : 55%
5	35% : 65%	40% : 60%	45% : 55%
6	40% : 60%	45% : 55%	50% : 50%
7	40% : 60%	45% : 55%	50% : 50%
8	40% : 60%	45% : 55%	50% : 50%
9	45% : 55%	50% : 50%	55% : 45%

Low Risk

High Risk

Low Return

High Return

**Note:** This matrix based on simple percentage benchmark to determine the Profit Sharing Ratio (PSR). The PSR will increase accordingly base on tenure (5%) of the project.





INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407



journal homepage: <http://ijisef.org/>

**Islamic Economics and Happiness Economics a Case Study on the Role of  
Central Banks in Approaching Human Wellbeing**

**Prof. Dr. Fouad H.Beseiso**

*Former Central Bank Governor, Founder of the Center of Economic Future Center, For Consultancy  
and Strategic Studies*

ARTICLE INFO

ABSTRACT

**Keywords:** *Islamic  
Economics, Happiness  
Economics, Banking  
reform and Human  
Wellbeing.*

This study explores the role played by the Islamic Economics in approaching Happiness Economics with a case study on the role of central banks in achieving human wellbeing. The study concluded that while a revolution emerged in the economic sciences field which is more effective and efficient, if accurately followed, in approaching human wellbeing, Central banking and the financial sector remained within its traditional role and functions aiming at economic and monetary stability. Only Islamic Banking and Finance and within the Islamic Economics from conceptual and pragmatic basis could be considered a welcomed development which might be building a corner stone for enabling a new role for banking and finance sector for approaching happiness economics from national to global perspective.

© 2016 PESA All  
rights reserved

---

## Part 1: Happiness Economics – The Conceptual Basis and Thought Development<sup>1</sup>

### 1. Introduction

Happiness constitutes the greatest and first priority within human beings' wellbeing. This fact creates the first motivation for my presentation.

The recent history of economic thought succeeded in laying the cornerstone for Happiness Economics which has been considered to be emerging as a turning Revolutionary economic point which integrated analytical economic tools with psychology science tools.

This revolution has proved to be a leading approach affecting both public policies and private sector business community towards achieving subjective happiness atmosphere.

Revolutionary developments in economics are rare. The conservative bias of the field and its enshrined knowledge make it difficult to introduce new ideas not in line with received theory.

"Happiness research, however, has the potential to change economics substantially in the future. Its findings, which are gradually being taken into account in standard economics, can be considered revolutionary in three respects: the measurement of experienced utility using psychologists' tools for measuring subjective well-being; new insights into how human beings value goods and services and social conditions that include consideration of such non-material values as autonomy and social relations; and policy consequences of these new insights that suggest different ways for government to affect individual well-being<sup>2</sup>".

"In Happiness, emphasizing empirical evidence rather than theoretical conjectures, Bruno Frey substantiates these three revolutionary claims for happiness research. After tracing the major developments of happiness research in economics and demonstrating that we have gained important new insights into how income, unemployment, inflation, and income demonstration affect well-being, Frey examines such wide-ranging topics as democracy and federalism, self-employment and volunteer work, marriage,

---

<sup>1</sup> This research Paper has drawn heavily upon a chapter prepared by the researcher as author of a book to be published shortly by Emerald Publishing on "Approaching Happiness Economics within the World Challenges - The Conceptual and Practical Basis Case Study on the Role of Islamic Economics"

<sup>2</sup> Bruno S. Frey(2008), Happiness: A Revolution in Economics (Munich Lectures in Economics) Hardcover – May 2, 2008. [http://www.amazon.com/Happiness-Revolution-Economics-Munich-Lectures/dp/0262062771/ref=pd\\_sim\\_b\\_1](http://www.amazon.com/Happiness-Revolution-Economics-Munich-Lectures/dp/0262062771/ref=pd_sim_b_1)

terrorism, and watching television from the new perspective of happiness research<sup>3</sup>".

Turning to policy implications, Frey describes how government can provide the conditions for people to achieve well-being, arguing that a crucial role is played by adequate political institutions and decentralized decision making. Happiness demonstrates the achievements of the economic happiness revolution.

### **1.1. Happiness and Subjective human wellbeing**

Objective human wellbeing covers three main dimensions including economic, social and environment wellbeing and focus on many subjective wellbeing indicators reflecting the quality of life.

"Objective indicators capturing varied dimensions of economic, social, and environmental well-being of the targeted communities. Also focusing on subjective indicators of quality of life such as community residents' satisfaction with life overall, satisfaction with various life domains (e.g., life domains related to social, leisure, work, community, family, spiritual, financial, etc.), as well as satisfaction with varied community services (government, nonprofit, and business services serving the targeted communities".<sup>4</sup>

### **The Happiness of People determine internationally development policies**

The implication one may draw is that in countries where most people are not happy, there is economic underperformance and loss. In July 2011, the United Nations (UN) General Assembly proposed 'the happiness of the people' as a new measure to guide development policies. In April the following year, the UN launched the first meeting on happiness and wellbeing, presided over by the Prime Minister of Bhutan. Not long after, the first World Happiness Report (Earth Institute 2012) was published, pooling existing multi-disciplinary knowledge. This momentum, along with progress in data standards and collection, has led to the integration of happiness components into the Sustainable Development Goals for 2015–30, the successor to the Millennium Development Goals.

It is thought that Capitalism and other Socio-economic systems applied in our recent world including capitalism, socialism, dictatorship and welfare systems had been producing periodic crises, world economic instability, social

---

<sup>3</sup> Bruno S. Frey is Professor of Economics at the University of Zurich, Visiting Professor at the Swiss Federal Institute of Technology, and Research Director of CREMA (Center for Research in Economics, Management, and the Arts). He is co-editor of *Economics and Psychology: A Promising New Cross-Disciplinary Field* (MIT Press, 2007).

<sup>4</sup> <http://www.springer.com/series/8363>

injustice, continued conflicts, hate and wars spreading globally in general and in the Middle East and developing countries in particular.<sup>5</sup>

Various Socio-economic and political systems proved to have many gaps in responding to the human wellbeing including in economic field {sustained economic growth, full employment, sustained real per capita growth and stability, in the social and cultural aspects (ensuring an adequate level of social justice, education and higher education and ensuring basic quantitative and qualitative health services , social care ) and moral (preservation of virtue, morality, religion and societies avoid corruption) and environmental pillar into development activities (establishing a green development projects committed to a clean environment requirements and preserving the rights of future generations), and the political aspects (including democracy, Democratic institutions provide the opportunity for the most disadvantaged groups in society to participate, institutionalize their rights, make choices, challenge public policies and hold Governments accountable, political freedom of choice, formation of political parties, free public opinion, judicial just system, freedom of speech, publication, and assembly; and the duty to respect human dignity in social life)<sup>6</sup>

## 1.2. Happiness Economic Definition

The economics of happiness assesses welfare by combining economists' and psychologists' techniques, and relies on more expansive notions of utility than does conventional economics. The related research highlights factors other than income that affect well-being.<sup>7</sup> Consequently the economics of happiness is an approach to assessing welfare which combines the techniques typically used by economists with those more commonly used by psychologists.

"While psychologists have long used surveys of reported well-being to study happiness, economists only recently ventured into this arena. Early economists and philosophers, ranging from Aristotle to Bentham, Mill, and Smith, incorporated the pursuit of happiness in their work"<sup>8</sup>.

---

<sup>5</sup> CHAPR, Umer,M,( 995 ) Islam and the Economic Challenge, The Islamic Foundation and The International Institute of Islamic Thought 1416 – 1995, Islamic Economics Series - 17 [http://ierc.sbu.ac.ir/File/Article/Islam%20and%20the%20Economic%20Challenge\\_93524.pdf](http://ierc.sbu.ac.ir/File/Article/Islam%20and%20the%20Economic%20Challenge_93524.pdf)

<sup>6</sup> NICKEL, James (2014), "Human Rights", The Stanford Encyclopedia of Philosophy (Winter 2014 Edition), Edward N. Zalta (ed.) <http://plato.stanford.edu/entries/rights-human/>

<sup>7</sup> GRAHAM, Carol (2005) , The Economics of Happiness, Economic Studies Program, The Brookings Institution, Forthcoming in Steven Durlauf and Larry Blume, eds., The New Palgrave Dictionary of Economics, Second Edition. <http://www.brookings.edu/~media/research/files/articles/2005/9/globaleconomics%20graham/200509.pdf>

<sup>8</sup> Ibid.

Happiness economics – which represents one new direction – relies on more expansive notions of utility and welfare, including interdependent utility functions, procedural utility, and the interaction between rational and non-rational influences in determining economic behavior.

"Richard Easterlin was the first modern economist to revisit the concept of happiness, beginning in the early 1970s. More generalized interest took hold in the late 1990s (see, among others, Easterlin, 1974; 2003; Blanchflower and Oswald, 2004; Clark and Oswald, 1994; Frey and Stutzer, 2002a; Graham and Pettinato, 2002; Layard, 2005"<sup>9</sup>.

After reviewing most of the definitions given to Happiness, I refer in the following to the clearest definition that shed clearer lights on the state of subjective happiness and illustrate at the same time happiness determinants serving our objected conceptual and practical basis required for achieving wellbeing happiness.

"Happiness occurs in various ways and it is often seen as a reflection of satisfaction with life"

"In the context of psychology, "happiness" has been cited as a psychological state and an overriding goal of human behavior. Watson (1980) stated that no quest claims a larger following than happiness. According to him, the essentials of happiness for most people are among the stable elements of life (friends, work, and nature)"<sup>10</sup>.

Time emphasis: Happiness is an evaluation of life as a whole.

The judgement may cover not only the present, but also on the past or anticipate the future. It is, of course, one thing to identify the correlates of happiness, and quite another to use public policies to bring about a society-wide rise in happiness (or life satisfaction). That is the goal of Bhutan's Gross National Happiness-GNH, and the motivation of an increasing number of governments dedicated to measuring happiness and life satisfaction in a reliable and systematic way over time.

The most basic goal is that by measuring happiness across a society and over time, countries can avoid "happiness traps" such as in the U.S. in recent decades, where Gross National Product-GNP may rise relentlessly while life satisfaction stagnates or even declines.

In light of the preceding concepts about Happiness we would use both terms of Happiness and satisfaction with life and subjective well-being to mean the same.

---

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

Governments are increasingly measuring well-being with the goal of making well-being an objective of policy. Lord Gus O'Donnell, former UK Cabinet Secretary and Head of the Civil Service, showed just how this can be done. It shows how different are the policy conclusions when health, transport and education are viewed in this light<sup>11</sup>.

Governments worldwide are now measuring subjective well-being or are currently considering whether to do so. OECD explains the thinking behind their new international standard guidelines for measuring well-being, and the office of the UN Human Development Report explained its own approach to the issue.

### **1.3. Islamic Economics and Happiness**

Responding to world thinkers seeking a third road to achieve happiness as both systems of Capitalism and Socialism and their added reforms and restructuring decisively failed to attain human happiness, but lead to more wars and human suffering and international financial and economic crisis as deeply represented in the latest continuing Crisis of 2008. This crisis gave arising belief in the Islamic economics which witnessed a rapid growth within regional and international circles and has been developing as a welcomed source for playing a basic contributing role in the International financial system.

Another important motivation for searching about the relation between Islamic Economics and happiness is arising from the state of conflicts and hatred prevailing in our recent national, regional and international sphere. This position motivates the need for the search for a "third way" to fight against hate-speech and hate-crimes as a result of the growing phenomena of Hate in Europe whether as anti-Semitism or anti Islam and Islamic people. This applies to Israel's ambassador to Germany when he claimed that German Jews are being hunted again like in 1938. It also applies to all voices claiming Muslim Germans are now in the position of Jews in 1938. This searched third road requires understanding all factor lead to this world of hatred and discrimination"<sup>12</sup>.

The solution for this world state of affairs might be searched in the determining factors which sow the seeds for human love and Happiness. Here we will explore the role of the Islamic Economics as the third road.

Several foreign and international voices cry out in order to stress the fact that Islamic economics is the hope for the salvation of humanity from the

---

<sup>11</sup> Ibid.

<sup>12</sup> *Neuwirth, David* © *Qantara.de* 2015 <https://en.qantara.de/content/anti-semitism-and-islamophobia-a-third-way-yes-but-one-that-acknowledges-the->

extremist positions adopted by each of the two dominant economic systems capitalism and socialism<sup>13</sup>.

Economy is the vital context which reveals the material and spiritual strength of Islam and through which the Islamic Ummah can achieve its cohesion, strength and universal mission.

Islam was not revealed to man for spiritual guidance, as was Christianity which advocates the principle of "Give to Caesar what belongs to Caesar and to God what belongs to God". Instead, Islam came in order to organize man's life in all its aspects, whether they are political, social or economic. The Messenger Mohammad, may Allah's prayer and peace be upon Him, was not only a Prophet but also an executive judge<sup>14</sup>.

#### **1.4. Islamic Economics –Conceptual Basis<sup>15</sup>**

Islamic economics has been having a revival over the last few decades while, conventional economics has become a well-developed and sophisticated discipline after going through a long and rigorous process of development over more than a century. How does Islamic Economics differ from conventional economics, and what contributions have it made over the centuries?

This evolution emerged as all development theories which led to the establishment of capitalism, rooted in Adam Smith's thought of free market invisible hand concept (1776) as well as all of development theories which developed from economic development to socio-economic development and then to human development as initiated by UN-UNDP. However the human economic thought discovered that all included concepts in the mentioned theories could not succeed in approaching human happiness and wellbeing. Then all these development theories and thoughts progressed towards economic development of happiness. This last development of economic thought has been emerging in the search for other determinants of human happiness than the building of wealth and GNP.

These lacked gaps are defined mainly as virtual ethics, socio-economic and political indicators approaching happiness.

Secular and materialist worldviews attach maximum importance to the material aspect of human well-being and tend generally to ignore the importance of the spiritual aspect. They often argue that maximum material well-being can be best realized if individuals are given unhindered freedom to pursue their self-interest and to maximize their want satisfaction in keeping

---

<sup>13</sup> <http://www.kantakji.com/media/6605/teaching-islamic-economics.htm>

<sup>14</sup> Ibid.

<sup>15</sup> M. Umer Chapra, (2005) Op.cit,

with their own tastes and preferences. In such a worldview there is little role for values or government intervention in the efficient and equitable allocation and distribution of resources. When asked about how social interest would be served when everyone has unlimited freedom to pursue his/her self-interest, the reply is that market forces will themselves ensure this because competition will keep self-interest under check.

In contrast with this, religious worldviews give attention to both the material as well as the spiritual aspects of human well-being. They do not necessarily reject the role of reason in human development. They, however, recognize the limitations of reason and wish to complement it by revelation. They do not also reject the need for individual freedom or the role that the serving of self-interest can play in human development. They, however, emphasize that both freedom and the pursuit of self-interest need to be toned down by moral values and good governance to ensure that everyone's well-being is realized and that social harmony and family integrity are not hurt in the process of everyone serving his/her self-interest.

There is no doubt that, in spite of its secular and materialist worldview, the market system led to a long period of prosperity in the Western market-oriented economies. Inequalities of income and wealth have also continued to persist and there has also been a substantial degree of economic instability and unemployment which have added to the miseries of the poor. This indicates that both efficiency and equity have remained elusive in spite of rapid development and phenomenal rise in wealth.

### **Islamic Economics and Conventional Economics**

While conventional economics is now in the process of returning to its pre-enlightenment roots, Islamic economics never got entangled in a secular and materialist worldview. It is based on a religious worldview which strikes at the roots of secularism and value neutrality. To ensure the true well-being of all individuals, irrespective of their sex, age, race, religion or wealth, Islamic economics does not seek to abolish private property, as was done by communism, nor does it prevent individuals from serving their self-interest. It recognizes the role of the market in the efficient allocation of resources, but does not find competition to be sufficient to safeguard social interest. It tries to promote human brotherhood, socio-economic justice and the well-being of all through an integrated role of moral values, market mechanism, families, society, and 'good governance. This is because of the great emphasis in Islam on human brotherhood and socio-economic justice.

#### **1.5. Islamic Economics, Finance, Banking and Wellbeing**

While economic revolution emerged the national, regional and international financial system witnessed within the same era the birth of the Islamic



Economics and Finance which based its concept on the shariah teachings and its objectives (Maqased)<sup>16</sup>. Islamic Economics has been developing and widely spreading from national and regional circles to global perspective, registering sustained annual growth with about 15-20 percent in its assets. The recent economic and financial crisis and their monitored sources and reasons motivated the convincement of many of the international financial system about the feasible refuge to Islamic banking and finance which seems to be more qualified to prevent crisis than the traditional banking and finance sector<sup>17</sup>.

In light of lessons of frequent crisis which had their drastic impact on banks including Islamic Banks, central banks should be very careful within their strategic direction to run a system through which early warning system with related required indicators should be built efficiently, better crisis and risks management, and established measures to deal with crisis<sup>18</sup>

Islam is a social, economic and political guide for individuals and communities.

The spiritual and secular lives in Islam are closely interrelated.

From an Islamic viewpoint, happiness is not restricted to material prosperity, though material reasons makeup some elements of happiness is on non-material concerns. Happiness depends totally on the degree of happiness. The material aspect is merely a means, but not an end in itself. The main focus is attaining growth and development attained by the soul.

In the volume published by Emerald publishing group which we edited and contributed a research paper on the strategic role of central banks towards Islamic finance role, we highlighted the conceptual basis governing the leading role of central banks as well as the practical basis resulted from our academic research and practical experience.<sup>19</sup>

Islamic Finance –Sustainability and Wellbeing Contribution

Dr. Zeti Akhtar Aziz, Governor, Central Bank of Malaysia, with her deep experience in Islamic Banking and Finance illustrated effectively and

---

<sup>16</sup> Shariaah Maqased is mainly five; many Islamic thinkers including added the sixth masked which is freedom.

<sup>17</sup> Beseiso, F, (2013)A keynote Speaker in the International Conference On Islamic Finance Organized by Emerald Publishers Group International and Abu Dhabi University Knowledge Group in Abu Dhabi on 14-16 April. Prof. Beseiso, F (2013) Presentation was On "The Role of Central Banks in Shaping the Future of Global Islamic Banking ".

<sup>18</sup> Beseiso, F,(2010) Manual On The Management of Economic Financial and Banking Crisis(The Conceptual and Practical Basis) Published by Arab Banks Union , 2010 (Arabic)

<sup>19</sup> Beseiso, F (2012) Op.cit.

with accurate analytical evaluation the role played by Islamic finance in achieving stability, sustainable economic growth for the regional and international economy. This is proved through the basic principles and preventive measures against crisis as well as other available financial instruments governed by the main financial intermediation role in its relation to the economic productive activities and thus leading to sustainability and stability which ends with sustained human wellbeing.

In the following illustrations as derived from Dr. Zeity evaluative speech<sup>20</sup>.

On the searched solution for a financial system that will best serve the real economy, sound and resilient and that is less vulnerable to financial crisis Dr. Zeiti said;

*"The global crisis has in fact demonstrated the pivotal role of an efficient functioning financial system towards achieving such a self-sustaining economic recovery. This has prompted an intensive collaborative effort by the international community to undertake wide ranging and far reaching financial reforms. This commitment is for a solution that will evolve a financial system that will best serve the real economy, a financial system that is sound and resilient and that is less vulnerable to financial crisis"*<sup>21</sup>.

Islamic finance, as a rapidly growing form of financial intermediation, has demonstrated its resilience during the global financial crisis and has every potential to advance the growth and development agenda.

*"As a form of financial intermediation, Islamic finance incorporates several elements that guide the process of the mobilization and allocation of funds to generate productive economic activity and inclusive development." Fundamental to Islamic finance is the requirement that financial transactions be accompanied by an underlying productive economic activity that will generate legitimate income and wealth. There is therefore, a close link between financial transactions and productive flows. Thus, the growth in Islamic financial assets is generally accompanied with growth of underlying activities that have economic value"*<sup>22</sup>.

---

<sup>20</sup> Speech of H.E. Dr. ZETI, Akhtar Aziz, Governor, Central Bank of Malaysia, Islamic Finance: An Agenda for Balanced Growth and Development, at the IDB Group Luncheon at the IMF-World Bank Annual Meetings, in honor of the IDB Governors and other dignitaries. Washington, 10 October 2010. <http://www.isdb.org/irj/portal/anonymouse?NavigationTarget=navurl://a60b98a8e4f1ebf3dc9fd8650aa4617f>

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

The resilience of Islamic finance is a main contributor to its sustainability. The global financial crisis, unprecedented in modern history has brought to the forefront the main issues concerning soundness and stability of financial system. It is recognized that financial stability is critical to ensure the sustainability of the intermediation function.

On the international aspects and risk management Dr. Zeti illustrated the development of Islamic Finance as becoming an important channel for fostering international financial linkages and in so doing is contributing to more balanced growth and development. "The internationalization of Islamic finance has therefore not only allowed for further diversification of risks, it has also contributed to more efficient allocation of funds across borders from centers with surplus funds to regions with investment opportunities<sup>23</sup>".

The importance of Islamic finance in strengthening financial linkages and rapid pouring into the international financial markets is evident in particular with the emergence of sukuk (Islamic bonds) instruments to prominence as an attractive new asset class for investors and a competitive form of financing for businesses. "The global sukuk market currently stands with an average growth rate of about 40 percent annually. Having now become the most vibrant segment in Islamic finance, the sukuk market has evolved into a truly international market, generating significant cross-border flows as funds are being raised from beyond domestic financial markets"<sup>24</sup>.

"As we pursue with stronger vigor the agenda of balanced growth and development, we have the potential to leverage on the increased role of Islamic finance in contributing to the global growth and global financial stability agenda. In addition, it can also be leveraged upon to foster greater financial flows across borders to contribute towards our agenda of enhancing a mutually reinforcing growth and the development agenda to achieve global aspiration of a self-sustaining, balanced and long lasting economic progress and development"<sup>25</sup>.

## **Part 2: The Role for Central Banks in Approaching Human Wellbeing - A case Study**

### **2.1. Conceptual Introduction**

Our main Objective for this case study is defined to explore the opportunity for a new role to be played by central banks in approaching Happiness Economics (Human wellbeing) and consequently laid the groundwork upon

---

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

which to propel our aspirations towards effective responding role about happiness economics. We should keep in our minds, while designing the new architecture and required infrastructure for the new central banking mission, the vital role played by Islamic Banking and Finance nationally, regionally and internationally as well as the unavoided contributing role of Ethical considerations in the reallocation of financial resources to more socially responsible areas and contributing to greater social well-being<sup>26</sup>.

### **Islamic banking and Finance continues to grow strongly**

During the past three decades, considerable progress has been made in almost all significant aspects of a comprehensive Islamic Financial Services Institutions (IFSI). The various segments of the industry and the related intellectual capital, institutions and policy initiatives have developed rapidly and attained a degree of maturity and international recognition.

The Islamic banking sector is reported by Ernst & Young to have grown at an annual rate of 16% in the period 2008–2012, reaching assets of USD1.7 trillion by the year 2013.<sup>51</sup> Estimates of the asset size and growth rate vary significantly (another report, for example, estimates banking assets to be USD950 billion<sup>52</sup>), but the consistent findings are that the sector is rapidly increasing in size, with assets near or above USD1 trillion. The sustained growth of the sector throughout the financial crisis is seen as a sign of resilience and of ongoing relevance to customers worldwide. Islamic banking remains the core of the Islamic financial services industry. It is estimated that 73% of total Islamic finance assets worldwide are banking assets. Nearly three-quarters of the industry's assets, therefore, are in the banking sector<sup>27</sup>.

The opening session of the IFSB Summit culminated in the launch of the flagship Islamic Financial Services Industry (IFSI) Stability Report 2015, which is published by the IFSB. The Secretary-General of the IFSB, Mr Jaseem Ahmed, summarized the key findings of the Report<sup>28</sup>: Despite the global economic slowdown, growth has been robust across Islamic financial sectors, with the banking sector growth rate at about 17% per annum during the post-crisis period, 2007–14. The growth rate of Sukuk issuances was even higher during this period, at about 19% per annum.

<sup>26</sup> Islamic Financial Services Industry Development, Ten-Year Framework And Strategies (2007), A joint initiative of the Islamic Research & Training Institute, Islamic Development Bank and Islamic Financial Services Board, [http://www.ifsb.org/docs/10\\_yr\\_framework.pdf](http://www.ifsb.org/docs/10_yr_framework.pdf)

<sup>27</sup> Ibid.

<sup>28</sup> Islamic Financial Services Board, Islamic Financial Services Industry (IFSI) Stability Report 2015, 12th IFSB Summit 2015 Core Principles for Islamic Finance: Integrating with the Global Regulatory Framework Kazakhstan, 20–21 May 2015 Proceedings [http://www.ifsb.org/docs/IFSB%2012th%20Summit%20Proceedings%20\(final\).pdf](http://www.ifsb.org/docs/IFSB%2012th%20Summit%20Proceedings%20(final).pdf)

In Malaysia, the Islamic banking industry has achieved a market share of 26% of the total banking sector; Sukūk constitute more than half of bonds outstanding (both government and private Sukūk); the Takāful sector has a 13% market share of the total insurance sector; and the Islamic fund industry has an 18% market share<sup>29</sup>.

We have been living in the recent years witnessing a central Banking role remain functioning within a traditional mission in conformity with the traditional concepts of Economic, Money and banking sciences and the traditional authority in organizing, supervising banking and financial sector and formulating the implemented monetary policies which constitute the cornerstone of its role as directed to achieve economic and monetary stability.

This is the conventional role of central banking being played while at the same time a documented revolution of the economic sciences have been emerging during the last quarter of last twentieth Century as mentioned before, that is known as the economics of happiness which integrated the economic science tools with psychology science tools in order to approach human happiness and wellbeing<sup>30</sup>.

*"In 2015, eight years on since the eruption of the crisis, the central banking community still faces many difficulties and challenges as it surveys possible exit strategies from their current policy stances and grapples with the possible medium-term impacts"<sup>31</sup>.*

Newly emerging thought about the need for a new role for central banks and monetary policy in light of the last world economic and financial crisis and related studies. In light of the crisis and the subsequent policy responses, important questions have arisen as to the proper roles, duties, and obligations of central banks in the years ahead. The central banking thought began to question a new role to be delineated which empower central banks to play more active role in achieving sustained development with the environment pillar, as well as the sustained wellbeing instead of just sustained economic growth and began to be caring about medium and long-term monetary policy impacts.

*"Climate change and other environmental challenges are moving up policy agendas worldwide. Nonetheless, the potential implications of*

<sup>29</sup> IFSB (2015), Proceedings of 12th IFSB Summit 2015 Core Principles for Islamic Finance: Integrating with the Global Regulatory Framework, Kazakhstan, 20–21 May 2015.

<sup>30</sup> Bruno, S. Frey (2008), Op.cit

<sup>31</sup> Fundamentals Of Central Banking (2015), Lessons from the Crisis, Published by Group of Thirty Washington, D.C. October 2015.  
<http://www.williamwhite.ca/sites/default/files/CentralBanking.pdf>

*environmental risks and scarcities for central banking as well as the linkages between financial regulation, monetary policy and environmental sustainability remain largely unexplored. Against this background, the Council on Economic Policies (CEP) and the Bank of England (BoE) are organizing a workshop on Central Banking, Climate Change and Environmental Sustainability, on November 14-15, 2016 at the Bank of England in London, UK. The event will bring together researchers from academia, central banks, and other nonacademic research of a larger CEP program on monetary policy and sustainability<sup>162</sup>.*

Sukūk issuance has caught the imagination of the world, with the G20 and multilateral bodies exploring the efficacy of Sukūk as a suitable instrument to finance especially infrastructure in Muslim member countries<sup>33</sup>.

It should be noted that despite the rapid growth of Islamic finance and the available opportunities for its sustained flourishing, Islamic finance is still a nascent industry in most countries and has not yet achieved a critical mass or the strategic focus needed for an effective recognition of its unique operational features in the national policy-making process. Therefore, Islamic international infrastructure institutions can and should play a key catalytic role in promoting the industry at the national level<sup>34</sup>.

### **Reforming the Financial Sector**

The current structure and practices of the banking and financial sector are impacting human wellbeing in a painful and noticeable suffering. Reference could be highlighted to illegal and inhuman exercises which should attract central banks utmost care to address these practices. It should be mentioned also that such practices exercised by the financial and banking institution were to a large extent responsible for the emerging regular crisis, particularly the last one of 2008 which reflected the practices of the newly designed financial engineering tools called derivatives and the financing practice directed to the real estate sector.

Reforming the financial system is a strategy required in light of inequality and ineffective traditional practices towards the business community and the deep weakness of moral aspects of financing policies as could be seen in the practices towards the poverty and the poor as towards SMEs.

<sup>32</sup> <http://www.cepweb.org/wp-content/uploads/CEP-BoE-Call-for-Papers-2016.pdf>

<sup>33</sup> IFSB (2015), Proceedings of 12th IFSB Summit 2015 Core Principles for Islamic Finance: Integrating with the Global Regulatory Framework, Kazakhstan, 20–21 May 2015.

<sup>34</sup> Islamic Financial Services Industry Development, Ten-Year Framework And Strategies (2007)

There are many practical examples on the banks illegal, unconstructive policies and Practices; the inequitable allocation of financing in the conventional banking system is now widely recognized. Lender wishes to get a return without sharing in the risks of business, it would be irrational for him' 'to lend as much to the impecunious as to the richer members of society or to lend the same amounts on the same terms to each. The established practice of banks is hence to lend mainly to those individuals and firms who have the necessary collateral to offer<sup>35</sup>.

Therefore reforming the financial system should constitute one of the key objected socio-economic reforms in light of the revolution of economic sciences.

The adoption of the Islamic financial system could be more conducive to the needed reform. The restructuring should be comprehensive enough to enable the financial institutions to make their full contribution towards the removal of imbalances, and towards the equitable as well as efficient intermediation of financial resources. Since the resources of financial institutions come from deposits placed by a wide cross-section of the population, it is only rational to regard them as a national resource in the same way as water supply coming out of a public reservoir. They must be utilized for the well-being of all sectors of the population and not for the further enrichment of the wealthy and the powerful.

In light of the preceding analysis pertaining to the socio-economic and political systems prevailing in the Islamic countries and their impacts on the wellbeing of the human moslem societies , it has been very clear that in order to shift the current state of affairs and the direction from miseries including poverty and corruption, socio-economic and political system which is based on Maqasid al shariah should be accompanied by moral reform, transformation of life-styles and structural changes in the economy including islamic banking and finance sector.

*"While catering to such specific needs of society, Shari'ah-compliant financial services could appeal to other segments of the population so long as the quality of these services is at least comparable with other alternatives. Being an option among many others, the Islamic financial services industry (IFSI) could therefore enhance competition in the financial sector. In a nutshell, the services provided by the IFSI are compatible with the principle of "social inclusiveness", which is a basic requirement for ensuring just and equitable social progress. Furthermore, such an inclusive financial sector*

---

<sup>35</sup> From the direct experience of the author as Governor of Central Bank and Controller of Banks in Palestine.

*development strategy with good service quality can be expected to successfully replace informal markets with formal and regulated ones*<sup>166</sup>.

International plans, policies and programs for reforming the International financial and monetary system are designed in light of the conventional traditional financial and monetary sector role. This could be illustrated from the G20 reforming program directing to present the structural problems as reflected by the international last crisis.

*"New Global Regulatory Reforms – G20 Agenda and Basel III The crisis has nevertheless led to an overhaul of the global financial regulatory system led by the G20 Agenda, which mandated the Financial Stability Board (FSB), standard-setting bodies and the IMF with the task of restoring global financial stability. The Agenda covers all the sectors of the financial services industry, and focuses equally on enhancing the supervisory and enforcement elements of regulation and on strengthening rules and standards. The core goals of these developments include strong micro prudential regulation that is globally coordinated; effective supervision; a robust cross-border resolution framework; and a larger regulatory perimeter that includes, for instance, addressing shadow banking issues, and strengthening accounting standards, data gaps and credit ratings*<sup>167</sup>.

While considering this agenda to be conducive in light of the crisis lessons and required reforms, however we can judge that this direction is not centered around the priorities arising from the proposed mission for a new role for the banking and finance sector towards the human wellbeing as defined in our preceding analysis.

## **2.2 Central Banking Role in Approaching Wellbeing.**

### Financial Sector Social Role

*"The critical and persistent issues of poverty reduction and improvements are important aspects of human welfare such as health and education, reducing child mortality, youth insecurity and restlessness, and so on, face every society today whether at the local, national, regional or international level. The financial intermediation system must play a vital role in alleviating these perennial human development problems and in achieving economic*

<sup>166</sup> Islamic Financial Services Industry Development, Ten-Year Framework and Strategies (2007), Op.cit.

<sup>167</sup>IFSB(2015),Op.cit.

[http://www.ifsb.org/docs/IFSB%2012th%20Summit%20Proceedings%20\(final\).pdf](http://www.ifsb.org/docs/IFSB%2012th%20Summit%20Proceedings%20(final).pdf)



*development by efficiently channeling financial resources towards productive opportunities, hence enhancing production, investment and trade activities<sup>38</sup>."*

*"Historical evidence shows that the efficiency of financial markets and institutions and financial depth and diversity can affect economic growth positively, and that development and competitiveness of the financial system are closely linked to economic growth. At the same time, international evidence shows that financial instability can harm economic growth and create unemployment and social insecurity. Therefore, the development of efficient and sound financial institutions and markets, with a policy and institutional framework aimed at fostering stability, remains a basic prerequisite for resource mobilization and allocation to achieve and sustain the objectives of development policies<sup>39</sup>."*

In light of the conceptual and practical basis for enabling efficient and effective role of Central Banks, as regulatory body in shaping the future of Islamic Financial System towards achieving human wellbeing, key legal, institutional and managerial strategic determinants for this role should be defined aiming at achieving stability, sustained socio- economic and political human growth and the effectiveness of the financial Sector, mainly with relation to their social aspects<sup>40</sup>.

### **2.3 Development of Financial Markets and Ethics**

This is an area of priority for the financial industry including mainly Islamic Banking and Finance. In this regard, the development of a comprehensive system including the various components of the financial markets would meet the requirements of the various differentiated groups. The challenge in the banking industry is, therefore, to steer the development of a financial system towards one which is more dynamic and responsive<sup>41</sup>.

---

<sup>38</sup> Islamic Financial Services Industry Development, Ten-Year Framework and Strategies (2007), Op.cit.

<sup>39</sup> Ibid.

<sup>40</sup> The Speaker attended The Bank of France (Central Bank) Celebration memorizing his inception before 100 Years (Paris, May 1999).A seminar was following the inaugural celebration and presided over by the Prime Minister and attended by many governors of central banks from many countries of the world .The seminar concluded that Independence of Central Banks should be guaranteed in order to design freely monetary policies as authorized by the country's population. In this case economic, social and also political stability could be achieved.

<sup>41</sup>This section draws extensively on the author performed volume as editor on "The Developing Role of Islamic Banking and Finance: From Local to Global Perspectives. Contemporary Studies in Economics and Financial Analysis – Volume 95 (U.K and U.S.A, Emerald Group Publishing Limited, 2010).

The development of a financial system should include the key components comprising the money market and the Islamic equity and debt capital market, given the strong linkages, inter-dependence and synergies among these components in the system. Of importance is the Islamic money market to act as a platform to provide a ready source of short-term funding and investment. Financial instruments and interbank investment will allow surplus banks to channel funds to the deficit banks, thereby maintaining the funding mechanism necessary to promote stability in the system. The Islamic money market will also facilitate the conduct of monetary policy.

The Islamic financial system also needs to include the capital market to provide an alternative source of financing, as well as to create broader and more diverse Islamic financial instruments for investors. The equity and bond markets will provide a more balanced allocation of financial and economic resources.

This would result in a more efficient distribution of risks within the system, thus creating stability in the system. The equity and bond markets would also provide an avenue for raising long-term capital. With a wider spectrum of instruments in the market, fund managers would be able to manage their portfolios better and spread their risk according to their desired risk tolerance, thereby contributing toward greater stability.

Complementing these financial markets is the development of non-bank Islamic financial institutions. Takaful, or Islamic insurance, provides the risk protection to its policyholders and serves as an important mobiliser of long-term funds. In addition, development financial institutions, savings institutions and housing credit institutions need to be developed to meet the diversified customer demands. These specialized institutions will meet the different requirements of the economy<sup>42</sup>.

## **2.4 Banking sector and Technology**

Creating synergy between IT and operations to ensure sustainability will be a key driver in the future success of the financial services sector and wellbeing. The benefits of technology such as scale, speed and low error rate are also reflecting in the performance, productivity and profitability of banks, which have improved tremendously in the past decade. These mentioned benefits of technology would be reflected positively on human wellbeing. Regulatory

---

<sup>42</sup> Ibid.

initiatives and organizing measures from the Central Bank as illustrated in the Indian case have also played a large role in the banking sector as follows<sup>43</sup>:

- ✓ To enable the finalization of a framework for the delivery of basic financial services using mobile phones, the Cabinet Secretariat constituted an inter-ministerial group (IMG) in 2009
- ✓ Banking Technology Excellence Awards were instituted in the year 2001 with a primary objective of encouraging and recognizing the excellence in implementation of Technology for better customer service, operational efficiency and expansion of banking services to the hitherto uncovered sections of Society.
- ✓ Financial inclusion, in recent years, has emerged as a major policy initiative. The Reserve Bank of India has significantly scaled up its efforts aimed at increasing the level of penetration of bank financing in the economy.
- ✓ The government has set up two funds — the Financial Inclusion Fund to meet the costs of developmental and promotional interventions toward financial inclusion, and the Financial Inclusion Technology Fund to meet the costs of technology adoption.

### **Sustained Development and Environment**

One of the main cornerstones of effective socio-economic, political and cultural system including the financial system is its commitment to achieve sustained human wellbeing, with environment basic project component. . Environment pillar includes; Poverty alleviation, social integration, Sustainable Management of Natural resources, Foods and water security, Land degradation and desertification. The financial sector whether on national or regional basis is considered one of the determinant factors playing a vital role in the success of approaching human development and wellbeing.<sup>44</sup>

---

<sup>43</sup> Beseiso, F. (2012) Strategic Planning for Banking Technology -The Conceptual and Practical Basis, Presentation for the banking sector senior staff, Tehran Electronic Banking Event, Tehran-Iran, 18-19 November, 2012

<sup>44</sup> Beseiso, F. (2008) Two Researches On the Economics of Environment and Sustained Deployment, Published in the Book on "Environmental Management, Sustainable Development and Human Health", Edited by E.N. Laboy-Nieves, F.C. Schaffner, A. Abdelhadi & M.F.A. Goosen, November 2008, CRC Press, Taylor & Francis Group, London, New York, Leiden.

- Conceptual Framework of Environmental Economics and Management- Governance and Pragmatic Approach for Integrating Sustained Environment into Human Development- Regional Case (UN- ESCWA).

## 2.1 Reforming Central Banking Mission and Restructuring

*Strategic Planning for a leading role of Central Banks*

*Effective regulatory and supervisory framework*

The hallmark of a well-developed financial infrastructure is an effective legal, regulatory and supervisory framework which would underpin the stability and sustained growth of the financial system enabling it to reach objected happiness. The regulatory and supervisory function is an indispensable and vital component of the financial infrastructure. For the Islamic financial system, this framework also needs to be consistent with the requirements of the Shariah principles, including the establishment of a Shariah council, which provide assurance that the strategic direction, the formulation of policies and the conduct of financial transactions are in compliance with the Shariah principles. Shariah makased include basic human needs to be attained by happiness economics and wellbeing.

Many challenges remain facing the Islamic finance sector which should attract the continued strong will of central banks. A review of supervisory and risk management arrangements and the infrastructure support for Islamic finance reveals significant gaps and weaknesses. These are in the early stages of being addressed by some national authorities, and by the Islamic international infrastructure institutions, most of which were established only recently (with the exception of AAOIFI, which was established in 1991 to develop accounting and auditing standards for Islamic banks). AAOIFI has made a major contribution to establishing key accounting, auditing and reporting standards, and to supporting Shari'ah contract and governance standards, but much remains to be done to support rapid innovations in the industry.

The IFSB has begun to address a range of prudential supervision and financial stability issues in Islamic finance effectively, although significant challenges remain to be addressed regarding the cross-sectoral features of the industry. However, significant gaps remain in addressing the weaknesses in key financial infrastructure components that are needed for sound market development and product innovation in the sector. These infrastructure weaknesses also impede effective risk management and reduce the effectiveness of supervision<sup>45</sup>.

Central Banks could be playing their objected role through adapting all monetary policy tools, including discount rate, interest rates, reserve requirements and credit policies, as well as central bank capacity as the main

---

<sup>45</sup> Islamic Financial Services Industry Development, Ten-Year Framework and Strategies (2007), Op.cit.

adviser for the government to the response in a conducive manner to the requirements and determinants of happiness economics and wellbeing as defined. This mission relates to the products and polices and outputs of the Socio-economic, cultural and political system objecting to approach human wellbeing.

This direction requires supervising and organizing the financial role of the financial sector towards a new leader of socio-economic, cultural projects' priorities conforming to human development projects and building the stones for the strong base required for the take off towards sustained development and wellbeing. This means a strong role to be emerging to support and encourage the green development projects including agriculture, food and water security, rural development directed to reach the poor and achieving equity among people and narrowing the Gap between the wealthy and the poor, support social projects related to Human capital and Knowledge economy (education, higher education, training, health projects ,cultural and social projects such as elderly services and needy students in schools and universities while supporting the role of universities in the community development activities.

Particular emphasis should be directed to restructuring and reorganizing credit policies which have been responsible as a main contribution to recent continued financial crisis including the last international economic and financial crisis of 2008.

Central Banks provide the opportunity for a major improvement in the management and effectiveness of Islamic Banks. It provides the impetus for agencies to clarify their missions and objectives, measure their performance better and improve their efficiency and effectiveness. It must, however, avoid the risk of becoming, like some previous efforts to improve government management, largely a paper exercise which produces many numbers and reports but few real results.

As central banks throughout the world respond to the new proposed role pertaining to human wellbeing requirements as illustrated in the preceding analysis a new pressures on them are imposed in order to restructuring their activities and re-defining their roles, and as they come under the glare of public scrutiny, in so they naturally pay more attention to their performance. Standards are established, performance evaluation measures defined, and management styles changed. Efficiency and accountability have to be demonstrated to a skeptical public.

Governing boards, ministers and the media have to be assured that official organizations are using resources in cost-effective ways.

Satisfying these multiple objectives requires staff development, training and performance management of a. high order<sup>46</sup>. All of this means that an effective strategic management function is at the heart of an efficient modern central bank or agency.

### **Required world Financial Stability**

The Financial Stability Forum was created in the aftermath of the 1997-8 financial crisis in order to promote international financial stability, improve the functioning of financial markets and reduce the tendency for financial shocks to propagate from country to country and to enhance the institutional framework to support global financial stability.

It is now apparent that the reforms that it has proposed, although important, have not been sufficient to avoid major global financial instability. If it is to become the main instrument for the formulation of reforms of the global financial system it must take into consideration the importance of financial stability for the development of the real economy.

### **Conclusion**

We conclude by saying that while a revolution emerged in the economic sciences field which is more effective and efficient, if accurately followed, in approaching human wellbeing, Central banking and the financial sector remained within its traditional role and functions aiming at economic and monetary stability. Only Islamic Banking and Finance and within the Islamic Economics from conceptual and pragmatic basis could be considered a welcomed development which might be building a corner stone for enabling a new role for banking and finance sector for approaching happiness economics from national to global perspective.

Pouring the economic revolution about happiness into the vital banking and financial sector gathering the central banks as the leader for this sector and all players within this sector including banks and financial non-banking institutions (as takaful and financial markets) is a required process as well as a necessity for human wellbeing.

Financing is a powerful political, social and economic weapon in the modern world. It plays a prominent role not only in the allocation and distribution of scarce resources but also in the stability and growth of an economy. It also determines the power base, social status and economic condition of an individual in the economy. Hence, no socio-economic and political reform can be meaningful unless the financial system is also

---

<sup>46</sup> <http://www.bis.org/review/r050225f.pdf>

restructured in conformity with the socio-economic and political goals of the society.

Both continued periodical economic, banking and financial crisis which all being affected and resulted mainly from the financial sector with its maintained traditional role which are still subject to this sector inhuman practices for human beings, thus restructuring and reforming this sector nationally, regionally and internally should be approached with central banks leading the whole new scenario.

Central banks should be aiming at his new mission subjecting the people to the concept of subjective happiness instead of just accumulating income and wealth while neglecting many human happiness bases including morality, religious, ethical, social aspects of humanity. Subjective happiness as identified concept should be the main objective for the financial sector and the central banks.

A newly created regulatory environment and mission will place the financial system on the human track. Building the required instructive technological environment can lead to new and favorably better financial services. Shariáh corporate governance for banks and financial non-banking institutions should be reached as defined to be the way in which a corporation is directed, managed and controlled through the application of Shariáh law or in a manner that is consistent with Shariáh law.

"In the modern world application of conventional corporate governance principles to Islamic Financial Institutions, not all of the conventional practices are rejected; but rather, an additional layer of corporate governance principles derived from Shariáh law is added to the existing layer of it".

To live this conceptual opportunity for redesigning financial sector, including mainly Islamic Banking towards human wellbeing , both policy makers within the proposed socio-economic and political system led by central banks and financial institutions need to play their part effectively and with a strong will. They need to ensure that the financial system is fit for the defined purpose and able to finance the newly emerging services.

---

**References**

Beseiso, F, (2013) A keynote Speaker in the International Conference On Islamic Finance Organized by Emerald Publishers Group International and Abu Dhabi University Knowledge Group in Abu Dhabi on 14-16 April 2013. Prof. Beseiso, F. Presentation was On "The Role of Central Banks in Shaping the Future of Global Islamic Banking " .

Beseiso,F, Editor"(2010) The Developing Role of Islamic Banking and Finance: From Local to Global Perspectives. Contemporary Studies in Economics and Financial Analysis – Volume 95 (U.K and U.S.A, Emerald Group Publishing Limited, 2010).

Beseiso, F. (2008) Two Researches On the Economics of Environment and Sustained Deployment, Published in the Book on "Environmental Management, Sustainable Development and Human Health", Edited by E.N. Laboy-Nieves, F.C. Schaffner, A. Abdelhadi & M.F.A. Goosen, November 2008,CRCPress,Taylor &Francis Group,London,Newyork,Leiden.

-Conceptual Framework of Environmental Economics and Management Governance and Pragmatic Approach for Integrating Sustained Environment into Human Development-Regional Case (UN-ESCWA).

Bruno,S. Frey, (2008) "Happiness: A Revolution in Economics (Munich Lectures in Economics" [www.amazon.com/Happiness-Revolution-Economics-Munich-Lectures/dp/0262062771/ref=pd\\_sim\\_b\\_1](http://www.amazon.com/Happiness-Revolution-Economics-Munich-Lectures/dp/0262062771/ref=pd_sim_b_1)

Chapra, M. Umer(1995), Islam and the Economic Challenge, The Islamic Foundation and The International Institute of Islamic Thought 1416 – 1995, Islamic Economics Series - 17

[http://ierc.sbu.ac.ir/File/Article/Islam%20and%20the%20Economic%20Challenge\\_93524.pdf](http://ierc.sbu.ac.ir/File/Article/Islam%20and%20the%20Economic%20Challenge_93524.pdf)

Fundamentals of Central Banking, Lessons from the Crisis, Published by Group of Thirty Washington, D.C. October 2015.

<http://www.williamwhite.ca/sites/default/files/CentralBanking.pdf>

<http://www.bis.org/review/r050225f.pdf>



Graham, Carol, ( 2005), The Economics of Happiness, Economic Studies Program, The Brookings Institution, Forthcoming in Steven Durlauf and Larry Blume, eds., The New Palgrave Dictionary of Economics, Second Edition.

<http://www.brookings.edu/~media/research/files/articles/2005/9/globaleconomics%20graham/200509.pdf>

Islamic Financial Services Industry Development, Ten-Year Framework And Strategies, Amid Term Review, (2014) A joint initiative of the Islamic Research & Training Institute, Islamic Development Bank and Islamic Financial Services Board, [http://www.ifsb.org/docs/2014-06-17\\_IFSB-IRTI%20A%20MID-TERM%20REVIEW\\_FINAL.pdf](http://www.ifsb.org/docs/2014-06-17_IFSB-IRTI%20A%20MID-TERM%20REVIEW_FINAL.pdf)

Islamic Financial Services Industry Development, Ten-Year Framework And Strategies (2007), A joint initiative of the Islamic Research & Training Institute , Islamic Development Bank and Islamic Financial Services Board, [http://www.ifsb.org/docs/10\\_yr\\_framework.pdf](http://www.ifsb.org/docs/10_yr_framework.pdf)

IFSB (2015), Proceedings of 12th IFSB Summit 2015 Core Principles for Islamic Finance: Integrating with the Global Regulatory Framework, Kazakhstan, 20–21 May 2015. [http://www.ifsb.org/docs/IFSB%2012th%20Summit%20Proceedings%20\(final\).pdf](http://www.ifsb.org/docs/IFSB%2012th%20Summit%20Proceedings%20(final).pdf)

Manual On The Management of Economic Financial and Banking Crisis(The Conceptual and Practical Basis) Published by Arab Banks Union , 2010 (Arabic)

Muneeza, Aishath, (2013)Head of Islamic Finance, Capital Market Development Authority, Shari'ah Governance Conflicts Facing Islamic Banking in Malaysia, International Islamic Finance Conference, in association with Emerald, Abu Dhabi, April 14th-16th 2013

[http://www.academia.edu/1334559/Concept\\_of\\_happiness\\_in\\_the\\_Islamic\\_perspective](http://www.academia.edu/1334559/Concept_of_happiness_in_the_Islamic_perspective)

Neuwirth, David (2015) Qantara.de

<https://en.qantara.de/content/anti-semitism-and-islamophobia-a-third-way-yes-but-one-that-acknowledges-the-complexity-of>

<http://www.kantakji.com/media/6605/teaching-islamic-economics.htm>

Nickel, James, "Human Rights", The Stanford Encyclopedia of Philosophy (Winter 2014 Edition), Edward N. Zalta (ed.)  
<http://plato.stanford.edu/entries/rights-human/>

Zeti, Akhtar Aziz (2010), Governor, Central Bank of Malaysia, Islamic Finance: An Agenda for Balanced Growth and Development, at the IDB Group Luncheon at the IMF-World Bank Annual Meetings, in honor of the IDB Governors and other dignitaries. Washington, 10 October 2010.

<http://www.isdb.org/irj/portal/anonymous?NavigationTarget=navurl://a60b98a8e4f1ebf3dc9fd8650aa4617f>

INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



**Islamic Economic System, Poverty and Insurgency: From Zakāh  
Distribution to Capacity Building**

**Mahmud Adesina Ayuba (PhD)**

*Senior Lecturer, Department of Religion & African Culture, Faculty of Arts, Adekunle Ajasin  
University, maayuba@gmail.com*

ARTICLE INFO

ABSTRACT

**Keywords:** *Islamic  
Economic System,  
Zakāh and Poverty  
Alleviation, Insecurity.*

Previous studies on Zakāh administration have addressed the issue of distribution of Zakāh funds to reduce the sufferings of the poor. The purpose of this work, however, is to argue for a change from Zakāh distribution to capacity building approach so as to change the condition of the poor and the needy from being Zakāh recipients to Zakāh payers. The fact remains that Nigeria is a rich nation but its people are poor. Many factors have been adduced to be the causes of poverty and perennial insurgency in Nigeria. It is observed that Zakāh is not administered as it ought in Nigeria. The study proffered efficient Zakāh institution as an effective antidote to curb the menace of poverty and insecurity. The paper argues through poverty alleviation model that if Zakāh is properly managed and disbursed judiciously, many destitute would be saved from the cloak of unscrupulous politicians and half-baked scholars who use them to destabilize the country. The study also believed that if Zakāh authority could be sending the poor to training centers to gain certain skills or financing their children's education; this would improve their living condition. The study utilized historical and ideological framework, while relying on secondary sources.

© 2016 PESA All rights reserved

## 1. Introduction

It is an undeniable fact that it is not possible for every person to possess enough wealth that would cater for his basic needs and necessity of life. The Qur'an, chapter 43 verse 32, confirms thus:

*Will they distribute the mercy of your Lord? We distribute among them their livelihood in the life of this world, and We have exalted some of them above others in degrees, that some of them may take others in subjection; and the mercy of your Lord is better than what they amass.*

In line with the conception of brotherhood in Islam, Muslims are strongly encouraged to take care of the needy and the poor in the community. As a result, the obligation to pay Zakāh on wealth was received by Prophet Muhammad. It was discovered that through the institution of Zakah, poverty was eliminated completely during the reign of 'Umar bin Al-Khattāb and 'Umar bin 'Abdul-'Aziz. This means that Islam shows concern into the well-being of its citizens and proffers adequate and practical solutions to their problems by institutionalizing Zakāh to address the issue (Haykal, 1982: 7). In other words, Islam devices different Sadaqah means to address the needs of the less privileged in the society through *Sadaqah* (voluntary charity), *Wasiyyah* (bequest), *Waqf* (endowment), *Mirāth* (inheritance) and Zakāh (obligatory charity).

Poverty, which is widespread all over the world, can be alleviated through proper Zakah administration. Since this world and what it contains are created by Allah, human beings, as vicegerents of Allah, are supposed to manage world's resources properly. Based on this concept, one needs to adhere strictly to the Islamic requirements in every aspect of his life, be it religious, political, social or economic, in order to maintain a good relationship with God (Ali, 1986: 456). Zakāh institution is an integral part of the Islamic socio-economic system and it has been ordained on Muslims by Allah through His Messenger Muhammad when the conditions stipulated are met.

Muslims are enjoined to pay Zakāh on business revenues and assets, gold and silver, and savings at the basic rate of 2.5% so that money collected can be of help for the needy and the poor. Unlike conventional tax, Zakāh is viewed as a means of purification and not just an obligation. Moreover, Zakāh plays an important role not only in the economy, but also in the moral and

social well-being of a society. Morally, Zakāh promotes sharing of wealth and eliminates greediness, and socially; it helps in reducing poverty within the community. As a result, wealth is widely distributed to all sections of the society and this undoubtedly, encourages healthier economic environment (Ali, 1987: 11).

Islam has been the first to lay down general principles for the economic welfare of the common people. It is significant when an economy experiences a slow down or recession as a result of financial or economic crisis. The needy and the poor as well as low income groups of the population are most affected by economic recessions like that of global financial crisis which was originated in the United States (US) in mid-2007. Zakāh institution can therefore play an important role in complementing the government's effort at eradicating poverty. The effectiveness of the Zakāh institution in carrying out its duties would depend on the expansion of new resources for Zakāh, the collection of Zakāh from tangible and intangible properties, systematic Zakah management, efficient Zakah distribution and the implementation of Islamic teachings (Adeoye, 2005a: 70).

Nigeria as a nation faces a lot of societal and developmental problems that hinder her growth and subjected majority of her citizens to low quality lifestyle. The abject poverty many Muslims are subjected to in Nigeria and the security challenges facing the country in general and Northern parts of the country in particular have been linked to inefficient Zakah institution in the country. It is amazing to know that Muslim community constitutes majority of the Nigerian population, and the level of poverty and insecurity in Muslim populated area are found to be higher than any other regions.

It should be made clear that it is not the aim of this paper to discuss in details the extent of poverty in Nigeria or the government's role to alleviate it. The aim of the paper is to examine the role of Zakah in alleviating poverty and curbing insurgency in Nigeria as the duo are some of the factors responsible for Nigeria's problem and underdevelopment. It would also discuss what to be done to improve Zakah institution in Nigeria in terms of efficiency and capacity building. The paper is planned as follows: An overview of Zakah and its objectives are examined after the introduction, followed by explanation of the Islamic approach to poverty eradication. This is followed by analysis of Zakah as a tool for poverty alleviation. Zakah institution in Nigeria and its role in alleviating poverty and combating insecurity through capacity building

were later discussed. Recommendation and conclusion ended the paper. Let us now look examine the Zakah as an institution and its objectives.

## 2. An Overview of Zakāh and Its Objectives

Zakah is a form of worship which involves wealth. To lay emphasis on its significance, the order to pay Zakah is associated with the order to perform prayer (*Salāh*) and it is mentioned more than eighty times in the Glorious Qur'ān. When a Muslim's earnings reach a prescribed amount called '*nisāb*' in excess of his needs, he is required to pay a portion to the poor and the needy. Zakāh is an infinitive of the verb '*Zakā*', which literally connotes to grow and to increase. When the word is used for a person, it means to improve or to become a better human being. It could therefore be inferred from the above that Zakah leads to blessing, growth, cleanliness, and betterment (Adeoye, 2005b: 1). The payers give Zakah as an act of worship, while the poor receive it as a right, without any obligation towards the payers. It gives increase to the poor in the sense that he gets something for his benefit and his mind is being satisfied which is a psychological increase. In this way, Zakah purifies the heart, mind and wealth of both the payers and the receivers (Hossain, 2012: 3). The Glorious Qur'ān states that:

*Take Sadaqah (alms) from their wealth in order to purify them and sanctify them with it, and invoke Allah for them. Verily! Your invocations are a source of security for them, and Allah is All-Hearer, All-Knower (Al-Qur'ān 9: 103).*

Commenting on the literary meaning of Zakāh, al-Qaradāwī (1999: 45) observes that with respect to plants, it means to grow and with respect to other things, it means to increase. Since plants grow only if there are dirty-free, therefore, the word Zakāh implies cleanliness and cleansing. Technically, the word Zakāh refers to the determined share of wealth prescribed by Almighty Allah to be distributed to deserving people. Similarly, Zakāh connotes the annual obligatory amount to be given out from one's wealth to the rightful individuals. For the purpose of appropriate disbursement, Almighty Allah mentions categorically the recipients of Zakah in the Glorious Qur'ān that:

*Alms are only for the Fuqarā' (poor), and Al-Masākīn (the needy) and those employed to collect (the funds); and to attract the hearts of those who have been inclined (towards Islam); and to free the captives; and for those in debt; and for Allah's Cause*

*(that is, for Mujāhidūn – those fighting in Jihād), and for the wayfarer (a traveller who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise (Al-Qur’ān 9:60).*

Zakāh is the right of the poor in the wealth of the rich. Every rich Muslim is bound to pay Zakāh as per prescribed rate and is liable to punishment both here and the hereafter. Almighty Allah says in the Glorious Qur’an: “...and there are those who bury gold and silver and spend it not in the way of Allah; announce unto them a most grievous punishment” (Al-Qur’ān 9: 34). Prophet Muhammad said: “He who possess camels or cattle or goats and does not pay what is due on his wealth (Zakāh), on the Day of Judgment the animals which he possessed will become larger than the size they were on earth and trample on him and gore him with their horns till the judgment of all humanity is completed”. The first Caliph of Islam, Abūbakr declared war on those Muslims who refused to pay Zakāh which indicates that the State has power to make laws with provisions to imprison, penalize and confiscate the properties of the defaulters. This clearly indicates that the Islamic State can force the rich Muslims to pay Zakāh as the Prophet appointed officials to collect Zakāh from the rich for the rehabilitation of the poor and the needy in the society (Alanamu. 2007: 12).

Moreover, Allah made Zakāh compulsory for those who have the means to pay it in order to achieve certain aims and objectives in the society. The first is that payment of Zakāh is an expression of caring for the welfare of the less privileged people of the society. This implies that payment of Zakāh to the poor and the needy will contribute to the growth in the economy as resources are channeled to members of society. This is in line with term ‘Zakāh’ which also means growth. Second, it is the blessing of Allah for the giver as well as for the receiver, as it improves the total economy of the nation. Third, it establishes a society on a humanitarian ground. Fourth, it removes the economic hardship for the poor and the needy and reduces the inequality among different groups of people in the society. Fifth, it satisfies the recipient’s needs and alleviates his financial as well mental sufferings. Thus, it creates love and brotherhood between the rich and the poor, minimizes social tensions and bridges the gap between the poor and the rich. In this way, Zakah develops social and economic security of the community and brings its all members closer together (Hossain, 2012: 3). Sixth, it purifies one wealth.

In a nutshell, *Zakāh* arouses kindness, sympathy, generosity and it prevents individuals from the evils of the envy, rancor and stinginess. Furthermore, the giver is purified from selfishness and greed, while the recipient is cleansed from resentment and envy. *Zakāh* aims at protecting the former from stinginess which can stir up evil reaction from the less privileged in the society. Islam wants the believers to love their neighbors as they love themselves and the love would be incomplete if a neighbor has material wealth that is more than the basic needs of his family but refuses to share it with his neighbors.

Prophet Muhammad is reported to have said: ‘None of you is a true believer until he loves for his brother what he loves for his own self’ (Related by Bukhārī and Muslim, Hassan, 2009: 262). As a result, Islam mandates the rich to pay the annual dues as a way of parting with a portion of his wealth. Similarly, it is expected of the poor to reciprocate by appreciating the rich. In such a situation, mutual love and security would be established in the society at large. In other words, the rich will feel safe and they would be able to interact with the poor. *Zakāh* also aims at preventing over concentration of wealth in the hands of few while the larger population languishes in abject poverty. If *Zakāh* is properly institutionalized and the disbursement is objectively carried out, there is tendency that the gap between the rich and the poor will not continue to be widened. By parting away with a portion of one’s wealth, the rich will be spiritually uplifted, sins will be forgiven, calamities will be averted and the blessings of Allah will be showered on him (Wilson, 1997: 24).

## **2.1 A Brief History of *Zakāh***

According to the *Qur’ān*, *Salāh* and *Zakāh* (prayer and alms) were ordained as compulsory from ancient times for the Ummah of all Prophets. After mentioning about Prophet Ibrahim and other Prophets of his race, the *Qur’ān* says: “And We inspired them in doing of good deeds and right establishment of *Salāh* and giving of *Zakāh* and they were worshippers of Us” (Al-*Qur’ān* 21: 73). About Prophet Ismā’il, the *Qur’ān* says: “He enjoined upon his people *Salāh* and *Zakāh* and was acceptable in the sight of his Lord” (Al-*Qur’ān* 19: 55). Moreover, Prophet Musa prayed for his people: “O Allah! Bestow upon us the well-being of this world and also the well-being of the Hereafter”. Allah replied by saying: “I shall smite with my punishment whom I will. Although My mercy embraces all things, but I shall ordain it for those who will fear Me



and give Zakāh and those who will believe in Our revelations” (Al-Qur’ān 7: 156).

After Prophet Mūsa, the Children of Israel were repeatedly admonished on this account. Almighty Allah said: “O Children of Israel! I am with you, if you offer Salāh and give Zakāh and believe in My Messengers, and support those Messengers who are to come, and lend unto Allah a nice loan. Surely! I shall remit your sins” (Al-Qur’ān 5: 12). The commandment of Zakāh was also given to Prophet ‘Isa as found in the Qur’ān: And had made me blessed wherever I may be, and had enjoined upon me Salāh and Zakāh so long as I remain alive” (Al-Qur’ān 19: 31). This reveals that that Islam has been established from the beginning as every Prophet of Allah was admonished on these two obligatory duties of Salāh and Zakāh (Hossain, 2012: 6).

The obligation to pay Zakāh was received by Prophet Muhammad in Madīnah during the month of Shawwāl in the second year of Hijrah. Zakāh funds was collected and distributed under the watch of the Prophet by the appointed Zakāh workers (‘Āmil). The workers were given a portion of the Zakāh funds as they would go to the potential payers, assess their Zakatable items properly and collect the amount due to them. Most of these workers were retained by the first Caliph, Abūbakr (Usmani, 1999: 23).

During the period of the second Caliph, ‘Umar bin Al-Khattāb, a new method of Zakāh collections was introduced known as Al-‘Ashir. ‘Umar set several points on major highways, especially for those coming from other countries. An appointed tax collector was put at each checkpoint and Zakah was collected from the Muslim traders while the non-Muslims traders were required to pay taxes on imports. ‘Umar also introduced the concept of Public Treasury (*Baytul-Māl*) in order to manage the Zakāh and Waqf funds in 15 AH. ‘Umar also included some new sources of wealth such as horses, lentils, chickpeas that had been exempted during the period of Prophet Muhammad in the list of Zakatable items by applying Ijtihād. The Ijtihād was then followed by other Caliphs and Islamic scholars (Usmani, 1999: 23).

During the reign of ‘Umar bin Al-Khattāb and ‘Umar bin ‘Abdul-‘Azīz, it was learnt that poverty was completely eliminated as it was hard to find an eligible recipient of Zakāh. During the period of ‘Umar, the second Caliph, the Governor of Yemen, Mu‘ādh bin Jabal sent one-third of the Zakah collection in a particular year to ‘Umar bin Al-Khattāb, ‘Umar rejected the

fund and said: "I sent you to take from the rich and render it to the poor among them". Mu'adh later claimed that he could not find anyone who deserved the Zakāh money. In the following year, Mu'adh sent half of the Zakāh collection and similar conversation took place between them. In the third year, he sent all the Zakāh collection to 'Umar and said: "This year, I did not find a single person who needs from me anything of the Zakāh (Usmani, 1999: 23).

A similar thing also happened during the reign of 'Umar bin 'Abdul-'Azīz when an Egyptian Governor sent him a letter asking on what to do with the proceeds of Zakāh as there was no deserving poor and needy was found in Egypt. 'Umar bin 'Abdul-'Azīz said: "Buy slaves and let them free, build rest areas on highways, and help young men and women to get married" (Akmar, 2011: 13). This shows that Zakāh is effective in eliminating poverty if properly managed.

### **3. Islamic Approach to Poverty Eradication**

We have examined Zakah as an institution and its objectives in the last section. This section will discuss the Islamic approach to poverty eradication. Poverty is a multi-dimensional economic phenomenon that has both political and social ramifications. It exists throughout generations and societies irrespective of cultural affiliation and geographical boundaries. Although the nature of poverty may vary from community to community, culture to culture and time to time, poverty persists in both rural and urban areas alike; and also both developed and developing economies (Hassan, 2009: 262). Islamic principles of poverty alleviation are based on the Islamic views of social justice and the belief in Allah.

Moreover, poverty from Islamic perspective is seen as a state of lack or insufficiency of basic necessities of life required for the continuous well-being of human beings (Orebanjo, 2000: 13). Poverty implies a state where an individual lacks the necessary resources needed to meet the needs, not only for continued survival but also for a healthy and productive survival. The implication of this is that Muslims must help in the up-keep of the indigent through provision of essential needs and necessary capital to start-up or develop business ventures. Zakāh is therefore, made compulsory by Almighty Allah as a measure for alleviating poverty and improving the living standard of the poor and the needy. This obligation could only be realized if Zakāh is efficiently managed and channeled towards productive and sustainable development of the society by those entrusted with its administration.

It is interesting to note that poverty is a cankerworm which could affect an individual, a family, a state, a nation, a continent or the entire globe. Helping the poor by directly giving them money to buy their necessities, is indeed only a short term solution as this would create a dependency on Zakāh receipts which would not help them in enhancing their standard of living. Its success would, therefore, help to buffer the effects of recession of the economy on the poor through capacity building and social transformation.

### **3.1 Islamic Strategies for Poverty Eradication**

According to Kabir Hassan (2009: 263), the Islamic approach to poverty eradication involves five distinct measures. Firstly, Islam emphasizes moderate behavior that will produce necessary savings for both the individual, the overall economy and will stress on the need for lawful (*Halāl*) earning. The Qur'an says: "A person gets what he strives for" (Al-Qur'an 53: 39). "Earning a lawful (*Halāl*) living is obligatory after obligatory rituals" (Hadith). "Do not make your hand tied to your neck, nor stretch it forth to its utmost reach, so that you become blameworthy and destitute" (Al-Qur'an 17: 29). Secondly, Islamic approach teaches equitable distribution of income among factors of production such as profit sharing. Islam prohibits usury (*Ribā*) and emphasizes the distribution of profits on the basic definition of ratio, rather than a nominal fixed interest among the stakeholders.

Thirdly, Islam teaches that ownership of everything belongs to Allah. However, human beings have the secondary ownership as trustees, for utilizing resources per terms and conditions of the trust. Hassan (2007: 264) submits that resources identified for public use such as natural resources should be owned by State so that they are accessible to entire citizens. The fourth one is the prohibition of malpractices that can lead to economic disparity such as gambling, hoarding, cheating, and bribery. The Qur'an says: "O you who believe! Squander not your wealth among yourselves wrongfully, except it be a trade by mutual consent" (Al-Qur'an 4: 29). The fifth one is the establishment of Zakah. Zakah is a unique and obligatory instrument for poverty alleviation as wealth is transferred from well-off people to worse-off people. Islam also encourages voluntary charity (*Sadaqah*) and acts of benevolence rather than mandatory one like Zakāh. The Qur'an says: "And in your wealth, are obligations beyond Zakāh". "In their wealth, there is a known right for those who ask for it and for the deprived" (Al-Qur'an 70: 24-25). Hossain (2012: 8) also sees Zakah as a powerful poverty alleviating instrument

for Muslims. In the same vein, Mika'ilu (2000: 9) observes that there is need for reform in the way and manner Zakah proceeds are being disbursed in Nigeria as most Muslims are living in abject poverty. Shittu (2013: 27) also calls for a viable Zakah foundation in Nigeria as this is seen as an efficient antidote to poverty alleviation and perennial insurgency. In the Islamic economic system, the state should be held responsible for maintaining a favorable environment for legal business and economic activities. The next segment will now analyze Zakah as a tool for poverty alleviation.

#### 4. Zakāh as a Tool for Poverty Alleviation

Poverty has become an economic, social and political issue all over the world, particularly in the developing and third-world nations including many Muslim countries. As a result, United Nations (UN) and World Bank are working to eradicate poverty with all kinds of activities, programs, services and policy developments. In the year 2000, the UN organized an event that gathers leaders of the nations to sign the "Millennium Development Declaration". The world leaders pledged to work together to achieve the "Millennium Development Goals" by the year 2015, where one of the objectives is to significantly reduce the number of extreme poverty and hunger globally (Nadzri et al, 2012: 62). Similarly, in 1999, International Monetary Fund (IMF) and World Bank introduced the Poverty Reduction Strategy (PRS) that outlined a comprehensive country-based strategy to significantly reduce poverty (Nadzri et al, 2012: 62).

Poverty is measured in monetary terms, based on the income levels or consumption per capital or per household. The World Bank in 2008 redefined the International Poverty line based on the purchasing power parities at \$1.25 a day instead of \$1.00 a day. As a result, those who earned less than \$1.25 a day are said to be under absolute poverty. UN therefore defines poverty as follows:

*Poverty is a denial of choices, opportunities, and a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to; not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on*

*marginal or fragile environments, without access to clean water or sanitation (Nadzri et al, 2012: 62).*

However, Islam sees poverty as a state whereby an individual fail to fulfill any of the five basic human requirements of life which are religion, intellect or knowledge, physical self, offspring and wealth (Hassan, 2010: 263). Nadzri et al (2012: 63) opine that poverty is a social and ideological problem. As a social problem, its effects are felt in the society. As an ideological problem, it affects the performance of one's socio-religious obligation towards the community and Islam which may even lead to polytheism (*Kufr*). Prophet Muhammad therefore supplicated to Almighty Allah against poverty as follows:

*O Allah! I seek refuge with You from laziness and geriatric old age from all kinds of sins and from being in debt; from the affliction of the Fire and from the punishment of the Fire and from the evil of the affliction of wealth; and I seek refuge with You from the affliction of poverty... (Nathan, et.al. 2004: 13).*

According to Hossain (2012: 8), over 1.3 million people in developing countries now live on \$1.25 a day or less. Between 1990 and 2008 efforts to reduce this number were highly successful and the number of people living in poverty decreased by nearly half, from 48 to 26 percent. But according to the latest United Nations reports, food prices are back on the rise, causing an increase in global poverty for the first time nearly for two decades. Proper Zakāh implementation program (through capacity building) can reduce poverty level at least in Muslim developing countries (Hossain, 2012: 8). For instance, Islam establishes Zakāh as a compulsory charity tool that can be used on eight purposes as mentioned above. Among them, five are meant for poverty eradication such as the poor, the needy, the debtors, the slaves (to free them from captivity), and the travellers in need. Others are 'those whose hearts are made inclined' (to Islam), and in the way of Allah. Zakāh funds have to be accorded to the alleviation of poverty through assistance to the poor and the needy (Hassan and Khan 2007: 266).

On the *Nisāb* of Zakah, some scholars are of the opinion that Zakāh should be imposed on four types of agricultural products, gold and silver, and freely pastured camels, cows, and sheep. However, according to Hassan, such items would only constitute a part of the wealth of rich people of modern societies, as wealth and income have taken other forms. Another view of *Nisāb* considers that Zakāh must be imposed on the wealth and income of the rich

that exceeds the normal and family expenditures like business assets, financial assets and rentable buildings (Gidado, 2003: 23). In other words, Zakāh serves as a tool for poverty alleviation because wealth is retained in circulation for the benefit of the entire society (Shittu, 2013: 25). Wealthy members of the society who possess more than their basic needs are enjoined to give out part of their wealth to the poor and the needy. As a result, the poor and the needy would be self-reliant in the near future and would also discourage a situation whereby the rich get richer and the poor get poorer.

Moreover, as Zakāh is not levied on the income but rather on the savings and hoarded items, the Zakāh payer would prefer to invest his wealth and get it increased. This would prevent selfish individuals from raking in multiple profits at the expense of other members of society through creation of artificial scarcity by hoarding agricultural products and other related items. On this, Shittu (2013: 26) submits that Zakāh increases production and stimulates supply due to the fact that it leads to redistribution of income that enhances the demand by putting more real purchasing power in the hands of the poor.

Zakāh also serves as intervention and financial aid to those who may not be poor, but may be in need of special financial intervention to bail them out of a prevailing situation. This kind of intervention is applicable to wayfarers and debtors. This will also minimize begging to the barest minimum in our societies. We can see that major cities in Nigeria are flooded with beggars and unfortunately majority of them are Muslims. If those whose wealth have reached the minimum *Nisāb* of Zakāh duly paid their dues and managed properly, many destitute who resulted to begging to have basic necessities of life would be taken off the streets. The next to be looked into is Zakah institution in Nigeria and its role in alleviating poverty and combating insecurity through capacity building.

## **5. Zakāh Institution in Nigeria and Its Role in Alleviating Poverty and Combating Insecurity through Capacity Building**

The history of Zakāh in Nigeria began from the date Islam arrived the country. The data on Zakāh collection and distribution during this early period could not be found. However, the information gathered revealed that it was traditionally performed by giving the Zakāh funds and goods to religious scholars who would later distribute them in accordance with the need of available beneficiaries. Presently, it seems that the impact of Zakāh is not

felt in our society due to non-availability of Zakah institution in Nigeria. As a result, many Muslim youths remain vulnerable to abuse and manipulation by selfish politicians and egocentric scholars. If not for few organizations that are springing up in recent times to collect and disburse Zakah, the way and manner by which Zakāh is being paid, collected and disbursed need restructuring in order for its impact to be felt in our society. In other words, we need to examine or re-examine the manner by which Zakāh is being paid, collected and distributed in the country.

Shittu (2013: 26) believes that the general method by which Zakāh is paid and the attitude of many Muslims to it today may not be unconnected with the way the Colonial Authorities dealt with Zakāh and relegated it to the background such that it was made to bear a resemblance to illegal levy imposed by the Emirs and religious leaders. Shittu (2013: 26) states further that following the increase in the general tax of 1907 and after several attempts to do away with Zakāh, the Colonial masters promulgated that payment of Zakāh were unlawful. The Colonial authorities consequently deposed some district heads who were caught collecting Zakāh in Sokoto. Although majority of Muslim faithful realized that it was a commandment from Almighty Allah to pay Zakāh and continued to pay it secretly, the stand of British administration however affected its payment, collection and popularity among Muslims negatively. The reason is that anybody not willing to pay could report Zakāh collector to the British administration and the person could then be charged to court for extortion. The fate of Zakāh during the colonial period is summarized as follows: The ordinary Muslims continue to take out Zakāh from their wealth, amounts or quantities that they think fit, when they think fit and distribute it as they think fit (Shittu, 2013: 27).

Zakāh administration during post-colonial era could not witness any significant improvement as Muslims cannot be forced to pay Zakāh and defaulters cannot be sanctioned. Although there is no law from successful administration refraining Muslims to pay Zakāh publicly unlike the colonial days, its popularity that was badly affected during the colonial masters still remains to today. Majority of those willing to pay do so at their own discretion without consulting Islamic scholars. Therefore, those who care to pay Zakāh do so at will and distribute it the way they like it. A Zakāh payer may prefer distributing to many people and in the process he may end up giving out One thousand naira (N1, 000) only which is about 5 USD to each recipient. In this

case, the impact of Zakāh is not felt in the society and the rationale behind Zakāh is to empower people and bail them out of poverty.

In order to restructure and strengthen Zakāh institution in the country, many Muslim organizations have taken up the challenge and are trying to sensitize the community on the need to give Zakāh the priority it deserves.

Despite abundance of wealth with which Nigeria is endowed with, the level of poverty in the country is generally manifested in lack of social amenities like drinkable water, electricity and accessible roads. The government however does not fold arms at the pathetic conditions of Nigerian citizens. They have therefore put many programs in place to alleviate poverty among its citizens. In other words, both the military and civilian governments in Nigeria have come up with many programs in their bid to alleviate poverty among the people. Programs like Operation Feed the Nation of Obasanjo regime in 1976 for the purpose of improving food production which is a prerequisite to solving the problem of poverty. To serve the same purpose, it was changed to Green Revolution during the regime of Alhaji Sheu Shagari in 1983. We also have some programs adopted to stabilize the nation's economy like the Austerity Measure and the Structural Adjustment Program (SAP).

General Ibrahim Babangida's administration also designed some programs in order to create more job opportunities for young school leavers. The National Directorate of Employment (NDE) and the Directorate of Food, Roads and Rural Infrastructure (DFRRI) were established. He later established the Community Bank and Peoples Bank of Nigeria (PBN) respectively in order to make loans available to farmers for investment into agricultural productivity. The Better Life for Rural Women and the Family Support Program (FSP) were also founded by the Babangida and General Sanni Abacha regimes respectively to alleviate poverty especially among the rural women. The Obasanjo government also came up with the Poverty Alleviation Program (PAP) to create job opportunities and improve rural electrification. The 7-point agenda of President Musa Yar'adua aimed at improving the conditions of Nigerians could not see the light of the day after his demise. President Goodluck Ebele Jonathan also came up with his Transformation agenda. It is disheartening to know that the amount of money allocated for these programs were not known to the general public.

There are also some non-governmental organizations (NGO's) formed for the purpose of alleviating poverty in Nigeria to complement government's efforts. These include the Life Above Poverty (LAPO) in Benin City, Halt



United Self Help Organization (HUSHO) in Nsukka and the Women in Cooperatives, Agriculture and Development (WICAD) in Ogbomosho. Others are Total Health Organization (THO), the Grassroots Empowerment Network (GEN), the Community Action for Popular Participation (CAPP), the Transparency in Nigeria (TIN) and the Country Women Association (COWAN), among others.

Surprisingly, none of the programs was able to bring the expected and desired results. We observe that all the programs mentioned above for the purpose of alleviating poverty do not allow alleviating spiritual poverty except material one. On this Adebayo (2011: 39) quoting Sulaiman observes as follows:

*All the poverty alleviation measures adopted in Nigeria were superficial because they were incapable of achieving the purpose of their establishment namely; alleviating poverty, while “the meager resources were misused by some members of the elite who implemented them (Adebayo, 2011:29).*

The lodging of Adam and his wife, Hawā' in the Garden explains that Allah did not want them to live in penury and poverty. This means that human needs have been put in place ever before the creation of Mankind. The Qur'an 20 verses 118 and 119 confirm thus: “There is therein (enough provision) for you not to go hungry nor go naked, nor suffer neither from thirst nor from the sun's heat”. Allah therefore warned Adam and his wife not to succumb to Shaytān temptation as he threatens with poverty. They eventually sinned against Allah and found themselves in the wrath of Allah. They asked for Allah's forgiveness and they were forgiven. They were however left at the mercy of working to earn their living and working for to be admitted into the Garden again. Islam encourages Mankind to move from place to place in search of viable and reasonable livelihood and that there is no room for unwise decision to live in poverty or under persecution and oppression. The Qur'an states:

*When Angels take the souls of those who die in sin against their souls, they say: “In what (plight) were you?” They reply: “Weak and oppressed were we in the earth”. They say: “Was not the earth of Allah spacious enough for you to move yourselves away (from evil)?... (Al-Qur'an 20: 118-119).*

Islam teaches that Allah is the owner of everything in the world and that the owner of any property in this world is only a trustee who holds the property on behalf of the community. Islam, at the same time, enjoins man to struggle to earn his living through lawful means and it forbids earning through sinful means like extorting, gambling, robbery, and looting among others. It also discourages begging as a means of livelihood (Adebayo, 2011.31).

The aim of the institution of Zakāh in Islam is to alleviate if not eradicate poverty, hunger, disease and ignorance by guaranteeing the provision of basic necessities of life in one hand, and to some extent, solve the problem of unemployment so that they too may eventually become independent (Adebayo, 2011.32). Social welfare services are considered part of faith in Islam. This explains the reason why Zakāh is being mentioned always with prayer (Salāh) in numerous verses of the Qur'ān. Social welfare services could be seen as a trust which must be discharged by the rich to the poor, the needy and the weak. The rich could earn torment of Allah in the Hereafter if they fail to do it. The Qur'ān confirms thus:

*And spend (in charity) of that with which We have provided you before death comes to one of you and he says: "My Lord! If only You could give me respite for a little while, then I should give Sadaqah (i.e Zakāh) of my wealth, and be among the righteous. And Allah grants respite to none when his appointment (death) comes. And Allah is All-Aware of what you do (Al-Qur'ān 63: 10-11).*

*(It will be said): "seize him and fetter him". Then throw him in the blazing fire. Then fasten him with a chain whereof the length is seventy cubits! Verily, this was he that would not believe in Allah, and urged not on the feeding of the poor. So he has no friend here this Day, or any food except filth from the washing of wounds. None shall eat of it except the sinners (Al-Qur'ān 69: 30-37).*

The institution of fasting (*Sawm*) is also aimed at giving the rich the opportunity of having practical experience of the pangs of hunger of the poor by abstaining from food, drink and sexual intercourse for certain period. By so doing, the sympathy for the poor in the hearts of the rich is awakened. Likewise, *Sadaqatul-Fitr* (charity at the end of Ramadan) which is made compulsory for the rich at the end of Ramadan fast is not only meant for

purification of their fast, but also to address the suffering of the needy and the poor.

Many people have traced the insecurity of lives and property bedeviling the country to unemployment and lack of even distribution of wealth. Shittu (2013: 26) states that President Bill Clinton, the 42<sup>nd</sup> American President observed that poverty fuels the religious violence and insecurity in Nigeria and that the region in which insecurity is prevalent remains one of the poorest of the whole country. They go further by saying that Adebayo mentioned that hooliganism, tribal strife and drug peddling are all resultant repercussion of unemployment among the teeming youth who constitute a greater percentage of nation's population.

If Zakah is institutionalized and proceeds are judiciously used for empowerment, many idle youths will be gainfully employed. It is believed that they would be protected from the cloak of unscrupulous politicians who may recruit them to unleash terror on innocent and law abiding members of the public. According to the research carried out by Ayuba (2011: 66) in some major markets in Ibadan, it was revealed that majority of young boys and girls involving in petty trades are Muslims who dropped out because their parents could not afford their school fees. The disadvantaged young people who dropped out of school due to lack of sponsorship could also have the opportunity of completing their education through a scholarship scheme from proceeds of Zakah. By so doing, they would be saved from being brainwashed by half-baked scholars to cause confusion in the society to achieve their own selfish interest. Through efficient Zakāh management by employing poverty alleviating model, the destitute could also be rehabilitated by taking them to skill acquisition centers.

Moreover, the orphans, the old, divorced, patients, handicapped, students, permanent low income, families of prisoners and missing people are considered part of the *Fuqarā'* and *Masākīn* (the poor and the needy) who should have a share from the proceeds of Zakāh. Zakāh can, therefore, be used to empower them by procuring for them necessary tools and implements which will assist them to become self-employed or productive (Adebayo, 2011.33). The institution of Zakāh also helps in providing job opportunity for the people as its collection and distribution involved personnel for effectiveness. This gives the reason why the Qur'ān stipulates that a fraction of whatever is received as Zakāh be set aside for those who are working as its

management. Proceeds from *Zakāh* may also be spent to integrate new converts to Islam into the Muslim community, especially when they are being cut off from their economic resources or persecuted for accepting Islam.

*Zakah* proceeds set aside for the cause of Allah (*Fī sabīlillāh*) can be used for programs which have direct bearing on the poor such as propagation of Islam, Islamic education, social welfare programs, economic development projects, manpower training and education in various scientific and technical fields. *Zakāh* funds can also be used to provide social services like hospitals, schools and factories to create employment opportunities for the people.

## **6. Recommendation and Conclusion**

The administration of *Zakāh* is very crucial in delivering efficient service to the Nigerian Muslim community. Although *Zakāh* administration has undergone many improvements, there are still many things to be done to ensure that administration of *Zakāh* is moving on the right path to be able to eradicate poverty, improve Muslims' standard of living and curb insurgency. There is a need to strengthen *Zakāh* management system to address the inefficiency issue as it relates to its distribution. The transformation in the administration of *Zakāh* could be done by improving *Zakāh* collection centers. The authority needs to change the method of collecting *Zakāh* from waiting at the counters to tracing down the prospective *Zakāh* payers as this initiative may create awareness among prospective payers to fulfill their religious rights. Helping the poor by giving them money from *Zakāh* funds is a short term solution as this would create dependency on *Zakāh* funds which would not help improving their standard of living. As poverty and insecurity ravage Nigerian society, especially the Muslim populated area, we suggest that the way financial assistance is being given should be changed by training the poor to gain certain skills. Those who have acquired the necessary skills should be funded from *Zakāh* fund to start their business. If this could be done, the insurgence that consumes innocent and law abiding lives on daily basis, destroy public and private properties and threatens our peaceful coexistence as a nation could have been avoided. This capacity building approach is an effective way to change their condition from being *Zakāh* recipients to *Zakāh* payers.

---

**References**

- Abdurahman, Ahmad (2012). "Zakat Institution in Malaysia: Problems and Issues". *GJAT: Global Journal Al-Thaqafah*. Vol. 2, Issue 1. Pp. 35-41.
- Adebayo, Rafiu (2011), "Zakat and Poverty Alleviation: A Lesson for Fiscal Policy Makers in Nigeria". *Journal of Islamic Economics, Banking and Finance*, vol. 7. 26. Pp.25-42.
- Adeoye, M. N. (2005a), "Terrorism: An Appraisal in Nigerian Context" in A. S. Alanamu (eds.) *Issues in Political Violence in Nigeria*. Ilorin: Hamson Communications. Pp. 56-78.
- Adeoye, M. N. (2005b). "Terrorism: A Definitional Analysis". *National Pilot*. Vol. 2, No 5. P.1.
- Akmar, S. et.al. (2011). "Prophetic Best Practices in Business for Human Capital Development", *GJAT: Global Journal Al-Thaqafah*. Vol. 1, Issue 1. Pp. 7-14.
- Alanamu, Saadu (2007). "Islamic Banking and Microfinance in Malaysia: A Modest Approach for Nigeria". *Al-Fikr: Journal of Arabic and Islamic Studies*, Ibadan. Vol. 20. Pp. 11-21.
- Ali, M. M. (1986). *The Religion of Islam*. (New Delhi: Taj Company). Pp. 456-459.
- Ali, T. M. (1987). "Towards a Definition of Terrorism". *Al-Tawhid*. Vol. 5, No 1. Pp. 9-12.
- Ayuba, M.A. (2011) "The Position of the Muslim Family in the Moral Reconstruction of Nigerian Society" *JORAC: Journal of Religion and African Culture*, Akungba, Nigeria. 3, 63-72.
- Gidado, S. I. (2003). "The Significance of Zakah and Waqf and their Administration under an Islamic Economic System", in Sulaiman S. and Galadanci B, S. (eds.), *Islamic Banking and Finance: General Framework and Case Studies*, Kano. P. 45.
- Hassan, Kabir (2009). "An Integrated Poverty Alleviation Model Combining Zakah, Awqaf and Microfinance". *Paper Presented at the First National Muslim Summit*, Ghana. Pp. 261-267.

- Hassan, Kabir and Khan, J. M. (2007). "Zakah as a Tool for Poverty Alleviation in Bangladesh". *Paper Presented at the 7<sup>th</sup> International Conference on the Tawhidi Epistemology, Zakat and Waqf Economy*, Bangi. P.18.
- Hossain, M. Z. (2012). "Zakah in Islam: A Powerful Poverty Alleviating Instrument for Islamic Countries". *International Journal of Economic Development, Research and Development*. Vol. 3, No 1. Pp. 1-11.
- Haykal, M. (1982). *Life of Muhammad*, Lagos: Islamic Publications Bureau. Pp. 7-10.
- Mika'ilu, A. S. (2000). "A Reflection of Phenomenon of Poverty in Nigeria and the Islamic Framework for Reform". *Al-Ijtihad: The Journal of Islamization of Knowledge and Contemporary Issues*. Vol. 1, No 2. Kano. Pp. 8-9.
- Nathan et.al. (2004), "Microfinance and Poverty Reduction in Uganda: Achievements and Challenges" *Economic Policy Research Centre*. No 41. Pp. 11-20.
- Nazdri, Ahmad (2012). "Zakah and Poverty Alleviation: Role of Zakah Institution in Malaysia". *International Journal of Arts and Commerce*. Vol. 1, No 7. Pp. 61-71.
- Orebanjo, A. O. (2000). *Introduction to Business Administration*, Ado-Ekiti: University of Ado-Ekiti Publications. Pp. 12-15.
- Qaradawi, Yusuf (1999). *Fiqh Az-Zakah (A Comparative Study of the Rules, Regulations and Philosophy of Zakah in the Light of the Qur'an and Sunnah)*. London: Dar Al-Taqwa Ltd. Pp. 34-89.
- Shittu, Balogun (2013). "Viable Zakah Foundation: Efficient Antidote to Poverty Alleviation and Perennial Insurgency in Nigeria". *NATAIS: Journal of Nigeria Association of Teachers of Arabic and Islamic Studies*. Vol. 16. Ilorin. Pp. 23-27.
- Usmani, M. T. (1999). *An Introduction to Islamic Finance*, Lagos: Al-Aminu Publication. Pp. 23-24.
- Wilson, R. (1997). "Islamic Banking and Finance". *The Middle East and North Africa*. 43<sup>rd</sup> ed. London: Europe Publications Limited. Pp. 23-25.

INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı:3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407



journal homepage: <http://ijisef.org/>

**Economic Sustainability For Islamic Nanofinance Through Waqf-Sukuk  
Linkage Program (Case Study In Indonesia)**

**Khairunnisa Musari**

*Department of Islamic Economics, Faculty of Islamic Economics and Business (FEBI), IAIN Jember,  
Indonesia, khairunnisamusari@yahoo.com*

ARTICLE INFO

ABSTRACT

**Keywords:** Economic  
Sustainability,  
Microfinance Institution,  
Nanofinance, Waqf-  
Sukuk

**JEL Classification:** G21,  
G23, G32, Z13

This paper argues that sukuk potentially to be an Islamic nanofinance instrument for mobilizing fund to the very micro society. Further, collaboration sukuk and *waqf* can be an innovation for economic sustainability, particular to get low cost fund to finance the very micro society without interest rate. Hence, this paper attempts to: (1) Introduce nanofinance of microfinance institutions in Indonesia; (2) Introduce cooperative sukuk as a local wisdom of microfinance institution in Indonesia to finance the real sector; (3) Propose model of *waqf*-sukuk linkage program for nanofinance by synergizing Islamic banks, *waqf* institutions and microfinance institutions to encourage Islamic financial inclusion for the very micro society.

© 2016 PESA All rights  
reserved

## Introduction

Most developing countries have very micro society in large numbers. Indonesia is also famed for its large scale of very micro society. Most of them do not have access to bank financing, particularly in rural areas. A wide variety of microfinance institutions (MFIs) provide important contributions to them although it is certainly not a panacea for poverty, but it can prove itself as a useful tool in the fight against poverty. Asian Development Bank (ADB, 2000), Robinson (2001), Segrado (2005), Obaidullah & Khan (2008), Obaidullah (2008), Ali (2011), and Leikem (2012) see microfinance is a powerful poverty alleviation tool. It implies provision of financial services to poor and low-income people whose low economic standing excludes them from formal financial systems. These people are traditionally considered nonbankable, mainly because they lack the guarantees that can protect a financial institution against a loss risk.

Further, Musari & Simanjuntak (2016) mention some MFIs now become concern to the very micro society and they introduce a new term 'nanofinance' to provide opportunities for the very poor, very low income, and very micro enterprises to access financial services. Musari & Simanjuntak (2015), Muazir & Musari (2016), Musari (2016b) argue that there are 'very poor' which actually being a target of microfinance, but most banks do not yet accommodate them. Ascarya & Sanrego (2007) also mention that micro, small, medium enterprises (MSMEs) classification should be redefined to be able to reach the poor and low income society, to assist and guide them to move their businesses up until graduated and self reliant.

In absence of banking facility, the very poor and very low-income people also very micro enterprises often resorts money lending from relatives and acquaintances, but when such sources are not available they approach local moneylenders. Moneylenders can and do provide very flexible and fast service tailor-made to the needs of the borrowers but they are often charged exorbitant interest rates. Mitra (2009) mentions that interest rates charged by MFIs have attracted criticism. Bateman (2011) sees that MFIs charge lower interest rates than local moneylenders, they are still seen as imposing high rates on poor clients. In the early days, many MFIs said this was necessary to cover the high operational costs of providing tiny loans to the poor, but that interest rates would fall through competition. This argument had some validity initially. But interest rates have not fallen as much as predicted, and in some countries have remained very high. Duvall (2004) asserts interest rate ceilings are found in many countries throughout the world. With the expansion of microfinance in developing countries, many legislators and the general public have found it difficult to accept that small loans to poor people generally cost more than normal commercial bank rates. Though meant to



protect consumers, interest rate ceilings almost always hurt the poor by making it hard for new MFIs to emerge and existing ones to stay in business. In countries with interest rate caps, MFIs often withdraw from the market, grow more slowly, become less transparent about total loan costs, and/or reduce their work in rural and other costly markets. By forcing pro-poor financial institutions out of business, interest rate caps often drive clients back to the expensive informal market where they have no or little protection.<sup>47</sup>

In Indonesia, empirical studies show that some MFIs provide also nanofinance for the very micro society<sup>48</sup>. But, most of the nanofinance uses interest. In Islamic perspective, Musari & Simanjuntak (2015) asserts the practices of these MFIs do not sharia compliance because provide interest for loans despite relatively low and regarded not burden to the borrower. But, the presence of conventional MFIs in some countries which focusing to the nanofinance should be a reflection for IFIs to engage for this society. Islamic finance has a responsibility for furthering socio-economic development of the very micro society without charging interest.

Learn from the local wisdom of cooperative of Association of Farmers Group in Indonesia which empowers their community through sukuk, this paper believes that sukuk is potential to be an Islamic nanofinance instrument for mobilizing fund to the very micro society. Further, collaboration sukuk and *waqf* can be an innovation for economic sustainability, particular to get low cost fund. Hence, this paper attempts to: (1) Introduce nanofinance of microfinance institutions in Indonesia; (2) Introduce cooperative sukuk as a local wisdom of microfinance institution in Indonesia to finance the real

---

<sup>47</sup> Groen (2002) mentions microfinance interest rates are set with the aim of providing viable, long-term financial services on a large scale. MFIs must set interest rates that cover all administrative costs, plus the cost of capital (including inflation), loan losses, and a provision for increasing equity. Unless MFIs do so, they may only operate for a limited time; reach a limited number of clients; and will tend to be driven by donor or government goals, not client needs. Only sustainable MFIs can provide permanent access to financial services to the hundreds of millions who need them. Although microcredit interest rates can be legitimately high, inefficient operations can make them higher than necessary. As the microcredit market matures in a given country or region, donors and others should pay more attention to reducing operating costs to ensure the most efficient, competitive interest rates possible.

<sup>48</sup> MFIs in some countries now become concern to the very micro society and they introduce a new term 'nanofinance' to provide opportunities for the very poor, very low income, and very micro enterprises to access financial services for emergency needs. Mahanti (2008) mentions nanofinance as small interest free loans to the poorest of poor women for their emergency needs. The main objective of nanofinance is to give small interest free loans for one year which will stop them to go to the loan shark. The women learn to help other women through nanofinance concept. Chonlaworn & Pongpirodorn (2015) explain that nanofinance is a flexible credit process designed to meet the financial needs of customers. Loan targets are to promote better access to capital, increase occupational opportunities, and alleviate illegal lending.

sector; (3) Propose model of *waqf*-sukuk linkage program for nanofinance by synergizing Islamic banks, *waqf* institutions and microfinance institutions to encourage Islamic financial inclusion for the very micro society.

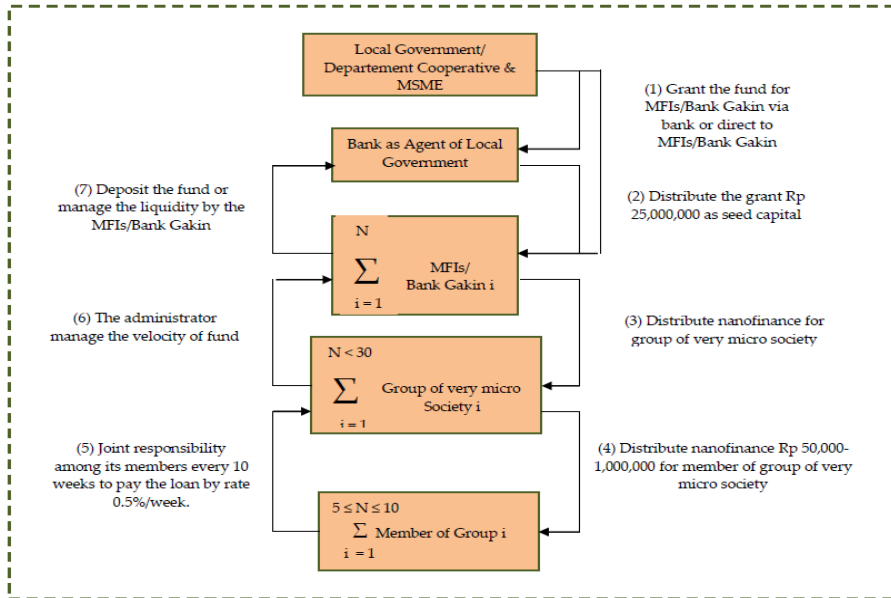
### **1. Lesson Learned from Nanofinance in Indonesia**

According to ADB (1997, 2000), institutional microfinance is defined to include microfinance services provided by both formal and semiformal institutions. MFIs refers to institutions that provide microfinance services. These may include non-governmental institutions, credit cooperatives, credit unions, and banks. Asia Foundation (2003) mentions that non-bank MFIs are an alternative for the microenterprises and/or the poor to obtain financial services. Banks are considered too bureaucratic by a majority of the micro enterprises and/or the poor. Banks are also unable to provide services to the poorest strata because the cost of servicing small loans is prohibitive. This consideration of profitability is believed to influence banks' unwillingness to channel microfinance.

Musari & Simanjuntak (2016), Musari (2016b, 2016c) claim most MFIs in Indonesia, Cambodia, Thailand, and India also do nanofinance for the very micro society. MFIs in those countries play a key role in providing financial services to the very poor, very low income, and very micro enterprises. Unfortunately, most of MFIs charge such high interest rates to the very micro society despite it looks relatively low and regarded not burden to the borrowers. But, if we compare to the bank interest rates per annum, the microfinance or nanofinance interest rates is higher because the costs of making a small loan are higher in percentage terms than the costs of making a larger loan.

In Indonesia, one of MFIs which provide nanofinance for the very micro society is MFI for Society that initiated by Department of Cooperative & Micro Small Medium Enterprises (MSMEs) and spread across the regency in Indonesia. In Jember, East Java Province, term of MFI for Society usually called by Bank for Poor Family or Bank Keluarga Miskin (Gakin). The term 'Bank Gakin' is given by very poor people who become its members and then used by the administrators and many people in Jember. Bank Gakin is an alternative financing for the very poor, very low income, and very micro enterprises rather than formal banks or moneylenders in there. The scheme of nanofinance by Bank Gakin can be seen in Figure 1.

**Figure 1:** Nanofinance Scheme of MFIs by Department of Cooperative & MSMEs



As Grameen Bank<sup>49</sup>, Bank Gakin in Jember also uses the principle of joint responsibility among its members. Bank Gakin actually is the collaboration of Grameen Bank's concept with cooperative concept. The Department of Cooperatives & MSMEs funds Rp 25 million for each Bank Gakin. Its main target is productive women. Each Bank Gakin consist a maximum of 200 poor people with predominantly 90% women become administrators and 46% of them are elementary school graduates and 5% had never undergone a formal school education. Bank Gakin serves about 30 groups with more than 150 households. Business group consisting of 5-10 people who can apply for unsecured business loans between Rp 50,000 to Rp 1 million.<sup>50</sup> People who

<sup>49</sup> Thousands of MFIs sprang up around the globe, the majority modeled closely on Classical Grameen Model and has been replicated in many countries in a wide variety of settings (Leikem, 2012). The model requires careful targeting of the poor and done by mostly of women group. The model requires intensive fieldwork by staff to motivate and supervise the borrower groups. Groups normally consist of five members, who guarantee each other's loans. A number of variants of the model exist; but the key feature of the model is group-based and graduated financing that substitutes collateral as a tool to mitigate default and delinquency risk. The main point of departure of microfinance from mainstream finance systems is its alternative approach to collateral that comes from the concept of joint liability (Obaidullah & Khan, 2008).

<sup>50</sup> Almost USD 4 to USD 77 with exchange rate USD 1 = Rp 13,000. In Indonesia, Rp 50,000 is very small value and bank certainly is not willing to serve the financing for the people who just need this value. Because of that, the people prefer to borrow into moneylender or MFIs.

apply for credit does not have to submit business proposals, especially through a convolution survey. Proposals can be submitted orally. Funds can be directly liquid after a survey conducted at a glance toward the business. With credit disbursement period of 10 weeks paid in installments every week by rate 0.5 percent. This mechanism is very helpful the group of very micro society.

Further, Bank Gakin today has gained positive response from the poor because make them easier to obtain loan for venture capital. In addition, the members feel their life are better because their incomes are increasing. Table 1 shows the progress of Bank Gakin during 10 years.

**Table 1:** Progress of Bank Gakin During 10 Years

Hal	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	
The Number of 'Bank' GAKIN	13	31	37	41	218	298	353	433	454	
The Number of Community (Group)	330	817	997	1,023	3,873	4,748	5,511	5,863	6,411	
The Member (People)	1,652	4,080	4,834	5,034	17,856	22,008	25,094	26,980	29,410	
The Amount of Loan (Million)	1,011	6,222	14,568	65,522	12,582	25,999	35,509	46,245	52,912	
Fee and Administration (Million)	30.4	327	763	343	573	1,380	1,259	1,780	2,165	
Current Earning (Million)	17	127	336	164	339	666	618	755	1,060	

**Source:** Department Cooperative & MSMEs Jember (Musari & Simanjuntak, 2015)

Hereinafter, in Islamic perspective, Bank Gakin's practice still does not meet sharia compliance. Nanofinance by Bank Gakin provides rate of interest for loans despite relatively low and regarded not burden to the borrower. Islamic finance is based on the premise that usury (interest-based lending) is prohibited and *ba'i* (trading of goods and services) is permitted. Interest rate hurts the very poor, very low income, and very low enterprises. In the name of humanity, the very micro society cannot be equated with the MSMEs in the term of bank's classification. Nanofinance actually is a humanitarian mission.

Another lesson learned from nanofinance in Indonesia is Kredit Melati (Credit Against The Lenders) by the Government of Bandung City.<sup>51</sup> For avoiding Bandung's residents from the loan shark, the government through its Rural Bank (BPR)<sup>52</sup> launched this program at May 2015. BPR is a banking

<sup>51</sup> Kredit Melati is a nanofinance and also microfinance. It is given while most of banks, and also rural banks, in the practices almost never distribute microfinance less than Rp 1 million. Kredit Melati provide also the loan for the very micro society by the plafond less than Rp 1 million.

<sup>52</sup> Ismal (2012), Muazir & Musari (2016) claim that one of the distinctive character of the Islamic financial system in Indonesia that can not be found in other countries is the diversity of Islamic financial institutions (IFIs) to serve MSMEs. Financing of MSMEs in Indonesia is done by Sharia Business Unit (UUS), Islamic Banks (BUS), Sharia Rural Bank (BPRS), Baitul Maal Wa Tamwil (BMT), Islamic Service Finance Cooperative (KJKS), and other Islamic MFIs. But, Musari & Simanjuntak (2015, 2016) also argue that Indonesian banks (also Islamic

institution in the lowest level in Indonesia that is most likely to commit nanofinance. In this program, the Bandung's residents may access the credit by zero percent interest.<sup>53</sup> However, the program has complaints by the residents, especially related to the disbursement of funds, because the bank cuts 8 percent of total funds as administration fee. For residents who late paying the loan installments, the BPR also impose interest 0.2 percent per day of the total installments. Another complaint is that the credit disbursement process can not be completed in one day as promised by the government because the bank must follow the regulations set by the authorities to do field survey, field analysis, and proof of residency so that more than one day.

**Table 2:** General Requirements of Kredit Melati

Loan Base	Rp 500 thousand -30 million
Interest Rate	0%
Time Periode	12 months
Membership	5-10 people
Disbursement Process Duration	1 day
Administration Fee	8% of total loan
Market Target	Groups: Business by region, type of business, gender, profession
	Personal: Trade, services, cottage industries
Guarantees managed by group	Household appliances, freehold Title (SHM), contract of sale (AJB), certificate of ownership of motor vehicles (BPKB), time deposit & saving account, professional licence.
Guarantees managed by personal	Freehold Title (SHM), contract of sale (AJB), certificate of ownership of motor vehicles (BPKB), time deposit & saving account, professional licence.

**Source:** Local Company (PD) Rural Bank (BPR) of Government of Bandung City

Thus, Kredit Melati in overall is a loan granted collectively for a group system that is distributed to the small business communities in order to narrow the work space of loan shark, empower micro businesses, and encourage the creation of new entrepreneurship.

## 2. Cooperative Sukuk

A lesson learned from other MFIs in Indonesia, at 2009, Department of Cooperatives and MSMEs tried to change the nanofinance scheme of Bank

---

banks) in the fact does not reach microfinance to the very micro society which consist the very poor, very low income and very micro enterprises.

<sup>53</sup> In the term of Islamic finance, what Kredit Melati do is the practice of *qardhul hasan*. In *qardhul hassan*, a loan in which the debtor is only required to repay the amount borrowed. *Qardhul hassan* is a loan extended without interest or any other compensation from the borrower. The lender expects a reward only from Allah.

Gakin. The fund source was not grant, but as loan from the local government to Bank Gakin. Then, Bank Gakin must return the fund via bank agent of local government. Based on the result of evaluation, the seed capital of Bank Gakin cannot be sourced from loans, but it should be a grant (Musari & Simanjuntak, 2016). This is in line with Leikem (2012) that was found that savings are vital and are perhaps more important to the poor, that the poorest are probably better served by direct subsidies rather than loans. Obaidullah (2008) proposes the Islamic alternative to interest-based conventional loan is trade-based or lease-based credit that permit the ownership and/or use of commodities or physical assets needed for productive enterprise while deferring the payments to future time periods.

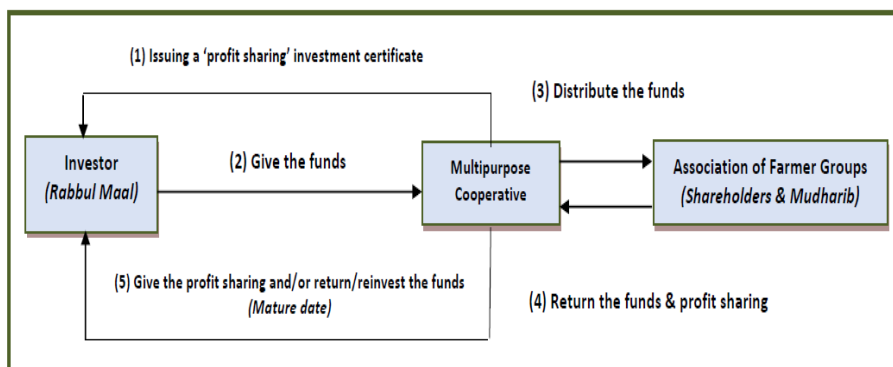
So, in order to eliminate the interest rate on nanofinance, it is necessary to get low cost fund to finance the very micro society. Sukuk is a good alternative for the mobilization of funds that is not in the form of interest-based loans. Sukuk now becomes a global economic phenomenon across religions, cultures, nations and being a part of the global financial system. A number of non-Muslim countries also participate in issuing sukuk as their national economic policy. This shows sukuk has proven to be a universal and acceptable Islamic finance instrument by non-Muslim. Ismal & Musari (2009a, 2009b, 2009c), Musari (2015a) argue sukuk is better to be a financing alternative than debt financing because of its elements of investment cooperation, sharing of risk, and engagement of assets or the real project as its underlying issuance. Sukuk can be used to finance the economy and reduce the government's dependence on foreign debt through the utilization of idle funds in the domestic. For Islamic bank and finance industry, sukuk can serve as an instrument to manage liquidity and portfolio. Ali (2007), Ali (2011) assert sukuk provide an opportunity for IMFI's. In relation to finance the micro-enterprises, funds generated through issuances of sukuk shall be used to provide financing on the basis of profit sharing modes by the special purpose entity.

In Indonesia, Musari (2012, 2013, 2015a, 2015b, 2016a), Simanjuntak & Musari (2014) explain sukuk has been practiced by cooperative of Association of Farmer Groups as a local wisdom to finance the working capital of farmers. In this context, sukuk has been a microfinancing instrument for their community. To overcome the difficulties in banking financing, primarily to avoid the high interest-based loan, the cooperative of Association of Farmer Groups issues an investment certificate. This certificate is an ownership paper to finance the cocoa businesses and such certificate is based profit sharing

contract<sup>54</sup>. According to the terms of Islamic economics and finance, the investment certificate issued by the cooperative is sukuk.

At least there are three lesson learned of sukuk issued by this Association of Farmer Groups. **First**, empirical fact in Indonesia shows conventional MFI has issued sukuk for the very micro society. **Second**, this sukuk using profit sharing contract when most of existing sukuk in Indonesia and the world using *ijarah* contract. Profits are distributed in percentage agreed beforehand.<sup>55</sup> **Third**, Association of Farmer Groups in Indonesia has proven that bank financing is not the only way for the farmers to have financing access. Through cooperative investment with some people, strengthening networks, and intensive coaching, Association of Farmer Groups has raised the wealth distribution. Overall, the scheme of cooperative sukuk by the Association of Farmer Groups is shown in Figure 1.

**Figure 2:** The Structure of *Mudharabah* Sukuk by the Association of Farmer Groups



**Source:** Musari (2015a), Be Modified

<sup>54</sup> In Islamic finance term, it is similar as *mudharabah* contract. In *mudharabah*, the investor contributes funds, and the Association of Farmer Groups contributes expertise and works to execute a potentially successful project. In relation to *mudharabah* contract, study of Daneshfar, Simyar, Roller and Wnek (2010) suggest that one of financing arrangement that give a fair treatment is profit sharing among the stakeholders involved in the agricultural activities. There are several motives for the adoption of profit sharing such as labor productivity, cost monitoring, and wage flexibility. In addition, profit sharing could create a self-motivated stakeholders to achieve the challenging goals of the company. Several studies also have found profit sharing as an effective compensation scheme.

<sup>55</sup> In this Association of Farmer Groups, refer to Musari (2015a), the formula used for calculating a monthly profit sharing to each holder of sukuk is Capital times Rp 75 or Price of cocoa per kg times Frequency of deposit or approximately 1.56% or 18.72% per year. This rate of return is not fixed, but fluctuates depending on the outputs of the Association of Farmer Groups. However, the real value is not far from the expected range of outputs.

### 3. *Waqf*-Sukuk Linkage Program

An-Naf (2005) mentions the requirements of economic sustainability are: economic efficiency, economic welfare, and distribution of wealth. Siddiqi (2002) claims the monetary and fiscal policies recommended to improve the system's efficiency are often complicated and unconvincing. Some of them may be politically impossible to implement. In this situation, any simple and straight forward approach like that of Islamic economics is bound to attract attention. Chapra (1979) asserts the concept of welfare in Islam provides a spiritual orientation to all material effort and creates a harmony between the innate spiritual and material urges of individuals and groups. Islam has so firmly and exquisitely dovetailed the spiritual and material aspects of life that they may serve as a source of mutual strength and together serve as the foundation of true human welfare and happiness. According to Islam, negligence of either of the two aspects of life will prevent mankind from achieving true welfare. In fact there is no division between material and spiritual aspects of life in Islam. According to Ackerman et al (1998), welfare inequality should be followed by the distribution of wealth.<sup>56</sup> Muazir & Musari (2016) mention Islamic finance in new institutional economics (NIE) perspective have responsibility to carry out the distributive justice through the distribution of wealth which in turn will reduce poverty and inequality.

Further, Kahf (2008) argues the minimization of distributive inequality can be achieved by the education system, guarantee to get the same opportunity, and the distribution of *zakah*, *infaq*, *sadaqah*, *waqf*. *Zakah* and *waqf* can be used to provide microfinancing to the poor. Hassan (2010) affirms the challenges of conventional microfinance can be resolved if it is designed in an integrated manner by incorporating the two basic and traditional institution of Islam, the *waqf* and *zakah*, with Islamic microfinance into a single framework. Since Islamic financing modes are based on principle of social justice and equity and *riba* is prohibited, Islamic MFIs are likely to yield better benefit if they are properly designed. In addition, borrowers will have lower refundable loan, as a result of utilization of *zakah* funds, it will result in less financial burden on the poor.

So, in order to integrate the mission of Bank Gakin (and also other conventional MFIs which concerned to nanofinance) and take the lesson learned from sukuk for microfinance of Association of Farmer Groups, this paper promote the nanofinance as financial program for the very micro society. This paper believes that sukuk potentially to be an Islamic nanofinance

---

<sup>56</sup> There are at least three reasons why the distribution of wealth needs to be done. First, ownership of financial wealth is a significant source of revenue. Second, offer a wealth of security. Third, wealth leads owner to have political and economic power.



instrument for mobilizing fund to the very micro society. Then, collaboration sukuk and *waqf* can be an innovation for economic sustainability<sup>57</sup>, particular to get low cost fund to finance the very micro society without interest rate.<sup>58</sup> In the area of *waqf*, with many of *waqf* assets or cash, sukuk issuance can therefore be regarded to finance the development of *waqf* properties or using them to be underlying asset. The integration of sukuk and *waqf* in a single structure is an interesting development that is worth pursuing.<sup>59</sup>

### 3.1 Mudharabah Waqf-Sukuk

Actually, many schemes can be applied in *waqf*-sukuk. One of them is *waqf*-sukuk linkage program for MFIs/IMFIs that bridging the Islamic banks or retail/corporate investor and *waqf* institution through special purpose vehicle (SPV). Figure 3 shows SPV using *waqf* asset as underlying and also being a project to issue *mudharabah* sukuk for Islamic banks or retail/corporate investor. The fund of sukuk then be used to develop a project by developer or management for project of *waqf* properties. The return of project activity will flow to Islamic banks or retail/corporate investor. Particular to Islamic banks, the return will be used to finance the very micro society through MFIs/IMFIs

---

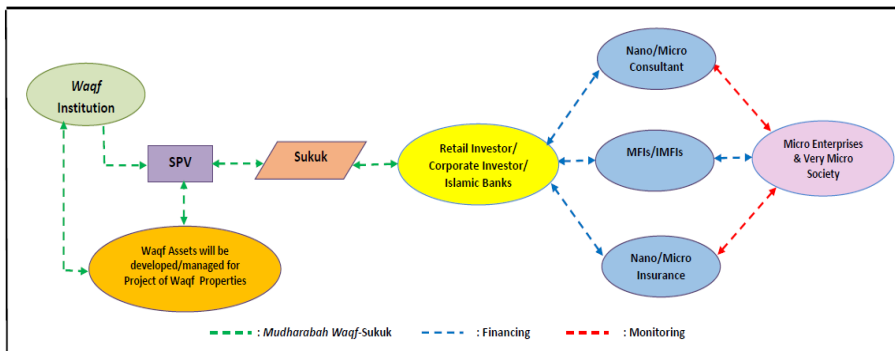
<sup>57</sup> In addition to *tijarah* contract, *fiqh muamalah* in Islamic finance also known *tabarru'* contract which can be a policy alternative in developing social and economic life of society. *Waqf* is one of the instrument of *tabarru'* contract which has advantage for managing liquidity in the economy and can be used to finance the real economy. *Waqf* actually can be integrated in the financial sector to enhance growth and welfare. In practice, many *awqaf* have become unproductive assets and not created for socio-economic purposes.

<sup>58</sup> The tendency to use the third sector become a global trend. This is because the first sector and the second sector of the economy has failed to ensure the attainment of human well-being, both in the national and global level, which is based on market forces. By giving more to the strength of the third sector, it is expected to play a big role on poverty eradication. This is also an effort to ensure that the poor will get financial services by presenting a guarantee or collateral (Sanrego & Taufik, 2016).

<sup>59</sup> *Waqf* institution has long been recognized and had a vital role in the history of the Muslim world. However, current *waqf* institution through out the Muslim world has declined in effectiveness due to lack of management. Hence, *waqf* institutions need enhancement to revive back its vital role. The institution can be revitalized by turning it to become a productive *waqf*. Productive *waqf* will not only be a self-financing *waqf* but it also can finance the primary project of the *waqf* (Sadeq, 2002). *Waqf* can provide a social and economic welfare of society when empowered (Sanrego & Taufik, 2016). *Waqf* is subject to *Ijtihad* which rules that it must be benevolent. The static perpetuity, rigidity and historical mismanagement of *waqf* created inefficiencies and ineffectiveness that can be avoided by good governance. However, the perpetuity of *waqf* is compulsory and its benefits in developing *waqf* assets should be Shari'ah-compliant. This can be ensured through a transparent relationship between *waqif*, *mutawalli*, *waqf* board and *maukuf'alah*, which accomplish *waqf* objectives, monitors performance, and assures compliance with Islamic Shari'ah rules and principles (Masayita, 2012).

or nanofinance institution by nanofinancing based-*qardhul hasan*.<sup>60</sup> Then, through the return of *waqf*-sukuk, these institutions may have low cost funds to finance the very poor, very low income, and very micro enterprises without interest rate.<sup>61</sup> MFIs/IMFIs do nanofinancing to the member of group about Rp 50 thousand – 1 million through *qardhul hasan* or *mudharabah/musyarakah* contract. Then, the MFIs/IMFIs or nanofinance institution in maturity date will return the fund of *qardhul hasan* to Islamic banks.

**Figure 3: Mudharabah Waqf-Sukuk**



Source: Musari & Simanjuntak (2016), Be Modified.

### 3.2 Musyarakah Waqf-Sukuk

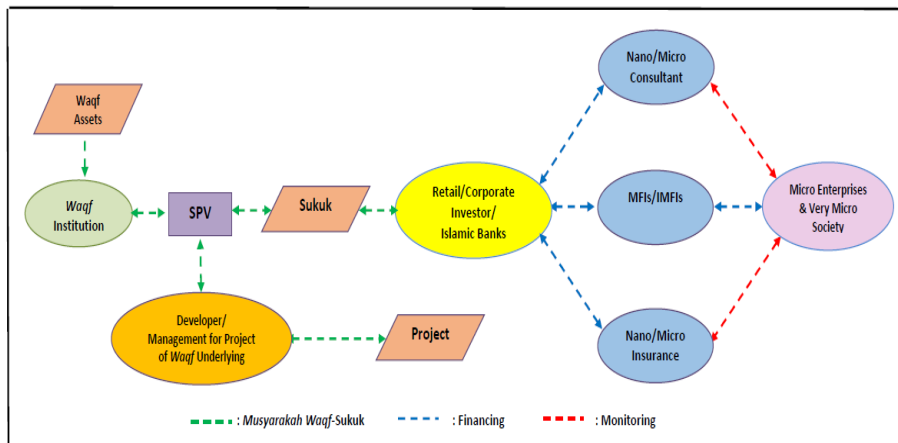
Same as the *mudharabah waqf*-sukuk, *musyarakah waqf*-sukuk to the member of Islamic cooperatives may provide low cost funds to finance about Rp 50 thousand – 1 million through *qardhul hasan* or *mudharabah/musyarakah* contract. Then, the Islamic cooperatives in maturity date will return the fund of *qardhul hasan* to Islamic banks. *Mudharabah waqf*-sukuk and *musyarakah waqf*-sukuk is a form of the partnership financing, the core element of Islamic finance, which provides an important source of funding for the very micro society that might not be able to take on debt financing.

<sup>60</sup> Sanrego & Taufik (2016) mentions the quality of loan payments by poor people who do not have a strong social capital capacity, tend to be bad. Kahf (1997) argues sharia give more priority for *qard hasan* than *infāq* because *qard hasan* bring the honour for the borrowers and encourage him to struggle and strive.

<sup>61</sup> This idea in line with Elgari (2004), Ahmed (2004, 2007) who propose establishing a nonprofit financial intermediary through *qardhul hasan* that gives interest free loan to finance consumer lending for the poor. The capital of the bank would come from monetary (cash) *waqf* donated by wealthy Muslims. The returns from *waqf* and funds from *sadaqat* can be used to finance productive microenterprises at subsidized rates.

*Musyarakah waqf-sukuk* also integrates SPV, *waqf* institution, Islamic banks or retail/corporate investor, and developer or management for project. Figure 4 shows *waqf* institution uses *waqf* asset as underlying to issue by SPV for Islamic banks or retail/corporate investor as the supplier of fund. Then, the fund of sukuk will be used to develop a project by developer or management for project. The *waqf* institution, SPV, Islamic banks or retail/corporate investor, and developer or management for project each other agree to have share in the project. Next, developer or management for project reach the return of project activity and flow to the share holder. Particular to Islamic banks, the return will be used to finance the very micro society through Islamic cooperative by nanofinancing based-*qardhul hassan*. Islamic cooperatives may have low cost funds to finance the emergency needs of the very poor, very low income, and very micro enterprises without interest rate.

**Figure 4:** *Musyarakah Waqf-Sukuk*



Source: Musari & Simanjuntak (2016), Be Modified.

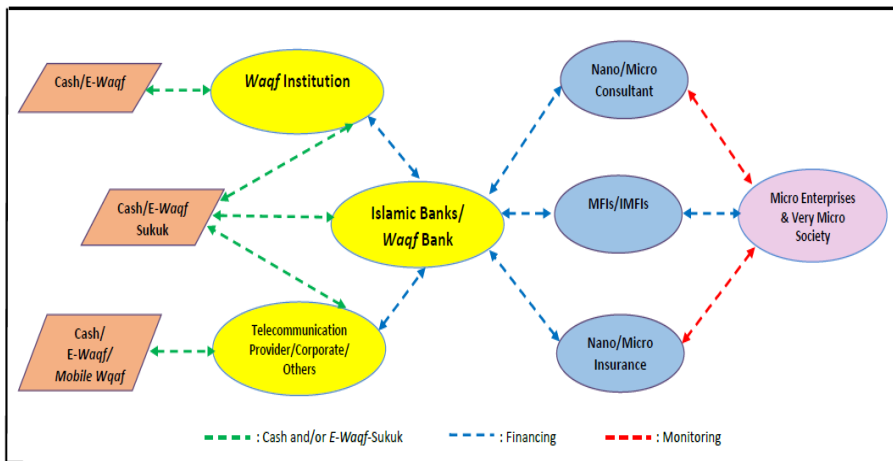
### 3.3 Cash and/or E-Waqf-Sukuk

Jalil & Ramli (2008) mention cash and e-*waqf* fund is considered as the easiest means for the public to join *waqf* scheme because they are only obliged to donate their money in cash or deducting from their bank account via e-*waqf* facility. Ahmed (2004, 2007) believes the capital of the bank would come from monetary (cash) *waqf* donated by wealthy Muslims. The returns from *waqf* and funds from *sadaqat* can be used to finance productive microenterprises at subsidized rates. Çizakça (1998) explains cash *waqf* was a special type of endowment and it differed from the ordinary real estate *waqf* in that its original capital, *asl al-mal* or, corpus, consisted purely or partially, of cash. The earliest origins of the cash *waqf* may be traced back to eighth century, when Imam Zufar was asked how such *waqf* should function. The fact that such a

question was asked at all may be taken as an indication of the existence of such *awqaf* at that time.

The important thing in this proposed scheme is redesigning the cash/*e-waqf*-sukuk such that they contribute not only to capital redistribution but also to capital accumulation. Adopted from Aziz, Johari & Yusof (2013), the Islamic bank can be entrusted to issue cash/ *e-waqf*-sukuk and/or collect cash/*e-waqf* from the public via *waqf* institutions or telecommunication provider (through mobile *waqf*) or corporate or other institutions for special purposes disclosed and easily available to the donating public. Once such deposits are made, the bank can disburse the cash, which is dedicated for nanofinance to meet the emergency needs of the very micro society through Islamic cooperatives. Then, the very micro society can borrow the fund based-*qardhul hassan*. The repaid amount can be once again loaned to another. This will be repeated whenever an amount is available in the given fund. The cash can be maintained perpetually, provided compensations for losses and market fluctuations are planned and paid. For this, a special account called the reserves account will be needed. As the loan's fund will be disbursed interest free and minimum service charges will be imposed on borrowers and have simple processing system.<sup>62</sup> Figure 5 shows the proposed scheme of cash/*e-waqf*-sukuk. This scheme is more fitting to be applied for nanofinance given the prominence of cash/*e-waqf* more flexible than other types of *waqf*.

**Figure 5:** *Cash/E-Waqf*-Sukuk for Nanofinance



In this scheme, *waqf* institutions or telecommunication provider or corporate or other institutions which organizing *waqf* fundraising may have profit

<sup>62</sup> It is becoming a key requirement for Islamic nanofinance, including conventional nanofinance, to give interest free loan, minimum service charges, and simple processing system.

sharing from the cash/e-*waqf*-sukuk of Islamic bank. They may also have incentive or other facilitation from the Islamic bank which become one of the features of the cash/e-*waqf*-sukuk. This scheme also encourages to establish *waqf* bank in the future for managing all *waqf* asset, including for issuing cash *waqf* certificate or *waqf*-sukuk or government *waqf* certificate. In contrast to other Islamic contract, the *waqf* contract does not recognize due date. Optimizing *waqf* also could be more widespread because there is no qualification of *mustahiq*. Thus, the funds are absorbed by *waqf* contract fully to finance the *maslahah* of *ummah*, including activities that support the very micro society and MSMEs. In this context, *waqf* can take a role as an instrument of monetary and fiscal which help each other to manage excess liquidity. Islamic economic system is stressing the importance of a balance between the real sector and financial sector. *Waqf* can be the bridge that unite these two sectors. Overall, according to the principle that lending is better than giving, the generic concept of Islamic nanofinance through *waqf*-sukuk may be adopted the conventional cooperative by bridging philanthropy/*waqf* institutions and MFIs/IMFIs.

## Conclusion

Lesson learned from nanofinance in Indonesia show that financial institutions which provide this service for the very micro society can not avoid the interest rate, either directly or indirectly. Interest rate hurts the very poor, very low income, and very low enterprises. High interest rates to the very micro society despite it looks relatively low and regarded not burden to the borrowers actually is caused by the costs of making a small loan is higher in percentage terms than the costs of making a larger loan. Whatever the reasons, in Islamic perspective, this practice does not sharia compliance.

This paper may show that sukuk potentially to be an Islamic nanofinance instrument for mobilizing fund to the very micro society. Empirical study in Indonesia find that MFI can issue sukuk as a financing instrument to fund the farmers and do profit-loss sharing to the investors. Lesson learned from the Association of Farmers Group in Indonesia which empowers their community through sukuk, this paper believes that sukuk is also potential to be an Islamic nanofinance instrument for mobilizing fund to the very micro society. Sukuk has been practiced in Indonesia as a local wisdom to find an alternative financing for working capital of the farmers.

Then, collaboration sukuk and *waqf* can be a funding source to get low cost fund to finance the very micro society to avoid interest. The issuance of sukuk can be regarded to finance the development of *waqf* properties or using them to be underlying asset. The structure of *waqf*-sukuk can be integrated into nanofinance program to effectively alleviate absolute poverty through *qardhul hassan* or *mudharabah/musyarakah* contract. *Mudharabah waqf*-

sukuk, *musyarakah waqf*-sukuk, cash/e-*waqf*-sukuk can be schemed to make them easier for the very poor, very low income, and very low enterprises to break out of the poverty cycle. The lesson from the cooperative of Association of Farmer Groups in Indonesia indicates that cooperative can issue sukuk as a financing instrument to fund the farmers and do profit sharing to the investors. Sukuk has been practiced in Indonesia as a local wisdom to find an alternative financing for working capital of the farmers. It proves that sukuk has an ability to be a tool for managing the lack and excess of liquidity, bridging the financial sector and real sector, and doing nanofinance (also microfinance) for the very micro society. Sukuk for nanofinance (also microfinance) is not just a discourse.

Finally, this paper encourages for doing Islamic financial inclusion to the very micro society through Islamic nanofinance so that they free from the loan sharks and the interest. The practice of nanofinance in line with the mission of Islamic economics. Islamic nanofinance needs the synergizing of Islamic banks, *waqf* institutions and Islamic cooperatives to finance the very micro society. Islamic nanofinance also needs nano consultant and nano insurance/nano takaful as the pillars to empower the very micro society because Islamic nanofinance also has to work to release people from their reliance on debt. *Wallahua'lam bish showab.*

---

**References**
**Book/Journal/Proceeding/Working Paper**

- Ackerman, Frank, et al., 1998. *The Political Economy of Inequality*. Washington DC: Island Press.
- ADB, 1997. *Microenterprise Development: Not By Credit Alone*. Manila: Asian Development Bank (ADB).
- ADB, 2000. *Finance for the Poor: Microfinance Development Strategy*. Manila: Asian Development Bank (ADB). June.
- Ahmed, Habib, 2004. *Role of Zakah and Awqaf in Poverty Alleviation*. Occasional Paper No.8. Islamic Research and Training Institute (IRTI) Islamic Development Bank (IDB), Jeddah.
- Ahmed, Habib, 2007. *Waqf-Based Microfinance: Realizing The Social Role Of Islamic Finance*. A paper written for the International Seminar on 'Integrating Awqaf in the Islamic Financial Sector', Singapore. March 6-7.
- Ali, Salman Syed, 2007. *New Sukuk Products, A Case for Microfinance Sector*. A presentation at Islamic Financial Markets Conference and Specialized Workshops at Marriot Hotel, Karachi. Islamic Research and Training Institute (IRTI). 24-25 January.
- An-Naf, Julissar, 2005. *Pembangunan Berkelanjutan dan Relevansinya untuk Indonesia*. Jurnal Madani Edisi II. November.
- Ascarya & Yulizar D. Sanrego, 2007. *Redefine Micro, Small, and Medium Enterprises Classification and the Potency of Baitul Maal wa Tamwiel as Intermediary Institutions in Indonesia*. A paper to be presented in UBD-IRTI International Conference on Inclusive Islamic Financial Sector Development "Enhancing Islamic Financial Services for Micro and Medium Sized Enterprises (MMEs)", Empire Hotel and Country Club, Negara Brunei Darussalam, 17-19 April.
- Aziz, M. Ridhwan Ab., F. Johari, M. A. Yusof, 2013. *Cash Waqf Models For Financing In Education*. Conference Paper. September. Retrieved from <https://www.researchgate.net/publication/257811881> on 4 July 2016.
- Chapra, M. Umer, 1979. *The Islamic Welfare State and its Role in the Economy*. The Islamic Foundation. Letchworth: J.M. Dent & Sons Ltd. The Aldine Press.
- Çizakça, Murat, 1998. Awqaf in History and Its Implications For Modern Islamic Economies. In *Islamic Economic Studies*, Vol. 6, No. 1, November.

- Daneshfar, Alireza, Farhad Simyar, Michael Rolleri & Robert Wnek, 2010. *Motives for Employee Profit Sharing Schemes in the U.S., U.K., and Canada*. International Business & Economics Research Journal, Vol. 9, No. 10. October. Pp. 1-9.
- Duvall, Ann, 2004. *The Impact of Interest Rate Ceilings on Microfinance*. Donor Brief No. 18, May. CGAP Donor Information Resource Centre (DIRECT).
- El-Gari, Mohamed A, 2004. *The Qard Hassan Bank*. A paper was presented at the International Seminar on Nonbank Financial Institutions: Islamic Alternatives jointly organized by Islamic Research and Training Institute (IRTI) Islamic Development Bank (IDB) and Islamic Banking and Finance Institute (IBFI) Malaysia, Kuala Lumpur. March 1-3.
- Groen, Ruth P. Goodwin, 2002. *Making Sense of Microcredit Interest Rates*. Donor Brief No. 6, September. CGAP Donor Information Resource Centre (DIRECT).
- Hassan, M. Kabir, 2010. *An Integrated Poverty Alleviation Model Combining Zakat, Awqaf and Micro-Finance*. Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy. Bangi.
- Ismal, Rifki, 2012. *The Indonesian Islamic Banking: Performance and Outlook*. Presentation for Panel Discussion. Bakrie University. Jakarta. 6 February.
- Jalil, Abdullaah & A. Mohd Ramli, 2008. Waqf Instruments for Construction Contract: An Analysis of Structure. In *The Journal of Muamalat and Islamic Finance Research*, Vol. 5, No. 1. Pp. 14.
- Kahf, Monzer, 1997. *Instruments of Meeting Budget Deficit In Islamic Economy*. Research Paper No. 42 1417 H. Islamic Research and Training Institute (IRTI). Islamic Development Bank (IDB). Jeddah.
- Kahf, Monzer, 2008. *Fungsi Sistem Ekonomi Islam*. Cetakan 1, Edisi III. Yogyakarta: Aditya Media.
- Masyita, Dian, 2012. *Sustainable Islamic Microfinance Institutions in Indonesia: An Exploration of Demand & Supply Factors and The Role of Waqf*. Durham Theses, Durham University. Available at Durham E-Theses Online: <http://etheses.dur.ac.uk/5942/>
- Muazir & Khairunnisa Musari, 2016. *Institutional Arrangement For Distributive Justice Of Islamic Financial Institutions Based On New Institutional Economics In Indonesia*. A paper was presented at 1<sup>st</sup>



- 
- Gadjah Mada International Conference on Islamic Economics and Development, Gadjah Mada University. Yogyakarta. May 12-14.
- Musari, Khairunnisa, 2015a. *Sukuk for Microfinance through Linkage Program: Case Study in Indonesia*. A paper presented at The 10th International Conference on Islamic Economics And Finance (ICIEF) held by Islamic Research and Training Institute- Islamic Development Bank (IRTI-IDB) and Qatar Foundation. Doha, Qatar. 23-23 March.
- Musari, Khairunnisa, 2016a. *A Local Wisdom Of Islam Nusantara: Sukuk For Microfinance*. A paper was presented at Weekly Discussion of Centre for Islamic Studies, Culture, Society (PPIKM), Faculty of Ushuluddin, Adab & Humaniora, State Institute of Islamic Studies (IAIN) Jember. 19 April.
- Musari, Khairunnisa, 2016b. *Nanofinance, Redefine The Microfinance For The Very Micro Society (A Discussion Paper)*. A poster is presented at 13<sup>th</sup> Indonesian Regional Science Association International Institute (IRSA) was hosted by Department of Economics, Faculty of Economics and Business, Brawijaya University, Malang. 25-26 July.
- Musari, Khairunnisa, 2016c. *Redefining The Islamic Nanofinance and Its Institutional Strengthening: Lesson Learned from Asian Countries*. A paper written for 11th International Conference on Islamic Economics and Finance (ICIEF) with Organizer and Host Institution Kulliyah of Economics and Management Sciences International Islamic University Malaysia (IIUM) and Co-Organizers Islamic Research and Training Institute (IRTI), Islamic Development Bank (IDB) & International Association of Islamic Economics (IAIE), Kuala Lumpur. 11-13 October 2016
- Musari, Khairunnisa & Rusli Simanjuntak, 2016. *Nanofinance, Redefinition Of Microfinance For The Very Micro Society Through Philanthropy Linkage Program (Case Study In Indonesia, Cambodia, Thailand, India)*. Asian Academic Research Journal of Social Science & Humanities (AARJSH), Volume 3, Issue 4. April. Pp. 455-463.
- Musari, Khairunnisa & Rusli Simanjuntak, 2015. *Reconstruction The Bank For Poor Family Through Islamic Linkage Program: (Case Study In Indonesia)*. A paper to be presented at 4<sup>th</sup> International Conference on Inclusive Islamic Financial Sector Development 2015 held by Islamic Research and Training Institute- Islamic Development Bank (IRTI-IDB) and International Islamic University, Islamabad, Pakistan. 17-18 November.
- Obaidullah, Mohammed, 2008. *Introduction to Islamic Microfinance*. India: The Islamic Business and Finance Network (IBF Net).

- Obaidullah, Mohammed & Tariqullah Khan, 2008. *Islamic Microfinance Development: Challenges and Initiatives*. Policy Dialogue Paper No. 2. Jeddah: Islamic Research and Training Institute (IRTI).
- Robinson, Marguerite, 2001. *The Microfinance Revolution: Sustainable Finance for the Poor*. World Bank. Washington.
- Sadeq, A.H.M., 2002. *Waqf, Perpetual Charity and Poverty Alleviation*. International Journal of Social Economics, Vol. 29 No. 1/2. Pp 135 – 151.
- Sanrego, Yulizar D. & Moch. Taufik, 2016. *Fiqih Tamkin (Fiqih Pemberdayaan): Mewujudkan Modal Sosial dalam Mewujudkan Khairu Ummah*. Jakarta: Qisthi Press.
- Segrado, Chiara, 2005. *Islamic Microfinance and Socially Responsible Investments*. Meda Project. University of Torino. August.
- Siddiqi, M. N., 2002. *Comparative Advantages of Islamic Banking and Finance*. A paper was presented at Harvard University Forum on Islamic Finance. 6 April. Available at <http://siddiqi.com/mns/Advantages.html>
- Simanjuntak, Rusli & Khairunnisa Musari, 2014. *Enhancing The Local Wisdom of Indonesian Sukuk: Financing The Cocoa Farmers Through Sukuk Linkage Program (Case Study Gapoktan Guyub Santoso Blitar)*. A paper was presented at The International Conference on Islamic Economic Studies (ICIES) ‘Strengthening the Islamic Economic Institution toward the Global Economy Market’, Faculty of Islamic Economics Business (FEBI), IAIN Surakarta, at Lor Inn Hotel, Solo. 22 October.

#### Articles at Newspaper/Magazines

- Ali, Suleman Muhammad, 2011. Islamic Microfinance Securitization: Structuring a Sukuk Musharakah. In *Islamic Finance News*. Pp. 20-22. 7 September.
- Bateman, Milford, 2011. Microfinance as A Development and Poverty Reduction Policy: Is It Everything It’s Cracked Up To Be?. A background note in *ODI*, 2011. ODI 50: Advancing Knowledge, Shaping Policy, Inspiring Practice. UK: Overseas Development Institute (ODI). Pp. 1-4.
- Ismal, Rifki & Khairunnisa Musari, 2009a. Menggagas Sukuk sebagai Instrumen Fiskal dan Moneter. In *Bisnis Indonesia Daily*. Opini. Pp. 4. 1 April.

- Ismal, Rifki & Khairunnisa Musari, 2009b. Sukuk, Menuju Instrumen Fiskal dan Moneter. In *Sharing Magazine*, Majalah Ekonomi Bisnis Syariah - Edisi 28 Tahun III April. Wacana. Hlm. 58.
- Ismal, Rifki & Khairunnisa Musari, 2009c. Sukuk Menjawab Resesi. In *Republika Daily Newspaper*. Ekonomia. 23 March.
- Musari, Khairunnisa, 2015b. Kang Emil, Mari Ke Jember!. In *Jawa Pos Radar Jember Daily Newspaper*. 26 Agustus. Perspektif.Pp. 1, 11.
- Musari, Khairunnisa, 2013. Belajar Sukuk dari Blitar. In *Sharing Magazine*, Majalah Ekonomi Bisnis Syariah - Edisi 73 Tahun VII Maret-April.
- Musari, Khairunnisa, 2012. Apakabar Penggiat Kakao Jember?. In *Jawa Pos Radar Jember Daily Newspaper*. 12 November. Pp. 34.

### Internet

- Asia Foundation, 2003. *Microfinance Services in Indonesia: A Survey of Institutions in 6 Provinces*. Retrieved from [https://asiafoundation.org/resources/pdfs/Indomicrofinance\\_survey.pdf](https://asiafoundation.org/resources/pdfs/Indomicrofinance_survey.pdf)
- Chonlaworn, Piyakorn & Pakanee Pongpirodom, 2015. *Can Nano Finance unleash The Grassroots From Loan Shark Problems?*. EIC Analysis. 01 April. Retrieved from <https://www.scbeic.com/en/detail/product/1255>
- Leikem, Kirsten, 2012. *Microfinance: A Tool for Poverty Reduction?*. Senior Honors Projects. Paper 300. <http://digitalcommons.uri.edu/srhonorsprog/300>
- Mahanti, Joyasree, 2008. *Women Helping Women Through Nano Finance Institution*. Retrieved from [http://www.ashanet.org/detroit/Projects/BISWA/Nano\\_Finance\\_Report\\_Jan2008.pdf](http://www.ashanet.org/detroit/Projects/BISWA/Nano_Finance_Report_Jan2008.pdf)
- <http://www.pdbprkotabandung.com/produk/kredit/>
- <http://infobandung.co.id/ini-cara-mengajukan-kredit-melati-kredit-tanpa-bunga-program-pemkot-bandung/>
- <https://www.infoperbankan.com/bpr/pinjam-uang-melalui-kredit-melati-umkm-kota-bandung-ini-syarat-lengkap-nya.html>



INTERNATIONAL JOURNAL OF  
ISLAMIC ECONOMICS AND  
FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve Finansı  
Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407



journal homepage: <http://ijisef.org/>

---

**Accounting Issues in Sukuk Issuance**

**Prof. Paolo Pietro Biancone**

*Department of Management, University of Turin, Italy, [paolo.biancone@unito.it](mailto:paolo.biancone@unito.it)*

**Mohammad Ziad Shakhathreh**

*Department of Management University of Turin, Italy, [mohammad.shakathreh@unito.it](mailto:mohammad.shakathreh@unito.it)*

---

ARTICLE INFO

ABSTRACT

**Keywords:** *Sukuk,  
Accounting Issue, IFRS*

**JEL Classification:** *M41,  
G00, G29*

This research aims to establish an accounting guideline for Sukuk issuance in non-financial companies and it has a special significance in solving various accounting problems during the Sukuk issuing process. Online survey has been conducted to obtain the accountants', academic and professional perceptions about the research questions, it covers several accounting issues, and it had received 25 on-line responses. In conclusion, we point, among other things, that the IFRS are accepted to account for Sukuk transactions, as using Special Purpose Vehicle is necessary to issue Sukuk, it should be consolidated by the Originator as well; it showed that Sukuk certificate could represent ownership of assets, represent liability or claim on the SPV and Right of usufruct of Assets. But the biggest part of respondents replied that Sukuk certificate should appear under liability.

---

© 2016 PESA All rights reserved

---

## I. Introduction

Recently in Italy, an Increasing interest from government and corporates has been noticed to use Sukuk to fund their project, and this desire was due to the globally increase in using Sukuk. Thomson Reuters report expects Global outstanding Sukuk issuance to grow to \$907 billion by 2020. Islamic Finance Gateway. (2014)

In recent years, the international Sukuk market has grown considerably, with Sukuk issuances surging not only by volume and value, but also in the geographical scope of the issuing markets, the value of international Sukuk issued in 2014 reached US\$114 billion, of which 85% was issued by sovereign and quasi-sovereign entities, Several factors are driving sovereigns to participate in the Sukuk market, including: the desire to establish a benchmark and to encourage the development of a corporate Sukuk market in the relevant country or territory, as well as the need to develop a legal and regulatory framework that recognizes and facilitates the issuance of Sukuk — especially in jurisdictions where Islamic principles are not enshrined in national law. But the expectation that sovereign and quasi-sovereign issuances would pave the way for corporates to issue Sukuk has not so far materialized, (IRVINE, 2015) because most of the corporates still have ambiguity in accounting practise for issuing Sukuk, and lack of knowledge about the legal and regulatory framework.

The term Islamic finance encompasses any type of financial activity that is undertaken in accordance with Islamic law (Shariah). Sukuk is a generic term used to encompass a broad range of financial instruments designed to conform to the principles of Islamic law (Shariah). Although many Sukuk structures are designed to replicate the economic function of conventional bonds, their legal structures are different. Classifying Islamic financial instruments, including Sukuk, under existing regulatory frameworks has posed challenges in the UK and other jurisdictions.(HM Treasury, 2009) The interests on Islamic accounting has been growing for the past two decades, however, the development of Islamic accounting is still at the infancy stage. (Rahman and Rahim, 2003)

Due to the growth in the Islamic finance particularly Sukuk, the need for specific accounting standards, which account for the issuance transactions and Islamic contracts, is an essential issue.

This study will explore only the accounting treatment for Sukuk issuance transactions, because the researchers take into consideration the existence of different jurisdiction schools in Islam, which could cause the variation in Fatwa and implications of Islamic finance instruments.

The research questions cover several accounting issues, including the accounting standards used during the issuance, using the SPV in Sukuk structure, consolidation of the SPV, recognition of the assets from the originators book and accounting classification of Sukuk certificate in the financial statement.

The paper starts with an introduction. Afterwards, section two elaborates literature review, an overview of Sukuk structures and accounting issue as well. Section three demonstrates the methodology used and explanation of the survey. Section four provides the research findings. Section five concludes the paper.

## **II. Literature Review**

Sukuk is a plural (what does this mean?) of Sakk; Sukuk is an Islamic financial certificate that complies with Shariah principle and laws. Investment Sukuk as defined by AAI OFI are the certificates of equal value representing undivided shares in ownership of tangible assets, usufruct and services or (in the ownership of) the assets of particular projects or special investment activity. However, this is true after the receipt of the value of the Sukuk, the closing of the subscription and employment of funds received for the purpose of which the Sukuk were issued. (AAI OFI 2008).

This definition includes two important points; the first one is that Sukuk holders must have real ownership of the asset of the specific project. The second one is that the project and the Sukuk issuance procedure must be consistent with Shariah principle.

Most of Sukuk issuance usually begin with same process, starting from establishing the SPV (issuer), after that the originator transfers specific assets, or the usufruct right of the assets to the SPV, then the Investors subscribe for Sukuk and pay the proceeds to SPV, therefor the SPV issue Sukuk certificates to Sukuk holder. The difference between the structures depends on the contract between the SPV and the originator (lease, wakalah,...); after that we back to the common steps which are to distribute the profit to the Sukuk holder by the SPV and redeem the Sukuk at maturity. We can divide the Sukuk into two phases, the first one is the general phase which is common in most of Sukuk structures; the second one is a specific phase which depends on the contracts used between the SPV and other parties. (Biancone and Shakhatreh, 2015)

From the preceding discussion, many questions have arisen about the accounting issue and transactions in the Sukuk, which are the main obstacles to the originators; therefore this study aims to answer the ambiguous questions and investigate the accounting treatment for issuing Sukuk.

The previous studies explored the Sukuk structures and most of them have focused on the accounting regulation and standards of Islamic financial institution, but limited number of studies are about non-financial companies which need to use the Islamic finance.

A study by (Mirza and Baydoun, 1999) stated that there exists a need for developing accounting and reporting standards that are relevant to Muslim firm, because of the accounting and reporting practices of firms in Islamic societies are likely to reflect the Islamic business contracts and business practices. Moreover, the study showed that the Accounting standards for firms in Islamic societies need to be broad and flexible.

According to (Lewis, 2001) In an Islamic society, the development of accounting theory should be based on the provisions of Islamic law along with other necessary principles and postulates which are not in conflict with Islamic law. Two approaches suggest themselves:

a. Establish objectives based on the spirit of Islam and its teaching and then consider these established objectives in relation to contemporary accounting thought.

b. Start with objectives established in contemporary accounting thought, test them against Islamic shari'a, accept those that are consistent with shari'a and reject those that are not.

So far, Islamic accounting standards are limited to Islamic finance institutions and the leader organization is the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), which is an Islamic international autonomous non-for-profit corporate body that prepares accounting, auditing, governance, ethics and Shariah standards for Islamic financial institutions. AAOIFI has issued 48 Shariah standards, 26 financial accounting standards, five auditing standards, seven governance standards, and two ethics standards. According to (Lewis, 2001), AAOIFI has followed the second approach when formulating accounting standards. It is taking into consideration the international standards and practices which comply with Islamic Shariah rules. AAOIFI financial accounting standards (FAS) give guidance on, amongst others, presentation of financial statements for Islamic financial institutions (IFIs), accounting treatment for specific Islamic finance products and mechanisms.

A working group was established by The Asian-Oceanian Standard-Setters Group (AOSSG) to investigate the financial reporting issues which are related to Islamic finance; the objective of this Group is to facilitate AOSSG members providing input and feedback to the IASB on the adequacy and appropriateness of proposed and existing International Financial Reporting Standards (IFRSs) to Islamic financial transactions and events.



(AOSSG) is a grouping of the accounting standard-setters in the Asian-Oceanian region. The group has been formed to discuss issues, share experiences on the adoption of International Financial Reporting Standards (IFRS) and to contribute to the development of a high-quality set of global accounting standards.

(Rahman and Rahim, 2003) examined contemporary accounting regulatory issues on investments in Islamic bonds or Sukuk. Their study also highlights and discusses the requirements made by AAOIFI's Financial Accounting Standard No.17 (FAS 17) on accounting for investments in Islamic bonds or Sukuk. The standard setting out the principles for the recognition, measurement, presentation and disclosure of investment Sukuk by Islamic financial institutions. It concluded that the development of a new discipline, called Islamic accounting, establishes an urgent need for the accounting academics and practitioners to undertake studies that attempt to understand how accounting is influenced by and adapted to the way the economic system is organized and the philosophy underpinning its system.

(Sukor et al., 2008) aims to examine the contemporary accounting regulatory issues on investment in Sukuk in Malaysia; it explained AAOIFI new standard, FAS 17 which covers Islamic Investments including Sukuk, and according to the standard, Islamic bonds should be classified into three categories according to investment intentions, rather than two categories in accordance to the period of holding as is the practice in the traditional accounting.

#### a) Accounting standards

The first accounting issue is the accounting standards used by the Originator during the Sukuk issuance. We assume that the International Accounting standards are accepted and fit with Islamic finance, except the standards incompatible with Shariah principle, because Islam is not against any accounting standards unless they conflict with Shariah, at which the most important principle is prohibition of (Riba) interest, although most business activities must be permitted by Islamic law, and forbidding Gharar (ambiguity) And Maysir (uncertainty).(Biancone and Radwan, 2015)

More than 100 countries currently subscribe to the International Financial Reporting Standards (IFRS), while most other jurisdictions permit the use of IFRS in at least some circumstances, or some countries use their national standards which are based on IFRS,

(Asian-Oceanian Standard-Setters Group, 2011) survey found that the term 'Islamic accounting standards' does not refer to a homogenous set of standards. Instead, the term appears to refer to various sets of religiously-influenced standards that can have markedly different requirements for similar

transactions. While some requirements may be comparable with IFRS, others are not. Foremost among Islamic accounting standards are those issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), but some jurisdictions have locally-developed Islamic standards which may or may not be based on AAOIFI standards. The survey has a question about the financial reporting standards generally apply to entities engaged in finance and from the 23 standard-setters that answered this question, 47% (11 jurisdictions) replied that IFRS would generally apply to entities engaged in finance, and another 35% (eight jurisdictions) replied that national standards based on IFRS would apply. Most participants (78%) do not have special reporting standards for Islamic finance.

Furthermore, using international standards to account for Sukuk transactions would enhance the comparability and comprehensiveness of financial report, and would allow to wide range of companies to engage with Islamic finance instruments, without concern about the difference between accounting standards.

By reviewing number of Sukuk issuance, we found that most of Sukuk issuers (SPV) do not publish their financial report, but the financial result should appear in the consolidated financial statement of the Originator (parents companies). We found financial statement of one of the Sukuk issuer (subsidiary) which is HM Treasury UK Sovereign Sukuk (UKSS). Both of the Originator and issuer have published their financial report, and according to (UKSS) financial report 2015, the company prepared their financial report in accordance with IFRS.

#### b) Consolidate the SPV

The originator of Sukuk usually establishes SPV to issue Sukuk, whether it is a sovereign or corporate Sukuk, This SPV is totally owned by the Originator, the manager and staff recruitments have been doing by the originator. The SPV has been established for specific purpose and activities, and accordingly the Originator has a control of the subsidiary. According to (Collings, 2012) A parent company only has a subsidiary when the parent controls that subsidiary. If the parent doesn't have control, it doesn't have a subsidiary. Then it accounts for its investment in a company as an associate under IAS 28 Investments in Associates or as a simple investment as a financial asset under IAS 39 Financial Instruments. IFRS 10 says that a company has control of another company (the investee) if (and only if) it has power over the investee, which means that the investor has:

- ✓ Rights that enable it to direct the subsidiary's activities
- ✓ Exposure, or rights, to variable returns from its involvement with the investee

- ✓ Power over the investee to such an extent that it affects the amount of return the investor receives from the investee. (Collings, 2012)

By returning to our example about (UKSS), this subsidiary is owned by HM Treasury; it draws its staff resource from HM treasury and government legal department, and operates in general under the governance and control arrangements in place for the treasury, it has been consolidating from the Originator as well.

### c) Transfer of assets

Generally, the originator transfers an asset to a special purpose Vehicle (SPV). This transfer could be a transfer of ownership of the assets, Or Right of usufruct of Assets, and sometimes the transfer is arranged with an arrangement for the assets to eventually be transferred back to the originator. With regard to classification of Sukuk into asset back or asset based, under asset-backed Sukuk the Sukuk holder has a resource to underlying assets and these assets must be separated from the originator books. While asset based Sukuk, the Originator keeps the assets in his book, thus Sukuk holder has beneficial ownership in the underlying assets.

Recognition of the assets from the originator books is a very important and controversial issue, and related to other issues like the type of assets and the classification of the certificate.

Under AAOIFI Shariah standard no.17 S 4.2, the investment Sukuk represents a common share in the ownership of the assets made available for investment, whether these are non-monetary assets, usufruct, services or mixture of all.

Under UK finance act (2007/48A(1)/(b)) the Sukuk arrangements identify assets, or a class of assets, which the (Sukuk Issuer) will acquire for the purpose of generating income or gains directly or indirectly.

In our example (UKSS) the Sukuk assets was a 99-years Head lease on the trust assets. The Issuer (UKSS) discloses this head lease under the financial statement note. Department of Communities and Local Government DCLG as Landlord will lease to the Trustee (UKSS) certain land and buildings (the "Premises") for a term of 99 years, together with the benefit of the Rights, in consideration for the lease of the Premises; the Trustee (UKSS) shall pay a Premium, which will be an amount equal to the proceeds of the issue of the Certificates. Acquiring the head lease does not make any change in the original assets. The issuer considers it as financial assets, which fall within the category of loan and receivable and all the financial liabilities fall within the category of financial liabilities at amortised cost as defined in IAS 39.

English law stated that the issuer uses the subscription proceeds to acquire assets, which are specified in the arrangement, and are held for the benefit of the “Sukuk-holder”. Income generated from the assets is distributed to the Sukuk holders and, on maturity of the Sukuk, the assets are sold under pre-existing arrangements and the proceeds returned to the Sukuk-holder. (Corporate Tax Act 2009 section 507 paragraph 1399)

#### d) Sukuk certificate

Exploring the Sukuk certificate definitions will lead to detect a contradiction between the definitions and real practices, AAOIFI defined the Investment Sukuk as the certificates of equal value representing undivided shares in ownership of tangible assets, usufruct and services or (in the ownership of) the assets of particular projects or special investment activity. (AAOIFI, 2010)

In our example (UKSS), by looking to the balance sheet of the issuer, we will find Investment account under noncurrent assets which is equal to issuance value; it is classified as financial assets, and it comprises 99-year Head lease as a lessee, and respects to the 5 years sublease of the trust assets back to DCLG by the company as a lessor. On the other hand, Sukuk certificate account appears under long term liability, company classified it as financial liabilities. The certificate pays periodic distributions to investors at a rate of 2.036% per annum.

From our example, we conclude that Sukuk certificate is classified as liability, and this issuance is governed by the English law, which is the most used by the issuers. English law stated that “The arrangements are wholly or partly treated in accordance with international accounting standards as a financial liability of the bond-issuer (Sukuk issuer)”. Finance act (2007/48A(1)/(i)). This means that Sukuk is liable; moreover under (ICTA, S 417) a bond-holder is a loan creditor in respect of the bond-issuer.

An Islamic asset includes all valuable property resulting from previous events belonging to the owner. Such an asset should not be usurped and if it is obtained in a lawful (halal) way, it will have economic benefits for its owners. Lawful acquisition is a critical aspect of ‘asset’ in this context; rights to interest income are never recognised. Liability is defined in Islam either as a faithful obligation, or any debt to other persons or business entities. Again, in respect to both, the paying of interest is prohibited. Finally, equity in residual benefits is obtained directly from the financial evaluation and contrasting assets and liabilities. (Lewis, 2001)

In this research we suggest four possible accounting classifications for Sukuk certificate in the Balance sheet: the first possibility is under liability, which is most used in previous issuance; in this case if it is normal liability, we

think that the Originator can issue the Sukuk directly without the SPV. The second option is under Owners equity, which we disagree with, because the entitled to a number of rights, including receiving a regular flow of information on developments of the company's business and exerting voting rights, but in case of Sukuk the holders are entitled to the profit but have no voting rights because they do not own any portion of equity capital. The third one is an intermediary between liability and owner equity; we agree with this classification because according to Sukuk definitions the Sukuk is not liability and also Sukuk holders are not owners. The fourth and last option is Contra asset account, we suggest this option because we think that the assets appear in the SPV balance sheet but in fact the real owner of this asset are the Sukuk holders.

### III. Research design and method

Qualitative research method has been used, Secondary data was collected by exploring literature, accounting standards and previous Sukuk issuance. The research analyses the information which is already available to make a critical evaluation of the material. We are mainly depending on international accounting standard (IFRS), International public sector accounting standards (IPSAS), AAOIFI, financial report, and English law.

Primary data was collected by using questionnaire. Online survey has been used to obtain the accountant, academic and professional perceptions about the research questions, which include the main accounting issue in Sukuk, it includes 15 questions with a possibility to specify each answer, and it was published by research gate and LinkedIn throughout the Islamic finance groups and also by sending directly to the contents, it has been sent also by email to 75 professors and academics who are specialist in Islamic finance, it has been sent by email to 16 audit and accountant companies in golf, UK, Malaysia and Indonesia.

The following are the main research questions used in our study:

- ✓ Is it possible to apply IFRS in issuing Sukuk?
- ✓ Is the using of special purpose vehicle ( SPV) necessary to issue SUKUK?
- ✓ Does the originator have the control over the SPV?
- ✓ Should the Sukuk Originator consolidate the SPV?
- ✓ Should the originator derecognize the assets from its book?
- ✓ In case of transfer the beneficial interests in the assets, should the originator keep the assets on its financial statements, and recognise a liability related to the transfer?

- 
- ✓ Could the repurchase option from the Sukuk originator effect on the derecognition of the assets.
  - ✓ Are the Waa'd (promise) of repurchase the assets at the end of the sukuk's term considered as a liability?
  - ✓ Could Sukuk certificate represent a claim or liability? And if yes where it should appear in the financial statement?
  - ✓ Could Sukuk certificate represent an Ownership of the assets? And if yes where it should appear in the financial statement?
  - ✓ Could Sukuk certificate represent a Right of usufruct of Assets and its future cash flows? And if yes where it should appear in the financial statement?

#### **IV. Research finding**

The survey was run between 5th June and 15th July 2015, unfortunately the survey had received 25 on-line responses, and 64. % of the respondents were from academics and only 12% from accountants.

The results showed that 68% of respondents were agreeing with the possibility of using IFRS in issuing Sukuk, which means that most of the respondents agreed that International Accounting standards are accepted and applied in sukuk issuance process.

And regarding the consolidation of the SPV, the result showed that 60 % of respondents consider the SPV is necessary in issuing Sukuk, and 32% thought that it depends on the type of Sukuk, but only 4% thought that the originator could be the issuer without SPV.

In addition, 72% of respondents stated that the Originator has the control over the SPV, and 52% of respondents replied that the Originator should consolidate the SPV.

And about the transfer of assets to the SPV the result indicated that 52% of respondents replied that the assets should be derecognised from the originators book, and 44% replied that it depends on the type of assets, and only 4 % were stated that the originator should keep the asset in their books, which mean that the assets have to be derecognised from the originators book; one of respondents said that one asset cannot have double owners at 100 percent, and we are with the second group who replied that it depends on type of assets. We asked those groups which assets should derecognize, and the respondents choose tangible assets 7 times and right to use tangible assets 6 times, cash flow from tangible assets 4 times, and twice for intangible assets and once for financial assets.

But in case of transfer the beneficial interests in the assets, the result showed that 64% of the respondents agreed that the originator should keep

the assets on its financial statements, and recognise a liability related to the transfer, one of the respondents commented: the beneficial interest in assets is classified as assets based sukuk, and the originator should keep the assets in his books, and disclose the transfer under financial statement note, and recognise a liability related to the transfer. 64% of the respondents revealed that the promise of repurchase (Waa'd) from the Sukuk originator effects on derecognition of the assets; in our opinion it depends if the Waa'd is considered as a liability or not which is answered by the next question.

76% of respondents agreed that the Waa'd (promise) of repurchase the assets at the end of the Sukuk's term is considered as a liability, one of the respondents added a comment: it is liability because failure to fulfil the Waa'd will cause financial loss, another respondent said that it depends on the contract if it is mandatory or not, and we agree with this comment. And finally with regard to Sukuk classification, the result showed that 64% of respondents agreed that Sukuk certificate represents the ownership of underlying assets, 35% of them replied that Sukuk certificate in this case should appear under liability, and 20% under owner's equity, and 30% under intermediary account between owners' equity and liability 10% stated that it should be treated like contra assets account, 5% choose other.

While 60% of respondents agreed that Sukuk certificate represents liability or claim on the SPV, 44.4% of them replied that Sukuk certificate should appear under liability, and 16.7% under owner's equity, and 27.8% under intermediary account between owners' equity and liability 11.1% stated that it should be treated like contra assets account.

76% of respondents agreed that Sukuk certificate represents Right of usufruct of Assets and its future cash flows, 40% of them replied that Sukuk certificate should appear under liability, and 25% under owner's equity, and 20% under intermediary account between owners' equity and liability 10% stated that it should be treated like contra assets account, 5 % choose other.

## V. Conclusion

The rapid growth of Sukuk industry and desire of many companies to use Sukuk have been the motivation behind the study of accounting issue in Sukuk issuance. Ambiguous accounting issue has been faced during exploring the Sukuk issuance steps in non-financial companies; a survey was used to clarify these issues. The result showed that IFRS are accepted to account for Sukuk transactions. Most of respondents stated that creating SPV is necessary to issuance Sukuk, and the originator has the control over the SPV, and it should be consolidated by the originator and that in line with the IFRS.

The study indicated that in case of transferring the assets to the SPV, it should be derecognised from the originator books, but in case of transfer the

usufruct right the result showed that the originator keeps the assets in his books and recognizes liability. It also showed that repurchase Waa'd is considered as a liability and could effect on derecognition of assets. It concludes that Sukuk certificate could represent ownership of assets, liability or claim on the SPV and represent Right of usufruct of Assets, at which the biggest part of respondents replied that Sukuk certificate should appear under liability, this was against our expectations, because we assume that the relationship between Sukuk holder and issuer is buyer-seller relationship, not lender borrower relationship , and we think that if the Sukuk is liabilities, the Originator can issue Sukuk without SPV and keep the assets in his books. Our expectation was with the second group who choose the intermediary account between liability and owner equity.

## **VI. Limitations and future research**

This study is limited regarding to accounting issues in non-financial companies, in order to help them to diversify their finance sources and to overcome the accounting obstacles in Sukuk issuance, in the presence of the organization concern only about Islamic banks and Islamic institutions. The second limitation was about the type of Sukuk; this research explores the Sukuk in general. It doesn't investigate the accounting treatment to any particular type of Sukuk. In the future, further research should be carried out to explore the accounting treatment and the reporting practices of each type of Sukuk. The last limitation was the number of respondents; the survey was run between 5th June and 15th July 2015, unfortunately the survey had received 25 on-line responses, we sent it by emails, Linkedin and Research gate, we expected to receive more responses, especially from accountants and auditors.



---

**Reference**

- Asian-Oceanian Standard-Setters Group (AOSSG). (2010). Financial reporting issues relating to Islamic finance. From [www.aossg.org](http://www.aossg.org)
- AAOIFI, A.,( 2010). Auditing and Governance Standards for Islamic financial institutions. Bahrain.
- Asian-Oceanian Standard-Setters Group AOSSG, (2011) Survey: Accounting for Islamic Financial Transactions and Entities.
- Baydoun, N., & Willett, R. (2000). Islamic corporate reports. *Abacus*, 36(1), 71-90.
- Biancone, P. P., & Radwan, M. (2015). Sharia Compliant “Possibility for Italian SMEs”. *European Journal of Islamic Finance*, (1).
- Biancone, P. P., & Shakhatareh, M. Z. (2015). Using Islamic Finance for Infrastructure projects in non-Muslim Countries. *European Journal of Islamic Finance*, (2).
- Collings, S. (2012). *IFRS for Dummies*. John Wiley & Sons.
- Ainley, M., Mashayekhi, A., Hicks, R., Rahman, A., & Ravalia, A. (2007). *Islamic finance in the UK: Regulation and challenges*. The Financial Services Authority (FSA), London.
- HM Treasury, (2009). Legislative framework for the regulation of alternative finance investment bonds (sukuk): summary of responses. from [http://www.fca.org.uk/static/pubs/cp/afibs\\_sukuk.pdf](http://www.fca.org.uk/static/pubs/cp/afibs_sukuk.pdf)
- IRVINE, L.,( Latham & Watkins LLP) (2015). Desire for benchmarks to drive sovereign Sukuk issuances outside of traditional markets (Sector report). from <https://www.lw.com/thoughtLeadership/desire-for-benchmarks-to-drive-sovereign-sukuk-issuances-outside-of-traditional-markets>
- Kamla, R. (2009). Critical insights into contemporary Islamic accounting. *Critical perspectives on accounting*, 20(8), 921-932.
- Lewis, M. K. (2001, June). Islam and accounting. In *Accounting Forum* (Vol. 25, No. 2, pp. 103-127). Blackwell Publishers Ltd.
- Mirza, M., & Baydoun, N. (1999). Do Islamic societies need their own accounting and reporting standards?. *Journal of the Academy of Business Administration*, 4(2), 39-45.
- Napier, C. (2009). Defining Islamic accounting: current issues, past roots. *Accounting History*, 14(1-2), 121-144.

- Rahman, A., & Rahim, A. (2003). Accounting regulatory issues on investments in Islamic bonds. *International Journal of Islamic Financial Services*, 4(4), 1-11.
- Sukor, M. E. A., Muhamad, R., & Gunawa, A. Y. (1970). Malaysian Sukuk: issues in accounting standard. *International Journal of Mechanical and Materials Engineering*, 16.
- Islamic Finance Gateway. (2014). Thomson Reuters Zawya Sukuk perceptions and forecast study 2015 Thomson Reuters.
- Van Greuning, H., Scott, D., & Terblanche, S. (2011). *International financial reporting standards: a practical guide*. World Bank Publications.
- The Finance Acts and other legislation can be accessed on the website of the Office of Public Sector Information From: [www.opsi.gov.uk/](http://www.opsi.gov.uk/)

INTERNATIONAL JOURNAL OF  
ISLAMIC ECONOMICS AND  
FINANCE STUDIES

*Uluslararası İslam Ekonomisi ve Finansı  
Araştırmaları Dergisi*



November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>

**Development of Islamic Finance in Europe and North America:  
Opportunities and Challenges**

**Ahmad Alharbi**

*atalharbi@yahoo.com.au*

ARTICLE INFO

ABSTRACT

**Keywords:** *Islamic Finance,  
Islamic Banking*

The aim of this paper is to shed a light on the development of Islamic finance industry in the west. It is observed that Islamic finance industry in the west traced back to the late 1970s and the main reason behind the interest of western countries in Islamic finance is economical. However, there are regulatory, legal, knowledge and social obstacles facing Islamic finance industry in the west. These matters must be resolved to allow Islamic finance industry to flourish in western countries.

© 2016 PESA All rights reserved

## 1. Introduction

The origin of Islamic finance dates back to the dawn of Islam 1,400 years ago. Historical books (e.g. *Kitab Al-Ṭabaqāt Al-Kubrā* written by Ibn Sa'd) written during the early years of Islam indicated that during the 1st century of Islam (AD 600), some forms of banking activities existed that were similar to modern banking transactions. Hence, Ibn Sa'd (Omar ed. 2001, pp.101-102) revealed that Al-Zubair bin Al-Awam (one of the most famous personalities in Islam) was accepting deposits from people as loans and investing that money, and at the time of his death his debt had reached 2,200,000 dinar as counted by his son Abdullah. Also, Ibn Sa'd (Omar ed. 2001, p.102) stated that Al-Zubair bin Al-Awam had several branches in different parts of the Islamic Empire to return deposits to their owners. Some contemporary scholars like Al-Ali call this collection of branches Al-Zubair Bank (Al-Ali cited in Nasser 1996).

In addition, during the rule of Marwan bin Al-Hakam (the fourth Umayyad *caliph*) in the 1st century of Islam (8th century AD) goods *sukuk* were widely used as a method of payment to the state's soldiers and employees (Saraj cited in Nasser 1996, p. 9). Furthermore, the writings of Al-Djahshiyari (1938), Al-Kubaisi (1979), Al-Ali (1953, 1981), Al-Duri (1986, 1995), Fischel (1992), and Al-Hamdani (2000) show that there were bankers called *sarrafeen* or *sayarifah* (singular *sarraf*) or *jahabidhah* (banks called *dawawin aljahabidhah*) in the Islamic Empire (Chachi 2005). Also, according to Chachi (2005), during the Abbasid-caliphs period (from the 8th century) the term *sarrafeen* was used to refer to financial clerks, experts in matters of coins, skilled money examiners, treasury receivers, government cashiers, money changers, or collectors to designate the well known, licensed merchant bankers in those times. Moreover, the first check in history was drawn by a *sarraf* in Baghdad in the 4th century AH (10th century AD), and it was written by the prince of Aleppo, Saif Al-Dawla Al-Hamadani (the check amount was 1000 dinar;).

The thriving of commercial activities during Abbasid dynasty, ruled from 750 to 1258 AD, led to the establishment of banks. The funding sources of those banks were banks' profits (money exchange, currency evaluation, lending) and deposits made by the public and state. There were two types of banks: state and private banks. The earlier established to advance loans to the government, which secured by the government tax revenues. The first state bank incorporated in 300 AD by the vizier Ali b. Isa during Al-Muqtadir reign. Ali b. Isa requested from two Jewish merchant and bankers, Yusuf b. Pinkhas and Harun b. Imran, to establish a bank to advance loans to the government (150,000 Dirham in the beginning of each month), and they will collect the tax revenues of Ahwaz region in return. This implies that they will get an amount above the principle and this amount is considered an administration fee not interest. It is worth mentioning that the bank operated for 16 years.

Muslims also established banking schools to teach the rules and the regulations of the industry. So, it can be said that there was a will developed financial system in the Islamic empire, Nasser (1996, pp. 15–16) stated that Muslims contributed greatly to the development of banking practices because, during the Islamic empire, there was

1. A legislative system, which included firm rules and regulations to govern all transactions;
2. A strong judicial system, which was capable of enforcing all legitimate contracts;
3. Different kinds of commercial papers and banknotes that were widely accepted, such as promissory notes (reqaah al-sayarifah), bills of exchange (suftaja), and goods sukuk; and
4. Licensed bankers, who had offices or agencies in different parts of the Islamic Empire and accepted deposits, assigned debt (hawalah), exchanged money, issued banknotes, and performed many other services.

Beginning with the decline of the Islamic Empire from about the 12th Century AD, the rule of the sarraffeen began to weaken. Their loss of power within society can be attributed to several internal and external factors (Chachi 2005).

Islamic civilization began to decline toward the end of the 12th century. There was some respite during the Ottoman Empire (1299–1923), and then the decline resumed and has continued up to the present. This period of decline is known as *Usur al-inhitat*, or the Age of Decline. This allowed Western influence to increase throughout Islamic countries, especially through colonization.

Under European influence, many Islamic countries began to adopt a Western banking model in the 19th century. This started by opening branches of foreign banks or by establishing banks within countries. For instance, in Egypt, the first conventional bank opened its doors in 1856 under the name Bank of Egypt. This bank was a branch of an English bank but was closed in 1911. The National Bank of Egypt was established in 1898 by Ralph Suarez and Constantine Salvagos (Jewish businessmen) with an English partner; the bank is still in operation today (Nasser 1996; National Bank of Egypt 2009).

This trend continued in all Islamic countries until the middle of the 20th century, when the calls to establish Islamic financial institutions gained momentum with the independence of some colonized Islamic countries. This led to the establishment of the first commercial Islamic bank in the world,

Dubai Islamic Bank, in 1975. Since then the number of Islamic banks around the world boomed, and many of the banks established in the early 1970s and 1980s are still in operation today. Moreover, the global market of sharia compliant assets reached \$2 trillion in 2014, banks accounts for about 80% of the assets, sukuk 16%, funds 4%, and takaful 1% (UKIF 2014).

## **2. Trends of Islamic Banking in Europe and North America**

The number of Muslims in Europe and North America is estimated to be 47 million in 2010, about 10 percent of the population (Pew Research Center 2011). The center also predicted that Muslims would make 10.2 percent of the population in 2030, 67 million (See Table 1).

In the late 1970s, Islamic finance began to develop in Europe, and many European financial intuitions perceive it as a profitable opportunity to create new business. The first attempt at Islamic banking in the Western world took place in Luxembourg in 1978, when the Islamic Finance House Universal Holding S.A was established<sup>63</sup>. In 1981, Dar Al-Maal Al-Islami Trust, meaning “House of Islamic Funds,” was established in the Commonwealth of the Bahamas on July 27, 1981, but its headquarters have been in Switzerland, and the group’s chairman is the Saudi prince Mohammad Al-Fisal (Bekkin 2007).

---

<sup>63</sup> The bank formerly known as the Islamic Banking System International Holding, the name changed due to changes in Luxemburg banking laws in 1985 (Haghtalab 2009).

**Table 1:** Potential market size in the west for Islamic banks

Country	Estimated Population in 2010	Percent Muslim	Projected Population in 2030	Projected Percent Muslim
Bosnia and Herzegovina	1,564,000	41.6	1,503,000	42.7
France	4,704,000	7.5	6,860,000	10.3
Germany	4,119,000	5.0	5,545,000	7.1
Italy	1,583,000	2.6	3,199,000	5.4
Ireland	43,000	0.9	125,000	2.2
Luxembourg	11,000	2.3	14,000	2.3
Switzerland	433,000	5.7	663,000	8.1
United Kingdom	2,869,000	4.6	5,567,000	8.2
United States of America	2,595,000	0.8	6,216,000	1.7
Canada	940,000	2.8	2,661,000	6.6

**Source:** Pew Research Center 2011

This trend continued all over Europe, as fully-fledged Islamic banks or branches of established Islamic banks emerged in different countries. Later in the 1908s Islamic finance industry started to develop in North America.

Thus, the theme of this this paper is to look at the development of Islamic finance industry, the reasons behind the growing interest on it and the impediments facing it in the west.

## 2.1 Bosnia and Herzegovina

The first initiative to establish Islamic bank in in the country was in 1992, at that time the law allowed it, when Vakufska bank d.d. Sarajevo was formed (Ergun and Djedovic 2011). The attempt was unsuccessful; the bank operated on interest principles rather than *Shariah* principles (Ergun and Djedovic 2011). In 1996, Orient bank d.d. Sarajevo established and considered a real attempt to establish a bank on the principle of Islamic finance. The bank provided loans based on *Shariah* principles, but the bank closed for not satisfying the required capital.

The only Islamic bank in the country is Bosna Bank International (BBI), which was established on October 19, 2000. The founders were Islamic Development Bank (with a 45.46% share), Dubai Islamic Bank (with a

27.27% share), and Abu Dhabi Islamic Bank (with a 27.27% share; Bosna Bank International 2009). The bank has a capital of KM 47,5 million and an authorized capital of \$300 million (Bosna Bank International 2009). The bank's total assets grown by 24.2 percent yearly from 2007 to 2012 and by 34.4 percent from 2013 to 2014, deposits increased by 24.7 percent and total financing grown by 23 percent (IFN 2015).

The government is reviewing the legal framework to make provisions for Islamic banking. However, the process is still in progress despite the fact that more than 40 percent of the population is Muslims. This because the House of Peoples of Bosnia and Herzegovina<sup>64</sup> is blocking any legislative related to Islamic finance industry. Thus, the development of Islamic finance in the country lies largely on the shoulders of the country's sole Islamic bank (IFN 2015).

To this end, the bank started to increase awareness about Islamic Finance industry in the country. Since 2012 the bank launched two Master's program in collaboration with the School of Economics and Business Sarajevo (SEBS) at the State University of Sarajevo, offered scholarships as well as establishing BBI Academy. In addition, the bank created BBI VIP business club to increase the interaction between businesses and major players in Islamic finance market.

Finally, the growth of Islamic finance industry will remain limited without the support of regulators/government.

## 2.2. France

France has the highest percentage of Muslims in the West, Table 1. As a result, the French government took positive steps in 2008 to implement Islamic finance in the country, changing its tax laws to ensure that Islamic modes of financing do not attract extra tax penalties ('France and Hong Kong encourage Islamic finance' 2009). Before that in December 2007, EUROPLACE, the organization that promotes Paris role as a financial center, established the Islamic Finance Commission (Rihab and Hassan 2015). Also, at the second French Forum of Islamic Finance held in Paris in November 2008, Minister of Economy Christine Lagarde claimed, "We are determined to make Paris an important site for Islamic finance" ('Islamic finance has setback in UK, shows progress in France' 2009). The French government's stance encouraged some firms to move to France, such as

---

<sup>64</sup> Its establishment was due to Dayton agreement in 1995 and has 15 members equally distributed among the three ethnic groups. This to insure no law is passed unless all three groups agree on it.



Islamic Finance Advisory and Assurance Services (a UK-based *shariah*-compliance advisory firm), Al-Baraka Islamic Bank from Bahrain, Qatar Islamic Bank (which already has offices in London), and Kuwait Finance House (France and Hong Kong encourage Islamic finance' 2009; 'Islamic finance has setback in UK, shows progress in France' 2009).

Furthermore, on September 17, 2009, the French parliament passed a law designed to facilitate the issuance of *Sukuk* ('French parliament adopts *Sukuk* law' 2009). This led to issuance of first French *Sukuk* in 2011 with a value of \$6 million or Euro 5 million in French fast food sector (Rihab and Hassan 2015).

In June 2011, a conventional bank introduced the first Islamic deposit scheme via its Islamic window. The success of the offer paved the way to launch an Islamic home finance product, a 10-year *Murabahah* contract, which met by strong demand because the product has been a key requirement for French Muslims.

In 2012, Swiss Life launched Europe's first family *Takaful* product in France, followed by Visit Life and FWU's (both parent companies based in Luxembourg). This number of companies is small considering the laws are compatible with the demands of *Takafual* industry.

By 2013, there were six Islamic funds in France with total assets under management of \$147.2 million (Caristi et al. 2013).

The only bank offering Islamic financial products is Chaabi Bank, the European subsidiary of the Moroccan bank, as it announced the launch of the first French retail banking products on 25 June 2011. By 2012, the bank was offering Islamic retail products and had established a *Shariah* board (Chaabi Bank 2012). The bank increased its branches until reached 20 in 2015. Also, Al-Baraka bank planned to launch operations in the country by 2012 (Foster 2011), but had not done so as of this writing (December 2015). Meanwhile, the French banks do not offer any Islamic products inside France. For example, BNP Paribas and Societe Generale are major players in the Islamic banking sector, as the former offers wholesale products outside France and the latter has Islamic branches in the Gulf Cooperation Council (GCC) countries.

The government supported initiatives of introducing Islamic finance in its education system, it announced in June 2008 its support to a program titled "Islamic Banking and Finance" offered by National Research Agency (government institute; Belabes and Belouafi 2012). Since then four institutes offered degrees in Islamic finance: French Institute for Islamic Studies and Sciences (25 November 2008); Strasbourg Management School (21 January

2009); University Paris-Dauphine (18 November 2009); Reims (January 2012). The major breakthrough came in on January 8, 2011 when the University Paris 1 Pantheon – Sorbonne and King Abdulaziz University through its Islamic Economics Institute (IEI) affiliate created the Chair for Ethics and Financial Norms.

All of this point out that the Islamic finance has potential to develop further in France.

### **2.3. Germany**

Germany have the largest Muslim population in Western Europe after France. There number estimated to be 4.1 million in 2010, mainly Turks. Thus, it is not strange that Islamic finance in Germany started from within the Turkish community.

In the 1990's several Turkish companies moved into German market and began offering Islamic finance products, they intensively advertised in Mosques. Those companies (eg, Kombassan Holding, Yibitas Holding and Yimpas Holding) through its holdings attracted 200-300 thousand Muslim customers. They were successful in the beginning, but later defaulted and the estimated amount lost due to this fraud ranged between €5 billion to €50 billion (Farhoush and Mahlkecht 2013). The negative experience of so-called "Islamic holding" hampered the development of Islamic finance in Germany. On the other hand, this experience demonstrated the financial power of the Muslim community and that Islamic finance has a potential market in Germany. Furthermore, a recent survey (2010) indicated that 72 percent of Muslims in Germany are interested in Islamic finance products if offered by a German bank (Bälz 2011).

The German Commerzbank, one of the pioneers in the field of Islamic banking, launched in January 2001 Al-Sukoor European equity fund in cooperation with Dallah Al-Barakh Bank targeting investors from Gulf countries and Germany. The fund closed in 2005 as it collected €4 million instead of the envisaged €20 million (Schoenenbach 2013). According to Chahboune and Zaid El-Mogaddedi (2008; cited in Colditz 2009) the reason behind the failure of the fund is the improper marketing in Germany and the events followed September, 2001. The bank later focused its Islamic operations in countries with Muslim majority. In 27 July 2006, Deutsche Bank incorporated Deutsche Noor Islamic Funds Plc (formerly known as DWS Noor Islamic Funds Plc) in Ireland. The company is an open-ended umbrella investment company. It launched five *Shariah* funds in 2006 concentrating on equities as well as precious metals securities (Colditz 2009).

The first quasi-sovereign *sukuk* in Europe was issued in Germany by the German State of Saxony-Anhalt on July 31, 2006, at 100 million euros with a floating return based on a 6-month Euribor rate plus 1% (Wilson 2007). The issued *Sukuk* incorporated in Netherlands to avoid taxes and targeted investors from the Middle East and Europe (Colditz 2009). In 1 December 2009, Meridio (an asset management firm) launched an Islamic fund incorporated in Luxembourg. However, the fund liquidated in 29 May 2012 due to insufficient demand even though it extensively advertised in public media.

The German government does not formally support Islamic banking, perhaps in part because the German government is reluctant to accept Muslims' presence in society and in part because Muslims have not positioned themselves as attractive customers (EL-Mogaddedi 2007). In addition, German banking regulations still do not allow trade based on Islamic transactions and the taxation laws are not favorable to Islamic banking (Schoenenbach 2011).

However, Bundesbank and German Federal Financial Supervisory Authority organized a conference on Islamic finance in October 2009. In October 2012, Kuveyt Turk Participation Bank, which is an Islamic bank in Turkey, applied for a license and after three years in July 20, 2015 opened a branch in Frankfurt.

To sum up, Islamic finance in Germany still in its early stages and has long way to go.

## **2.4. Italy**

The history of Islam in Italy began in 827 AC when Muslims conquered Mazara Del Vallo (city in Sicily), and ended by the distraction of last Islamic settlement of Lucera in Puglia in 1300 AC by European Christians.

In the 1970s, the first trickle of Muslim immigrants from Africa began arriving. Nowadays there are approximately one million Muslims in Italy, Table 1.

The first milestone for Islamic finance in Italy took place in January 1994 when a conference on Islamic Banking in Italy held in Roma. The conference sponsored by Banca di Roma and organized by Università di Tor Vergata under the supervision of prof. Francesco Castro, the conference based on previous studies published by the Istituto per l'Oriente (ASSIAF 2015).

This followed by a ground breaking publication by Alberto Brugnoli<sup>65</sup> in 1997. Later in December 2002, associazione Bancaria Italiana organized a conference about Islamic banks in Rome.

This led to the first Islamic transaction in Italy that constructed and funded by ASSAIF. The transaction, based on *Murabaha* principle, happened in Pavia city in October 2006 with a cost of €290 thousand were a warehouse been acquired by special purpose vehicle (SPV) and then transferred to local Muslim association for its use as a cultural center (Brugnoli 2006). After two months it followed by an *Ijarah wa iqtina* transaction, which required several months of legal and fiscal work, performed by ASSAIF members. The two transaction fully satisfied *Sharia* requirements and Italian civil code, nonetheless the transactions were pricy due to double stamp issue. While the first Islamic bank in Italy was Mediobanca (investment bank), a conventional bank that offers Islamic financial products (wholesale), bank president was Alberto Brugnoli.

The Italian Banking Association organized two conferences in 2007 and 2008, which resulted in the signing of a Memorandum of Understanding by the Italian Banking Association and the Union of Arab Banks aiming at an enhanced cooperation between Italian and Arabic banks (Colditz 2009). Nevertheless, the Italian regulatory system may hinder the operation of Islamic banks. The Italian banking system guaranteed the repayment of received deposit, (Art.1834 of the Civil Code). Also, regulations restrained banks from engaging in brokerage activities, banks are not allowed to own shares in the financed industrial business (Art 19 of the Consolidation Law). However, the European "mutual recognition of banking licenses" principle will allow Islamic banks in European countries to open branches in Italy and offer Islamic financial products. Moreover, there are no *Shariah* supervisor board to advise the central bank about Islamic finance products and contracts.

Regarding education, Italy did not take the plunge to introduce Islamic finance in its education system. The only specific course existing today about Islamic finance is within a Master degree program, Development Economics and International Cooperation, offered by University of Rome Tor (Cattelan 2012).

---

<sup>65</sup> Alberto Brugnoli, banker and founder and manager director of organization Associazione per lo Sviluppo di Strumenti Alternativi e di Innovazione Finanziaria (ASSAIF) the oldest European consultancy on Islamic finance. In the mid-1980s, he pioneered some of the first Islamic transactions in Europe. He engineered many Islamic financial transactions in Europe and Asia.

Islamic finance industry in Italy will grow if these issues resolved. Alberto Brugnoli (2008) pointed out that the Islamic financial service industry in Italy has considerable growth potential. He listed several reasons for this, including demand from the Italian Muslim community, the growth of the ethical banking market in Europe (especially Italy), Italy's location on the Mediterranean Sea, and the country's proximity to the Arab world, which has resulted in an already existing "multi-billion dollar trade balance with the GCC" (Colditz 2009, p. 85). In 2010, a study by the central bank highlighted that the spread of Islamic financial industry will attract funds from Arabic states and facilities the trade between Italian companies and Islamic countries.

## 2.5. Ireland

Ireland is planning to become the center of Islamic finance in Europe to benefit from the Islamic funds to revive its economy. The Irish government aims to attract funds from GCC countries, already signed several Double Taxation Agreements with Gulf States. Also, it is targeting ethical investors and Muslims community in Ireland.

Islamic banking introduced in Ireland in the 27th of March 2003 when Oasis Global Management Company (Ireland) Limited received approval for the launch of two open-ended investment companies, Oasis Global Investment Fund (Ireland) plc and Oasis Crescent Global Investment Fund (Ireland) plc in Ireland<sup>66</sup>. In May 2004, Arab Banking Corporation (ABC) signed an agreement with the Bristol & West, one of the leading mortgage providers in the UK and part of the Bank of Ireland Group to launch an Islamic home financing scheme. The year after, the first *Sukuk* was listed on the Irish Stock Exchange. In 2011, the first *Shariah* compliant instruments approved by the Central Bank of Ireland, 35 such instrument approved to date, and by July 2014, 10 *Shariah* compliant funds and a corresponding 31 sub-funds authorized by the Central Bank of Ireland (all funds are UCITS except for one unit trust; Moloney 2015). In 2012, CIMB-Principal Islamic Asset Management Sdn Bhd (CIMB-Principal Islamic; Malaysia) launched an Islamic fund platform in Ireland. In the same year, another Malaysian firm, Amanie Advisors, opened an office in Dublin.

The Irish government amended its Tax laws, section 39 of the finance Act 2010 and section 36 Of the finance Act 2012 made Islamic financial products competitive. In addition, 'Strategy for the IFSC in Ireland 2011-

---

<sup>66</sup> The two companies comply with the European Communities Undertakings for Collective Investment in Transferable Securities (UCITS) as well as the Irish Financial Services Regulatory Authority.

2016' published by the government in 2010 emphasized on the importance of Islamic finance to Irish economy. In addition, Chartered Institute of Management Accountants (CIMA) has launched a diploma in Islamic Finance in Ireland in 2012.

However, there are no central *Shariah* board in Ireland to ensure that transactions or products are *Shariah* compliant (Moloney 2015).

## 2.6. Luxembourg

Long before the UK, Luxembourg was the laboratory of Islamic finance in Europe. The first Islamic financial institution on Western soil, Islamic Finance House Universal Holding S.A, was licensed to operate in the country in 1978 (Abdul Rahim 2007). The first *shariah*-compliant insurance company in mainland Europe was established in the country by a Bahraini Solidarity Group in 1983 (Bataineh 2010). In 2002, Luxembourg stock exchange became the first country in Europe to list *sukuk*.

The government and many financial institutions support initiatives to promote Islamic finance. For instance, the Luxembourg Law of 22 March 2004 on securitization revised to allow the issuance of *Sukuk*. In November 23, 2009, the Central Bank of Luxembourg (LCB) became a member in the Islamic Financial Services Board (IFSB) making it the first European central bank to join IFSB. In 2010, Luxembourg Tax Authority clarified the tax treatment, direct and indirect, of some Islamic finance products. In December 2010, Luxembourg became the first European country to adopt the Undertakings for Collective Investment in Transferable Securities Directive (UCITS IV) which allow funds, conventional and Islamic, to move freely based on a single authorization from any member state. In the same year, Luxembourg Central Bank became a founding member of the International Islamic Liquidity Management Corporation. Luxembourg itself issued the first sovereign *sukuk* to be denominated in euro, in 2014.

By 2015, Luxembourg managed more than €5 billion of Islamic assets; 111 Islamic funds are domiciled in Luxembourg and more than 16 *sukuk* listed on the exchange (Ernst & Young 2015).

Regarding education, there are no Islamic finance degrees offered in Luxembourg. However, the Université Catholique de Louvain in association with ISFIN launched in 2015 the first university diploma in Islamic Finance in the Benelux<sup>67</sup>.

---

<sup>67</sup> Politico-economic union of three neighboring states: Belgium, Netherlands, Luxembourg.

## 2.7. Switzerland

In October 2006 the Swiss Federal Banking Commission awarded a full banking license to Faisal Private Bank (Faisal Private Bank 2006). This marked the launch of the first Islamic bank to operate in Switzerland. Dar Al-Maal Al-Islami Trust (DMI), which incorporated in Switzerland in 1982, was the major shareholder of Faisal Private Bank. In November 2012, the bank converted its operations in Switzerland to a family office. This because the bank did not meet the Swiss government's new regulation on minimum capital requirements; additionally the bank's real estate portfolio faced problems when prices fell (Reuters 2012b).

Islamic finance assets in Switzerland is near 7 billion \$US which makes 0.40 per cent of the global Islamic finance assets. Regarding education the Geneva business school recently launched a master program specialized in Islamic finance.

## 2.8. United Kingdom

Although the first Islamic bank in the West was established in Luxembourg, the UK has been the gateway for Islamic finance to enter Europe. The majority of Islamic banks that operate in Europe are located in the UK because the UK has encouraged Islamic banking activities for years. The existence of the Islamic finance transaction in London dates back to the 1980s, when Islamic banks based in the GCC countries used commodity *murabaha* transactions through London Metal Exchange as a tool for liquidity management (Wilson 2007). Also, DMI opened an office in London in 1982 to provide funds for Luxembourg Investment Company and Luxembourg *Takaful* Company, and one year later DMI established *Takaful* UK Limited to cater for the need of British Muslims (Belouafi and Chachi 2014). In 1983, Al-Baraka Bank obtained a license to operate in UK. The bank did launch its business until it opened three branches, two in London in 1988 and 1989 and a branch in Birmingham in 1991 (Belouafi and Chachi 2014). However, due to regulatory issues the bank closed as bank in June 1993, but continued to operate as an investment company (Housby 2013 cited in Belouafi and Chachi 2014). The first Islamic fund launched by British investment bank Kleinwort Benson<sup>68</sup> in 1986 aiming to draw funds from Gulf State countries.

---

<sup>68</sup> In 2009 acquired by RHJ International

In another development of Islamic banking in the UK, the United Bank of Kuwait<sup>69</sup>, which was established in London in 1966 to serve Kuwaiti overseas financial and commercial interests, established an Islamic division in 1991 under the name Islamic Investment Banking Unit. The bank offered house purchasing product which given the name *Manzil*. The scheme was based on *Murabaha* principle but in 1999 it introduced *Ijarah* mortgage version which proved to be more popular (Housby 2013 cited in Belouafi and Chachi 2014).

Since the early 2000s, the British government has introduced several changes to its taxation and legislative system to remove obstacles from the development of Islamic finance in the country. The Finance Act of 2003 exempted Islamic banks from being taxed twice on the purchase and sale of property, which marked the first significant change in favor of Islamic banking (Ainley et al. 2007). In July the same year 2003, HSBC<sup>70</sup> introduced an Islamic current account and Islamic home purchase finance in the United Kingdom under the name *Amanah* that means trust (Belouafi and Chachi 2014).

Moreover, the Finance Acts of 2005 and 2006 made Islamic financial products equal to conventional products, and the Finance Act of 2007 clarified the tax framework for *Sukuk* (Ainley et al. 2007). The policy stance of the Financial Service Authority (the regulating body of the banking industry in the country) toward Islamic banking is “no obstacles, no special favors” (Ainley et al. 2007). In addition, the deposits division of the Financial Service Authority employs specialists in Islamic Banking to supervise Islamic financial institutions. In 2009, UK relieved tax on capital gains to facilitate the issuance of *Sukuk* and in January 2010, the government gave more strength to this provision. And in 2014 the government sold £200 million of *Sukuk*, maturing 2019, for investors based in UK and in major hubs in Islamic finance industry around the globe making it the first EU country to issue sovereign *Sukuk* (UKIFS 2014).

By 2008, the UK had six full-fledged Islamic banks: Al Rayan Bank (formerly known as Islamic Bank of Britain ; 2004), European Islamic Investment Bank (2005) , Bank of London and the Middle East (2007), Gatehouse Bank (2008), European Finance House (2008), and Abu Dhabi Islamic Bank (2013). The total assets of these banks \$3.6 billion by the end of

---

<sup>69</sup> In August 2000, the United Bank of Kuwait merged with Al-Ahli Bank and formed Al-Ahli United Bank.

<sup>70</sup> One of the largest banking and financial services organizations in the world.



2014 (UKIFS 2014). Also, some conventional banks in the country offer Islamic financial products, 16 banks. In addition, the Bank of England has joined the IFSB in December 9, 2015.

These developments accompanied by offering postgraduate programs in Islamic banking and finance at UK universities. The first educational institute to introduce teaching of Islamic economic and finance in academia was the University of Loughborough in October 1995, part of one of its MSc modules, and later in 1996 offered full MSc course as well as PhD program (the first of their kind in the Western world; Rahman 2004 cited in Hassan 2012). The number of universities offering programs in Islamic finance in UK increased responding to the increase in demand. By the end of 2013, there are 49 universities and colleges offering Islamic finance programs in UK (Global Islamic Finance Education Special Report 2013).

## 2.9. United States of America

The number of Muslims in the United States is somewhere between 2 and 7 million. The CIA World Fact Book, July 2015, estimated the number to be 1.9 million representing 0.6 percent of the entire population. Pew Research Center's 2015 The Future of Global Muslim Population study found that Muslims represent 0.8 percent of the U.S population, Table 1. This variation related to the fact that U.S. Census Bureau is not permitted to include a question about a respondent's religion unlike Canada. Regardless of which numbers are used Muslims population will not exceed 2 percent. And they mainly concentrated in Boston, New York City, Washington, DC, Atlanta, Chicago, Detroit, Minneapolis-St. Paul, Houston, Dallas, Los Angeles and San Francisco. This demographical concentration allowed Islamic financial institutions to develop on those areas (Goud 2009). The US government also has shown interest in Islamic finance; in April 2002, for instance, a seminar was held in the US Department of the Treasury under the name Islamic Finance 101<sup>71</sup>. The second Islamic Finance 101 seminar took place in November 6, 2008. The aim of these seminars was to inform the policy community about Islamic financial services.

The history of Islamic finance in the United States began in the mid of 1980's after twelve years of its existence in other parts of the world. The story of retail Islamic finance in the United State began in 1984 when Yaqub Mirza

---

<sup>71</sup> The seminar held after the meeting, in Bahrain, between AAOIFI officials and then-Secretary of the Treasury Paul O'Neill in 2002 who requested his deputy secretary for international affairs John B. Taylor to reach out to the Islamic financial industry in the US. (Goud 2009). The event organized by the Treasury Department and Harvard University in Washington, DC.

and Bassam Osman<sup>72</sup>, two members of the North American Islamic Trust<sup>73</sup>, introduced the concept of Amana Funds and mutual funds to the market for the first time in Indianapolis, IN. They sought assistance from Nicholas Kaiser, who was then portfolio manager and partner at Unified Management Corporation, based in Indianapolis, IN. Later in June 1986, Amana Income Fund began operations. This led to incorporation of Saturna Capital<sup>74</sup> in Bellingham, Washington in July 1989, which managed the fund. Amana Income Fund assets in 1987 were \$3.2 million and grew to exceed \$10 million in 1994 (Goud 2009). The second fund (Amana Growth) launched in February 3, 1994. The inception of the third fund which called “Amana Developing World Fund” happened after fifteen years, September 28, 2009. In 28 September 2015, the fourth fund launched under the name “Amana Participation Fund”. As of September 30, 2015 the four fund family has a net assets of more than \$US3.3 billion (Saturna Capital 2015). The same as Amana Funds, American Finance House-LARIBA its capital came from a group of dedicated Muslims how invested \$10,000 each to raise a capital of \$200,000 to start the company (Abdurrahman 2010). In 1998 LARIBA acquired the Bank of Whittier; later in 2001 it received approval for financing from the Federal Home Loan Mortgage Corporation (Freddie Mac) which considered a landmark in the industry according to Goud (2009).

The first milestone for Islamic finance in the United States took place in the late 1990s, when the New York branch of United Bank of Kuwait obtained two interpretive letters issued by the Office of the Comptroller of the Currency to offer Islamic retail banking services in the country (Jammeh 2010; Zyp 2009). The first approval letter was issued in 1997, which involved a residential net lease-to-own home-finance product through an *ijarah wa iqtina* contract (product developed by Samad Group/CIHF Partners based in Ypsilanti, Michigan). Under this scheme, the Office of the Comptroller of the Currency determined that United Bank of Kuwait would act as “riskless principal” because the bank would not buy real estate until the lessee requested

---

<sup>72</sup> Yaqub Mirza, Ph.D, member of the Islamic Society of North America (INSA), and President and CEO of Sterling Management Group, Inc. (founded 1998). Also, Bassam Osman is a member of INSA and managed its investments since 1976. Later in May 2001, he established Iman fund.

<sup>73</sup> A financial subsidiary of the Islamic Society of North America (ISNA; based in Plainfield, Indiana), founded in 1973 in Indiana by members of the Muslim Students Association of the U.S. & Canada. It is nonprofit organization and it owns Islamic properties and promotes *waqf* in North America.

<sup>74</sup> Nicholas Kaiser sold his shares in Unified Management Corporation to establish Saturna Capital.

it and then rent it to the lessee (Zyp 2009). The bank would hold the legal title of the property until the payment of the final lease installment, at which point the lessee would take the title of the property. The second letter was issued in 1999 in response to the bank's proposal to offer certain *murabaha*-based financing products. Similar to the previous scheme, the Office of the Comptroller of the Currency viewed the bank as acting as "riskless principal" in such transactions and therefore permitted the activity. The bank ceased its operations in the United States in 2000 after its merger with the Al-Ahli Commercial Bank of Bahrain. The Bank bought and leased back 60 homes for American Muslims before closing (Sachs 2001) and its main markets were California and Connecticut.

In another development of Islamic finance industry in the United State, Failaka Advisors launched in 1996 in Chicago, Illinois. The company provided gauging for the performance of Islamic mutual funds. However, there still a gab in the market which filled by the launch of Dow Jones Islamic Market Indexes (DJIM; initial consists of eight indices) on the NYSE in February 1999. The index became the industry benchmark for equity screening. The number of indices increased to over 70 as at July 2009 (Goud 2009). The index adopted by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)-Standard 21on financial papers. The arrival of DJIM other indices launched such as FTSE and Morgan Stanley Capital International (MSCI), and other closed.

Also in 1999, the mortgage company HSBC<sup>75</sup> was authorized by the New York State Banking Department to offer a *murabaha* product for real estate financing .However, HSBC's New York City office had limited success, wrote about \$50 million in Islamic mortgages since 2001 and stopped offering them in December 2006 (Pincus 2007).

In 2002, Guidance Residential (formally called Guidance Financial), subsidiary of Guidance Financial Group<sup>76</sup>, incorporated to provide retail home financing to its customers using *diminishing Musharakah* transactions. The company initial target markets were Washington DC, Maryland and Virginia suburbs. It began following an agreement with Freddie Mac to finance \$200 million in home finance purchases (Goud 2009), which eventually rose to more than \$3.5 billion by the end of 2015 and have presence in 32 states (Guidance Residential 2015). The bank operations is covering 32 states. After

---

<sup>75</sup> HSBC Mortgage Corporation, formerly known as Marine Midland Mortgage Corporation, founded in 1988.

<sup>76</sup> Founded by Dr. Mohamad Hammour.

one year from the inception of Guidance Residential, Chicago-based Devon Bank (Member FDIC) which owned by a Jewish family launched its Islamic division. The bank in 10 January, 2005 started selling its Islamic home financing products to Freddie Mac. In the same year in December University Islamic Financial Corporation (UIFC)<sup>77</sup>, subsidiary of University Bank<sup>78</sup> (located in Ann Arbor-Michigan; Member FDIC), was established. Stephen Lange Ranzini and Joseph Ranzini acquire the majority of University Bank shares in 1988. In 1996, Stephen Ranzini replaced the bank original management and in late 1997 became involved in the bank's day-to-day management. He played a role in launching UFCF. In addition to home finance product, the bank also offers deposit products developed by SHAPE Financial<sup>79</sup>. The deposit product has attracted \$20 million in deposits and the returns based on the return on the company's home finance products (Goud 2009).

In the past 15 years, small Islamic financial institution have entered the market like African Development Center which started by Hussain Samatar, former banker, in 2003 in Minneapolis-St. Paul, Minnesota. The center provided business and entrepreneurial training and *Shariah* compliant financing to American Muslim immigrants especially Somalis (Goud 2009). The center in 2011 opened a new office in Rochester, MN. In addition, conventional institutes started to offer Islamic products including Broadway Bank, Lincoln State Bank, Mutual Bank, Cole Taylor and RomAsia Bank.

There are some challenges for Islamic financing in the US. These challenges are Bank ownership of real estate, Bank Secrecy Act (BSA), taxation, profit-loss sharing deposits, and deposit insurance.

The National Bank Act of 1864 prohibits state-owned banks from holding legal titles to real-estate property. This restricts Islamic financial institutions from offering some financial products such as *murabaha* and *ijarah*, which require the Islamic financial institution to hold a legal title to property to comply with *shariah* law. However, the same act allows banks to possess real-estate property for up to 5 years for business transactions and for

---

<sup>79</sup> The bank capital came from virtue investors, LLC, group of local grand rapids investors (Goud 2009)

<sup>78</sup> University bank was offering Islamic products since 2003 (Goud 2009).

<sup>79</sup> Shape financial corp. established in 2002, experienced in financial consulting. The company founder is Abdulkader Thomas. He "gained experience working with United Bank of Kuwait and was involved in requesting and receiving the interpretive letters from the Office of the Comptroller of the Currency regarding banks offering *Ijarah* and *Murabaha* which have enabled significant growth in the US Islamic financial industry" (Goud 2009).

debt settlements. Also, US banking law restricts non-real-estate investments to ensure that banks do not take unnecessary risks, consequently, investments are limited to fixed-income, interest-bearing securities, and these types of investments are prohibited under Islamic law (Rutledge 2005). The OCC letters of 1997 and 1999 addressed these issues as explained above. Furthermore, Islamic financial institutions must meet some disclosure policies, such as the Consumer Credit protection Act, also known as the Truth in Lending Act. The Truth in Lending Act of 1968 was designed to protect consumers in credit transactions by requiring clear disclosure of key terms of the lending arrangement and all charges from the lender. The law also requires Islamic lenders to base their profit on a benchmark such as the London Interbank Offering Rate, and this does not fit with Islamic finance principles. The real estate transfer tax is another hindrance for Islamic financial institutions in the United States. The state property transfer taxes in case of Islamic home financing structures, *Murabaha* or *Ijarah* will be doubled. This problem addressed by some states, New York in 2008, by removing the tax incurred at the end of the contract when the deed transferred from the bank to the customer.

On top of these issues, Islamic banks in the US face difficulties regarding profit-loss sharing deposits because US banking policy favors certainty of deposits, as specified in the Bank Holding Company Act and the International Banking Act. SHAPE financial corporation developed a deposit product scheme for University Bank where the customer shares the profit not the losses. However, this product is not compliance with Islamic principles. In addition, Islamic financial institutions that finance the purchase of homes or other commodities in the US lack a secondary market to provide liquidity. Secondary-market purchasers require that the mortgagor hold property insurance and private mortgage insurance, but Islamic customers are unable to buy insurance because doing so violates the *shariah* principle of not engaging in a profit and risk-sharing transaction. Also, there is the issue of double transaction costs, which may be associated with offering *murabaha* mortgages as it is been viewed as two transactions.

Another problem for Islamic finance in the country became clear prior to the launch of University Bank (owned by Roman Catholic family), the first banking institution in the United States to be run completely on *shariah* principles (University Bank 2006). Because not all of the firms engaged in the Islamic finance business are 100% lawful, US scholars in some communities have spoken out against Islamic banking in general. In addition, some Islamic products start out as lawful products but become unlawful at the closing date;

this problem can be solved by designing high-quality products that will be sold and serviced in a professional manner (Ranzini 2007).

According to Stephen Lange Ranzini, President and Chairman of Ann Arbor's University Bank, which owns University Islamic Financial Corporation (UIFC), stated that "UIFC's products have received favorable legal rulings (*fatawa*) from some of the leading Islamic legal scholars in the US and the world" (University Bank 2006). However, research by Dr. Al-Qudah (2005) indicates that LARIBA's financing contracts do not adhere to *shariah* principles. Moreover, the Assembly of Muslim Jurists of America (AMJA) *Fiqh* committee in its meeting in December 2014 conformed Dr. Al-Qudah opinion. The committee, the same meeting, also ruled that the contracts of University Islamic Financial Corporation, Guidance Residential, Devon Bank and Ammen Housing has some violations but there are "no harm in dealing with this [contract of this] company when one is in a state of dire need"<sup>80</sup> (AMJA 2014).

Coming to Islamic insurance (*Takafual*) industry, the first company to offer *Takafual* products was First Takafual USA which established in 1996 (the company is no longer in operation; Goud 2009). In December 1, 2008 Risk Specialists Companies, Inc. (RSC), a subsidiary of AIG Commercial Insurance, announced it will provide *Takafual* service. The announcement came after the September 2008 bailout of AIG by the US government, which owned 80 percent of the company. However, Kevin J. Murray<sup>81</sup> in 15 December 2008, represented by Thomas More Law Center<sup>82</sup>, filed a federal lawsuit against U.S. Treasury Secretary Henry M. Paulson and the Federal Reserve Board to stop the bailout of AIG. The plaintiff claimed that the promotion of *Shariah* insurance products by AIG violates the First Amendment of the constitution<sup>83</sup> (Establishment Clause<sup>84</sup>). The government asked the court in 2008 to dismiss the lawsuit, but on May 26, 2009, the government's motion to dismiss the lawsuit denied by the District judge hearing the case. This ruling based on the notion that the government did not restrict the flow of bailout funds, the launch of *Shariah* complaint product

---

<sup>80</sup> Fatwa released in October 2014.

<sup>81</sup> Former Marine.

<sup>82</sup> Christian nonprofit law firm based in Ann Arbor, Michigan, that promotes conservative Christian values.

<sup>83</sup> "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof ..."

<sup>84</sup> Emergency Economic Stabilization Act of 2008 enacted as a results of the supreme mortgage crisis to bailout the financial system.

occurred after the influx of government cash and after the treasury department co-sponsored a forum titled Islamic Finance 101, second seminar. The court decision overturned on January 14, 2011, claiming that there was no evidence presented of religious indoctrination and the amount of taxpayers money directed to support the subsidiary is trivial, which is \$153 million from the \$47.5 billion used to bailout AIG (Thomas More Law Center 2015). The second *Takafual* company in the US is Zayan Takafual Company, incorporated in 15 January 2009. Even though, the court ruling found out that the AIG bailout did not violate the First Amendment the lawsuit may discourage businesses to enter the US *Takafual* market. In addition, the regulation of the industry is not clear.

Regarding education of Islamic banking and finance in the US is still lagging and research programs dominate the landscape in the country.

Islamic finance seems to have a great future in the United States and will likely be driven by the growing number of Muslims in the country. The US State Department has noted that Islam is one of the fastest growing religions in the country. According to *shaykh* Yusuf DeLorenzo, "Islamic finance has really grown here over the past few years, and this growth is nowhere near its peak" (Asokan 2009). From the regulatory side, U.S. regulators have an open mind about Islamic finance, and this should drive the Islamic financial market to grow in the country. In his speech before the Arab Bankers Association of North America, William Rutledge, executive vice president of the Federal Reserve Bank of New York, explains that US regulators are making more concerted efforts to learn about the risks associated with Islamic banking by participating in Islamic finance conferences and learning from other regulators who have experience in this area (Pasha 2006).

## **2.10. Canada**

In Canada, Islamic finance is growing but at a relatively modest rate, but this may change in the coming years as Canada has a large, growing, and demographically young Muslim population. The Canada's 2011 National Household Survey, showed that Muslims are making about 3.2% of the population (1.1 million) making them the second largest religion after Christianity. Consequently, this is expected to increase the demand for Islamic financial services in Canada. According to Cardozo and Pendakur (2008), the number of Muslim Canadians is projected to be near 1.8 million by 2017, and the majority will be young. Similar to American Muslims, Canadian Muslims

tend to be better educated than the average citizen (Cardozo & Pendakur 2008).

Although there are some Islamic financial products available in Canada, the Islamic financial-services sector is still peripheral and limited, as there are no major financial institutions offering *shariah*-compliant products. The first Islamic financial institute in Canada the Islamic Co-operative Housing Corporation Ltd. (the "Co-operative") established in Toronto in 1979. In 1990, three Islamic financial institutions founded in Quebec, Qurtuba Housing Co-op, Al-Ittihad investments (investment company) and Al-Yusr (RRSP investment). After 12 years An-Nur Cooperative Corporation established in Ontario, specialized in real estate investment services. The first Canadian Financial institute to offer Islamic mortgagees was Assiniboine Credit Union<sup>85</sup> in 2010. It is worth noting that a proposed merger between Assiniboine Credit Union and Access Credit Union was declined by the later members on the base of religious believes.

In November 2006, frontierAlt Oasis Funds Management Inc.<sup>86</sup> launched the first Islamic mutual fund under the name frontierAlt Oasis Canada Fund. The fund gone out of business in June 30, 2010 due to low number of unitholders and the costs associated with maintaining a small fund. In March 10, 2009, Global Prosperata Funds Inc. launched Global Iman Fund, Canada's only *Shariah* compliant fund. In the same year, Anwar Global Properties Inc. issued CAD\$498.1 million *Ijarah sukuk* (KFHR 2010) targeting Middle Eastern investors.

Islamic finance industry in Canada took a blow in October 2011 when UM Financial declared bankruptcy<sup>87</sup>. UM Financial in Ontario, founded 2004, is one of the primary Islamic financial providers in the country. UM Financial specializes in Islamic mortgages using *musharakah* contracts in a partnership with the Central Credit Union of Canada. In an 18-month span from 2006 to 2007, UM Financial provided USD 86.1 million in home financings (Ranzini 2007). The collapse of the company event though it hurt Islamic finance industry reputation it will not affect the future of the industry in Canada. This shown by the study titled "The Canada Islamic Finance

<sup>85</sup> Formed in 1943 in Manitoba, Canada. As of 2014 the company has \$3.9 billion in assets under management (Assiniboine Credit Union 2015).

<sup>86</sup> Whole owned subsidiary of frontierAlt Capital Corporation, its head office in Toronto, Ontario.

<sup>87</sup> Omar Farooq kalair (CEO of UM) and Yusuf Panchbhaya (UM *shariah* advisor) charged with multiple offences under the bankruptcy and insolvency Act (BIA) and the criminal Code (CC).



Outlook 2016" which prepared by Thomson Reuters and the Toronto Financial Services Alliance and presented in the 22nd Annual World Islamic Banking Conference (WIBC) held in Bahrain in December 2015. The report revealed that Canada in position to become a hub for Islamic finance. Also, Islamic finance country index 2015 ranked Canada number 24 which is improvement from the last year ranking, ranked last.

Meanwhile, there are obstacles that need to resolve to achieve this goal. One of the hurdles is the lack of awareness of Islamic finance, according to Hejazi<sup>88</sup> "We need to have people across the country that understand Islamic finance, which we don't have" (Posadzki 2015). The only Islamic banking and finance program in Canada is offered by Rotman School of Management, MBA course in Islamic finance which launched in 2012, University of Toronto. The second barrier is regulation; according to Edward (2011), who examined the prospect of Islamic banking in Canada using DEPEST and SWOT analysis, Islamic finance has potential to grow in Canada if regulatory framework amended. Another stumbling block is Canadian anti-Muslim sentiment; the merger between Assiniboine Credit Union<sup>89</sup> , the first Canadian Financial institute to offer Islamic mortgagees was in 2010, and Access Credit Union in 2015 was declined by the later members on the base of religious believes.

## **Conclusion and Results**

There are several reasons for the growing interest in Islamic banking in the west. First, the number of Muslims in western countries is estimated to be 47 million in 2010 (Pew Research Center 2011). This number continues to grow and is already large enough to attract financial-service providers. Second, demand is growing for ethical products and socially responsible services. Islamic finance fits conveniently into this, as Islamic principles prohibit trade in debt and ensure that all financial activities are related to the real sector of the economy. Another reason is that some countries wish to attract investors from Islamic nations. Yet another reason is diversification: many investors are looking for new instruments, products, and asset classes that are unrelated to existing products and services to diversify their portfolios. Islamic finance provides this for those investors.

However, some obstacles need to be resolved to allow Islamic financial industry to grow in the west (Table 2 shows that the share of Islamic finance

---

<sup>88</sup> Associate Professor of International Business at Rotman School of Management.

<sup>89</sup> Formed in 1943 in Manitoba, Canada. As of 2014 the company has \$3.9 billion in assets under management (company annual report).

in the global market is still small). First, regulatory bodies must tailor specific laws for Islamic finance industry. Second, Islamic finance industry must address the issues of islamophobia, lack of political support and diversity of opinion (*fatwa*) as to whether some particular practices or products are *Shariah* compliant. Third, the industry must resolve the legitimacy of Islamic contracts issue (i.e., Validity of Islamic contracts can be challenged in bases that one or more of the parties lack the capacity to enter the transaction<sup>90</sup>; Moloney 2015). Finally, the educational system in the west and Islamic finance industry needs to spread consciousness about Islamic finance industry (e.g., offering postgraduate degrees, seminars, establishing academic institutions).

**Table 2:** Breakdown of Islamic Finance Segments by Region (USD billion, 2014 YTD\*)

Region	Banking Assets	<i>Sukūk</i> Outstanding	Islamic Fund Assets	<i>Takāful</i> Contributions
Asia	203.8	1476.2	23.2	3.9
GCC	564.2	95.5	33.5	9.0
MENA (exc. GCC)	633.7	0.1	0.3	7.7
Sub-Saharan Africa	20.1	1.3	1.8	0.6
Others	54.4	9.4	17.0	0.3
Total	1476.2	294.7	75.8	21.4

**Source:** Islamic financial services industry stability report 2015

\*Data for banking and *Takāful* as of 1H2014, while for *Sukūk* and funds as of 3Q2014.

<sup>90</sup> Investment Dar Company KSCC v Blom Developments Bank Sal.

---

**Reference**

- Abdurrahman, Y. (2010), *The Art of Islamic Banking and Finance*, Weley, USA.
- About us (2009), Bosna Bank International, viewed 2 April 2009, <<http://bbibanka.com.ba/web/>>.
- Assiniboine Credit Union (2015), *Annual Report 2015*, viewed 15 December 2015, <<https://www.assiniboine.mb.ca>>.
- Amana Participation Fund* 2015, Saturna Capital, viewed 10 December 2015, <[http://saturna.com/amana/participation\\_fund.shtml#page=page-1](http://saturna.com/amana/participation_fund.shtml#page=page-1)>.
- Bälz, K, 2011, 'Islamic Finance in Germany – Factsheet', Opportunities in Islamic Financial Services in Europe, Deutsch-Emiratische Industrie- und Handelskammer.
- Belabes, A and Belouafi, A 2012, Islamic Finance Education in France: An Unexpected Surge. In: Belouafi, A, Belabes, A, Trullols, C ed. *Islamic Finance in Western Higher Education: Developments and Prospects*, Palgrave Macmillan, pp. 66-79.
- Belouafi, A, and Chachi, A, 2014, Islamic Finance in the United Kingdom: Factors Behind its Development and Growth. *Journal of Islamic Economic Studies*, 22, 37-78.
- Brugnoni, A 2006, 'A case study: Italy and islamic finance from a borderline actor to a land of opportunities' , *International Islamic Finance and Investment Symposium*, AlHuda Centre of Islamic Banking and Economic (CIBE).
- Colditz, K 2009, 'Islamic banking – a worthwhile challenge for German banks?', Master thesis, Technische Hochschule Nürnberg, Nürnberg.
- Caristi, F, Couderc, S, Di Maria, A, Ho, L, Grewal, K, Masciantonio, S, Ongena, S & Zaher, S 2013, *Islamic Finance in Europe*, European Central Bank, viewed 25 December 2015, <<https://www.ecb.europa.eu/pub/pdf/scpops/ecbocp146.pdf?50223aa58804d7b4f32f4f302534672d>>.
- Cattelan, V 2012, Islamic Finance Education in Italy: Current Trends. In: Belouafi, A, Belabes, A, Trullols, C ed. *Islamic Finance in Western Higher Education: Developments and Prospects*, Palgrave Macmillan, pp. 80-92.
- Ernst & Young 2015, *Luxembourg the getaway: for Islamic finance and the Middle East*, viewed 25 December 2015,

- <<http://www.ey.com/lu/en/industries/financial-services/islamic-finance>>.
- Ergun, U, & Djedovic, I 2011, Islamic Banking with a Closer Look at Bosnia and Herzegovina: Knowledge, Perceptions and Decisive Factors for Choosing Islamic Banking. In *8th International Conference on Islamic Economics and Finance*.
- Farhoush, A and Mahlknecht, M 2013, A critical view on Islamic finance in Germany. In: Cattelan, V ed. *Islamic Finance in Europe: Towards a Plural Financial System*, Edward Elgar Publishing, pp. 203-212.
- 'France and Hong Kong encourage Islamic finance' 2009, *New Horizon*, no. 171, p. 5.
- 'Islamic finance has setback in UK, shows progress in France', *New Horizon*, no. 170, p. 8.
- 'French parliament adopts sukuk law,' 2009, *Arab News* 21 September, viewed 30 September 2009, <<http://archive.arabnews.com/?page=6&section=0&article=126597&d=21&m=9&y=2009>>.
- Guidance Residential, 2015, *Guidance Residential History*, viewed 26 December 2015, <[www.guidanceresidential.com](http://www.guidanceresidential.com)>.
- Haghtalab, H 2009, 'Marketing of financial services by Islamic banking institutions in Iran', PhD Thesis, University of Mysore, Mysore.
- Hassan, A 2012, Islamic Finance Education in the UK: Opportunities and Challenges. In: Belouafi, A, Belabes, A, Trullols, C ed. *Islamic Finance in Western Higher Education: Developments and Prospects*, Palgrave Macmillan, pp. 57-65.
- Islamic Finance News 2015, *Islamic Finance in Bosnia-Herzegovina An Uphill Battle*, Islamic Finance News, viewed 23 December 2015, <<http://www.islamicfinancenews.com/ifn-country-analysis-bosnia>>.
- Islamic Financial Services Board 2015, *Islamic financial services industry stability report 2015*, viewed 23 October 2016, <[http://www.ifsb.org/docs/IFSB%20Islamic%20Financial%20Services%20Industry%20Stability%20Report%202015\\_final.pdf](http://www.ifsb.org/docs/IFSB%20Islamic%20Financial%20Services%20Industry%20Stability%20Report%202015_final.pdf)>.
- January 1994 - Rome: "Banche islamiche in Italia" 2015*, ASSIAF, viewed 15 December 20015, <<http://www.assaif.org/Events/1994/January-1994-Rome-%22Banche-islamiche-in-Italia%22>>.

- Klepik, D 2009, *Islamic banking in Bosnia and Herzegovina*, British Embassy Sarajevo: UK Trade and Investment, viewed 20 February 2010, <<http://static.globaltrade.net/files/pdf/20100930094856.pdf>>.
- Kuwait Finance House Research 2010, *Sukuk Back on Track*, Kuwait Finance House Research Ltd, 20 July 2010.
- Moloney, M, 2015, 'Islamic Finance and Securities Regulation in Ireland', *Islamic Finance and Law Conference (IFLC) 2015*, Central Bank of Ireland.
- Nasser, A 1996, *Essentials of Islamic banks assets and operational aspects* (in Arabic), Apollo, Cairo.
- Nuhanović, A, 2014, 'specific risk management Islamic banking with special reference to bosnia and herzegovina', *Journal of Applied Economics and Business*, vol.2, no.2, pp. 37-50.
- Pew Research Center, 2011, *The Future of Global Muslim Population Projections for 2010-2030*.
- Pincus A, 2007, *Islamic mortgages show poor growth*, The Real Deal-New York Real Estate News, viewed 12 December 2015, <[http://therealdeal.com/issues\\_articles/islamic-mortgages-show-poor-growth/](http://therealdeal.com/issues_articles/islamic-mortgages-show-poor-growth/)>.
- Omar, A (ed.; 2001), *Ibn Sa'd: Kitab Al-Ṭabaqāt Al-Kubrā (The Book of the Major Classes)*, Vol. 3. Al-Khanaji bookstore. Cairo.
- Posadzki, A 2015, *Canada ready for Islamic banking: report*, Haida Gwaii Observer, viewed 20 December 2015, <<http://www.haidagwaiiobserver.com/national/363360051.html>>.
- Statistics Canada. 2013. *Canada (Code 01) (table). National Household Survey (NHS) Profile*. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released September 11, 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E> (accessed December 14, 2015).
- Schoenenbach, R 2013, 'Chance for Islamic Finance in Germany?' *True Banking*, no.19, pp.47.
- Sachs S 2001, *Muslims in U.S. Seek Financing; Pursing the American Dream While Following the Koran*, viewed 12 December 2015, <<http://www.nytimes.com/2001/07/05/business/muslims-us-seek-financing-pursing-american-dream-while-following-koran.html?pagewanted=all>>.

The Assembly of Muslim Jurists of America 2014, *AMJA Resident Fatwa Committee resolution about Islamic Home Financing Companies in the US*, viewed 26 December 2015, <<http://www.amjaonline.org/en/articles/entry/amja-resident-fatwa-committee-resolution-about-islamic-home-financing-companies-in-the-us>> .

Thomas More Law Center, 2015, *Sharia Law Gains Foothold in US—Federal Judge Upholds Government Funding of Islam*, viewed 12 December 2015, < <https://www.thomasmore.org/news/sharia-law-gains-foothold-us-federal-judge-upholds-government-funding-islam/>>.

Wilson, R 2008, *Islamic finance prospects in Bosnia and Herzegovina*, CPI Financial, viewed 20 February 2009, <<http://www.cpifinancial.net/v2/print.aspx?pg=magazine &aid=341>>.

INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES

*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016, *Kasım 2016,*  
Vol: 2, Issue: 3 *Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407 p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



---

---

**Islamic Perspective on the Impact of Ethics and Tax for Nigerian  
Economic Development**

**Almustapha A. Aliyu**

*Department of Accounting, University of Sokoto, mustaphaa101@gmail.com*

**Mohammed Yusuf Alkali**

*Department of Accounting, Federal Polytechnic Birnin Kebbi, yusufalkali68@yahoo.com*

**Ibrahim Alkali**

*Ministry of Finance Birnin Kebbi, alkaliibrahim@yahoo.co.uk*

---

ARTICLE INFO

---

ABSTRACT

**Keywords:** Ethics, Tax  
Evasion, Tax  
Avoidance, Nigerian  
Economy, Economic  
Development

The tax system, policies, and structures have been one of the significant factors that directly affect the social and economic activities of any nation. Despite the importance of tax, the attitude of the taxpayers, their reaction concerning tax, could in greater sense facilitate or draw back the policies and system from their original intention and purposes, particularly from an Islamic perspective. Islamic tax income is for the benefits of poor, needy and less privileged people in the society. Even though, policies on tax approved tax avoidance and made it legal, however, tax evasion is illegal in all society because it will deviate from its purpose. The most significant point, however, evading taxes by the people is viewed as unethical behaviour in any economy as the consequences could be greater to the economy and society. Several countries used Islamic system of tax because of the ethics of the system and possibly fewer evasions by the Muslims. Given that, with the number of the Nigerian Muslims, adoption of Islamic tax system will improve the revenue generation, and thereby enhance the economic development of Nigerian economy.

---

© 2016 PESA All rights reserved

---

## Introduction

Islamic tax systems are based on the Sharia or Islamic laws imposed on all Muslims and sometimes on non-Muslims leaving under the shelter of Muslims during the period of Prophet Muhammad (PBUH), and even after his demise. As a result of legislation and principles, Islamic tax could differ significantly from those products in the conventional tax system. Islamic tax has been a complex system because of its adherence to the Sharia principles, a better understanding of the precise source of the income and treatment of taxes. KPMG, (2012) defined Islamic tax a product that poses a serious challenge as result of, (i) there is lack of tax knowledge by both tax authority and taxpayers, (ii) significant resources are needed to approach tax authorities on Islamic tax, and (iii) there is lengthy process on the rulings of tax by the tax authorities as a result of interpretive, technical and issues that are policy based.

The idea of tax has been in existence since when money was not used as a medium of transaction for many decades to provide administrative support to the government. The tax system is adopted by governments to raise funds for the financing of public expenditure. The current governments employ tax revenues for the payment of defence, to construct roads, buildings as well as operating schools, hospitals, to offer the poor food and medical care to the people. Without taxes to finance economic and non-economic activities, the existing of any government is impossible (Adnan, 2009). Taxation is the primary practical sources of sustainable revenue globally for the government to take care of its expenditure (Ifueko, 2012), with most of the economy dependents on taxation (Edwin, 2011). The principal purpose of taxation by the government is to raise revenue to finance its expenditure. However, the Islamic perspective, tax (zakat) is a moral obligation for the sustenance of the poor as well the legitimate or valid functions of government (Mcgee, 2012).

Although, different types of taxes exist according to Islamic law, but Zakat was one of the most prominent among them. Zakat is reported to be one of the Islamic five pillars that are obligatory as expected from Muslims to contribute in the Quran (Ram, 2014). Zakat constitutes revenue which are generated from tax and alms or charity "Sadaqah" of the taxation system (Awang, 2013). Several scholars argued that Zakat payment could reduce poverty and thereby, improve the economic condition of the society. For instance, Nazri, Rashidah, and Normah (2012) reported that zakat plays a significant position in term of moral, social and economic development of society. Also, Lubis et al. (2011) concluded that Zakat is an approach that encounter societal problem like poverty through sharing of a certain percentage of wealth as an obligation enshrine in share to the person who can afford. Several countries used Islamic tax system for poverty alleviations and



helping the poor. For instance, Malaysia, Indonesia, Saudi Arabia and many more Islamic countries.

In Islam, tax evasion is an illegal and unethical act that attracts serious penalties, yet evasion of tax is on the increase (Benk, McGee, & Yiizbafi, 2015). The effect of tax evasion is not only harmful to the economy, but it also derailed from its purpose in helping the poor as enshrine in Islam. Therefore, the need for ethics in tax is important for the society to generate revenue to the government. Ethical attitude means someone has good and clear judgement and responsibility (Hashim, 2012). Islam as an important system has ethics as its core value. Faisal (2016) reported that ethics is an important theme for Muslims as primary sources of word view on Islam, from the Holy Quran as well as the Sunnah of the Prophet Muhammad (peace be upon him). Allah has stated in the Holy Quran that;

*"The noblest of you in sight of Allāh is the best of you in conduct" (49:13).*

And the Prophet Muhammad (PBUH) stated that in the Hadith;

*"I have been sent for the purpose of perfecting good morals." (Ibn Hanbal, No: 8595)*

Furthermore, Prophet Muhammad (PBUH) in his prayers asked Allah to give him high ethics.

*"O Allah, grant me high ethics, nobody, but you can grant high ethics. O'Allah, keep me away from bad qualities (Muslim, 201).*

Given that, this study provides the significance of tax based on the perception of Islam for Nigerian economic development as ethics plays a major role in Islam. Even though before the coming of British people Northern Nigerian government used Islamic system of taxation because of its importance. The government has abandoned the Islamic tax system as a result of British new system of taxation introduced into the country. Several Muslim governments refused to fully integrate and take opportunity of the virtues of taxation based on Islamic tax system (Awang, 2013). In Islam, it has been made compulsory for all Muslims to pay taxes, and Muslim based on the Islamic belief will not hesitate to fill full the obligations of tax payments based on Islamic principles. Therefore, introducing Islamic based tax system in the Northern Nigeria will certainly assist in reducing poverty and thereby improved the economic condition of the country. Islam has been very concern with the poor and less privileged people and has specified how this person can be taken care, based on the distributions. In Islamic system, welfare of the people is the paramount (Rehman & Askari, 2010)

---

## Nigerian Tax Environment

The dependent on the oil revenue for Nigerian economic development has been a major task for development. The oil revenue has made Nigeria neglect several sectors of revenue generations. Before the discovery of oil in the country, the regional governments generate revenue to the federal government through different types of taxes. The Nigerian income and economic activities greatly are dependent on the agro-allied product before the independence of the country (Ifueko, 2012). The major state earnings before the independence of the country from British were cash crops such as groundnut, cocoa, palm oil, rubber from different regions of the country.

The earliest direct tax system in Nigeria before the coming of British people was from the Northern Nigeria. The Northern part of the country was backed by the British for its administration because of its system of taxation. The North had an organised system of government that was different from the Southern state of the country, except in few locations. The administrative system of governance in the North is by the Emirs. The significant issue of the administration is the system of tax that was administered by the Emirs. This is because the majority of the people living in the North are Muslims. In Islam, there are different types of taxes imposed by the individuals in accordance to Islamic tenants. Consequently, taxes like Zakat, Gada, Kindi, Jangali and Karata were imposed to the subject for proper managements of the community. Therefore, British people took advantage of the system and stayed in the North to service their administrative expenditure.

Because of the existing tax structure, the British then introduce another tax as indirect taxes on goods for them to maintain their administrative expenses. Thus, in 1904 income tax was submitted by Lord Lugard, with changes in 1917 and 1918 passed as revenue ordinance act. After that different forms, taxation law was introduced into the country. Since then the system of taxation undergone significant changes with tax laws reviews because of having obsolete tax policies. In the current Nigerian tax law, the three arms of government enforce taxation. For instance, Federal, State, and Local Government has its share of revenue clearly spelt out from the taxes and levies collected based on the Decree of 1998.

The taxes collected by the government of Nigeria are based on the; (1) The Federal Government taxes, (2) State Government taxes, and (3) Local Government taxes

Despite the significant role played by the Islamic taxes and the number of Muslim in the Northern Nigeria, the government has severely neglected the system of Islamic taxes. That modern system of taxations introduced by the British and government to the people and firms in Nigeria made the

Islamic system of taxation used by the chiefs to be almost abolished. The Northern Nigeria being Muslim dominated, if Islamic tax system is introduced the level of poverty in the region will certainly reduce and thereby improve the economic condition of the country. Several countries have reaped the benefits of Islamic tax system for poverty reduction and economic development. For instance, Malaysia, Pakistan, Saudi Arabia and many other Islamic states.

### **Tax and Ethics in Islam**

In Islamic concept, there is a moral obligation to pay *Zakat* for the government to function and support the poor. Hence, failure to pay *Zakat* by a Muslim is considered as unethical behaviour. In the case where the government engaged in an act that is immoral according to Islam, evading of tax cannot be unethical to Muslims (Mcgee, 2012). Islamic taxes are based on the Islamic Sharia or law; that establishes guiding principles for implementations. In these cases, Islamic taxes or financial products significantly differ with the conventional taxes or financial product (KPMG, 2012). Islamic taxes are based on the Islamic law sanctions that on both the taxable land legal status and religious status or public taxpayers (Böwering & Crone, 2013). According to Pryor (1985), the Islamic system of economy is a particular construct that members of the Islamic faith follow. For instance, the Islamic laws on taxes paid particular attention to interest and emphasis on the wealth tax that is considered to be from aggregate savings. The Islamic scripture has shown that government has every justification to force individuals to raise tax if *Zakat* is not enough to cover allowable cost of government by Sharia (Mcgee, 2012).

To improve the economic system and provide means of sustaining governance, apart from *Zakat*, other systems of taxes were introduced during the lifetime of Prophet Muhammad (SAW) and after that. The various systems of *zakat* launched, serve different purposes and are different in character. The *Zakat* is a compulsory payment or as an obligation to all Muslims. The payment of *Zakat* shall be binding even if there is no legitimate government. Therefore, Jurist has tried to develop other Islamic taxation systems based on the Quran and other examples that were set down by the Prophet Muhammad (SAW) and the first caliphs (Böwering & Crone, 2013). The introduction of the other tax system is to complement and improve revenue generation for both economic, and social services as well as to handle government expenditure.

Ethics is our moral attitude that guided the human activities, be it in business or religion. It is part of attitude that deals with the moral behaviour of people (Abuznaid, 2009). The word ethics is an application of moral rules and values to activities of human (Iserson, 1999). Ethics is a form of moral principles that differentiate what is acceptable (right) from what is not

---

acceptable (wrong) (Will, 1996). Therefore, ethics as the application of moral rules and values apply to all aspect of the life of Muslims including businesses (Abuznaid, 2009). In Islam, the word ethics is from the rational systems and revelations. The rational system provides understanding and truth appreciation while revelation presents the truth. Thus ethics in Islam served as the basis of unity principle, or *tawhid*, which regulates the oneness association between God and man, man and his environment (Rana, Ishtiaq, Muhammad, Ghulam, & Tahseen, 2012).

Ethics being a normative area for moral behaviour because it suggests what is expect of one to do and not to do concerning his human activities. The Holy Quran prescribes the term ethics using different concepts such as righteousness, goodness, justice, equity, equilibrium, right, and truth, approved and known and piety. Islamic ethics cut across all sphere of life including business dealings, services, professionals, daily transactions, and the relationship among people. For instance, Samir (2009) classified ethics in Islam into two dimensions; (i) ethics towards the creator (Allah) by believing and worshipping him, (ii) ethics towards others, by doing ethical dealings, good relationship, and treatment of each other.

Ethics in business have started in various chapters of the Holy Quran and Sunnah of Prophet Mohammed (SAW). Samir (2009) looked at the definition of ethics in business as moral principles of life that have been described by both Quran and Sunnah. The study of Samir argued that ethics, as prescribed by the Quran and Sunnah, affect Muslim life in term of business in the following ways; (i) it increases effectiveness and efficiency, (ii) it causes abstaining from deceit and cheating by Muslims, (iii) it also prevent Muslims from abuse of power and corruptions, (iv) it will lead to employee rights and better care, (v) it encourages cooperation and consultations, (vi) provide room for creative initiative, and (vi) provide the best or better quality of life. This demonstrates that when the government adopts Islamic tax system, the Muslim in the country will provide an increase in revenue generation and boost economic development.

The study of Salem and Agil (2012) described the relationship between Islamic management ethics and three dimensions of commitments, affective commitment, continuance and normative commitment. The results of the study presented a good correlation between effective commitment and Islamic management ethics, while continuance and normative commitment have less correlation. Rokhman (2010) reported Islamic work ethic to have a positive relationship with job satisfaction and organisational commitment with no significant relationship between Islamic ethic and turnover intention. In medicine, the Islamic work ethic has gain more ground particularly on those aspects that are considered unethical behaviour. For instance, Padela (2007)

reported an attempt to use Islamic perspective in the medical field to cover bioethical issues like gender relation between patient and doctor relationship, abortion, euthanasia and end-of-life care.

The study of Mohamed, Karim, and Hussein (2014) linked use computer ethics with Islamic work ethic and reported a strong relationship between job satisfaction and organisational commitment. Khan and Rasheed (2015) reported a strong relationship between Islamic work ethics and human resources in term of employments. Therefore, Islamic work ethics covers all aspect of human life as stated in the Quran and Sunnah of Prophet Muhammad (SAW). The importance of ethics in Islam and adherence to ethics by Muslims, the tax system based on Islamic Sharia will have Muslims contributing to the Islamic tax funds.

Islamic tax regimes are based on the Sharia or Islamic laws imposed on all Muslims and sometimes on non-Muslims leaving under the shelter of Muslims. As a result of legislation and principles, Islamic product could differ significantly from those products in the conventional tax system. Islamic tax has been a complex system because of its adherence to the Sharia principles, a clear understanding of the precise nature of the income and treatment if taxes. The report of KPMG, (2012) that Islamic tax as a product that pose a serious challenge as result of (i) there is lack of tax knowledge by both tax authority and taxpayers, (ii) significant resources are needed to approach tax authorities on Islamic tax, (iii) there is lengthy process on the rulings of tax by the tax authorities as a result of interpretive, technical and issues that are policy issues.

### **Tax Evasion in Islam**

The history of tax evasions has been for a long period or decades (Benk et al., 2015). The evasion of tax in Islamic perspective is considered to be unethical behaviour. Even though it is unethical, taxpayers always find ways of evading tax by hiding their income or property from the government. Evasion of tax, from its very nature, has been difficult to detect (Fisman & Shang-Jin Wei, 2004). Therefore, any government that announces a tax system could not rely on the tax payers sense of duty in remitting what they are supposed to pay (Slemrod, 2007). Those who have ethical view will undoubtedly pay to the authority concern what they owe. Still, several others will not pay. The effect of the tax on distorting the whole market principle of resource allocation has a severe rippling effect on the government infrastructures (Fagbemi, Uadiale, & Noah, 2010). The attracted penalties have been made as a legal responsibility of government for those that are avoiding the payment of taxes. In Islamic system of tax payment, particularly, Zakat, has been made obligatory for Muslims to pay. According to Islamic system, it is a moral obligation for Muslims to pay Zakat to have support for the poor and service

government expenses, as such evading tax is regarded as an unethical behaviour (Mcgee, 2012).

Several studies have shown that tax evasions caused many losses of income resulting into Billions of Dollars annually (see., Gravelle, 2009). In developing countries, tax evasion has been very common despite the fact that efforts were made by the governments to reduce the level of tax evasion. The evasion of tax in developing countries is very common that these countries made several efforts to understand the ethical reasons of taxpayers evading tax (Fagbemi et al., 2010). Tax evasion is a phenomenon that could threaten the country economic system as well as deploying injustice within the taxpayers (Elgaroshi & Musa, 2013). The effect of tax evasion has been a global challenge in both Islamic and conventional system of tax collection. However, the use of Islamic system of tax, majority of Muslim will comply because of the Sharia guiding the collection and distributions. As Nigeria have tried Islamic system of taxes before the coming of British colonialism, making an effort to adopt the system in the Northern region will assist the economic development of the area.

### **Islamic Form of Taxes and their Importance**

The laws of Islamic taxes are sanctioned by the Islamic legal status of lands that are taxable, religious and communal status of taxpayers. In Islamic product like taxes, form the basis for government revenue to cater for economy and administrative expenses. Zakat form of taxes is most prominent mentioned in Islam, in fact, it is one most important five pillars of Islam. The payment of Zakat is predated many years ever before Islamic era. The chapter in the Quran was talking about a period of Prophet Abraham on what Allah has commanded his people to do concerning Zakat.

*“We made them leaders who guided by our command, and we inspired them to work good deeds, to observe the salat and to give Zakat, they were worshippers of Us” (Quran, 21:73)*

It has been spelled out clearly when Zakat is to be paid and how to be calculated. Zakat is expected to be paid whenever income is received. Muslims are to calculate annual income annual income, either from the dividends, harvest, and other income as enshrined by the Sharia. Furthermore, the Holy Quran specify when Zakat should be given out.

*“Eat from their fruits when it blossoms and gives its decreed obligation on the day of its harvest” (Quran, 6:141).*

Shehzad (1992) viewed the intrinsic nature of zakat as an act of worship because of the evidence from some verses from the Holy Quran. This has been supported by the verse in the Holy Quran on Zakat.

“[O Prophet!] Take zakat out their wealth—though would cleanse them and purify them thereby” (9:103)

And Quran is against the use of interest to increase the wealth to assist the poor.

*“That which ye give in riba in order that it many increases on [other] people’s wealth has no increase with Allah; but that which you give as Zakat, seeking Allah’s countenance, it is these people who will get manifold[in the hereafter] of what they gave’ (30:39).*

Although, Islamic taxes commenced since before the Islamic era but is more pronounce during the lifetime of Prophet Mohammad (SAW) in the Arabian peninsula. Apart from Zakat mentioned as one of the pillars of Islam, other forms zakat were also mentioned in the Quran such as, (i) *jizya tax*, that is assessed based on the per capita yearly tax to non-Muslims residing within Islamic system, (II) *kharaj tax*, otherwise known as the land tax to non-Muslims and later imposed to Muslims, (iii) *user tax*, this was not in the Quran but introduced after the death of Prophet Muhammad (SAW) on the irrigated land, harvest from rain watered, and merchandise imported into Muslim state from non-Muslim state that taxed Muslims.

## Conclusions

The tax system has been reported to be one of the most important systems of both economic developments and for the servicing of government expenditure in both developing and developed economies. Islamic tax system has been used in several countries together with a conventional system of taxes. Countries like Malaysia, Indonesia, and Pakistan, has been mixing Islamic taxes and conventional systems of taxations for revenue generations. In Nigeria, before the coming of the British government in the Northern Nigeria Islamic system of taxation was used by the Chiefs and community head to raise revenue for the government of the day. After the Oil boom, the government of Nigerian neglected this method of revenue generation and concentrate more on oil revenue. Although several reforms in taxes were conducted since before the Nigerian independence, the impact of the revenue has not been felt. Northern Nigeria has more than 50% of its population that are Muslims, bringing back the old system of taxation or using Islamic system of taxation been practiced in other Islamic countries will undoubtedly assist the region and thereby improve the economic condition of the poor. The soul aim of Islamic tax is to support the poor, therefore, once the poor are assisted the economic situation of the country will improve.

Given that the economic conditions of the country have dwindled down as a result of fall in oil prices, it is recommended that Northern Nigerian state

government should start working on how best to handle Islamic tax collection. This is achievable once government provides real intention on how to assist the poor based on the Islamic requirements on the utilisation of taxes. A visit to other countries that have using the system will provide a good insight on how to handle Islamic taxes.



---

**References**

- Abuznaid, S. A. (2009). Business Ethics in Islam: the glaring gap in practice. *International Journal of Islamic and Middle Eastern Finance and Management*, 2(4), 278–288. <http://doi.org/10.1108/17538390911006340>
- Adnan, K. (2009). Islam and Taxation. *TheKhilafa*. <Http://www.khilafah.com/islam-and-Taxation/> accessed August 2016, p. 23.
- Awang, A. (2013). The Islamic Taxation System. *Malaysia-Today.net*, pp. 1–23.
- Benk, S., McGee, R. W., & Yüzbafi, B. (2015). How religions affect attitudes toward ethics of tax evasion? A Comparative and demographic analysis. *Journal for the Study of Religions and Ideologies*, 14(41), 202–223.
- Böwering, G., & Crone, P. (2013). The Princeton Encyclopedia of Islamic Political Thought. *Princeton University Press*.
- Edwin, E. (2011). Historical and legal background of Taxation in Nigerian. *Principles of Taxation*. 2(1), 222–225
- Elgaroshi, T. S. A., & Musa, A. S. (2013). Control of Income Tax Evasion in Islamic ( Shariah ) and Malaysian Law ( Comparative Study ). *Australian Journal and Basics and Applied Sciences*, 7(6), 770–780.
- Fagbemi, T. O., Uadiale, O. M., & Noah, A. O. (2010). The Ethics of Tax Evasion : Perceptual Evidence from Nigeria. *European Journal of Social Sciences*, 17(3), 360–371.
- Faisal, K. (2016). Reconciling Islamic ethics and practices. *The Express Tribune Opinion*. <Http://tribune.com.pk/> Accessed September 2016, pp. 25–26.
- Fisman, R., & Shang-Jin Wei. (2004). Tax Rates and Tax Evasion: Evidence from “Missing Imports” in China. *Journal of Political Economy*, 112(2), 471–496. <http://doi.org/10.1086/381476>
- Gravelle, J. G. (2009). Tax Havens: International Tax Avoidance and Evasion. *National Tax Journal*, 62(4), 727–753. <http://doi.org/10.2307/41790645>
- Hashim, M. (2012). Islamic Perception of Business Ethics and the Impact of Secular Thoughts on Islamic Business Ethics. *International Journal of Academic Research in Business and Social Sciences*, 2(3), 98–120.
- Ifueko, O. O. (2012). *A Comprehensive Tax History of Nigeria*. African Books Collective.

- Iserson, K. V. (1999). Principles of biomedical ethics. *Emergency Medicine Clinics of North America*. [http://doi.org/10.1016/S0733-8627\(05\)70060-2](http://doi.org/10.1016/S0733-8627(05)70060-2)
- Khan, A. S., & Rasheed, F. (2015). Human resource management practices and project success, a moderating role of Islamic Work Ethics in Pakistani project-based organizations. *International Journal of Project Management*, 33(2), 435–445. <http://doi.org/10.1016/j.ijproman.2014.08.006>
- KPMG. (2012). *The taxation treatment of Islamic finance in Canada Discussion paper*.
- Lubis, M., Bilal, M., Lumpur, K., Yaacob, N. I., Omar, Y., Dahlan, A. a, ... Abdurrahman A. Dahlan. (2011). Enhancement of Zakat Distribution Management System: Case Study in Malaysia. *International Management Conference 2011 Proceedings*, 1–10. Retrieved from [http://irep.iium.edu.my/4261/1/IMAC2011\\_EnhancementZakatDistribution.pdf](http://irep.iium.edu.my/4261/1/IMAC2011_EnhancementZakatDistribution.pdf)
- Mcgee, R. W. (2012). The Ethics of Tax Evasion in Islam: A Comment. *The Ethics of Tax Evasion in Theory and Practice*, 3(1), 159–165. <http://doi.org/10.1007/978-1-4614-1287-8>
- Mohamed, N., Karim, N. S. A., & Hussein, R. (2014). Linking Islamic Work Ethic to Computer Use Ethics, Job Satisfaction and Organisational Commitment in Malaysia. *Journal of Business Systems, Governance & Ethics*, 5(1), 13–24. <http://doi.org/10.15209/jbsge.v5i1.175>
- Nazri, F. A. A., Rashidah, A. R., & Normah, O. (2012). Zakat and Poverty Alleviation: Roles of Zakat Institutions in Malaysia. *International Journal of Arts and Commerce*, 1(7), 61–72.
- Padela, A. I. (2007). Islamic medical ethics: A primer. *Bioethics*. <http://doi.org/10.1111/j.1467-8519.2007.00540.x>
- Pryor, F. L. (1985). The Islamic economic system. *Journal of Comparative Economics*. [http://doi.org/10.1016/0147-5967\(85\)90039-3](http://doi.org/10.1016/0147-5967(85)90039-3)
- Ram, A. J. S. R. H. (2014). Determinants of Zakah (Islamic tax) compliance behavior. *Journal of Islamic Accounting and Business Research*, 5(2), 182–193. <http://doi.org/http://dx.doi.org/10.1108/BIJ-10-2012-0068>
- Rana, Z. A., Ishtiaq, A. G., Muhammad, R. J., Ghulam, A. R., & Tahseen, M. A. (2012). Managerial Ethics in Islamic Framework. *International Journal of Business and Social Science*, 3(7), 101–115. Retrieved from <http://www.ijbssnet.com>
- Rehman, S. S., & Askari, H. (2010). An Economic Islamicity Index. *Global*

*Economy Journal*, 10(3).

- Rokhman, W. (2010). The Effect of Islamic Work Ethics (IWE) on Work Outcomes. *Electronic Journal of Business Ethics and Organization Studies*, 15(1), 21–27. <http://doi.org/10.4103/1817-7417.104699>
- Salem, Z. O. , & Agil, S. O. S. (2012). The Effects of Islamic Management Ethics on Organizational Commitment (OC) of Employees in Libyan Public Banks. *Australian Journal of Basic and Applied Sciences*, 6(7), 260–270.
- Samir, A. A. (2009). Business Ethics in Islam: the glaring gap in practice. *International Journal of Islamic and Middle Eastern Finance and Management Article Information* : 4(2), 278–288.
- Shehzad, S. (1992). The Islamic Concept of Taxation. Renaissance”, May 1992, ‘Outline of A New Economic Framework. *A Monthly Islamic Journal*, 23–35.
- Slemrod, J. (2007). Cheating Ourselves: The Economics of Tax Evasion. *Journal of Economic Perspectives*, 21(1), 25–48. <http://doi.org/10.1257/jep.21.1.25>
- Will, F. (1996). Islamic business ethics. *Environmental Pollution*, 20170(703), 84. Retrieved from <http://makkah.files.wordpress.com/2006/11/ethicshm.pdf>



INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt:2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



---

**Zakat and Distribution of Wealth on Islamic Economy: Case of Morocco**

**Dr. Hamida Lahjouji**

**Dr. Khalid Rouggani**

*Hassan I University, Department of Economics and Management Sciences, h.lahjouji@uhp.ac.ma*

---

ARTICLE INFO

ABSTRACT

---

**Keywords:** *Distribution of  
Wealth – Islamic  
Economic System - Zakat*

**JEL Classification:** D3,  
I3, D6

---

© 2016 PESA All rights  
reserved

This paper presents a theoretical approach and an empirical study that demonstrate how the Islamic economic principle, Zakat, can achieving an ideal distribution of wealth.

Indeed, if some researches allowed to develop the theory of distribution of wealth in Capitalism or Marxism context, the present research has a new contextual perspective, which is to introduce and implement the Islamic economic model from where emerges the notion of Zakat that plays an imminent role in decentralizing wealth as well as in resolving socioeconomic issues, such as poverty and economic inequalities among people. This statement will be confirmed throughout this paper and will be illustrated by the fact that Zakat have had a significant impact on balancing the economic wealth within society during the pre-colonial era in Morocco.

## Introduction

The concept of wealth distribution has been a controversial subject for many centuries as economists, sociologists, philosophers and other physicians have argued over the subject. It interests everybody, peasant or nobleman, worker or industrialist, server or banker, each since the observation post which he occupies, sees important things on the living conditions of some and others, on the reports of power and of domination between social groups, and invents his own conception of what is fair and of what is not. A good distribution of wealth will remove all of the socioeconomic problems that result from social and economic inequalities. There will be no domination among each other, and each individual will be treated the same and will have as much chance to get wealthy as anybody else.

This research paper urges us to bring and study a new concept that is very different and more effective than conventional ones. This economic principle, which is *Zakat*, has long been applied within Muslim communities and proved itself to be healthy to the economy of the society.

This statement induces us to conduct a deep analysis on the different aspects of *Zakat* by raising important questions: What are the foundations of *Zakat*? What contributions does it bring to promoting the distribution of wealth and treasury within a society?

This paper has two essential parts that will present the analysis relating *Zakat* and wealth distribution, and the Moroccan context will be taken as an example.

✓ The first part will be dedicated to the critical analysis of conventional economy, by studying of the worldwide context of the inequality of distribution, and how the *Zakat* as an instrument of Islamic economy can contribute in economic growth and social equality.

✓ The last part will present the results of Moroccan politics and policies, in terms of wealth distribution, when *Zakat* was applied and when it was not.

### 1. *Zakat* and distribution of wealth on Islamic Economy:

The equality of distribution of wealth it is an important economical politic target for most of countries.

#### 1.1. The worldwide wealth distribution inequality: What alternative?

After a stage of reduction of inequality starting in the forties, industrial countries knew these 20 last years an important increase of inequality which cannot decently be considered any more as short-term. Capitalism, since its inception, has engendered a number of financial crises that impoverished societies around the world. Without economic responsibility and without

aligning economic models with democracy, inequalities shall stay forever. As we saw with the financial crisis of 2008 that increased the unemployment rate, which has contributed even more to increasing social and economic inequalities. This model clearly fails to balance wealth distribution among individuals but instead makes the rich richer and the poor poorer. Therefore, this leads us to the critical question: how effective is capitalism in balancing economic inequalities and ensuring a decent wealth distribution among individuals? These dilemmas, changes and economic problems encourage us also to wonder how wealth will be distributed for future generations, in 2050 or even in 2100? Will the world be had by traders, super-frames and possessors of important heritages, or by the oil countries, or by bank of China?

So, what we really know about the evolution of the distribution of wealth on long term? We question whether the demographic perspective concerning the worldwide overpopulation according to Malthus and whether the principle of curiosity according to Ricardo? Does the dynamics of the accumulation of the private capital drive inevitably to a concentration always stronger in wealth and in power between some hands, as did think it was Marx in the XIXth century? Or equilibrate force of growth, competition and technical progress they driving spontaneously to a reduction of inequality and to a harmonious stabilization in the advanced stages of development, as thought of it Kuznets in the Xth century?

In a sense, we are at this beginning of the XIth century in the same situation as the observers of the XIXth century: we are waiting an impressive transformation, and it is very difficult to know when they can start, and what will resemble the worldwide distribution of wealth, between countries as in inside countries, on horizon of some decades.

Studies, in terms of effective models in distributing wealth evenly among individuals within a particular society, have been done, but they are all theoretical, and thus there are not enough conventional practical facts that support the finest wealth distribution claim. For a long time, scholars whom their work tackles the distribution of wealth published theoretical approach that lack practical evidence. The Islamic economic model has the ultimate solution to the optimal distribution of wealth among individuals.

As a lifestyle, Islam tackles every aspect of society's concerns. Whether it is at the spiritual, individual, social, economic or political level, Islam gives clear instructions and directives to individuals in order to go through the rightful path. Scholars and Muslim economists developed multiple definitions of the Islamic economic model that are founded based on the fundamental sources of the Islamic sharia which are the Koran and the hadiths.

Contrary to the communist and capitalist system, Islamic economy considers the society as a group of individuals who move, who live and who work in harmony, so link must be strong between the worker and the fruit of its job.

The Islamic economic system strives to achieve an economic growth that will contribute to social equality. Public ease is not the only question to be taken into account, what dominates is that poverty, and inequality in the access to public property, are abolished. It what matters most is the development of a situation that allows everybody to use resources and that could remove poverty, discriminations, inequality of chances and inequality in front of law.

### **1.2. The role of Zakat in distribution and decentralization of wealth:**

The Islamic economy requires the circulation of capitals and encourages the owners to secure a return from their lands and promotes respect and development of minor private properties much more than the big ones. In fact, Islamic economy cares first about possessors of small capitals before the possessors of big capitals contrary to other visions which are deprive the rich, or make him predominant.

Therefore, the inequality of incomes, based on fact to the private appropriation of means of production, has certainly some advantages since it promotes effectiveness, rationality, innovation, diversification, competitiveness and improvement of the quality of products. However, these advantages can turn into a real danger when the income gap among individuals and classes becomes wider and wealth is concentrated among the richest. The Koran says: **«So that it does not circulate among the only rich men of you»**.

Such concentration of wealth will inevitably impact the economic, social and political agenda which seeks the common good regarding the distribution of wealth. The Islamic economic system has some instruments that some Muslim economists regroup them in two categories:

- a. The fundamental instruments in the Islamic system such as: Zakat, the system of succession, Waqf, donations and expiations (Al kafarat).
- b. The principles linked to economic policies such as tax appeal, the implementation of a social security system and the promotion of agricultural and business properties.

Zakat has strong ethical practices, for it develops individuals' sense of responsibility and their awareness of their duties toward the society to which they belong, and beyond this, it trains them to deprive any form of selfishness, corruption or economic crime. In addition to that, Zakat allows the Islamic community to prevent any delinquency from an economic tyranny which can



manifest itself in the absence of a fair and rational system that shares financial resources. Moreover, Zakat is a major instrument in averting an excessive accumulation of wealth and helping the poor and the most vulnerable members of the society.

While the Islamic economic model imposes the deduction of Zakat from people who have enough financial means, it also defines the most appropriate ways of giving it out. Indeed, Zakat targets and goes to the needy people who are depicted into eight traits:

- ✓ The poor who do not beg: individuals living at the poverty threshold
- ✓ The poor who beg: These are extremely poor and, therefore, ask others for food and clothing.
- ✓ The Debtors: Debtors burdened by debts and lack financial resources to pay back because of personal needs or social necessity, and thus are forced to borrow money for the sake of their family, for example, are entitled for Zakat.
- ✓ Attracting Hearts: Zakat is also to be paid to attract the hearts of those who have been inclined towards Islam and facing economic hardship because of this change. Such donation should be made on a need basis.
- ✓ Freeing Captives: Zakat can be used to get the slaves freed. There is hardly any case of this type in these days.
- ✓ The traveler: If a foreigner is genuinely in need of money to return to his home and his purpose for traveling is approved, he is entitled to get money from Zakat.
- ✓ Allah's Cause: Warriors fighting against an invader of an Islamic State shall receive financial resources from Zakat.
- ✓ Zakat Collectors: An institution collecting Zakat can get funds from Zakat.

Despite the obligatory aspect of Zakat in Islam, it's considered essential in depriving wealth concentrations among minorities. Unlike the conventional tax system where the rates are significant, Zakat is characterized by a large domain of application since it applies to incomes, wealth and invisible property.

The decentralization of wealth and the distribution of Zakat remains therefore a proper means of allocating funds to the people in need not only directly, but also across the creation of new investments. Funds coming from Zakat are divided where they were collected. This politics of redistribution of incomes is much more rational and effective than the conventional wealth centralized system in terms of balancing economic inequalities and achieving social welfare.

Henceforth, regarding the causes inducing income inequalities, Zakat has as imminent role in guaranteeing social justice by bringing necessary measures for the reestablishment of the socioeconomic balance of the society.

## 2. Zakat and distribution of wealth in Morocco:

Many countries still didn't come back into the same level where economic growth and reduction of inequality go hand in hand. Morocco is among the countries which endure from inequitable sharing out of treasures in spite of the growth accomplished during these last years.

### 2.1. Morocco between growth and inequality: In XXIth century :

During last decades, Morocco improved the majority of the indicators socio economic. Except that this development was not of the benefit of the population. Therefore the wealth is distributed in an inequitable way and inequality persists on a multidimensional ladder between men and women, urban and rural, developed regions and less developed regions, and of course between rich men and poor people. However, the upward of inequality represents a real challenge for the concrete expression of objectives fixed in social cohesion.

In about twenty years, from 1991 till 2011, the consumption per person knew a significant increase, from 800 to 1200 US Dollar. This increase in consumption constitutes, next to the fall of multidimensional poverty, principal factor of the reduction of monetary poverty. Conversely, the social inequality measured by the Gini coefficient<sup>91</sup> showed, throughout period, some rigidity discriminating against the fall of poverty. This tendency would bring back this indication to a level from 0,408 to the slightly upper 2011 to that recorded in 1991 (0,393) or in 2001 (0,406)<sup>92</sup>.

The upward trend of inequality is accompanied, moreover, by an increase of their impact on poverty. And according to the experts of the HCP<sup>93</sup>, 2 growing points are needed to absorb a point of inequality<sup>94</sup>.

In fact, the 10 % richest totaled, during period 1990-2011, more than 30 % of global consumption, against 2,6 % for the 10 % poorest. So 20 % richest household have 55,4 % national incomes while the 20 % poorest have only 4,1 %. The reduction, in the long term, of this level of inequality

<sup>91</sup> Zero and 1 Gini coefficient mean, respectively, perfect equality and perfect inequality. When an economy moves away from zero indicates increasing inequality and vis versa.

<sup>92</sup> For more detail see "Le rapport du « Enquête panel de ménages 2012 ».

<sup>93</sup> HCP: High commission for planning.

<sup>94</sup> According to the national report relating to objectives millenniums for development (2012), a 1 % economic growth gives rise to a reduction of the rate of 2,3 % poverty in 1985, 2,7 % in 2001 and of 2,9 % in 2007.

reverberates on several domains, for example, in 2007, the complete inequality of the expenses of consumption am due for 31,3 % to difference between the school levels of the domestic leaders, followed from a distance by the sector (18,7 %) and the middle of residence (11,6 %).

The inequality exists as demonstrate it the urban/rural ratio and rich/ratio, in the table below:

**Table 1:** Evolution of the inequality of consumption in Morocco

	1991	1999	2007	2012
Expenses of consumption of the 10% poorest	2.8	2.6	2.6	2.1
Expenses of consumption of the 10% richest	30.8	31	33.1	36.8
Rural/Urban report	1.68	1.75	1.79	2.13
Report 10% richest/10% poorest	11	11.9	12.7	17.5
Gini co-efficient	0.393	0.395	0.407	0.398

**Sources:** HCP 2012, ONDH 2012

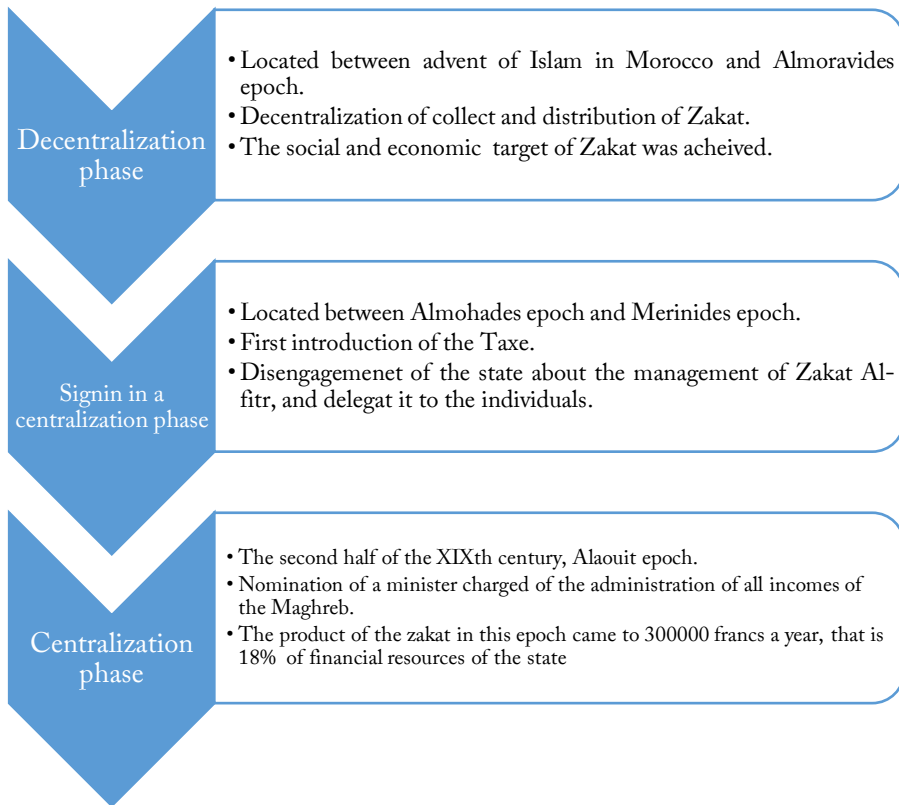
Also, the regional analysis shows that the inequality of distribution of wealth exists between different regions.

However the questions which settle, are, what is reason behind this variation between the levels of inequality in Morocco? And how it will be able to assure a socioeconomic growth and at the same time an equilibrate distribution of wealth?

## 2.2 Zakat and distribution of wealth in Morocco at pre-colonial period:

The institution of Zakat knew in Morocco a period of peak since the first time of Islam up to the colonial epoch.

This period was located between the beginning of Islamic epoch in Morocco and institution of the protectorate in 1912. During of this period 3 phases of distribution of wealth are to differentiate in table below:

**Table 2:** Phases between decentralization and centralization of wealth

**Sources:** Magazine "AZ-Zakat", Morocco, n°37, June 2015.

In Almoravides epoch, the distribution of Zakat was so organized that it contributes on the social and economic development. It is said that the Wali (governor) of Zakat, Yhya Ibn Said, envoy the caliph Omar Ibn Abdelaziz in North Africa wrote: "*Omar Ibn Abdelaziz sent me on Sadaqat of the North Africa, and I fulfilled them, and I asked to give them to the poor people, but I didn't find whoever to get them. Undoubtedly, Omar Ibn Abdelaziz enriched people*".

The available figures in Zakat recipes go back up at the end of the XIXth century, show that structure of the Moroccan budget wasn't state of deficits budget. This is allocated to the specify of the organization of Moroccan government which according to Abdesslem Taleb "*unlike other governments of the World, can, if necessary, work without money*". In the part of recipes, the product of the Zakat came in this epoch to 3000 000 francs a year, that is about 18 % resources of the state.

In spite of difficulty to access in the ciphered data of the Zakat in this period, it proves that the Zakat could serve of many social objectives under reigns of different dynasty.

Functions charitable were assured and can be so introduced:

- ✓ **In poor and necessitous:** food (Mérinides), clothing and benefits in kind and in currency in the course of the month of Ramadan (Saadites), creation of houses of pensions (Alaouites), ect.
- ✓ **Sector of health:** buildings of hospitals and purchase of buildings put in Awqaf (Mérinides and Almohades).
- ✓ **Education:** building of schools and allocation of Awqaf property for consolidate their financial autonomy, distribution of grants to the students according to their school results (Alaouites).
- ✓ **Liberalisation of the Muslim prisoners:** liberalization of 48000 Moroccan Muslims, Algerian and Turkish (Alaouite).
- ✓ **Assistants to the immigrants by their religion in the earth of Islam:** assistance in the immigration of Andalous after the fall of Cordoue and of the Algerians in 1830.

On the other hand, it was a kind of sharing out of the wealth that supported a decent living standard for the poor people, the sick, the students, the prisoners or the immigrants.

Contrary to the fact that Morocco outstanding discounted bills today in term of inequality of sharing out of treasures, Islamic economy assures across the application of Zakat a better social and economic redistribution.

## Conclusion

This paper have for objective, across a trip in time and in space, to deepen a subject which resides of a big importance in the present situation, and more research of which there is theoretical than practices.

The subject of distribution of wealth, turns out in reality to be much larger than it s ' appears to it, a phenomenon which needs a deepened study, and that leads us towards the reason of the choice of this subject which presents Zakat as an ethical and practical solution to this paradox. So, how Morocco could resolve the problem of distribution of wealth inequality with application of Islamic economic system?

---

**References**

- Aboumohamed, I. A, (1970), (Sirat Omar ibn abdelziz, Beyrouth), Dar al-ilm, 69 p.
- Abdulhamid, A.S, (1968), (The Theory of Economics in Islam), pp. 26-83.
- Altoujkani. Mohammed, (Tatbikat Az-Zakat bil-Maghrib : At-tarikh wal-afak) , op.cit, pp. 140-141.
- Cafouri Abdul Hadi : (ISLAM et économie : réflexion sur les principes fondamentaux de l'économie islamique), Al bouraq, 355p.
- El Ormari, A.S.M, 2015, (Zakat and distribution of wealth in Morocco), The journal of Zakat, Morocco, n°37, pp 56-60.
- Ibid, ss 17.
- Koran, (Sourat Al-Hashr) , verset 7.
- Marx, Karl, 1867, (Capital: Critique of Political Economy), Online Version: Marx/Engels Internet Archive (marxists.org) 1995, 1999.
- Sadeq. A.H. M , 1980, (Distribution of wealth on Islam) , pp 44-93.
- Sakr, A. Mohamed, 1987, (Islamic Economy : Concepts and foundations) in Lectures en Economie Islamique, Centre de Recherche en Economie Islamique, Université Roi Abdelaziz, Jeddah, Arabie Saoudite, pp.50.
- Taleb, Abdessalam, 1911, ( L'organisation financière de l'empire marocain ), Paris, Larose, pp207.
- Piketty, Thomas, 2014, (Le capital au XXIe siècle), Ed Du Seuil, Paris, 969 p.
- Piketty, Thomas, 1994, (Introduction à la théorie de la redistribution des richesses), Ed Economica, 124 p.

INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES

*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

*Kasım 2016,  
Cilt: 2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



## Serbest Piyasa Ekonomisi ve İslam Ekonomisi Üzerine Karşılaştırmalı Bir Analiz

**Fatih Kazancı**

*İstanbul Zaim Üniversitesi, Sosyal Bilimler Enstitüsü, İktisat Anabilim Dalı, İslam Ekonomisi ve  
Uluslararası Finans Doktor Adayı, fatih.kazanci@kuveytturk.com.tr*

MAKALE BİLGİSİ

ÖZET

**Anahtar Kelimeler:** *İslam  
Ekonomisi, Serbest Piyasa  
Ekonomisi, Kapitalizm*

Sosyalizmin çökmesi ve kapitalizmin sürekli sorun üreterek krizlere sebebiyet vermesi nedeniyle İslam ekonomik sisteminin bir alternatif sistem olup olmayacağı son yıllarda gündemi meşgul etmektedir. İslam ekonomisinin taşıdığı özellikler itibarıyla hangi ekonomik sisteme daha yakın olduğu ise tartışma konusudur. İslam ekonomisinin taşıdığı özellikler incelendiğinde serbest piyasa ekonomisi ile benzeştiği ise bilinen bir gerçektir. Bu çalışmada İslam ekonomisi ile serbest piyasa ekonomisi çeşitli özelliklerine göre incelenmiş olup aralarındaki benzerlik ve farklılıklar ortaya konmaya çalışılmıştır.

© 2016 PESA Tüm  
hakları saklıdır

## Giriş

Kapitalizmin son evresi olan liberal devlet politikalarının uygulama sahasının adı serbest piyasa ekonomisidir. Uzun liberal ekonomik uygulamalardan sonra belirli periyotlarla tekrarlanan ekonomik ve sosyal krizlerin en büyüklerinden olan 1929 Büyük Buhran'ından sonra devletçi Keynesyen politikalarla her ne kadar liberal politikalar bir kesintiye uğrasa da 1980'lerden sonra neo-liberalizm adıyla yeni bir serbest piyasa modeli olarak çoğu ülkenin ilgi ve uygulama alanına girmiştir.

İslam ekonomisi ise tüm ilhamını Kur'an ve sünnetten alarak çağlar boyunca uygulama alanı bulmuştur. İslam ekonomisi çok farklı kültür ve medeniyetlerde farklı uygulamalar halinde kendisini göstermiş olsa da genel anlamda bir bütünlük ve tutarlılık arz etmiştir. 2008 krizinden sonra reel ekonomiyi destekleyen ve türev piyasalar gibi yüksek risk ve belirsizlik içeren yapılardan uzak olan İslam ekonomi ve finansının krizlere çare olabileceği fikri henüz tazeliğini korumaktadır.

İslam ekonomisinin bir serbest piyasa ekonomisi olup olmadığı yönündeki tartışmalar ise son yıllarda yoğunlaşmıştır. Serbest piyasa ekonomisinin özellikleri ile İslam ekonomisinin özellikleri bazen birbirlerine paralel olup bazen de aralarında farklılıklar göze çarpmaktadır. Bu özellikler her iki sistemin bireye ve topluma bakış açılarıyla birlikte bazen benzeşmekte bazen de farklılaşmaktadır.

Çalışmada her iki sistemin özellikleri üzerinde ayrıntıları ile durulmuş ve karşılaştırmalarla birbirleri arasındaki uyum ve zıtlıklar ortaya konulmaya çalışılmış olup genel anlamda, "İslam ekonomisi bir serbest piyasa ekonomisi midir?" sorusuna cevap aranmıştır.

## I. Serbest Piyasa Ekonomisi

Serbest piyasa ekonomisi özel sektör ve rekabete dayalı, kaynakları dağıtırken fiyat mekanizmasını ve dünyada oluşan fiyatları göz önüne alan, resmi müdahalelerin ve devlet yatırımlarının minimuma indirildiği dolayısıyla kamunun milli hasıla içerisindeki payının azaltıldığı, devletin varlıklarının daha çok alt yapı hizmetlerine harcadığı bir sistemdir (Çiftlikli, 1993, sh.4). Seksenli yıllar ise devletin Keynesyen politiklarından serbest piyasa ekonomisine geçiş yılları olmuştur. Dünyadaki bir çok ülke devletçi ekonomilerden vazgeçerek piyasa ekonomisine doğru geçiş için bazı tedbirler almışlardır (Sezgin, 2010, sh.155).

David Hume, insan aklının kendi çıkarı için çaba sarf ettiğini, en adaletli düzenin kendiliğinden oluşan düzen olduğunu ve resmi makamların buna müdahale etmemesini, kişisel çıkarların ve serbestliğin insanın tabiatında olduğunu öne sürmüştür. Adam Smith ise bireylerin kendi çıkarları için mücadele ederek sonuçta toplumsal çıkarı arttırması, tabii düzenin en serbest



düzen olduğu, kamunun güvenlik dışında hiçbir müdahalesinin olmaması gerektiği gibi görüşleri, Jeremy Bentham'ın devletin kişisel faydacılığı artırmak gibi bir görevi olduğu ve özgürlük olmayan bir ortamda fayda, fayda olmayan bir ortamda iktisadi serbestlik, iktisadi serbestlik olmadan özel mülkiyet ve bunların tümü olmadan da bir toplumun mutlu olamayacağı şeklindeki fikirleri ve J.Stuart Mill'in devletin ve etik duyguların haz tarafından belirlendiğini, en fazla hazzı serbestliğin verebileceğini, devletin de asıl niyetinin bu hazzı en yükseğe taşımak olduğunu ifade etmesi liberal fikirlerin toplumda fazlalaşmasını sağlamıştır. Herbert Spencer, sosyal ayıklanmanın en iyi olanın yaşamasını sağladığını, "bırakınız yapsınlar" fikrini destekleyerek yani rasyonel insanı savunarak liberalizme katkı sağlamıştır. Benjamin Constant, dini alanda, iktisatta, yayın organlarında ve mülk edinme hakkında maksimum serbestliği savunarak liberalizme destek olmuştur. Alexis de Tocqueville de demokrasi ve liberalizmin birbirlerinden ayrılmaz parçalar olduğunu ve tarihin serbestlik ve eşitlik sağlayan bir amaçla yola çıktığını savunup liberalizmin günümüz değerlerine ulaşan temel ilkelerine katkı sağlamıştır (Chapra, 1993, sh. 35).

Serbest piyasa ekonomisinin aslolan iki unsuru olarak "bırakınız yapsınlar" ve sistemin kendiliğinden dengeye geleceğini düşünen "görünmez el" teorileri geliştirildi. Bu unsurları gerçekleştirecek olan da alıcı ve satıcıların karşılıklı ticari faaliyetleri sonucunda oluşan fiyat sistemidir. Piyasa ortak çıkarlara göre değil bireylerin çıkarlarının uzlaşmasıyla oluşur. Serbest piyasa ekonomisini daha iyi anlamak açısından M. Umer Chapra'nın farklı bir bakış açısıyla ortaya koyduğu şu tanımlaması önemlidir; "piyasa sistemi, piyasa güçlerinin sosyal huzura bağlı olarak şahsi çıkarı korumada yeterli olduğunu iddia ederek önemli ahlâki konulardan ve sosyo-ekonomik adaletten kaçınmaktadır" (Chapra, 1993, sh. 35).

## A. Serbest Piyasa Ekonomisinin Özellikleri

### 1. Serbest Piyasa Ekonomisinde Özel Mülkiyet Hakları

Serbest piyasanın özelliklerinden önde geleni bireylerin ve bireyler tarafından kurulan ortaklıkların ve şirketlerin toplumdaki maddi varlıklara sahip olmalarıdır. Özel mülkiyete serbestçe sahip olma hakları, mülk malikine, mülke ait maddi kazanımları toplumsal çıkarlarla zıt düşmeyecek şekilde kullanım hakkı verir. Bunun yanında miras, bireysel mülkiyetin ayrılmaz bir cüzüdür (Ünsal, 2004, sh.24).

Bireycilik, kişiyi ve kişinin psikolojik temayüllerini toplumda ekonomik organizasyonun olmazsa olmaz temeli olarak görür, kişinin aksiyonlarını toplumsal ekonomik örgütlenme için yeterli görür. Ekonomik özgürlük ve bireysel mülkiyet hakkı bireyciliğin en önemli gerekliliklerindedir. Herkesin farklı yeteneklere sahip olması ve bu yeteneklerin diğer kişilerin yetenekleri ile

rekabet ederek gelişmesi bireyciliğin özelliğidir. Bireycilik ekonomik özgürlüğün, ekonomik ve sosyal rekabetin ve bireysel mülkiyetin bir sonucudur (Özel, 1994, sh. 72). Piyasa ekonomisi ise insanlara tanıdığı mülkiyet hakları ile birlikte tüm bireysel özgürlükleri insanlara veren sosyal bir sistemdir. Bir piyasada özel mülkiyet yoksa o sistem bir serbest piyasa sistemi olarak tanımlanamaz (Tayyar ve Çetin, 2013, sh.108).

## 2. Serbest Piyasa Ekonomisinde Teşebbüs ve Seçim Özgürlüğü

Serbest piyasada özgürlük demek şahısların ve özel teşebbüsün piyasa sayesinde diledikleri seçimi yapma hakkına sahip olmalarıdır. Teşebbüs özgürlüğü ise bir şirketin kaynaklarıyla üretimde bulunması ve ürettiklerini satmasında devletin karşı müdahalesine uğramadan istediği şekilde davranmasıdır. Seçim özgürlüğü tüketicilerle alakalı olup tüketicilerin gelirlerini diledikleri gibi harçayabilmeleri manasına gelir. Sözleşme ve şirket kurma özgürlükleri bu özgürlüklerin de ayrılmaz bir parçasıdır (Ünsal, 2004, sh. 24).

Liberalizmin serbesti anlayışı ise negatif bir serbestliktir. Negatif serbesti, kişinin dışardan gelen bir baskı olmadan davranabilmesini ifade eder. Kişi hareketlerine müdahale edilmediğinde özgür olur. Dolayısıyla kişinin dış müdahale olmadan hareket edebildiği alanın genişliği özgürlüğünün genişliğinin de bir göstergesidir. Serbesti de esas olan kişiye bir şeyler sağlaması değil onun dıştan gelen zorlamalara maruz olmamasıdır (Yayla, 1992, sh. 72).

## 3. Serbest Piyasa Ekonomisinde Kişisel Çıkar

Her iktisadi birimin kendi çıkarlarını düşünerek maksimum kar ve maksimum faydayı amaçlaması kişisel çıkar olarak tanımlanır. Kapitalist ekonomilerde her karar verici kendi lehine maksimumu elde etmek için çabalar. Kişisel çıkar, teşebbüs ve seçim özgürlüğünün amacını belirleyerek ayrıca zarara maruz kalan üreticilerin iflas etme olasılığını da içerir (Ünsal, 2004, sh. 25).

Liberal düşünce, bireyci anlayıştan yola çıkarak “kamu faydası”, “toplumsal iyilik” ve “ortak kazanım” gibi toplumu ilgilendiren tüm amaçlara uzaktır. Aynı zamanda kişilerin, kişisel çıkarları haricinde ve onların üzerinde bir ortak çıkarları olduğu düşüncesine de uzaktır. Aslolan kişisel çıkar olup kişisel çıkardan toplumsal çıkar oluşacaktır (Yayla, 1992, sh.72). Kişi iktisadi anlamda kendi çıkarları doğrultusunda eylemde bulunacak bir “homo economicus”, doğru ve bilimsel olanı bulabilen bir “rasyonel insan” her türlü sosyal hareketi kendi amacı doğrultusunda kullanabilen “faydacı insan”dır (Tayyar ve Çetin, 2013, sh.110). Max Weber’e göre ise; kapitalist iktisadi sistemin, para kazanma isteklerine insanların kendilerini adama gereksinimi vardır. Gerek kapitalizmin, gerek marksizmin temeli olan Batı ekonomi teorisinde düşünülen insan modeli “iktisadi adam”dır. Bu insan tipi, batının

Rönesans ile başlayan, rasyonalist, akılcı, seküler ortamı içinde ortaya çıkan, robot gibi işleyen, attığı her adımda menfaatini maksimize etmek isteyen insan modelidir (Zaim, 1991, sh. 19).

#### 4. Serbest Piyasa Ekonomisinde Piyasa Mekanizması ve Rekabet

Piyasa ekonomilerinde ticareti yapılan her malın fiyat adı verilen bir bedeli olup her birey fiyatlara göre kendi çıkarı açısından en yüksek faydayı elde etmek için uğraş verir. Bu mekanizma ekonomik karar birimlerinin eylemlerini fiyatlar yoluyla düzenler. Serbest piyasada işlem gören bir metanın alıcı ve satıcılarının piyasada oluşan fiyatı etkileyememesi rekabet olarak tanımlanabilir (Ünsal, 2004, sh. 25).

Piyasa ekonomisi serbestliğe rekabeti kazandırır. Rekabetçi bir sistemde çalışmak isteyenler istedikleri işi seçebilir, tüketmek isteyenler de talep ettikleri her yerden alışverişte bulunabilir. Herkes birbirinden emin ve güven içinde faaliyette bulunabilir. Bu mekanizma sayesinde her bireye sınırsız imkan tanınarak özgürlük sağlanır. İktisadi hayata kamunun müdahalesi insanların her hareketinin kontrolü sonucunu doğuracaktır. Bu mekanizmada ise siyasi ve iktisadi serbestlik birbirini tamamlar. İktisadi özgürlüğün olmadığı bir ortamda siyasi özgürlükten ise bahsedilemez (Mises, 1956, sh. 93).

#### 5. Serbest Piyasa Ekonomisinde Sınırlı Hükümet

Devletin ekonomiye sınırlı müdahalesi, serbest piyasa ekonomisinin en iyi çözümü ürettiği inancıyla, devletin ekonomiye etki ederek kapitalist sistemin etkisini düşürmek yerine, temek hak ve özgürlükleri, rekabetçi ortamı koruması ve geliştirmesi ve bu yönde zorunlu olan değişiklikleri yapmasını gerektirir (Ünsal, 2004, sh. 25). Kamunun hiçbir şekilde tabii düzene müdahalesi serbest piyasada öngörülmez. Devlet sadece bireylerin doğal düzenlerini devam ettirmelerine yardımcı olmalıdır. Hiçbir otorite insanları bir şey yapmaya zorlamamalıdır (Bastiat, 1964, sh. 78). Piyasada zorlamaya yer olmadığı gibi Kamunun asıl görevi serbest piyasaya müdahale etmek değil aksine onu koruyarak işlerlik kazandırmak ve piyasayı zora sokacak eylemleri engellemektir. Devlet piyasada sadece güvenlik için olmalıdır (Rand, 1990, sh.181).

Beertham ise toplumsal fayda teorisini kuramının merkezine oturtmuş olup devletin piyasaya yapacağı müdahalelerin piyasadaki toplumsal mutluluğu bozacağı düşüncesindedir. Bireyin mutluluğu ona göre her şeyin önündedir. Bunun için devlet sadece güvenliği sağlamakla sorumludur. Devletin asıl amacı kişinin faydasını hesaplamak değil ona hizmet etmektir. Smith ise bunu doğal özgürlük sistemi olarak düşünmüş ve kişilerin kendi çıkarları için eylemde bulduklarında sanki “görünmez bir elin” toplumun çıkarlarını da en üst seviyeye çıkaracağı görüşündedir. Spencer ise devletin kişilerin hayatına yapacağı her müdahalenin kendi kendini (devleti) daha da büyütürken insanları

köleleştireceği görüşünü savunur (Yayla, 1992, sh. 72). Freidman'a göre ise; devletin görevi, kanunları ılımlaştırarak bunlara uymayanları cezalandırmaktır. Kişilerin özgürlüklerinin çatıştığı alanlarda ise hakemliği üstlenmektir (Freidman, 1988, sh. 41).

## II. İslam Ekonomisi

İslam Ekonomisi esasta, Kuran ve Sünnet ilkelerine dayanmaktadır. Aile, miras, mülkiyet, devlet, infak, zekât, israf ve faiz yasakları gibi konuların ana hatları Kuran ve sünnet ilkelerine dayanır. İslam ekonomisi, hukuk gibi esneklik özelliğine sahiptir. Dolayısıyla İslam ekonomisinde usul esas olarak vahiyle gelen ilkelere dayandığı gibi uygulamalar zamana ve mekana göre değişmiştir. İslam ekonomisinin ilkeleri kul hakkını temel alır. Bu ilkeler israfın yok edilmesi, ekonomi ve siyasette özgürlük, mülkiyet haklarının artırılması, toplumsal adalet ve refahın artırılması adları altında ele alınabilir. İslam ayrıca diğer sistemler gibi denge olgusuna dayanır. Bu denge 3 yönlüdür: evrenin, insanın ve toplumun dengesi (Tabakoğlu, 2008, sh.79).

İnsanoğlu, davranışlarını ibadet edercesine yapmalıdır. İslam ekonomisinin uygulama alanı ibadetlerin bile ticaret haline gelmesi değil, aksine ticaretin ibadet vasfı kazanabildiği bir alandır. İnsanoğlu zevkleri için değil ilahi gayeye göre yaşamalıdır. Ekonomik hayat kişileri “Allah’ı anmaktan, namazlarını kılmaktan, zekâtlarını vermekten alıkoymamalıdır” (Nur 24/38). İslam ilkeleri ve uygulamaları kendi içinde uyum gösterdikleri gibi birbirleriyle de bütünlük içerisindedirler. Ahlâk, hukuk ve ekonomi bütünlük halinde olup birbirlerinden ayrılmaz özellikler taşır. Toplumun dengesini açıklayan şey adalettir. Adalet kelimesi denge manasına gelir. Bireyle ilgili olan itidâl kelimesi de aynı kökten gelmektedir. Bu durumda İslam iktisadının toplumsal hükümleri sosyal adalet ile uyum içerisinde olmalıdır. Sosyal adaletin gerçekleşmesi içinse şunlar sağlanmalıdır; israfın yok edilmesi, adil gelir dağılımı ile servet ve mülkiyetin yaygınlaştırılması, ekonomik bağımsızlığın sağlanması ve ekonomik istikrar (Tabakoğlu, 2008, sh.83).

### A. İslam Ekonomisinin Özellikleri

#### 1. İslam Ekonomisinde Özel Mülkiyet

İslami görüşte mülkün asıl sahibi insan değil Allah’tır. İnsanoğlunun sahip olduğu mülkiyet Allah’ın mülkiyetinden doğmuştur. İnsanın sahip olduğu mülk bir imtihanın aracı olup özel mülkiyetin toplumsal çıkarlarla çatışmaması gerekir (Tabakoğlu, 2010, sh.120). İslam’ın insan ve mal üzerine görüşü ve mülkiyet anlayışı kapitalizm ve komünizmden tamamen farklıdır. İslam insana da eşyaya da bakarken, Yaratıcıyı hiçbir zaman unutmaz. Gerçek anlamda eşya da insan da O’na aittir. Bunun içinde eşyanın da insanın da toplumun da hakkı vardır. İslam, bireye mülkiyet hakkı tanımıştır fakat bu hak üzerinde

Yaratıcı'nın hakkı ilk sıradadır (Karakoç, 2013, sh. 32). Mülkiyetin mahiyeti ise Kur'an-ı Kerim'de şu şekildedir: "Göklerde ve yerde ne varsa Allah'a aittir." (2/284). Bu nedenle kâinattaki her şey Yaratıcıya aittir fakat O, faydalanılması amacıyla insana yetki vermiş ve insanı görevli kılmıştır. Bu nedenle, insan nimetlerden faydalanma konusunda canı istediği gibi tümüyle serbest değildir. Mülkiyeti kullanma hakkı sınırlı tutulmuştur. Malın gerçek sahibi Allah olduğu için Kuran'da belirlenmiş sınırların dışına çıkamaz, çünkü o, Yaratıcı tarafından sadece görevli kılınmıştır (Qazi, 2015. Sh.106).

İslam'da özel mülkiyetin ortaya çıkışını C. Yeniçeri şu şekilde anlatıyor; kişiler, Yaratıcı'nın insanlığına verdiği nimetlerden kendi gayretleri ile bazı şeyleri ele geçirirler veya bazı şeylere belli şekiller verirlerse ona malik olurlar. Aynı zamanda elde ettiklerini de kendi soylarına miras olarak bırakırlar. Böylece özel mülkiyet doğmuştur (Yeniçeri, 1980, sh. 37).

İslam mülkiyetin temeline öncelikle emeği koyar. Üretim faktörlerinden sermaye ve toprağın ürünlerinin şahsa ait olması ise ancak insanın emeğiyle desteklenmesiyle mümkündür. Enerji kaynakları, madenler ve geniş tarım toprakları üzerinde devlet mülkiyetinin öngörülme nedeni özel mülkiyetin toplumsal çıkarlarla çatışmamasıdır. İslam'ın malı koruma ilkesi, hem malı saldırganlardan korumak hem de onu israf etmekten ve yok etmekten kaçınmak anlamına gelir. Özel mülkiyetin yaygınlaştırılıp, belli ellerde toplanmasının engellenmesi aynı zamanda İslam iktisadının en önemli hedeflerinden biridir. Yine bu sebepten miras mümkün olduğu kadar çok yakınlar arasında paylaşılır (Tabakoğlu, 2010, sh.121). Ayrıca savaşta elde edilenlerin de cihad edenlerle paylaşılması özel ve kamu mülkiyetinin kabul edildiği şekilde yorumlanabilir (Gül, 2010, sh.51,52).

Kuran-ı Kerim ve hadisi şeriflerde özel mülkiyet meşru görülmüştür. Bir hadisi şerifte Hz. Peygamber bir kişi özel mülkünü korurken öldürülürse o kişinin şehit olacağını ifade etmektedir. Bu nedenle İslam'da mülk dokunulmaz olarak telakki edilmiş ve her türlü tecavüzdten korunmuştur. Kuran-ı Kerim, yetimlerle alakalı "onların malları" tabirini kullanarak, yetim hakkının korunmasını ve yetim malına dokunulmamasını emreder (Acar, 2010, sh.217).

İslamiyet'in servet birikimine bakış açısı; Haşr suresi 7. ayette "o mallar, içinizden yalnız zenginler arasında dolaşan bir servet haline gelmesin" şeklinde ifade edilmiş olup Hümeze suresi 1. ve 2. ayette de "mal toplayan ve onu durmadan sayan insanlar" uyarılmıştır. Ayrıca Tevbe suresi 34. ayet "altın ve gümüşü biriktirip gizleyerek onları Allah yolunda harcamayanları elemli bir azapla müjdele" denilerek mal, mülk ve para biriktiren kişilerin bunları Allah için toplum yararına sarf etmeleri istenmiştir. Bu bakış açısı ayrıca İslam toplumlarında burjuvazi oluşumunu da engellemiştir.

Sezai Karakoç'a göre ise, İslam'da toplumla insan, biri öbürüne ezdirilmeyecek şekilde bir hak dengesi içindedir. Komünizm, ferdi toplum için feda etmiş, kapitalizm ise toplumu fert için feda etmiştir. İslam ise arada bir denge oluşturmak ve ferdi, topluma karşı da korumak için öbür haklarının yanında ona mülkiyet hakkını da tanımıştır. Buna karşılık toplumu korumak için de bu hakkı edinmekte ve kullanmakta birçok kayıtlar, şartlar ve sınırlar koymuş, toplumu da büsbütün pasif bir toplum halinde bırakmamıştır (Karakoç, 2013, sh. 34).

## 2. İslam Ekonomisinde Teşebbüs ve Seçim Özgürlüğü

“İslâm ekonomisi”, ferdiyetçi değil, şahsiyetçi ve toplumcu eğilimlere sahiptir. Sadece kendi çıkarını ön plana koyan insan tipi İslam ile bağdaşmaz. Devlet, üretime katkı yapmayan bir organizatör olarak düşünülerek iktisadi alanda denetim ve gözetim yapmalıdır. Bu şekilde davranan bir devletin özel sektörü engellediği düşünülemez ve özel sektöre de rakip değildir. Ayrıca İslam'ın insanoğlundan talebi öncelikle iman etmesi ve dünyanın nimetlerine kapılmadan çalışmasıdır. Müslüman, ekonomik hayat içerisinde girişimciliğini kullanırken açgözlü ve ihtiraslı olmamalıdır (Tabakoğlu, 2010, sh.125,126). İnsan ekonomik hayat içerisinde yapılacak ve yapılmayacak olanlara karar verir, sürekli tercihlerde bulunur, teşebbüs eder, üretir ve tüketir. Bu nedenle her ekonomik sistemde farklı bir insan anlayışından söz edilebilir. İslam dininde insan, kendi özgür iradesi ile karar alır, aksiyon haline getirir ve bu aksiyon sonucu yaptığından sorumlu olan tek varlık olarak düşünülebilir. İslam dininin en önemli amaçlarından birisi ise insanın sadece ekonomik sahada değil, birey olarak toplumun tüm alanlarında en uygun olana karar vermesini sağlayacak nitelikleri kazanmasıdır (Gül, 2010, sh.53).

Seçim ve teşebbüs özgürlüğü kişilerin paralarını harcayacağı alanları ve girişimde bulunacakları kaynaklarını hangi sektörde değerlendireceklerine dair bir özgürlüktür. İslam, tercihleri insana bırakarak kişilerin kendi kaynaklarını kullanmada özgür bırakır. Rekabetçilik meşru görülmüş olup piyasaya giriş her durumda serbesttir. Fiyatın devlet tarafından belirlenmesi, Hz. Muhammed tarafından izin verilmeyen bir husustur. İslam; rekabeti, devletin piyasaya müdahalesinin sınırlı olmasını ve devlet görevlilerinin eylemlerinden dolayı cezalandırılabilmelerini teşvik eder (Acar, 2010, sh.218).

Sadr'a göre; “İslam iktisadı kişilere ekonomik alanda serbesti tanır. Fakat bu serbesti İslam'ın etik ve manevi ilkeleri ile çelişmemelidir. Bu ilke ile kapitalist ve sosyalist ekonomiler arasında derin farklar mevcuttur. İslam dininde toplumsal refaha büyük önem verildiği halde kişisel özgürlükler toplumsal sonuçlardan bağımsız değildir. Bireysel özgürlük, toplumsal menfaat ve İslam toplumunun maddi ve manevi alanlarıyla çatışmadığı veya kişinin diğer insanların hakkına girmediği sürece kutsal olarak addedilmiştir (Gül, 2010, sh.70). Hz. Peygamber'in toplumun ortak paydasının faydasına

olacak olan tüm eylemleri bireysel haklara tercih ettiği birçok hadisi şerifi mevcuttur. Bireyin özgürlüğüne İslam'da saygı duyulmakla beraber, piyasadaki serbesti ve bundan toplumun menfaati daha ön plandadır (Qazı, 2015, sh.110).

İslamiyet'in bir denge dini olması nedeniyle teşebbüse özgürlük tanıdığı halde sınırsız şekilde servet edinmeye de edindiği serveti israf etmeye de karşıdır. Allah, En'am suresi 141. ayette "israf etmeyin çünkü O, israf edenleri sevmez" ve Araf suresi 31. Ayette "yiyin, için (fakat) israf etmeyin" diyerek israfa karşı bakış açısını bizlere iletmiştir.

### 3. İslam Ekonomisinde Kişisel Çıkar

Büyük balığın küçük balığı yutması durumunun bir kanun olarak değerlendirilmesinin ekonomi alanındaki yansımaları serbest rekabet yani "bırakınız yapsınlar" zihniyetidir. Kapitalist sistemin doğurduğu "homo economicus" tipi insanın temel hedefi şahsi menfaati olup olgunlaşan hali burjuva olarak tanımlanabilir. İslamiyet'te ise toplumsal faydayı kendi şahsi çıkarlarından üstün tutan kanâat sahibi girişimci insan tipi idealize edilmiştir. Bunun somut örneklerinden biri ahilik sistemidir. Bir Müslümanın etik, hukuki ve iktisadi alanlarda genel davranışı; yalan söylememesi, başkalarının haklarına tecavüz etmemesi, tekelcilik, ihtikâr ve karaborsacılığa karışmaması, yaptığı akitlere uygun hareket etmesi ve namuslu olmasıdır. Bir Müslüman kendi çıkarlarından önce toplumsal çıkarları gözetmelidir. Diğergam davranış tarzı ve hizmet aşkı esas olmalıdır. Allah'ın rızasına yönelik olmadan bir Müslümanın maddi zenginliği bir değer taşımaz. Allah insanlardan temiz bir kalp talep etmekte olduğundan Müslüman, ekonomik faaliyetlerinde bu temiz kalbi korumakla yükümlüdür (Tabakoğlu, 2010, sh.118).

İslam'ın kişilerden talebi kişinin dünyanın geçici görüntüsüne aldanmadan çalışması olup bir Müslümanı iktisadi hayatta girişimciliğe iten açgözlülük ve ihtiras gibi duyguları olmamalıdır. İslami ekonomik sistemde kanâatkârlık ön plandadır. Kanâat, ihtiras arzusunun tam tersi olup girişim verimliliği ve hakkına razı olma duygusu bu sayede kazanılır. Böylece üreticiler ile tüketiciler arasında ve kişi ile toplum arasında barışı kanâat tesis eder. Peygamberimize göre gerçek zenginlik gönül zenginliğidir. İslam'da toplumculuk sosyal ve ekonomik ilkelere en önemlisi olup toplumun çıkarı kişilerin çıkarlarından üstün tutulur. Fıkıhta da toplumun hakları Allah'ın hakları arasında düşünüldüğünden bunların affi hiç kimsenin yetkisine verilmemiştir (Tabakoğlu, 2010, sh.118).

### 4. İslam Ekonomisinde Fiyat Mekanizması ve Rekabet

İslam'ın öngördüğü ekonomik sistemde, talep eden tarafın fiyatı düşürmesi, arz eden tarafın ise fiyatı fazla yükseltmesi eğilimi yumuşatılmış olup arz ve talebin esnekliğinin artması ve fiyat istikrarının sağlanması önemlidir. İslam'a

göre insanlar sadece hayırlı işlerde rekabete girmelidirler. Ekonomik sistem içerisinde rekabet bir süre sonra rekabeti yok etmekte ve bir şekilde anlaşma ile sonuçlanmaktadır. Bu nedenle rekabete girmeden önce işin başında yardımlaşılması ve dayanışma içerisinde olunması tekelciliği büyük ölçüde giderecektir. İslam ülkelerinde fiyat ve kalite denetimi narh sistemiyle gerçekleştirilmiştir. Asıl istenen monopol (tekelci) yapıların oluşmadığı bir piyasada fiyatların serbestçe oluşmasıdır. Devletin veya tekelci güçlerin yapacağı müdahaleler piyasayı daraltacağından ve karaborsaya yol açabileceğinden sadece eksik rekabet şartlarında ve piyasada ihtikâr ortamı görüldüğünde fiyatlar devletin denetimine tabi tutulmuştur. Ayrıca tüketicilerin aldatılması ve fiyatların spekülâtif olarak artırılması gibi durumlarda da piyasaya müdahale söz konusu olmuştur (Tabakoğlu, 2010, sh.124).

İslami inanişâ göre; Allah, piyasada arz ve talebi bir doğal araç olarak tanzim etmiştir. Bu, kamunun ekonomiye olan müdahalesine İslami bir bakış açısıdır. Peygamberimiz zamanında bir ara fiyatlar arttığında bazı insanlar Peygamberimize fiyatları sabitleme hakkındaki görüşünü sorduklarında, Peygamberimiz fiyatları değiştiren ve artıranın Allah olduğunu ifade etmiştir. Bu hadis bize fiyatların Allah'a bırakılması ve piyasalara yapılacak müdahaleler hakkında İslam'ın bakış açısını vermektedir. Ayet ve hadislere bakıldığında Müslümanların piyasaya müdahalesinin dini açıdan uygun olmayacağı açık bir şekilde ortaya konmaktadır (Qazi, 2015, sh.107).

Piyasada rekabeti destekleyen İslam ekonomisi piyasada spekülasyona da karşıdır. Bir hadisi şerifte peygamberimiz “kıtlık zamanında tahılı ileride sağlayacağı kazanç için satın alıp biriktiren büyük bir günahkârdır (Müslim ve Mişkat)” diyerek İslam'ın konuya olan bakış açısını insanlığa iletmiştir. İslam'da emeksiz kazanç statüsüne giren karaborsa, ihtikâr gibi spekülâtif hareketler yasaklandığı gibi bu statüye giren faiz de yasaklanmıştır. Bu nedenle Bakara suresi 275. ayette Allah, alışverişi helal, faizi ise haram kıldığını bizlere bildirir.

Hız. Muhammed'in peygamberlik öncesi zamanlarda ticaret yaptığı, Yemen, Suriye ve Bahreyn gibi uzak ülkelere ticaret amacıyla gittiği bilinmektedir. Ayrıca Arabistan yarımadasının bir transit ticaret merkezi olması dolayısıyla bu bölgenin İslamiyet sonrasında da bu vasfı devam etmiştir. İslamiyet'in serbest ticaret ve piyasa ekonomisine verdiği önem nedeniyle uluslararası ticarete ve yabancı sermayeye kısıt konulmamıştır. Hız. Ömer'in halifelik döneminde ise dış ticarete gümrük vergileri getirilerek iç piyasadaki fiyat istikrarına verilen önem ortaya konmuştur.



## 5. İslam Ekonomisinde Sınırlı Hükümet

Devlet, İslami gelenekte insanların yaşamlarını idame ettirebilmeleri için para kazanmaları önündeki engelleri kaldırmak ve ülke içerisinde yaşayan tüm halkın mal ve can güvenliğini sağlamakla yükümlüdür. Çünkü bir İslam ülkesinde yaşayan insanlar, serbestçe seyahat edebilir, çalışabilir, para kazanabilir, mülk edinebilir ve ticaret yapabilirler. Fakat hiçbir İslam ülkesinde devlet, kıt olan kaynakların tahsisi ve aşırı talep olan durumlara kayıtsız kalmaz ve bu alanları denetimsiz bırakmaz. Devlet bu konularda pozitif bir rol oynayarak gereken planlamaları yapmalı ve gerekli fiziksel ve sosyal altyapıyı da hazırlamalıdır (Gül, 2010, sh.70).

İslam ülkelerinde üretim ihtiyaca göre belirlendiğinden doğal kaynaklar israf edilmez. Bu tip bir üretim tarzı vatandaşların beslenme, barınma vb. diğer tüm ihtiyaçlarını karşılayacaktır. Devletin bu konudaki görevi denetim sahasında olmalıdır. Peygamberimiz bir arazide tarım yapanların o toprağa sahip olmasını ve toprakların işletilmeden boş bırakılmamasını istemiştir. Büyük tarımsal arazilerde vatandaşlara kullanım hakkı verilmiş olup mülkiyeti ise devlete verilmiştir. Peygamberimiz zamanında ikta adı verilen bu sistem sonraları tımar adıyla devam etmiştir. Devlet ekonomide denetim ve gözetim yapma hakkına sahip olduğundan üretici değil organizasyonu düzenleyen taraf olmalıdır. Bu çerçeveden bakıldığında devlet, özel teşebbüsü engelleyen veya ona rakip olan bir konumda değildir (Tabakoğlu, 2010, sh.121).

Devlet vatandaşlarının dinini, nefsinin, malını ve aklını koruyan bir üst mercidir. Bu nedenle İslam ülkelerinde devlet; adaleti sağlayarak haksızlıklara engel olmalı, kanun ve düzeni korumalı, kişilerin can ve mal emniyetlerini sağlamalı, piyasayı halkın menfaatleri doğrultusunda çalıştırmalı, altyapıyı eksiksiz inşa etmeli ve halkının sosyal güvenliğini sağlamalıdır (Erdem, 2015, sh.14).

### III. Her İki Ekonomik Sistemin Karşılaştırılması

#### 1. Özel Mülkiyet

Serbest piyasa ekonomisi, özel mülkiyeti tam olarak insanın sahipliğine verirken İslami görüşlere göre mülkün sahibi Allah'tır. Dolayısıyla İslam'da insan, mülkün ancak bir emanetçisi olabilir. Ancak bu emanetçilik Müslüman bir bireyin mülkiyete sahip olmasını engellemez. Miras konusunda da her iki sistem, mirası serbest bırakmış olup İslam'da bu durum aynı zamanda "malın tek elde toplanmaması" ilkesince de benimsenmiştir.

Serbest piyasada özel mülkiyetin sınırları çizilmemiş olsa da İslam ekonomisinde özel mülkiyetin yaygınlaştırılıp belli ellerde toplanması yasaklanmıştır. Bu nedenle İslam toplumlarında burjuva sınıfı oluşmamıştır. Bununla birlikte hem serbest piyasa ekonomisinde hem de İslam ekonomisinde serbest mülkiyet hakları toplum çıkarlarıyla çelişmediği

durumda mevzubahistir. Her iki ekonomide de serbestliğin sınırları toplum çıkarlarıyla çerçeveslendirilmiştir. Ancak İslam ekonomisi toplum çıkarlarına hanel gelmemesine daha fazla önem verdiğinden enerji kaynakları, madenler ve geniş tarımsal arazilerde devletin mülkiyetine önem vermiştir. Bu nedenle bu tip toplumsal alanlarda bireyin tasarruf yetkisi sınırlıdır.

Mülkiyet haklarıyla birlikte birey haklarına da özel önem veren serbest piyasa ekonomisi, İslam ekonomisi ile bireysellik açısından ayrılmaktadır. İslam'da birey her durumda kendi çıkarı ile birlikte toplum çıkarını ve hatta toplumun mutluluğunu da gözetmekle mükellefken, serbest piyasa ekonomisinde her şey birey için vardır. Serbest piyasa bireyselliğinin son noktası, "bırakınız yapınlar" düsturudur. Hem İslam hem de serbest piyasa ekonomisinde bireyler mülklerini korumakla yükümlüdürler. Bu konuda oldukça benzeşen iki sistemin özünde özel mülkiyete verdikleri önem ve serbesti yatmaktadır. Her iki sistemde de mülkiyet "dokunulmaz" olarak telakki edilmiştir.

## 2. Teşebbüs ve Seçim Özgürlüğü

Serbest piyasa ekonomisinde bireylerin diledikleri seçimi yapma hakkı olduğu gibi İslam ekonomisinde de tercihler insana bırakılmıştır. İslam'da insanlar hür iradeleriyle kararlar alarak kendi para ve kaynaklarını diledikleri gibi sarf edebilirler. Fakat bu hak, sınırsız harcama yapabilecekleri anlamına gelmez. Çünkü İslam'da israf yasağı olduğu gibi ahlâki ve manevi değerlerin getirdiği kısıtları da bir Müslüman ekonomik anlamda da düşünmek durumundadır. Ayrıca bireysel özgürlükler sosyal sonuçlardan hiçbir zaman bağımsız olmadığından harcama yaparken mutlaka toplumun çıkarlarını da düşünmek zorundadırlar. Eğer bir alışveriş toplumun ortak faydasına zarar veriyorsa İslam bu duruma müdahale ederek kısıtlamalar getirmektedir. Oysaki serbest piyasa ekonomilerinde birey ticaret yaparken hiçbir dış zorlama veya baskıya muhatap bırakılmaz. Serbest piyasada her ne kadar toplumun çıkarları önemseniyor olsa da ahlâki ve manevi değerlerin piyasayı etkilemesi söz konusu değildir.

Teşebbüs özgürlüğü adını verdiğimiz; üretim yapma ve yaptığı ürünü dilediği gibi satma özgürlüğü serbest piyasa ekonomisinin olmazsa olmazıdır. Devleti sadece organizatör olarak gören serbest piyasalarda zorlama veya baskıya hiçbir şekilde yer yoktur. İslam ekonomisi de aslında devleti organizatör olarak görmekte olup devletin özel teşebbüsü engelleyici olması veya devletin özel teşebbüse rakip olması söz konusu değildir. Bu yönüyle teşebbüs özgürlüğüne hem serbest piyasanın hem de İslam ekonomisinin bakış açısı benzer olmakla birlikte ayrıldığı nokta, Müslümanların bir teşebbüste bulunurken hırs, ihtiras ve açgözlülüğe yer vermemeleri zorunluluğudur.

### 3. Kişisel Çıkar

Sadece kendi çıkarını düşünerek maksimum fayda ve maksimum kâr elde etmeyi düşünen serbest piyasa insanının karşısına İslam ekonomisi toplum yararını kendi çıkarından üstün tutan kanâatkâr insan tipini çıkarır. Liberal ekonomilerde önemli olan, bireysel çıkarlar olup ortak çıkarlar kabul edilmez. Kardeşini kendisine tercih etmesi tavsiye edilen Müslüman insanın dünyasına “kişisel çıkar” fikri ve uygulaması oldukça uzaktır. Böylece İslam’da, üretici tüketici ile fert de toplumla her zaman barışıktır.

Yalan söylemek, hak yemek, tekelcilik, karaborsacılık, sözleşmelere uymamak ve namuslu davranmamak İslam ekonomisinde yasaklanmıştır. Kendi çıkarları doğrultusunda hareket eden ve adına rasyonel insan veya faydacı insan denilen “homo economicus” tipi insana İslam bu nedenlerle oldukça yabancıdır. Ferdi menfaati toplum menfaati önüne koyarak davranan ve bundan toplumsal çıkarın doğacağını zanneden bu faydacı insan modeline karşın İslam, cemiyetin haklarını Allah’ın hakları arasında saymıştır.

Büyük balığın küçük balığı yutacağı acımasız piyasa koşullarını dayatan ve bunu doğanın gereği sayan liberal ekonomik düşünce aynı zamanda kamu yararı, toplum iyiliği ve ortak iyiliği reddetmektedir. Aynı zamanda zarar edenin iflasını açıklayarak alacaklıların hakkını gasp ettiği bir yapı olan serbest piyasa ekonomisine karşılık önemli olanın Allah’ın rızasını kazanmak olan maddi ihtirastan, açgözlülüğten ve sadece kendi menfaatini düşünmekten uzak bir insan modelini sadece “İslam ekonomisi” insanlıktan talep etmektedir.

### 4. Fiyat Mekanizması ve Rekabet

Serbest piyasa ekonomisi özgürlüğü rekabetle sağlar. Rekabet sayesinde, işlem gören bir mala alıcı ve satıcılar tarafından piyasa fiyatını etkileme imkânı tanınır. İslam’da da rekabet ve dolayısıyla fiyatların serbestçe belirlenmesine özel önem verilmiştir. Peygamberimiz bir hadisinde; fiyatları belirleyenin Allah olduğunu, bundan dolayı piyasaya müdahale edemeyeceğini ifade etmişlerdir. Piyasada fiyatları Allah’ın belirlemesi aslında fiyatların arz ve talebe göre oluşacağı manasına gelir. Bu yönüyle bakıldığında İslam’ın piyasaya ve fiyatlara müdahalesi öngörülmemektedir. Ancak toplum çıkarlarını da gözeterek İslam ekonomisi adaletsizlik, karaborsacılık gibi durumlarda piyasaya devlet müdahalesini caiz görür. Ayrıca İslam’da mal pazara gelmeden satın alınması da caiz görülmez. Bunun nedeni malın fiyatının pazarda oluşmasının sağlanmasıdır. Bu yönden bakıldığında serbest piyasa ekonomisi ile İslam ekonomisi paralellik arz eder diyebiliriz. Piyasada spekülasyona ve dolayısıyla haksız, emeksiz kazanca da İslam izin vermez.

Serbest piyasada narh benzeri tavan fiyat belirlenmesi ve kalite denetimi İslam ekonomisine göre çok azdır. Narh uygulaması zorunlu durumlarda

uygulanmakta olup tekelliliği önlemekte böylece fiyatların serbestçe belirlenmesine yardımcı olmaktadır. Eksik rekabetin ve ihtikârın olduğu piyasalara devlet narh yoluyla denetim getirmiştir. Bu yöntem İslam'ın toplum çıkarlarını savunan yönünü bizlere yansıtmaktadır. Serbest piyasa ekonomisinde ise fiyat kontrolü mevcut olmayıp insanlara sonsuz imkân sunarak toplum çıkarlarına değil birey özgürlüğüne atıfta bulunulur.

İslam'a göre arz ve talep oluşurken alıcı ve satıcı müsâmahakâr ve cömert olmalıdır. Bu sayede pazarlığın yumuşayacağı, arz ve talebin esneklik kazanacağı, fiyatlarda esneklik sağlanacağı ve böylece tekelliliğin önleneceği öngörülür. Serbest piyasa ekonomisine bu açıdan bakıldığında ise kişisel çıkar gereği, alışverişlerde bu tip bir müsâmahâ ve cömertlikten bahsedilemez.

## 5. Sınırlı Hükümet

Serbest piyasa ekonomisinde devlet iktisadi hayata ve doğal düzene müdahale etmez. Ancak temel hak ve özgürlükleri ve rekabeti korumak için hukuki ve kurumsal düzenlemeler getirir. İslami ekonomik sistemde ise devletin görevi özgürlüklerin ve özel mülkiyetin önünü açmak ve iktisadi engelleri kaldırmak ve can güvenliğini sağlamaktır. Buradan anlaşılıyor ki her iki sistemde de devletin oynadığı rol aynıdır. Ayrıldıkları nokta ise serbest piyasa ekonomisinde bireyin mutluluğu öncelikli olup devletin topluma yaptığı her müdahalenin toplumsal mutluluğu ve dolayısıyla bireysel mutluluğu bozacağı endişesidir. Smith'in belirttiği görünmez elin toplumu kendiliğinden mutlu edeceği vurgusuna karşın İslam'da devletin sosyal politikalar üretip, planlama yapması ve böylece piyasaya müdahale etmesi asıldır. Bu açıdan "bırakınız yapsınlar" ve "görünmez el" sloganları İslam ekonomisine uymaz.

İslam ekonomisinde devlet; kaynakların tahsisini yapmakta, piyasa üzerinde denetlemelerde bulunmakta, gerektiğinde fiyatlara narh/rayıç fiyat uygulamakta ve tabii kaynaklar israf edildiğinde denetimde bulunmaktadır. Bunun dışında büyük topraklarda kişilere kullanım hakkı vermekte fakat ilk zamanlarda iktâ ve sonrasında tımar sistemlerinde olduğu gibi bu toprakları devlet mülkiyetinde tutmaktadır. Serbest piyasa ekonomilerinde ise devlet sadece piyasayı koruyarak düzgün işlemesine katkıda bulunmakta olup toprakların devlet mülkiyetinde olmasını öngörmez.

Her iki sisteme birden bakıldığında; sınırlı hükümet kavramına önem verdikleri ve devletin üretim yapmayı üretim alanında sadece organizatör olarak var olmasını yeterli gördükleri açıktır. Fakat İslam'ın gerektiğinde toplumsal çıkar açısından piyasaya müdahale etmesi ve toprak mülkiyetinde bireye sadece yararlanma hakkı tanınması kendisine liberalizme göre daha devletçi bir yapı kazandırmıştır.

## Sonuç

Aşağıdaki tabloda herhangi bir ekonomik sistemde yer alabilecek birçok konuda serbest piyasa ekonomik sistemi ve İslam ekonomik sistemi karşılaştırılmıştır.

**Tablo 1:** Serbest Piyasa Ekonomisi ve İslam Ekonomisinin Çeşitli Başlıklarda Karşılaştırılması.

<i>Karşılaştırılan Konular</i>	<i>Serbest Piyasa Ekonomisinde</i>	<i>İslam Ekonomisinde</i>	<i>Karşılaştırma Sonucu</i>
Özel Mülkiyet	Serbest	Serbest	Uyumlu
Miras Hakları	Serbest	Serbest	Uyumlu
Servet Birikimi	Serbest	Yasak	Uyumsuz
Toplumsal Çıkar	Yok	Var	Uyumsuz
Mülkiyet Dokunulmazlığı	Var	Var	Uyumlu
İsraf Yasağı	Yok	Var	Uyumsuz
Faiz Özgürlüğü	Var	Yok	Uyumsuz
Piyasada Spekülasyon	Var	Yok	Uyumsuz
Yabancı Sermaye	Serbest	Serbest	Uyumlu
Uluslararası Ticaret	Serbest	Serbest	Uyumlu
Teşebbüs Özgürlüğü	Var	Var	Uyumlu
Tüketim Özgürlüğü	Var	Sınırlı	Sınırlı Uyumlu
Ahlâki Değerlerin Piyasayı Etkilemesi	Yok	Var	Uyumsuz
Kişisel Çıkar	Serbest	Sınırlı	Sınırlı Uyumlu
Piyasa Rekabeti	Serbest	Serbest	Uyumlu
Fiyatların Belirlenmesi	Serbest	Serbest	Uyumlu
Tekelcilik	Serbest	Yasak	Uyumsuz
Piyasa Denetimi	Yok	Var	Uyumsuz
Devletin Toplumsal Müdahalesi	Yok	Var	Uyumsuz
Toprakta Devlet Mülkiyeti	Yok	Var	Uyumsuz
Sınırlı Hükümet	Var	Var	Uyumlu

Bu tablo detaylı olarak incelendiğinde birçok konuda serbest piyasa ekonomisi ile İslam ekonomisinin uyumlu olduğu kadar bir o kadar da uyumsuz alanları kapsadıkları dikkatlerden kaçmamaktadır.

Şöyle ki özel mülkiyet, miras hakları, mülkiyet dokunulmazlığı, yabancı sermaye serbestisi, uluslararası ticarete bakış açısı, bireylere sağlanan teşebbüs özgürlüğü, rekabet özgürlüğü, fiyatların serbestçe belirlenmesi ve devletin sınırlı müdahalesi açısından her iki sistem de birbirleriyle tam olarak uyum içerisindedir. Tüketim özgürlüğü ve kişisel çıkar açısından ise her iki sistemin benzeştiği ve ayrıştığı alanlar mevcut olmakla birlikte servet birikimine bakış açısı, toplumsal çıkarlar, israf hürriyeti, faiz özgürlüğü, piyasada spekülasyon yapılması, ahlâki (dini) değerlerin piyasayı etkilemesi, tekelleşme, piyasa denetimi, devletin toplumsal müdahalesi ve toprakta devlet mülkiyeti alanlarında ise her iki sistem tamamen birbirinden ayrılmaktadır.

İslam ekonomisi toplum çıkarlarını her durumda bireylerin kişisel çıkarlarından önde görmekte olup serbest piyasanın bireylere verdiği özgürlüklerin toplum çıkarını olumsuz etkilemesine asla izin vermez. Serbestliğin sınırlarını toplumun çıkarları çevreler ve bunun dışına çıkılması İslam ekonomisinde yasaklanmıştır. Birey yaptığı her ekonomik harekette kendi çıkarıyla birlikte toplumun çıkarlarını da gözetmekle mükellef kılınmıştır. Bireysel açıdan İslam ekonomisi mülkiyete serbestlik tanıdığı halde buna bir sınırlama getirmiş ve servet birikimine mani olmuştur. Ayrıca eldeki servetin sınırsız harcanması da israf yasağı nedeniyle mümkün değildir. Dolayısıyla bir Müslüman, kazançta ve kazandığını harcamada da üst limitlere sahiptir. Bu nedenle israf etmeden toplumun çıkarları açısından kazandığını paylaşmak İslam ekonomisinin esaslarından biridir. Tekelleşme, karaborsacılığı yasaklayan ve piyasada kalite denetimi ve narh uygulaması getiren İslam ekonomisi bu yasakları toplum çıkarları açısından uygulamaya koyar. İslam ekonomisi bu tip yasaklarla bireyin daha fazla kazanmasını sağlayan ve bireysel çıkarları koruyan değil toplumsal çıkarları koruyan bir yapıdır.

Kapitalizm ve onun uygulama alanı olan serbest piyasa ekonomisi ile İslam dini ve onun ekonomik alandaki yansıması olan İslami ekonomi modeli tam anlamıyla benzeşmemektedir. Her ne kadar bazı araştırmacılar İslam ekonomisinin aslında tam anlamıyla bir serbest piyasa ekonomisi olduğu hususunda ısrarcı olsalar dahi her iki sistemin insana ve topluma bakış açısı farklı olup İslam ekonomisi sadece bir serbest piyasa ekonomisi değil; devletin de lüzumlu hallerde sisteme katkı yaptığı, paylaşımcı, toplumcu, insani ve ahlâki unsurları da içeren bir “sosyal piyasa ekonomisi”dir.

Aslında bir “sosyal piyasa ekonomisi” olan İslam ekonomisi uygulamaya konulduğunda; türev ürünlerden, faiz ve belirsizlikten uzak finansal ürünler sunarak, reel ekonomiyi destekleyecek ve dengeli maddi teşvikler vererek

kobilerin sayısını artıracaktır. Böylece sermaye daha küçük iş birimlerine bölünerek sermaye dağılımı sağlanacak ve tekelleşme önlenebilecektir. KOBİ gibi küçük ve orta boy işletmelerin artışıyla istihdam artışı sağlanacak, milli gelirin yükselmesi ve zenginle fakir arasındaki makasın kapanması sağlanabilecektir. Bu tip bir ekonominin sosyal ve paylaşımcı yönü ile de yoksulluğun giderilmesi için bireylerin gönüllü bağışları, devlet bütçesi ile desteklenerek yardım faaliyetleri artırılabilir.

Son olarak söylenebilir ki denge dini olan İslam, ekonomiye sunduğu bakış açısı ve uygulamalarıyla kapitalizmin uzun süreden beri olagelen ve sürekli kriz üreten dengesiz yapısını giderecek bir “sosyal piyasa ekonomik sistemi” ni bizlere sunmaktadır.

**Kaynakça**

- Acar, Mustafa (2010), "Serbest Piyasa Ekonomisi ve İslam'daki Algılanışı", Konrad- Adenauer-Stiftung Yayını, 23-24 Eylül 2010, Ankara.
- Bastiat, Frederic (1964), "Economic Harmonies", Nostran Press, London.
- Chapra, M. Umer (1993), "İslam ve İktisadi Kalkınma", Çeviri: Adem Esen, Cantaş Yayınları, İstanbul, 2012.
- Çiftlikli, Mehmet (1993), "Serbest Piyasa Ekonomisinde Müteşebbis ve İnsan Faktörü", Çimento İşveren Dergisi.
- Erdem, Ekrem (2015), "İslam İktisadı ve Piyasa", İGİAD Yayınları, 17, İstanbul.
- Freidman, Milton (1988), "Kapitalizm ve Özgürlük", Çev: Doğan Erbek, Altın Kitaplar Yayınları, İstanbul.
- Gül, Ali Rıza (2010), "Serbest Piyasa Ekonomisi ve İslam'daki Algılanışı", Konrad-Adenauer-Stiftung Yayını, 23-24 Eylül 2010, Ankara.
- Karakoç, Sezai (2013), "İslam Toplumunun Ekonomik Strüktürü", Diriliş Yayınları, İstanbul.
- Özel, Mustafa (1994), "Birey-Burjuva-Zengin", İz Yayınları, İstanbul.
- Qazi, Bilal Ahmed (2015), "İslam İktisadı ve Piyasa", İGİAD Yayınları, 17, İstanbul.
- Rand, Ayn (1990), "Kapitalizm Nedir?", Yeni Forum, c.11.
- Sezgin, Şennur (2010), "Piyasa Ekonomisinin Şartları ve Özelleştirme", Akademik İncelemeler Dergisi, Cilt 5, Sayı 2, 2010.
- Tabakoğlu, Ahmet (2008), "İslam İktisadına Giriş", Dergah Yayınları, İstanbul.
- Tabakoğlu, Ahmet (2010), "Serbest Piyasa Ekonomisi ve İslam'daki Algılanışı", Konrad-Adenauer-Stiftung Yayını, 23-24 Eylül 2010, Ankara.
- Tayyar, Ayşegül ve Çetin, Birol (2013), "Liberal İktisadi Düşünce Devlet", C.Ü. İktisadi ve İdari Bilimler Dergisi, Cilt 14, Sayı 1, 2013.
- Ünsal, Erdal M. (2004), "Makro İktisada Giriş", Siyasal Kitapevi, Ankara.
- Yayla, Atilla (1992), "Liberalizm", Turhan Yayınları, Ankara.
- Yeniçeri, Celal (1980), "İslam İktisadının Esasları", Şamil Yayınevi, İstanbul.
- Zaim, Sabahattin (1991), "İslam Ekonomisinin Temelleri", İstanbul Sabahattin Zaim Üniversitesi, Yayın No:6, 2014.



INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES



*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol: 2, Issue: 3

Kasım 2016,  
Cilt: 2, Sayı: 3

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



**İslam Ekonomisinin Arzuları ve Gerçekleri Arasındaki Uzaklaşma:  
Farklılığı Azaltmaya Yönelik Bir Politik Ekonomi Yaklaşımı (Çeviri)**

**Nazım Zaman**

*Doktora Adayı, Durham Üniversitesi, İslami Finans Programı, n.a.zaman@durham.ac.uk*

**Mehmet Asutay**

*Öğretim Üyesi, Durham Üniversitesi Politik Ekonomi Bölümü, mehmet.asutay@durham.ac.uk*

**Çevirenler**

**Uğur Uyğun**

*Araştırma Görevlisi, Sakarya Üniversitesi, Maliye Bölümü, ugunuygun@sakarya.edu.tr*

**Abdullah Talha Genç**

*Yüksek Lisans Öğrencisi, Sakarya Üniversitesi, İslam Ekonomisi ve Finansı Bölümü,  
abdullahtalhagenc@gmail.com*

**Salih Ülev**

*Araştırma Görevlisi, Sakarya Üniversitesi, İslam Ekonomisi ve Finansı Bölümü,  
salihulev@sakarya.edu.tr*

**MAKALE BİLGİSİ**

**ÖZET**

**Anahtar Kelimeler:** *İslam Ekonomisi, Politik Ekonomi, İslami Gelişme*

**Jel Kodu:** O10, P41, P43, P48, Z12

© 2016 PESA Tüm hakları saklıdır

İslam ekonomisi modern anlamda 1960'lerde ortaya çıkmasına rağmen, şimdilerde ana akım neoklasik gelişmeye karşı İslami bir alternatif olarak temsil edilen tek tezahürün İslami banka ve finans endüstrisi (İBF) olduğunu görüyoruz. İBF endüstrisindeki gelişmeler gösteriyor ki bu endüstri geleneksel finansa doğru yaklaşmıştır. Sonuçta, bu endüstri İslami ekonomik sistemin kurumsal ve politik arzularını yerine getirmekte başarısız olmuştur. Bu makale İslami ekonomik sistemin arzuları ile İBF endüstrisi arasındaki farklılaşmanın nasıl meydana geldiğini açıklamaya çalışmaktadır ve salt ekonomi ve fıkıh düşüncesinin ötesinde olan İslam'ın kavramsal bir gelişme modelini sunmaktadır. Bu makale temel aksiyomların aslında tamamen temel kurumsal uygulamalara dayandığını göstermek için politik ekonomi yaklaşımını önermektedir. Ayrıca bu amacı gerçekleştirmek için politik vizyon, istek ve ilderliği de içeren ön koşulları açıklamaktadır.

## 1. Giriş

İslam ekonomisinin kurucu babaları ilk eserlerinde İslam'ın gelişme için alternatif bir yol temin etme potansiyelini moral ve refah prensiplerine dayalı olarak kapsamlı bir şekilde ele almıştır. Onlar İslam'ın gelişme potansiyelini ele alırken hem etik açıdan hem de sosyo-ekonomik açıdan bir değerlendirme yapmışlardır. Adalet, sosyal eşitlik, kardeşlik, hayırseverlik ve iş birliği gibi kavramlar İslami sistemin amaçladığı toplumu yukarıya taşıyacak araçlar olarak ifade edilmiştir. İslami ekonomi "teori"sinin son zamanlarda ortaya koyduğu tek ürün veya söylem, öncülerinin 1960 ve 1970'lerin başında ortaya koyduğu amaçları ve beklentileri maalesef gerçekleştirilemeyen İBF endüstrisi olmuştur. Aslında İBF endüstrisi geleneksel finansal sektörün bir parçası olarak küresel kapitalist ekonomide büyüme göstermektedir. Son 30 yılda İBF endüstrisi büyük bir büyüme göstermesine rağmen, Körfez bölgesinin ötesindeki Müslüman ülkelerin sokaklarında yaşayan sıradan insanların hayatlarına dokunmadığı söylenmektedir. İslam ekonomisinin ideallerinden bu kopuş, bu yüzden, alandaki pek çok kişi tarafından eleştirilmektedir. Geleneksel teori ve günümüz pratikleri arasında büyüyen bu makas İslami bankacılık üzerinde son günlerde yapılan tartışmaların odak noktası haline gelmiştir (Hasan, 2005).

Bu makale İslam'ın ontolojik ve epistemolojik kaynaklarına dönüş yaparak, bu kaynakların mevcut realiteye karşı eleştirilerini ve olması gerekenleri yeniden gözden geçirerek nelerin yanlış gittiğini anlamayı amaçlamaktadır. Bu nedenle, İslam'ın gelişme modelinin yeniden bir değerlendirmesini yapmayı önermektedir. Bu modelin interaktif ve dinamik doğası bu yeni değerlendirmeden gelişme kavramını ekonomi ve fıkın dar çevresinden ziyade politik ekonominin geniş perspektifi içerisinde yeniden ele almasını istemektedir. Şunu not etmek gerekli ki, Arapçada *fıkıh* kelimesi kelime anlamı olarak "derin ve geniş anlayış" anlamına sahiptir. Ancak bu makalenin amacına uygun olarak biz *fıkıh* kavramını *fukahanın* tanımına göre kullanacağız ki bu tanım sadece İslami kanunların yazılı hali ya da *ahkam* olarak ifade edilmektedir. Bu makale parça parça çözümlerin, mesela İslami bankacılıktaki durum gibi, Müslüman toplum ve cemaatlerin gelişme ihtiyaçlarına çözüm sunamayacağını iddia etmektedir. Başka bir deyişle, İslam ekonomisinin arzularını sadece *ribayı* yasaklayan ve İslami finansal kurumların kapitalist değer sistemi içerisinde kurulduğu bir etik ve moral ekonomi tesis etmek olarak gören indirgemeci yaklaşım peşinde olunan yüce amaçlara hiçbir katkı sağlayamayacaktır.

## 2. Yeniden Gözden Geçirilmiş İslam Ekonomisinin Temel Aksiyomları

İlk yazılı eserlerde İslam ekonomisi azametli olarak tarif edilirken bazılarında göre İslami toplum teorisi ve İslami ekonomi teorisinin uygulanmasının sonucu olan toplumsal gelişmenin ütopyik bir görüntüsüdür. Bu tür bir tanımlama yapılırken yaygın *tevhid*, *adalet*, *ihsan* ve *tezkiye* gibi temel aksiyomlar sıralanmaktadır. *Zekat* ve *ribasız*(faizsiz) ticaret gibi yöntemler sistemin ana çerçevesi(framework) olarak sunulmaktadır. İslam ekonomisi literatürünün büyük kısmı, şu an olduğu gibi, İslam'ın bu kurucu kavramlarını açıklayarak işe başlamaktadır. Bu literatürün büyük çoğunluğu epistemolojik referanslarını *Kuran* ve *Sünnet'e* dayandırarak bu kavramları açıklamaktadır.

İslam ekonomisi disiplini İslam'dan neşet bu felsefi temellere dayanmaktadır ki bu da onu kapitalizm ve sosyalizm gibi seküler ve materyalist temelli sistemlerden ayırır. İslam ekonomistleri, enerjilerinin çoğunu bu aksiyomları sıralamaya ve açıklamaya ayırmışlardır. Bunu yaparken muteber bir alternatif olarak İslam ekonomisinin amaçlarındaki farklılığı belirtmeye ve İslam ekonomisinin neden gerekli olduğunu ifade etmeye çalışmışlardır. Bu konuda çok sayıda eser yazılmış olmasına rağmen çoğu eser benzer bilgileri tekrarlamaktadır. Dolayısıyla biz de bu aksiyomları açıklarken bu çalışmalara atıfta bulunabiliriz.

Muhammed Bakır El-Sadr *Iqtisaduna*(1961) kitabıyla ve Seyyid Ebul A'la Mevdudi pek çok çalışmasıyla (1946; 1970; 1960a; 1960b) İslam ekonomisinin modern zamandaki ilk yazarları olarak kabul edilmektedir. İkisi de İslam'ın kapsayıcı prensiplerinin hayatın bütün yönlerine uygulanabileceğini ve ekonominin bir ayrıcalığı olmadığını ifade etmişlerdir. Bu prensipler yada aksiyomlar; manevi gelişmeye götüren ve insanı düşünce ve eylem bazında yüce bir mertebeye ulaştıran ve Allah'ın yeryüzündeki halifesi olma vasfını sahiplenen aksiyomlardır. İslam ekonomistlerinin hepsi böyle bir bakış açısına sahiptir. Ahmad (1980), Siddiqi (1981), Naqvi (1981) ve Chapra (1992, 2000) gibi yazarlar aşağıdaki aksiyomları sıralamaktadır:

*Tevhid*: (Allah'ın Birliği/Vahdeti/Yüceliği): *Tevhid* bütün İslami öğretinin özüdür. *Tevhid* bütün İslami düşünce ve eylemin altında yatan ve eş zamanlı olarak bu düşünce ve eylemlere nüfuz eden şeydir. *Tevhid'in* dikey boyutu, bireyin Allah'a inanmasını ve O'na güvenmesini ifade etmektedir. *Tevhid'in* yatay boyutu ise bireyin diğer yaratılanlarla olan etkileşimini ifade etmektedir ve diğer aksiyomların bazılarında kendilerini göstermektedir.

*Adalet*: İslami terimlerde adalet Şeriat şemsiyesi altındaki herkese hakkını vermeyi gerektirmektedir. Bundan dolayı adalet aksiyomu; vatandaşlık haklarını, komşuluk haklarını, karı-koca haklarını, anne baba ve çocuk haklarını, işçi-işveren haklarını vb. hakları kapsamına almaktadır. Ayrıca

adalet hayvan ve çevre hakları gibi daha soyut hakları da kapsamına almaktadır. Adalet aksiyomu zulmün zıttıdır.

*Takva*: İkinci İslam halifesi Hz. Ömer'e takva sorulduğunda şöyle açıklamıştır “birinin dikenli bir yolda giderken elbisesini toplaması, böylece dikenlerin ona zarar vermesini engellemesidir”. Dolayısıyla takva, örnek alınacak davranışları ve olumlu normları hayata geçirmek için bilgiyi kullanmayı ifade etmektedir. Takva kavramı *ihsan* kavramıyla yakından alakalıdır.

*Uhuvvet (Kardeşlik)*: *Uhuvvet* Aksiyomu insanların kardeş olduğunu ifade etmektedir. Herkes Hz. Adem'in çocuğudur. Nitekim yakınlık, sevgi ve işbirliği ideal bir İslami toplumda gerçekleşir ve bu da *adaletin* kavramsal bir uzantısıdır.

*Hilafet*: *Hilafet* aksiyomu insanoğlunun Allah'ın dünyadaki halifesi olduğunu ve insanın Allaha karşı sorumlu olduğunu ifade etmektedir. Allah'ın bu dünyadaki temsilcisi olarak, kişi öbür dünyada hesabını vereceği bir sorumluluğun altına girmiştir. Dolayısıyla İslam iki boyutlu fayda/refah fonksiyonu sunmaktadır. Şu belirtilmeli ki, bu kavram sadece yöneticileri ve liderleri değil herkesi kapsamına alan bir kavramdır.

*İhsan*: Eğer *tevhid* İslam'ın merkezi çekirdeğindeyse, *ihsan* onun güzelliğinin zirvesi veya son süsüdür. Bu ekonomik, sosyal ve manevi anlamdaki dinamik gelişme sürecinin nihai amacıdır ve *ihsan* elde etmek felahı elde etmek demektir. . İhsan, sonuç olarak, diğer tüm değerlerin ve aksiyomların hayata geçirilmesi olarak yorumlanabilir. İhsan ve onun merkezindeki önerilen model izleyen bölümde tartışılacaktır.

Bu liste kesinlikle her şeyi kapsayan bir liste değildir. Bu listeye içerisinde sosyo-ekonomik ve manevi gelişmeye yönelik uygulamaları olan İslam ekonomisinin *sabır, ubudiyet, şükür, cihad, tevazu, rububiyet* ve *tezkiye* gibi temel aksiyomları eklenebilir.

Böylece, İslam ekonomisi, kurucu aksiyomları ortaya koymakta, İslam'ın epistemolojik ve ontolojik kaynaklarına dayalı olan etik ve sistemik bir ekonomi ve finans anlayışı amaçlamaktadır. Ancak, kuruluşundan 10-20 yıl sonra İslam ekonomisinin yapısal ve kurumsal uygulamaları sadece İslami bankacılık ve finans endüstrisi formuna girmiştir ve bugün İBF endüstrisi diye isimlendirilen bir büyüme ile sonuçlanmıştır. İslam ekonomisi teorisi (İBF endüstrisinin işlevinin içinde olduğu normatif çerçeveyi öneren) operasyonel aksiyomlarını layıkıyla geliştirememiştir. İBF endüstrisinin dolaylı olarak neo-klasik varsayımları benimsediğini görmekteyiz.

Aslına bakılırsa İslami banka ve finansal kuruluşlar, İslam ekonomistlerinin öncü aksiyomatik hedeflerini gerçekleştirmekten ve sosyo-

dini normların ahlaki bir ekonomi şeklinde oluşturulmasına yardım etmekten ziyade, sözde bir İslami alternatifi olarak kapitalist borç verme modelinin yeniden pazarlanmasında daha başarılı olmuşlardır. İBF'lerin bu başarısızlığı, son dönemlerde birçok İslam ekonomisti tarafından eleştirilmektedir. Tartışmaların detayları için Siddiqi (2004), Hasan (2005), El-Gamal (2006), Asutay (2007a;2007b) ve Nagaoka (2007)'ya bakılabilir. İBF'lere yönelik getirilen bu eleştirilerin detayları bu kısmın konusu değildir. Fakat yine de bu eleştirilerin 2 ana başlık altında gruplandırılabilceğini ifade etmemiz gerekmektedir.

İlk olarak, faizsiz bankacılık ve finans kavramının ekonomik olarak makul olmadığı noktasından hareketle eleştiriler yöneltilmektedir. Maliyet ve verimlilik konuları, bu tarz bir yaklaşımın, nasıl ürünlerin daha da pahalılaşmasına yol açtığını ve bundan dolayı da ihtiyaç duyulan ürünlere bile daha zor ulaşıldığının vurgulanmasında kullanılmıştır. Eğer şeriatın sıklıkla vurgulanan amaçlarından (*imakasid*) biri insanların servetini(malı) korumaksa, İBF'lerin burada kesinlikle başarısız olduğu rahatlıkla söylenebilir. İBF'lere yönelik diğer bir eleştiri ise büyük miktardaki servetlerinin yalnızca çok küçük bir kısmının, Müslüman toplumların en muhtaç kesimlerine ulaşmış olduğu gerçeğidir. Bu servetler daha düşük gelirli yerlere petrol zengini devletlerin büyük kurumsal çıkarları arasında dolaşmaktadır. Bu nedenle, İBF endüstrisinin 1970'lerde Körfezdeki petrol şokları ve petro-dolarların piyasaya çıkmasıyla aynı tarihlerde ortaya çıkmasında şaşılacak bir durum yoktur.

İkinci olarak, finansal ürünleri yeniden yapılandırarak şeriata uygun hale getiren finansal mühendislik sürecine karşı büyüyen eleştiriler, fikhın bu süreçte gerçekten gerektiği gibi kullanılıp kullanılmadığı noktasına odaklanmaktadır. El-Gamal gibi bazı şüpheçiler, bu tür sözleşmelere fetva veren Şeriat alimlerinin İBF endüstrisinde ücret alarak çalışmasından huzursuz olduğunu ifade ederken bazıları da bu tür sözleşmelerin şer'i kanunların etrafından dolaşarak oluşturulduğunu ve *riba* yasağıyla ilgili prensipleri ihlal ettiğini söylemektedir. Bu kategoride eleştirilerin birleştiği nokta fikhın kısıtlayıcı olduğunu, zamanı geçmiş olduğunu ve baskın modern kapitalist dünya ekonomisinin zorluklarını karşılayamadığını ifade etmektedir. Bu yüzden de geriye sadece ekonomik konulara teknik yaklaşım kalmaktadır. Müslüman toplumların gelişim probleminde çözüm olabilecek politik yönler dikkate alınmamaktadır.

Bu nedenle, bu makale İslam'ın epistemolojik ve ontolojik kaynaklarını inceleyerek İslami gelişme paradigmasının yeniden kavramsallaştırması sayesinde her iki eleştiri alanının da faydasız ve miyopik(uzacı göremeyen) olduğunu gösterme niyetindedir. Bir sonraki bölümde önerilen model İslam'daki insani gelişmenin nasıl interaktif dinamik bir süreç olduğunu ve bu

gelişmenin hem iktisadi faaliyetin hem de fikhın çalışma alanını nasıl aştığını göstermeyi amaçlamaktadır.

### 3. İslam'da Gelişimi Yeniden Düşünmek

Konvansiyonel ekonomi aydınlanma dönemi sonrasında farklı bir bilim olarak ortaya çıkmıştır ve pozitif bilimlerin varsayımlarını ve araçlarını taklit etmeye çalışmıştır. Benzer biçimde İslam ekonomisi, İslami kimlik siyasetinin bir parçası olarak, ulus inşa etmede gerekli görüldüğü sömürge sonrası döneme kadar farklı bir bilim olarak var olmamıştır.

Bundan dolayı, en eski İslami öğretilerde ekonomik gerçekler yer almasına rağmen, gelişme kavramı insanın doğasıyla ilgili İslami ontolojik bakış açısının içine sızmış ve onunla iç içe geçmiştir. Bunun anlamı gelişim sadece ekonomik değil bunun çok daha ötesinde ahlaki, ruhsal ve evrensel boyutlara sahiptir. Bu nedenle, farklı bir İslami gelişim paradigması formülünün oluşturulması ihtiyacı aşikârdır. Bunu desteklemek için El-Ghazali (1994) "İnsanoğlunun temel ihtiyaçlarını birleştirmek için gelişimin tüm konsepti incelenmelidir ve gelişimin bileşeni olarak sadece basite indirgenmiş büyüme oranları dikkate alınmamalıdır." demiştir. 1970'lerde ortaya çıkan İslam ekonomisi, insan odaklı ekonomik gelişmeyi inkâr etmekle suçlanan başarısız ulusalcı, kapitalist ve sosyalist gelişim stratejilerine sağcı (siyasal anlamda) bir cevap niteliğinde olması bakımından önemlidir. Bu durum İslam ekonomisinin çekirdeğindedir(merkezindedir). Yapısalcı ekonomik gelişmenin çok boyutlu yaklaşımı özellikle Ahmad (1994) gibi İslam ekonomistleri tarafından vurgulanmıştır. Örneğin Ahmad (1994) "...İslami gelişim kavramı nitelik bakımından kapsamlıdır ve ahlaki, manevi ve materyal boyutları kapsamına alır. Gelişim bir amaca ve değer odaklı aktiviteye dönüşerek tüm bu alanlardaki insan refahının optimizasyonuna tahsis edilir." demiştir.

Bir gelişme modelini ya da paradigmasını tartışmadan önce, gelişim kavramının ve onun doğasının tanımlanması gerekmektedir. Ama daha önemlisi teori ve politika olarak İslam ekonomisinin bu modelin içerisine nasıl yerleştirileceğidir. Kur'an'ı Kerim ve Peygamber Muhammed (sav)'in sünneti tüm İslami anlayışın kaynaklarıdır ve insanın varoluşunun temel tanımını yapmaktadır ve bu tanımların nasıl olması gerektiğini söylemektedir. Bu kaynaklar sonsuz bir bilgi deryasına benzemektedir. Tabi ki bu çalışmada bütün bu kaynaklar açıklanamaz. Fakat bu kaynakların ilgili bölümlerinden küçük alıntılar yapılacaktır. Şimdi okuyacaklarınız bu çalışmanın amacına uygun olarak İslam'daki gelişimi ana hatlarıyla anlama bakımından yeterli olacaktır.

İnsan gelişiminin dinamik doğasını ve değişimin gerekli olduğunu göstermek için, Kur'an *sırat*(yol) üzerindeki bir yolculuk cihetinden olumlu

insani gelişiminden bahsetmektedir. Allah Kur'an'da bu yoldan bazen *sıratı mustakim*(uzun yol) ya da *sırat* (benim yolum) diye bahsetmektedir. Bu dikkate değer ima, İslam'ın sabit ya da durgun bir varoluşu kabul etmemesi, dahası, katılım ve etkileşimi tasvip etmesi cihetinden önemlidir. Bu dinamik etkileşim modelinde insani, ruhsal ve sosyo-ekonomik gelişim devamlı değişen paradigmanın bir parçasıdır. Bu değişim merkezli düşünce (konum) ruhbanlığın kınandığı diğer ayetler tarafından pekiştirilmiştir. Allah buyurur ki “uydurdukları ruhbanlığa gelince onu, biz emretmedik. (Kur'an,57:27)”

Bu yolculukta başarılı olanlar birçok ayette tarif edilmiş ve bu kimselerden çoğunlukla *müflihun* (felaha ulaşmışlar) ya da *muhsinun* (İhsana nail olanlar) diye bahsedilmiştir. Amaçlarımız için bu iki sıfatı eş anlamlı olarak düşünebiliriz, bu vasıtayla Felah ve İhsan birbiriyle ilişkilendirilmiş olur. Yoldaki ayrıntılar ve başarılı olanların davranışları, daha yüksek bir mertebeye ulaşmak için, bütün yaratılmışlardan daha üstün olmak için İslam'ın insanlardan ne istediğini göstermektedir. Aşağıdaki birkaç ayette ilgili kelimeler kalın italik yazılmıştır.

- "Ben cinleri ve insanları, ancak bana **kulluk etsinler** diye yarattım." (Kur'an, 51:56)

- "Bana kulluk edin. İşte bu **dosdoğru yoldur**" (Kur'an, 36:61)

- "Onlar gaybe **inanırlar**, namazı dosdoğru kılarlar, kendilerine rızık olarak verdiğimizden de Allah yolunda harcarlar. Onlar **sana indirilene de, senden önce indirilenlere de inanırlar**. Ahirete de **kesin olarak inanırlar**. İşte onlar Rab'lerinden (gelen) bir doğru yol üzeredirler ve **kurtuluşa erenler** de işte onlardır (Kur'an, 2:3-5).

(Ey Muhammed!) De ki: "Gelin, Rabbinizin size haram kıldığı şeyleri okuyayım: Ona hiçbir şeyi **ortak koşmayın**. Anaya babaya iyi davranın. Fakirlik endişesiyle çocuklarınızı öldürmeyin. Sizi de onları da biz rızıklandırırız. (Zina ve benzeri) çirkinliklere, bunların açığına da gizlisine de yaklaşmayın. Meşrû bir hak karşılığı olmadıkça Allah'ın haram (dokunulmaz) kıldığı canı öldürmeyin. İşte size Allah bunu emretti ki aklınızı kullanasınız. Rüştüne erişinceye kadar yetimin malına ancak en güzel şekilde yaklaşın. **Ölçüyü ve tartıyı adaletle tam yapın**. Biz herkesi ancak gücünün yettiği kadarıyla sorumlu tutarız. (Biris hakkında) konuştuğunuz zaman yakınınız bile olsa adil olun. Allah'a verdiğiniz sözü tutun. İşte bunları Allah size öğüt alınız diye emretti. İşte bu, **benim dosdoğru yolum**. Artık ona uyun. Başka yollara uymayın. Yoksa o yollar sizi parça parça edip O'nun yolundan ayırır. İşte size bunları Allah sakınsınız diye emretti (Kur'an, 6:151-153).

Sonuç olarak yalnızca Allah'a ve onun açıkladıklarına iman etmek doğru yolda başarılı olmanın temel gerekliliğidir. Allah'a inancın dile getirilmesi,

dinamik olarak değişen düzenin/paradigmanın yapısalıcı bir tavırla, *ihsana* ve *felaha* ulaşmayı sağlayacak rehberliği ve kaynağı ortaya koymaktadır. Bundan dolayı *tevhid* aksiyomu sorgulanamaz bir biçimde aynı zamanda hem İslami aktivitenin kökeni hem de başarılı olma durumunda esaslandırılmış mecburi potansiyel gelişimin çekirdeğini oluşturur. Eğer bu gereklilik gerçekleşmezse İslami gelişimin yolunda hareket etme imkânı kalmaz. Başarılı bir hayatın merkezi çekirdeği olarak *tevhid* hayatın yapısına nüfuz ederek bütün diğer faaliyetleri destekler ve eş zamanlı olarak hayatın bütün yönlerini yargılayacak/değerlendirecek kriterleri/standartları devam ettirir. Sürekli bir denetleme döngüsü, *tevhid*i gerekliliğe ve *tevhid*in gerçekleşmesine atıfla uygulanır.

Yolun tekrar tekrar kullanılmasının başka bir metafor görünüşü de gelişmenin bir anda gerçekleşmediği bunun yerine dinamik olarak devamlı geliştiğine ve ilerlediğine vurgu yapmasıdır. İnsandaki gelişim ile sosyo ekonomik gelişim büyüme ve değişmeye eşit olduğundan bu yol metaforu oldukça faydalıdır ve bu yazıda devam ettirilecektir. (Ghazali, 1990: 24). Bu nedenle İslam'da faaliyete yönelik oryantasyon, kendini geliştirme ve süreç oryantasyonu bakımından oluş sürecini(becoming) ifade eder ki bu oryantasyon yapmaya(doing)(Harekete geçme ve başarı odaklı) ve olmaya(being)(kendini ifade etme yönlü) yönelik oryantasyonun tam zıttıdır.

Gelişim, İslam açısından çok boyutlu bir faaliyet olarak görülmektedir. Gelişme çabası eşanlı olarak birçok yönde yapılmalıdır, tek bir anahtar faktöre soyutlama metodolojisi ve bir özel alana yoğunlaşma işe yaramayacaktır. Şu not edilmelidir ki, neo-klasik ekonominin hatası ekonomik analiz faaliyetini hayatın diğer faktörlerini dışlayarak yapmasıdır. Ancak, bu dışlanmış hayat görüşünün karşıtı olarak, İslam farklı faktörler ve güçler arasında bir denge kurmayı çabalar. Bu şekilde bu faktörler ve güçlerin hepsi ilişkilendirilmeli ve harekete geçirilmelidir. Dolayısıyla, İslami Politik Ekonomi, gerçek hayatı belirleyen bütün bu güçlerin çok boyutlu entegre bir modelde içselleştirildiği, interaktif bir paradigmayı temsil etmektedir.

Bu paradigmayı doğrulamak için, İslami epistemoloji ileri bir kavrayış sunabilir. Örnek olarak, İslami bilimlerde iyi bilinen bir prensip olan sünnet, yani Hz. Muhammed'in sözleri ve yaptıkları, Kur'an'da sunulan kapsamlı rehberliğin daha detaylı kavrayışını elde etmek için kullanılır. Bu makalenin amacı için, *Cebrail hadisi* olarak bilinen özel bir *hadis* özellikle önemlidir ve bütün klasik İslam alimleri tarafından İslam'ın kısa ve özlü bir özeti olarak sunulmuştur. İkinci raşit halife Hz. Ömer rivayet ediyor:

"Bir gün Resulullah'ın yanında iken bir adam çıkageldi. Elbisesi bembeyaz, saçları simsiyahtı ve üzerinde herhangi bir yolculuk belirtisi yoktu. Üstelik aramızda onu tanıyan da yoktu. Peygamber'in (sav) yanına oturdu;



dizlerini onun dizine dayayıp ellerini uylukları üzerine koydu. Sonra da, 'Ey Muhammed! Bana İslam'ı anlat.' dedi. Bunun üzerine Resulullah (sav) şöyle buyurdu: 'İslam, Allah'tan başka ilah olmadığına ve Muhammed'in Allah'ın elçisi olduğuna şahitlik etmen; namazı kılman, zekatı vermen, Ramazan orucunu tutman ve eğer gücün yetiyorsa haccı yerine getirmendir.' Bu sözler üzerine adam, 'Doğru söyledin!' dedi. Biz ise, adamın hem soru sorup hem de onu tasdik etmesine şaşırдық. Sonra, 'Bana imanı anlat.' dedi. O da, 'İman; Allah'a, meleklerine, kitaplarına, peygamberlerine, ahiret gününe ve iyisi ve kötüsüyle kadere inanmandır.' şeklinde karşılık verdi. Adam yine, 'Doğru söyledin!' deyip peşinden, 'Bana *ihsan* anlat.' dedi. O da şöyle söyledi: 'İhsan, Allah'ı görüyormuşsun gibi ibadet etmendir. Çünkü sen O'nu görmeden de O seni görmektedir.' Daha sonra adam, 'Bana kıyameti anlat.' dediğinde, Peygamber (sav), 'Bu konuda kendisine soru sorulan kimse, soruyu sorandan daha bilgili değildir.' dedi. Adam, 'Öyleyse bana onun alametlerini söyle.' deyince, şunları saydı: 'Cariyenin efendisini doğurması ve yalın ayak, çıplak, fakir sürü çobanlarının yüksek binaları yapmada yarıştıklarını görmendir.' Sonra adam gitti. Bir süre sonra Hz. Peygamber bana soru soranın kim olduğunu bilip bilmediğimi sordu. Ben, 'Allah ve Resülü en iyisini bilir.' dediğimde şunu ifade etti: 'O, Cebrail idi. Size dininizi öğretmeye gelmişti.' (Muslim ibn al-Hajjaj, cAbd al-Baqi, and Nawawi, 1995)

Bu birkaç satır, bahsedilen etkileşimli ve bütüncül modelin değişim paradigması içinde, insani gelişmenin bütün yol haritasını açık bir şekilde ifade etmektedir. İslami gelişme bu hadisin özündeki hikmetle saptanabilmektedir. Buna göre gelişimin amacı, *tevhid*i interaktif dinamik model içerisinde *ihsan*'i gerçekleştirmektir. Bu noktada üç ana kavram; İslam, *iman* ve *ihsan* açıklığa kavuşturulmakta ve her birinin diğeri ile ilişkisi böylece daha belirgin hale gelmektedir.

İlk olarak, İslam kurucu nitelikteki beş ayağın varlığı ile inşa edilmiştir: *şahadet* şeklinde ifade edilen *tevhid*, *namaz*, *zekat*, *oruç* ve *hac*. Bunların ilki olan *tevhid*, diğer hepsinin içinde olduğu çerçevedir, çünkü *tevhid* gelişmenin özü ve başlangıcıdır. Bu, yukarıda belirtilen kaynaklarda da gösterildiği gibi tüm diğer aşamaları desteklemektedir ve aynı zamanda üzerine inşa edilmiş olduğu tüm evrelerinde hayatın dokusuna nüfuz etmesi gerekmektedir. Nitekim *tevhid*'bu yolculuğun başlangıcı, ortası ve sonudur, tüm eylem, inanış ve düşünceleri modelin çerçevesine uyma anlamında destekler ve kriterlerini formüle etmektedir. *Tevhid*'i takip edip onun üzerine inşa edilenler *tevhid*'i ifade etmek için gerekli olan ibadet eyleminin kanıtının dışı vurumu olup İslam toplumuna somut bir şekil veren iskeleti oluşturmaktadır. Bu çeşit bir gelişim her tür dışavurum eylemlerini ve söylemlerini hukuk çerçevesinde kapsamaktadır. Gelişimin altyapısı olarak sağlamlık ve güvenilirlik bu aşamada hayati önem arz etmektedir. Yine de bu dışı doğru olan gelişim bir son olmaktan ziyade sona giden bir yoldur ki bundan dolayı dışarıya doğru gelişim

iman yoksunu olanlara bir yarar sağlamaz ve sadece boş bir hareket ve ses olmaktan öteye geçemez. Gazali (1971) bu dışı doğru olan eylemleri “Tek görevi içindeki faydalı kısmı tutmak ve şekil vermek olan bir meyve kabuğuna” benzetmiştir.

*Fıkıh* (daha önce belirttiğimiz şekliyle) bir ilim olarak tamamıyla bu aşama ile ilgilidir. Bu sınırları bilerek İmam Gazali, fikhî hukuki bir biçimde sadece bu yaşamda geçerli olan dünyevi ilim kategorisinde değerlendirmiştir. Bu yüzden, *fıkıhta* da çerçevesi çizildiği gibi, İslam’da her eylem temel bir minimuma sahiptir. Anlamlı bir gelişim olacaksa bu daha sonra olumlu biçimde *imamın* seviyelerinde gelişir ve hatta daha da ileriye giderek *ihsan’a* ulaşmaktadır.

İman kavramı daha sonra açıklanmıştır. İman, öncelikle sadakat ya da inanç olarak tercüme edilmiştir. Bu aşamada *tevhid* düşünce ve maksat anlamında inancın içsel boyutlarına doğrudan etki eder ve dolayısıyla eylemler dış etkenler tarafından dikte edilemez. Bunun yerine içerden motivasyon oluşur ve yayılır. İman aşaması ayrıca, *tezkiye*, *rububiyet* ve *tevekkül* gibi temel prensiplerden etkilenmektedir. Bu aşama geçiş, yapmaktan bilmeye doğru olan bir harekettir; bundan dolayı eylemler, niyetlerin doğrudan bir sonucu olarak hayata geçtiği için, artık bir anlam kazanır ve daha fazla gelişim için destek sunar.

Bahsedilen üçüncü kategori, *tezkiye* ve *rububiyet* tarafından şekillendirilen ve biçimlenen *ihsan* aşamasıdır. Bu gelişmenin ileri bir aşamasıdır ve hadiste de gösterildiği üzere, aşağı yukarı gerçekleştirilen samimiyetle aynı anlamdadır. Örneğin, her zaman Allah'ın varlığının farkında olan ve emin olan bir kişinin eylemleri tamamen O'nun uğrunda olur.

*İhsan*, İslami insan gelişiminin zirvesini temsil eder ve İslam ile *imamın* birbirine bağımlı öncüllerinin harmonik(uyumlu) uygulamalarının bir sonucunu ifade etmektedir. Yolculuktaki son nokta olarak *ihsan* yolculuk ile yolculuğun varacağı hedef arasında, *talep* (arayış) ile *felah* (başarı) arasında bağ kurar ve İslami bağlamda gelişimin gerçekleşmesini temsil eder. *İhsanın* etkisi, *imani*, *yakin’e* dönüştürmesidir ve böylece bilmek, olmak haline gelir, kör inanç manevi bilgi haline gelir ve kalp gözden daha iyi görür. *Tevhidin* doğasının her zaman ve her yerde olması vasıtasıyla, *ihsanın* etkisi İslam'a kadar genişler ve her eylemin ve konuşmanın ifadesi Allah'ın istediği biçimde en samimi uyuma kavuşur. Peygamberlerin gösterdiği ve İslami gelişme modelinin arzuladığı bu şey *summum bonum(en yüksek iyi)* dur. Bu ayırmada görüldüğü üzere, *ihsan* bir ütopyadır. Ancak, benzer kurumlarıyla birlikte bütün altında yatan aşamalar uyumlaştırılır ve eşzamanlı yol boyunca aynı doğrultuya odaklanırsa, böylece insanlık için bu doğrultuda çabalamanın

stratejik bir hedefini sağlar ve bu hedefin doğrultusunda ilerlemenin oranı, gelişmenin başarısının bir ölçüsü haline gelir.

İslami gelişmenin dinamik ve etkileşimli doğasının anahtar bir unsuruna, *hadis* tartışmalarının içinde değinilmiştir. İhsan, çoğunluğun hayatında genellikle tecrübe edilmemiş bir durum olarak görülür. İhsan, Allah'ı görüyormuş gibi O'na ibadet etmektir ve dışa yansıyan ibadet eylemleriyle başlayan sürecin sonunda yerini almaktadır. Dolayısıyla *ihsan*, değişim ve dinamizme vurgu yapmaktadır. Buradaki ibadet, Allah'a ve onun yarattıklarına karşı geniş anlamda sorumluluk sahibi olmayı kapsar ve bu durum gelişim olarak insanoğlunun dünyadaki *halifelik* rolünün gerçekleşmesine eşit olur. Başka bir ifadeyle, ibadet bir ritüel ya da görev olmaktansa hayatın her alanındaki vasıfları, doğayı ve eş eylemleri açıklar. İbadetin *ihsana* götüren bu ifadesi, homo islamicus olma ya da *ta'bay* (söylemek ve tasdikten öte bir Müslüman olma) sürecidir. İslami gelişim, yukarda bahsedildiği gibi, kaçınılmaz bir biçimde ve temel olarak değişim ile ilişkilidir ve bu durum tüm eylem ve düşünceleri açık bir şekilde etkilemelidir. Bu gelişim modelinde başarı, zaman içinde statik bir fotoğraf ile ölçülmek yerine anahtar kurumlar ve bireysel eylemlerdeki değişim oranıyla ölçülür. İslam toplumu, durgun ya da boş vermiş olmamalıdır. Aksi takdirde böyle bir durum Allah'a doğru yolculukta *tevhid* anlayışın özünün reddi olacaktır. Bu süreç *ihsan*ın açıklandığı ve gerçekleştirildiği dinamik bir süreçtir.

Ana kavramsal aşamalara ve kaynaklara olan bu kısa ve özlü bakıştan sonra, şimdi İslam'ın amaçladığı insani gelişme ve ıslah sürecini daha iyi anlayan bir pozisyondayız. Sonraki bölüm, bu süreci bir yoldaki yolculuk olarak tasvir etmektedir. Bu yolculuk çoklu seviyeleri geçen ve farklı aşamaları aşan bu sürecin daha yüksek amaçlarına ve ideallerine doğru olan bir yolculuktur.

#### 4. Yolculuk

İslam'da gelişmeye doğru yapılacak her yolculuğun *tevhid*'le başlaması gerekmektedir. Bu ifade sürekli tekrarlanmaktadır. Çünkü İslam'da her türlü eylemin, her türlü çabanın merkezinde *tevhid* vardır ve *tevhid* daha sonraki gelişmeleri de güçlendirir. Bir başka deyişle, *tevhid* İslam'ın özüdür ve nu niteliğiyle hem gelişime devamlı destek olur hem de değerlendirme kriterini belirler.

Biz böylece gelişme yolu modelimizi açıklayıcı biçimde aşağıdaki şekilde sunmaya başlayabiliriz:

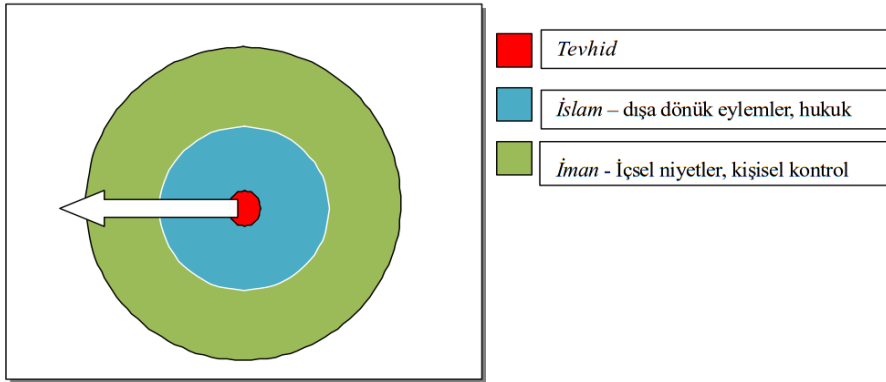
Şekil 1'deki ok *tevhid*'in özünden dışarıya doğru bir hareketi temsil eder. Bu hareket yasal gereklilikler ve zorunlu görevler vasıtasıyla gerçekleşmektedir ve içe dönük niyetlerin ve iradenin düzeltilmesi aşamasını temsil eder. Bir başka deyişle temel bir çerçeve olarak *tevhid* bilgilendirir, şekillendirir ve *fıkah*

ile *imam*, bu dinamik paradigma içerisinde büyüme ve gelişmeye yönlendirir. *Fıkıh*, bu gelişme parametrelerini tanımlayan ve bu parametrelerin hayata geçirilmesini mümkün kılan teknik bir süreçtir. Bir başka deyişle, *fıkıh* gelişme amacına yönelik olarak *tevhid*'in açıklaması ve hayata geçirilmesidir.

Biz bu diyagramı gelişme yolunu takip ederek biraz daha genişletirsek *adalet*, *takva*, *tezkiye*, *rububiyet* ve *ihsan* gibi aksiyomları da diyagrama eklemememiz gerekecektir. Bu süreç büyüyen dairelerle Şekil 2'de gösterilmiştir. Bu daireler en içerideki daireden yukarıdaki dairelere doğru olan bir yolculuğu temsil etmektedir.

Bu gelişme modelinde, İslam sınırları içerisinde hayatın her yönü benzer bir gelişme yolu takip eder. Bu yol *tevhid*'den *fıkıh* ve *imana* doğru, oradan da *tezkiye* ve *ihsana* doğru giden bir yoldur. Her bir üst evre sadece son evreye doğru giden basit bir daire değildir, o daire aynı zamanda kendi merkezinde *tevhid* olan, aynı zamanda bir önceki evrede ulaşamayan daha yüksek gelişme aşamasına ulaşmak için bir önceki evreye de yayılan bir dairedir. Bu yüzden bir kişi yasanın basit bir uygulamasından daha derin bir anlayışa ve samimiyete doğru gelişme gösterebilir. Fakat bu samimiyet aynı zamanda hukukun aşamalarına ve eylemlerine uygun olmaktadır. Bir başka deyişle bir kişi daha yüksek gelişmişlik seviyesine ulaşmasına rağmen, yine de yasanın ve görevlerin gerekliliklerine bağlı kalmaktadır. İslam'da bir kişi asla çok yüksek manevi seviyeye ulaşmasından dolayı artık yasaların getirmiş olduğu zorunlulukları yerine getirmeyeceğini iddia edemez. Çünkü interaktif değişim paradigması İslami gelişmenin doğasını tanımlamaktadır.

**Şekil 1:** Tevhidin Gerçekleşmesi/Açıklanması

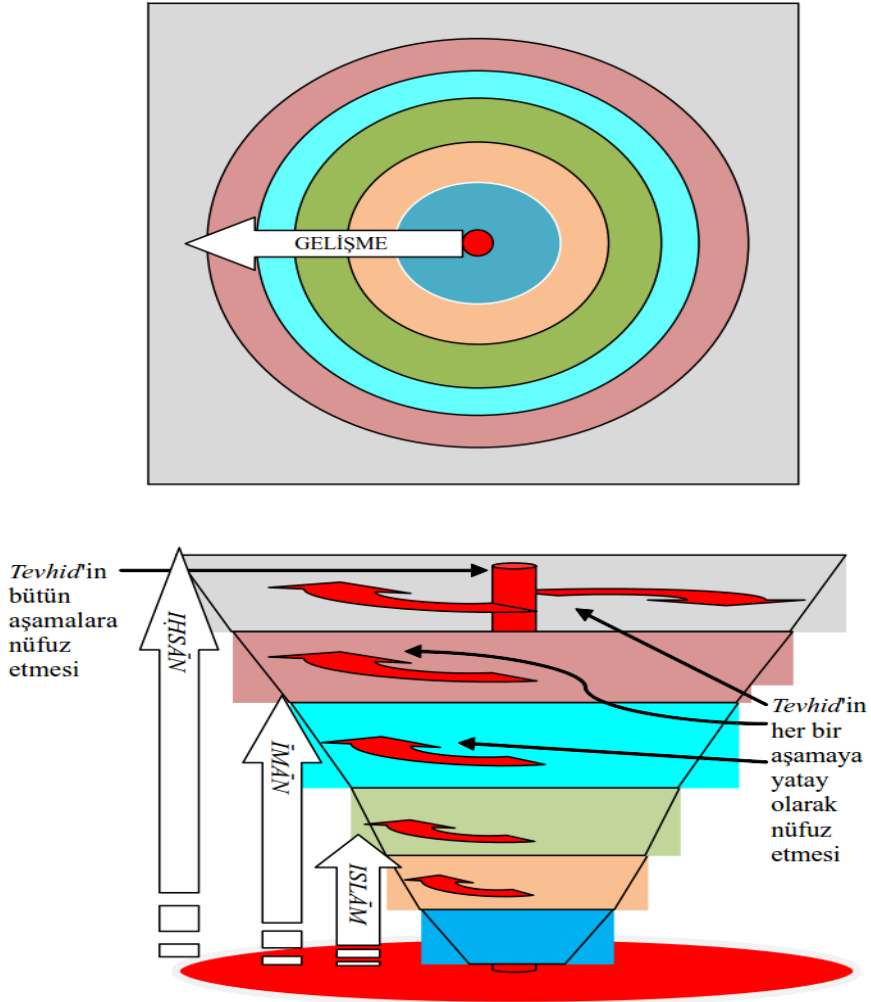




gayet açıktır ki İslam'da insanın temel problemi ekonomi değildir ve ekonomik ilerleme bir hedef veya hayatın amacı değildir.”

Bu görüşten dolayı ekonominin konusu hukuk, devlet yönetimi, toplumsal davranışlar gibi pek çok farklı konularla alakalı olsa da klasik İslami yazılarda ekonomi ayrı bir disiplin olmamıştır. Bunun sebebi gelişme konusunu ekonomik olmayan konulardan ayırmanın imkansız olmasa bile çok zor olmasıdır. Daha önce açıklandığı gibi, gelişme ve diğer ekonomik konular, bir ayrıma tabi tutularak analiz edilemez. Ekonomi toplumsal bir gerçekliğin bir parçasıdır ve disiplinler arası bir yaklaşımla ancak mümkün olabilir ki bu iddia konvansiyonel ekonomi düşüncesindeki yeni politik ekonomi yaklaşımında da ileri sürülmektedir.

**Şekil 3:** Tevhid Esaslı Gelişme Yolunun Yatay ve Dikey Boyutu



Bahsedildiği gibi İslam ekonomisinin gerçek ifadelerinden biri islami finansal kuruluşların doğumudur. Fakat bu kuruluşlar beklentileri ve umutları karşılayamayarak, İslam ekonomisinin insan refahını yükseltme amacını gerçekleştirilmede başarısız olmuştur. İBF'lerin toplumsal başarısızlığı ve gelişmedeki başarısızlığının sebepleri bu çok yönlü ve *tevhid* gelişim süreci (gelişimin orijinal bir tanımı ile birlikte) içerisinde aranmalıdır. Bu başarısızlığa cevap verebilecek şey, tarafsız bir İslami finanstan veya İslam Ekonomisinden ziyade İslami Politik Ekonomidir.

Erken dönem İslam ekonomisinin aksiyomları, İslami epistemoloji içinde çerçevesi çizilmiş aksiyomlar olarak gösterilmektedir. Fakat burada çerçevesi çizilen gelişme modeli gösteriyor ki bu aksiyomlar, basit finansal işlemlerin ve sözleşme hukukunun alanının çok daha ötesine uzanmaktadır. İslami finansın büyük kısmı, şu ana kadar neoklasik çerçevenin içerisinde konumlanmıştır. Çünkü onun kurucuları neoklasik ekonomi ve finanstan oldukça fazla etkilenmişlerdir. Oysa İslam ekonomisi, daha çok ana İslami kaynaklar ile İslamlaştırılmış bilgi(seküler) karışımı bir kimliği temsil etmektedir. Bu yüzden asıl problem, politik ekonomi tartışmalarından ziyade, ekonomik söylemlerin sınırlamasından dolayı gerçekleştirme sürecini konumlandırmada başarısız olunmasıdır.

Gelişme yoksunluğu, insan refahı ve toplum refahı yoksunluğunu sadece ekonomik yetersizlikle veya fıkının manipüle edilmesiyle açıklamaya çalışmak, sorunun cevabını yanlış yerde aramaktır ve bu İslami gelişme modelinin tamamen yanlış anlaşıldığını gösterir. Diğer bir deyişle, İBF'ler temelde fıkha dayanmakta, *fıkıh* ise değer sistemi olmayan salt teknik bir sürece indirgenmektedir. Böyle bir indirgemeci tavır bu yaklaşımın sonuçlarını görmezden gelmektedir. Asıl önemli olan, finansal yöntemler ve ekonomik araçlarla sınırlı her çözüm asla kendi başına İslam'ın önerdiği gelişimi ve refahı getirmeyecektir. Aslında İslami ideallerle uyumlu uzun dönemli ve geniş kapsamlı toplumsal gelişmeyi sağlayacak pek çok faktör bulunmaktadır. Bunlardan bir tanesi sosyo politik yapıdaki İslami politik ekonominin vurguladığı moral ekonomidir. Bugün konvansiyonel anlayışta bile makro ekonomik gelişim başarısız olmuştur. Bu yüzden konvansiyonel ekonomi ve politika yapıcılarını gelişim sürecinin mikro(ekonomik) dinamiklerine vurgu yapmaktadır. Konvansiyonel ekonomideki bu dönüşüm onun İslami politik ekonomi gibi değer odaklı bir ekonomi sistemine doğru yakınsadığını göstermektedir. Önceki bölümlerdeki tartışmalar İslami paradigmadaki gelişmenin mikro doğasını anlatırken aynı şeyi göstermiştir. Bundan sonraki bölüm ise İslam ekonomisinin politik ekonomi doğasını yansıtacaktır.

## 5. Politik Ekonominin Özellikleri

Bugün bir dünya görüşü olarak İslam'ın ayırt edici bir özelliği, önceki bölümlerde açıklandığı gibi, bütünlük bir yaklaşım olmasıdır. İslam'ın ruh ile beden birleşimi olarak gördüğü insan tanımı, İslam'ın ontolojisine dayanmaktadır. Bu yüzden İslam'ın rehberliği ruhsaldan fiziksele, özelden toplumsala, kişiselden evrensele, insan varlığının her yönünü kapsamına almaktadır. İslam materyalizmin hadiseleri yapay bir biçimde parçalara ayırmasını şiddetli bir şekilde kınamaktadır. Çoğu parçası birbiriyle etkileşim halinde olan ve bir sonuç üretmeye yönelik olarak sürekli gelişme gösteren bir model olarak tarif edilen gelişme modeline böyle bir karmaşıklık ekleyen de işte bu bakış açılarıdır. Sürecin farklı aşamalarını analiz etmek için bu parçaları ayırmadaki zorluk, insan davranışlarındaki gizemi anlamak için ruhu vücuttan ayırmadaki zorluktan farksızdır.

Önerilen model inanç, adalet, servet, işbirliği, gerçeklik, sadaka, hukuk, güvenlik ve insanlığın daha pek çok yönü ile karmaşık bir ilişkiyi gerektirmektedir. Bütün bu yönler toplumun yapısını şekillendirmek için birbirleriyle etkileşim halinde ve dinamik bir biçimde zikzak çizerek ilerlemektedir. Bu yapı toplum kurumları gibi bazı yapılar tarafından tanımlanan bir yapıdır. North(1990)'un deyişiyle "Kurumlar bir toplumdaki oyunun kurallarıdır ya da insanların etkileşimini şekillendiren insan ürünü sınırlandırmalardır." Ekonomik kurumlar üzerindeki tartışmalardan kendimizi sınırlandırmaksızın, bizim modelimizden yine de şu sonucu çıkartabiliriz: İslami gelişmenin aksiyometik amaçlarının gerçekleşmesi en azından bir dereceye kadar, her bir aksiyomla ilişkili yerli İslam kurumlarının tanınması, desteklenmesi ve yayılmasına bağlıdır. Bir başka deyişle insan etkileşimiyle şekillenen bu insan tasarımı kurumlar, İslam ekonomisinin daha dar bir tanımından ziyade İslami politik ekonominin ontolojik ve epistemolojik tanımına ve içeriğine yerleştirilmelidir. Sonuç olarak bu kurumsal ve operasyonel özellikleri anlamak bir 'oluşum' olarak değil bir 'oluşum süreci' olarak bizi İslami gelişmenin sistemik bir kavramsallaştırmasına götürecektir.

Bu bakış açısıyla, yapı içerisindeki sosyo politik enerji, toplumun İslami kumaşının bakımı ve İslami gelişmenin sistemik doğasının iç içe geçmiş rolleri daha iyi anlaşıldığı için İBF'lerin değişim yaratmadaki sınırlı kapsamı daha canlı bir şekilde görünür olmaktadır. İdeolojik hedefleri gerçekleştirmek için gerekli olan operasyonel kurumların anahatlarını çizmede başarısız olarak İslam ekonomisi, bugün kendisi ile ilgili olmayan alanlarda dahi kendisini suçlamalara açık bir hale getirmiştir. İslami politik ekonominin, bir sistem olarak düşünülmesi acil bir ihtiyaçtır. Fakat bu sistem İslam ekonomisi şeklinde, İslami bir değer sistemiyle neoklasik ekonomiyi taklit eden bir sistem olmamalıdır.



Bu yüzden şunu ifade etmek gerekir ki her sistemin gerekli unsurları vardır ve bu unsurların hepsi bu sistemin tamamen gerçekleştirilmesi için tanımlanmalı ve açıklanmalıdır. Asutay (2007a) İslami bir ekonomik sistemin bu tür unsurlarını şu şekilde sıralamıştır:

- a. Referans noktası bakımından çerçeve paradigma (ontolojik ve epistemolojik kaynaklarla birlikte)
- b. Değer sistemi
- c. Temel aksiyomlar
- d. Operasyonel prensipler
- e. Belirli bir metodoloji
- f. Fonksiyonel kurumlar

Bu makalede tanımlanan ve açıklanan model; mekanizma, metodoloji ve kurumlar için gerekli unsurları belirterek bu bakış açısını bir bütün halinde tamamlamaktadır. Bu unsurlar Asutay(2007a) tarafından ifade edildiği gibi, İslami Politik Ekonomide mevcut olmasına karşın, her biri *tevhid* merkezli inşa edilmeli ve devamlı olarak *tevhid* merkezli şekillendirilmelidir. İkinci olarak bu unsurların her biri İslami gelişmeye katkı sağlamak için üç temel aşamayı başarılı bir şekilde geçmek zorundadır. Bu üç aşama *İslam*, *iman* ve *ihsandır*.

Günümüzde İslam ekonomisinin bir kurumu olarak İBF'leri ele aldığımızda şu açıktır ki İBF endüstrisi İslam ekonomisinin değer sistemini, onun kimlik politikasını ve sistemik anlayışını tamamen terk ederek ana akım uluslararası finans sisteminin bir parçası olmuştur (Asutay, 2007a; 2007b). İBF endüstrisi İslam'ın aksiyomlarını yalnızca İslam seviyesine kadar genişletmeyi yeterli görmüştür. İBF'lerin sözleşmeleri yalnızca fikhın gereklilikleri yerine getirmekte, *iman* ve *ihsan* seviyesini aşmak için herhangi bir çaba göstermemektedir. Bu yüzden İBF'lerin İslam Ekonomisinin arzularını gerçekleştirmedeki başarısızlığı tam da burada önerilen modelin içerisine yerleştirilebilir. Ayrıca bu makalede önerilen temel model bu arzuların gerçekleşmesini sağlayabilir. *Tevhid* temelli bir paradigma olarak İslami Politik Ekonomi *iman* ve *ihsanın* amaçlarını açıklamayı ve gerçekleştirmeyi amaçlamaktadır.

Tanımlanan gelişme süreci veya yolculuk, çeşitli kurumların, değerlerin, işlemlerin ve seçimlerin, ortak bir *tevhid* çekirdeği ile birlikte ve toplumu başarıya götürecektir stratejik amaçlarla birlikte, bir sentezi olduğundan, şimdi İslam ekonomisinden İslami Politik Ekonomiye kaymamamız gerekiyor. Dolayısıyla, İslami gelişmenin interaktif doğası, bütün alt bileşenlerinin

başarılı bir şekilde kurulabilmesi için politik önkoşulların gerçekleşmesini gerektirir. Bu nedenle finansal aracılık, kamu maliyesi, ticari kurumlar gibi kurumlar ile *zekat*, *hisbe*, *vakıf* ve *sadaka* gibi daha mikro boyuttaki kurumlar İslami Politik Ekonominin arzuladığı kurumsal değerler olmaksızın faydalı bir şekilde veya *ihsan* şeklinde gerçekleştirilemezler. *Tevhid* ve *hilafet* rolleri sadece adalet, mülkiyet hakları, emniyet ve güven kavramlarıyla açıklanamaz. *Tezkiye*, *rububiyet* ve *uhuvvet* ayrıca ifade edilmelidir. Fakat bir toplumda böyle bir entegre sistemin derin bir şekilde kök salması için politik arzu ve politik güç gerekmektedir. Bu politik yön, geçmişteki İslam ekonomisindeki gelişme tartışmalarında işin merkezi konusundan ziyade yan konusu olmuştur. Bir örnek olarak El-Ashker ve Wilson (2006) şunları ifade eder: “İslami sistem başlı başına operasyonel normları, çalışabilir bir modeli ve bunların dışındaki diğer şeyleri gerçekleştirme kapasitesine sahiptir. Bu diğer şeyler: a) İslami normlara ve ideallere bağlılık derecesi, b) Politik olarak güçlü bir İslam devleti, c) Ulusal hükümetler veya uluslararası baskı yoluyla politika mekanizmasının İslam’a düşmanlık yapmaması, d) İslam’ın toplumdaki teknolojik gelişmelere ve diğer yeni gelişmelere uyum sağlaması”.

Dolayısıyla şu ileri sürülebilir: başlıca politik ön koşulların olmaması daha derin bir alakaya yol açmamıştır. Bunun dışında şunu ifade etmek gerekir ki bu tür önkoşullar İslam ekonomisinin düzgün çalışması için gereklidir ve aslında İslami ekonomik sistemin hiçbir yerde kurulamamasının ve herhangi bir sosyal etki yapamamasının en önemli nedeni de bu ön koşulların olmamasıdır. Haldun’cu modeli hariç tutarsak, bu politik gerekliliklere yazılarında az da olsa değinen Umar Chapra (1992) şunu kabul etmektedir: “Müslüman ülkelerin adil bir gelişme için İslami stratejiyi uygulamadaki başarısızlığının en önemli sebeplerinden biri politik faktörlerdir.”

## 6. Sonuç

Bu makale İslam’daki gelişme kavramına yeni bir bakış getirmeyi amaçlamıştır. Bunu yaparken geleneksel yaklaşımların ötesine gidilerek kökleri bir mikro dinamikte olan ve *tevhidî* paradigma tarafından açıklanan bir politik ekonomi yaklaşımı kullanılarak bir kavramsallaştırma amaçlanmıştır. Önceki bölümlerde sunulan söylemlere dayanarak şu ifade edilebilir: Bu makalede sunulan İslami gelişme modeli, başarıya giden yolda yapılan yolculuğun her aşamasında İslam’ın aksiyomlarının gerçekleştirilmesinin gerekli olduğunu göstermektedir. Bu geniş çerçevenin politika uygulamaları; hukuk, mülkiyet hakları, sözleşmeler, zekat altyapısı ve güvenlik gibi İslami kurumların, yukarıda bahsedilen diğer kurumlarla birlikte, bir toplumda geniş bir tabana yayılacak şekilde kurulmasını sağlayacak politika uygulamaları olması gerekmektedir. Bu temel ihtiyaçlar senaryosudur ve belki de *hukukullah* (Allah hakkı) olarak da özetlenebilir ki bu da *Makasidü’ş-Şeria*

tarafından tanımlandığı gibi insan refahına hizmet etmek için İslami Politik ekonominin nosyonlarının açıklanmasını ve gerçekleşmesini gerektirir.

İmanın bir sonraki seviyesi, daha önceki seviyelerdeki kurumlara dayanmakla birlikte, bu seviyenin artık olağan hale gelmesi için *kardeşlik*, *ümmetin birliği*, *sadaka*, *vakıf* ve bunların adalete dayalı değer sistemi, *tezkiye* ve *rububiyet* gibi daha üst kavramları da gerekli görmektedir. Bütün bu kavramlar *hukukul ibad*'ın (insanların hakları) kapsamı içerisindedir ve gönüllü sektörleri etik biçimde (*ethics of care*)-*hukukul ibad*'ın bir parçası olarak ki *hukukul ibad hukukullah*'ın içinde, *hukukullah* da *tevhidî* paradigmanın içinde yer alır- beslemektedir. *Ethics of care*<sup>95</sup> bir davranış ve bir değer olarak İslami politik ekonominin nosyonlarını gerçekleştirmemizi sağlar. Çünkü *ethics of care* yoksullara yardım etmede bireyle Allah arasındaki amel ve ödüle dayalı ilişkinin etkisini azaltır. Bu nedenle *ethics of care*, İslami politik ekonominin değer sisteminin bir parçası olarak burada sunulan politik ekonominin gerekli bir unsurudur. Ayrıca bu aşamada takva gerekli hale gelmektedir. Çünkü toplum itaattizlikten ve kötülükten uzaklaşmaktadır. Dahası, sadece bu kurumların kurulması yeterli değildir. Aynı zamanda yukarıda sayılanları zayıflatan her türlü sistem ve politikanın köklerinin kazılması gerekmektedir.

Sonuç olarak, bu norm ve değerlerin doğası, daha çok gelecek araştırmaların konusudur. Fakat şunu da ifade etmekte yarar vardır. Politikalar veya politik kurumlar her zaman hükümetlerin yönettiği kurumlarla eş anlamlı değildir. Daha doğrusu tarihi tecrübe bize, sivil toplum içindeki liderliğin özelliklerinin, vizyonun, bilgi ve yeteneğin, ayrıca politikanın doğasının birer anahtar olduğunu ve bütün bu özelliklerin toplumun her bölümünde görülebileceğini söylemektedir.

Şunu tekrar ifade etmek gerekir ki Devlet modern bir kavramdır ve bundan dolayı toplum politikasının İslami bir organizasyonu değildir. Virjinya Politik Ekonomi okulunun söylediği gibi “Devleti, topluma hizmet eden ve sosyal refah fonksiyonunu maksimize eden duygusal bir varlık olarak algılamamak gerekir. Çünkü yeni politik ekonomi yaklaşımı hem böyle bir sosyal refah fonksiyonunun hem de böyle bir refah fonksiyonunu maksimize eden ‘cömert zorba’ politikacıların olmadığını kanıtlamıştır.

İslami politik aktivizm, İslami devleti bir çözüm olarak idealleştirdiği için bu görüş önemlidir. Fakat çağdaş Müslüman devlet (İslami veya değil) tecrübesi ve akademik bilgi (geçmiş Müslüman tarihiyle beraber yeni politik ekonomi yaklaşımının açıkladığı gibi) gösteriyor ki ‘devlet’ çok daha uzak bir idealdir ve İslam ekonomisinin kurucu babaları 1970’lerden beri bu romantik

<sup>95</sup> Ethics of Care: İnsan hayatındaki ilişkilerin temel unsurlarındaki ahlaki önemi ifade eden bir ahlak teorisidir.

devlet anlayışına katkı yapmışlardır. Fakat realiteler farklıdır ve İslami politik ekonominin, politik ekonomik kurumlarıyla bir moral ekonomi olarak hayata geçirilmesi, makalede önerilen gelişme süreci gibi sivil toplum temelli politik ayarlar kullanılarak daha verimli bir şekilde (İslami olarak da) gerçekleştirilebilir. Bu yüzden bu sürecin gerçekleşmesine doğru giden bu yolu devletin tıkaması arzulanan en son şey olacaktır. Son olarak şu kabul edilebilir ki, önceki iki aşama normlara gömülmedikçe ve toplum ruhu gerçekleşmedikçe gelişme yolunun zirvesi olan *ihsan* gerçekleştirilemez.

## Kaynakça

- Ahmad, K. *Islamic Approach to Development: Some Policy Implications*. Islamabad: Institute of Policy Studies, 1994.
- al-Ghazali, A.H.M., and Fazlul Karim. *Ihyā' 'Ulūm al-Dīn*. Lahore: Sind Sagar Academy, 1971.
- al-Hasani, Baqir, and Abbas Mirakhor. *Essays on Iqtisād: The Islamic Approach to Economic Problem*. Silver Spring, MD: Nur, 1989.
- al-Qari, A.B.S.M. *Mirqāt al-Mafātīh: Sharh Mishkāt al-Maṣābīh*. Beirut: Darul Kutub Al Ilmiyyah, 2001.
- al-Sadr, Mohammed Baqir. *Iqtisādunā (Our Economics)*. London: Bookextra Ltd., 2000.
- Asutay, M. "A Political Economy Approach to Islamic Economics: Sytemic Understanding for an Alternative Economic System." *Kyoto Bulletin of Islamic Area Studies* 1, no. 2 (2007a): 3–18.
- . "Conceptualization of the Second Best Solution in Overcoming the Social Failure of Islamic Banking and Finance: Examining the Overpowering of Homoeconomicus by Homoeconomicus." *IJUM Journal of Economics and Management* 15, no. 2 (2007b): 167–86.
- Chapra, M.U. *Islam and the Economic Challenge*. Leicester, U.K: Islamic Foundation, 1992.
- . *The Future of Economics: An Islamic Perspective*. 21st Ed. Leicester: Islamic Foundation, 2000.
- Charnay, Jean-Paul. *Islamic Culture and Socio-Economic Change*. Leiden: Brill, 1981.
- El-Ashker, A.A.F., and R. Wilson. *Islamic Economics: A Short History*. Leiden: Brill, 2006.
- El-Gamal, M.A. *Islamic Finance: Law, Economics, and Practice*. Cambridge, UK: Cambridge University Press, 2006.
- El-Ghazali, A.H. *Man is the Basis of the Islamic Strategy for Economic Development*. Jeddah: IRTI- Islamic Development Bank, 1994.
- Ghazali, Aidit. *Development: An Islamic Perspective*. Petaling Jaya: Pelanduk Publications, 1990.
- Hasan, Z. "Islamic Banking at the Crossroads: Theory versus Practice." In *Islamic Perspectives on Wealth Creation*, edited by M. Iqbal and R. Wilson, 11–25. Edinburgh: Edinburgh University Press, 2005.
- Maududi, S.A.A. *Towards Understanding Islam*. 3rd Ed. Darul Islam, Pathankot, Punjab, India: Tarjumanul Quran, 1946.
- . *First Principles of the Islamic State*. 2nd Ed. Revised Ed. Lahore: Islamic Publications, 1960a.
- . *The Islamic Law and Constitution*, Lahore: Islamic Publications, 1960b.
- . *The Economic Problem of Man and its Islamic Solution*. 2nd Ed. Lahore: Islamic Publications, 1970.
- Mirakhor, Abbas. *A Note on Islamic Economics*. Jeddah: IRTI, IDB, 2007.
- Muslim ibn al-Hajjaj, Q., Abd al-Baqi, M. F., and Nawawi. *Ṣaḥīḥ Muslim*. Beirut: Dar al-Kutub al-'Ilmiyah, 1995.

- Nagaoka, Shinsuke. "Beyond the Theoretical Dichotomy in Islamic Finance: Analytical Reflections on Murabahah Contracts and Islamic Debt Securities." *Kyoto Bulletin of Islamic Area Studies* 1, no. 2 (2007): 72–91.
- Naqvi, S.N.H. *Ethics and Economics: An Islamic Synthesis*. Leicester, U.K: Islamic Foundation, 1981.
- North, D.C. *Institutions, Institutional Change, and Economic Performance*. Cambridge: Cambridge University Press, 1990.
- Shafi, M.M. *Islam ka Nizam-e-Arazi (Islam's System of Land Tenure)*. Karachi: Idarat ul Maarif, 1979.
- Siddiqi, M.N. *Muslim Economic Thinking: A Survey of Contemporary Literature*. Leicester: The Islamic Foundation, 1981.
- . "What Went Wrong?" Keynote Address at the Roundtable on Islamic Economics: Current State of Knowledge and Development of Discipline. Jeddah, Saudi Arabia, 26–27 May 2004, under joint auspices of the Islamic Research and Training Institute, Jeddah; and the Arab Planning Institute, Kuwait. (Available at: <[http://www.siddiqi.com/mns/Keynote\\_May2004\\_Jeddah.html](http://www.siddiqi.com/mns/Keynote_May2004_Jeddah.html)>, Access Date: 13.12.2006)
- Tripp, Charles. *Islam and the Moral Economy*. Cambridge: Cambridge University Press, 2006.
- Zaman, A. "Islamic Economics: A Survey of the Literature." *Religions and Development Working Paper No. 22-2009*, Birmingham: International Development Department, University of Birmingham, UK, 2008.
- Zaman, S. M. Hasanuz. *Economic Guidelines in the Qur'an*. Islamabad: IIIT, 1999.

INTERNATIONAL JOURNAL  
OF ISLAMIC ECONOMICS  
AND FINANCE STUDIES

*Uluslararası İslam Ekonomisi ve  
Finansı Araştırmaları Dergisi*

November 2016,  
Vol:2, Issue:3

*Kasım 2016,  
Cilt:2, Sayı: 3*

e-ISSN: 2149-8407

p-ISSN: 2149-8407

journal homepage: <http://ijisef.org/>



## Shari'a-compliant Microfinance (Kitap Tanıtımı)

**Editör: S. Nazim Ali**

*Routledge, Abingdon, 2012, ISBN 878-0-415-78266-1, 295 sayfa*

### Tanıtımı Yapan

**Arş. Gör. Mücahit Özdemir**

*Sakarya Üniversitesi, Sosyal Bilimler Enstitüsü, İslam Ekonomisi ve Finansı E.A.B.D,  
mucahitozdemir@sakarya.edu.tr*

#### MAKALE BİLGİSİ

#### ÖZET

**Anahtar Kelimeler:** *İslami  
Mikrofinans, İslam  
Fikhına Uygun  
Mikrofinans, Yoksulluk,  
İslami Finans*

İslami mikrofinans son yıllarda özellikle Asya ülkeleri olmak üzere Müslümanların yoğunlukta yaşadığı ülkelerde farklı kuruluşlar (sivil toplum kuruluşları, İslami finansal kuruluşlar, bazı İslami bankalar, vb.) tarafından uygulanmaktadır. İslam Kalkınma Bankası bünyesinde bulunan Islamic Research and Training Institute (IRTI), bazı uluslararası kuruluşlar ve üniversiteler bu konuda önemli akademik çalışmalar yapmaktadır. Harvard Üniversitesi İslami Finans Projesi'nin İslami finans ve yoksulluk üzerine düzenlediği iki uluslararası konferansta sunulan bildiriler, başka yazarların da çalışmaları eklenerek "Shari'a-compliant Microfinance" isminde kitaplaştırılmıştır. Konunun teorik ve pratik yönüne ilişkin verilen bilgiler ile uygulama önerilerini içeren kitap İslami mikrofinans hakkında yayınlanmış en kapsamlı çalışmalardan biridir.

© 2016 PESA Tüm  
hakları saklıdır



## Giriş

Yoksulluk insanlığın her döneminde mücadele edilmesi gereken bir sorun olarak görülmüştür. Günümüzde de devletlerden, uluslararası organizasyonlara kadar birçok kuruluş yoksullukla mücadele için girişimlerde bulunmaktadır. Örneğin Birleşmiş Milletler, 2015 yılında yayınladığı “Sürdürülebilir Kalkınma Hedefleri”nde ilk hedef olarak dünyanın her yerinde aşırı yoksulluğun kaldırılmasını belirlemiştir. Günümüzde birçok gelişmişliğe (teknolojik, ekonomik, vb.) rağmen, insanlar arasındaki gelir dağılımındaki adaletsizlik daha da artmaktadır. Bir grup insan çok büyük bir zenginlik içerisinde yaşarken, diğer tarafta gündelik ihtiyaçlarını karşılayamayacak durumda olan, hayatta kalmak için mücadele veren aşırı yoksullar bulunmaktadır. Bunun arkasında yatan temel nedenlerden biri ise yoksul insanların içinde buldukları zor durumdan çıkmalarını, gelir getirici faaliyetlerde bulunmalarını sağlayacak finansmana ulaşamamalarıdır. Konvansiyonel finansal kuruluşlar yoksulları; teminatlarının bulunmaması, kredi geçmişlerinin olmaması gibi sebepler nedeniyle çok riskli görmekte ve onları finansal hizmetlerinin dışında tutmaktadır. Bu nedenle yoksullar, tefeciler gibi informel yapılar/kişiler üzerinden finansman ihtiyaçlarını karşılamaya çalışmaktadır. Fakat tefeciler tarafından uygulanan aşırı yüksek faiz yoksulların içinde buldukları durumun daha da kötüleşmesine, bazen kendilerinden sonraki nesillerinin bile borç sarmalı içerisine sıkışmasına neden olmaktadır. Bu noktada, yoksulların da finansmana uygun bir şekilde ulaşmalarını sağlamak amacıyla 1960-70’li yıllardan itibaren devlet dışı kuruluşların öncülüğünde mikrokredi uygulamaları ortaya çıkmıştır. Başta Bangladeş’teki Grameen Bank mikrokredi uygulaması olmak üzere birçok ülkede mikrofinans organizasyonları kurulmuş ve yoksulların da aslında finansal hizmetlere ulaşabileceği, sanılanın aksine diğer banka müşterilerden çok da fazla riskli olmadıkları kanıtlanmıştır.

Konvansiyonel mikrofinansın yoksulluğun ortadan kaldırılmasında önemli bir enstrüman olduğu kabul edilmekle birlikte, mevcut sisteme yönelik de ciddi eleştiriler yapılmaktadır. Değerlendirmesini yaptığımız eser ile de ilgili olarak bu eleştirilerden bir tanesi, mikrofinans kuruluşlarının faaliyetlerinin faiz içerdiği ve İslam’a uygun olmadığı yönündedir. Bu durum, birçok Müslümanın sistemin dışında kalmasına neden olmaktadır.

Yoksul insanların finansal hizmetlere İslam’ın belirlediği prensiplere uygun bir şekilde ulaşmasının sağlanması için dünyanın birçok yerinde farklı yapılar altında İslami mikrofinans hizmeti sunulmaktadır. Değerlendirmesini yaptığımız “Shari’a-compliant Microfinance” kitabı, İslami mikrofinans alanında ortaya konan belki de en kapsamlı çalışmaların başında gelmektedir. Routledge yayınevi tarafından 2012 yılında İslami Çalışmalar Serisi kapsamında yayınlanan eser, Harvard Üniversitesi İslami Finans Girişimi



tarafından 2006-2007 yıllarında İslami mikrofinans üzerine gerçekleştirilen konferanslarda sunulan bildiriler içerisinde seçilen çalışmalardan oluşmaktadır. Ayrıca hem mikrofinans hem de İslami finans alanındaki uzman kişilerin de çalışmaları kitaba dahil edilmiştir. Bunun yapılmasının arkasındaki sebep, hem kitabın daha kapsamlı hale getirilmesi, hem de İslami finansın yoksullara ulaştırılması için uygulanabilir metotlar aranmasıdır. Genel olarak kitabın içeriği de bu amaca yöneliktir. Diğer bir deyişle eser, İslami finansal kuruluşlar ile yoksullar arasında bir köprü kurmayı hedeflemektedir.

### **Birinci Bölüm: Islamic microfinance and *shari'a* compatibility<sup>96</sup>**

Editör kitabı 4 bölüme ayırmıştır. Birinci bölümdeki makaleler genellikle mikrofinans sistemine, İslami finans açısından bakılarak teorik bilgi vermektedir. Ayrıca bu bölümde İslami finans kuruluşları tarafından mikrofinansın uygulanabilirliğine ilişkin tekliflerde bulunmaktadır. İslami finans ile mikrofinansın temel amaçlarının, yani gelir dağılımında adaletin, fırsat eşitliğinin sağlanmasının benzer olduğuna vurgu yapılmaktadır.

“Meeting the demand for sustainable, sharia-compliant microfinance<sup>97</sup>” makalesinde Samer Badawi ve Wafik Grais, konvansiyonel mikrofinanstaki son gelişmelere yönelik bilgiler vermektedir. Yapılan uygulamaların İslami mikrofinansa kolaylıkla adapte edilebileceği ve *murabaha* ile *icaranın* en kolay uygulanabilecek modeller olduğu ifade edilmektedir. Habib Ahmed “Organisational models of Islamic microfinance<sup>98</sup>” isimli makalesinde konvansiyonel mikrofinansın işleyişi hakkında oldukça faydalı bilgiler sunmaktadır. Sosyal aracılık kavramı, gruba dayalı finansman, mikrofinans kuruluşlarının sürdürülebilirliğine yönelik literatürdeki tartışmalara değinmektedir. İslami bankaların mikrofinans hizmeti sunması ile ilgili gerekçeler ve bunu yapmaları durumundaki faydalarına ilişkin dikkat çekici değerlendirmelerde bulunmaktadır. İslami bankaların düşük gelir grubundakilere bu hizmeti sunmasının gerekliliğini vurgulamaktadır. Bunun yanında, yoksul kesimdeki insanlara yönelik vakıf, zekat, karzı hasen, sadaka gibi geleneksel enstrümanlarla da finansal hizmetlerin sağlanabileceğini belirtmektedir. Vakıf ve zekata dayalı İslami mikrofinans kuruluşu modelleri önermektedir.

“Islamic finance and microfinance: An insurmountable gap?<sup>99</sup>” makalesinde Saif I. Shah Mohammed, mikrofinans ile İslami finans arasındaki ilişkiyi incelemekte, mevcut durumdaki teknik (ürünler, süreçler, vb.)

<sup>96</sup> “İslami mikrofinans ve şeriatı (İslam hukukuna) uygunluk”

<sup>97</sup> “Sürdürülebilir İslami mikrofinans talebinin karşılanması”

<sup>98</sup> “İslami mikrofinans organizasyonel modelleri”

<sup>99</sup> “İslami finans ve mikrofinans: Aşılabilir bir uçurum mu?”

boşluğun doldurulabileceğini fakat iki yapı arasında algısal (ideolojik) uçurumun kapanmasının zorluklar içerdiğini belirtmektedir. Bangladeş'teki gözlemlerine dayalı olarak verdiği bilgilerde İslami kesimdeki mikrofinans algısına ilişkin dikkat çekici örnekler (bazı kanaat önderleri, mikrofinansın amacının toplumu Hristiyanlaştırmak olduğunu düşünmektedir) sunmaktadır. Benzer şekilde İslami finans ile mikrofinans arasındaki ilişkiyi "Islamic microfinance: Between commercial viability and the higher objectives of shari'a"<sup>100</sup> adlı makalesinde inceleyen Hussam Sultan, İslami mikrofinansın gerekliliğine ilişkin "maqasid al-sharia (İslam hukukunun amaçları)" perspektifinden yaklaşmaktadır. Modern dönemde ilk kurulan İslami Banka olarak genellikle kabul edilen Mısır'daki Mitr Gamr'ın sosyal bankacılık yönüne vurgu yapmaktadır. Şu anda dünyanın farklı bölgelerinde farklı yapılar altında (STK, banka, vb.) faaliyet gösteren İslami mikrofinans kuruluşlarına ilişkin örnekler vermektedir.

### İkinci Bölüm: Developments in Islamic microfinance<sup>101</sup>

Kitabın ikinci bölümü İslami mikrofinans sektörüne yönelik model ve ürün tekliflerine ayrılmıştır. Rodney Wilson "Making development assistance sustainable through Islamic microfinance"<sup>102</sup> isimli çalışmasında, İslami mikrofinansın en iyi şekilde banka dışı kurumlar aracılığıyla uygulanabileceğini savunmaktadır. İki İslami mikrofinans organizasyon modeli önerisi yapmaktadır. Önerilen modeller, fonların özel banka dışı bir finansal kuruluş tarafından, günümüzde birçok tekafül şirketinde de uygulanmakta olan wakala (vekalet) modeline ve mudarabaya göre yönetilmesine dayanmaktadır. Muhammed Anas Zarka ise "Leveraging philanthropy: Monetary waqf for microfinance"<sup>103</sup> isimli makalesinde, geçmiş dönemlerde uygulanan para vakıflarına ilişkin fıkıh perspektifinden bilgiler vermektedir. Para vakfı modelinin mikrofinansta uygulanabilirliğine yönelik model önermektedir.

"Incentivizing microfinance for Islamic financial institutions: Financial mainstreaming the microenterprise"<sup>104</sup> makalesinde Ali Adnan İbrahim, oldukça ayrıntılı bir şekilde mikrofinans ve İslami mikrofinansla ilişkin teorik bilgi vermektedir. İslami Bankaların, kendilerine özgü durumlarını da (ortakların kar beklentisi, sektördeki rekabet, vb.) dikkate alarak, İslami mikrofinans hizmeti sunmalarına ilişkin kapsamlı bir model önerisinde

<sup>100</sup> "İslami mikrofinans: Ticari olarak uygulanabilirlik ve Şeriatın yüksek amaçları arasında"

<sup>101</sup> "İslami mikrofinanstaki gelişmeler"

<sup>102</sup> "Kalkınma yardımının İslami mikrofinans yoluyla sürdürülebilir yapılması"

<sup>103</sup> "Hayırseverliğin güçlendirilmesi: Mikrofinans için para vakıfları"

<sup>104</sup> "İslami finansal kuruluşlar için mikrofinansın teşvik edilmesi: Mikro girişimleri finansal olarak yaygınlaştırma"

bulunmaktadır. İkili bir yapı içeren modelde, kar amaçlı ve kar amacı gütmeyen iki kuruluş üzerinden mikrofinans hizmeti sunulması teklif edilmektedir.

Bölümün son çalışması olan “Re-thinking leasing from an interest-free perspective: Exploring the prospects of Islamic microleasing for poverty alleviation<sup>105</sup>” da Asad Kamran Ghalib ise organizasyonel bir teklif yerine bir ürün üzerinden İslami mikrofinansa öneri getirmektedir. Genel olarak finansal kiralama (leasing) ile ilgili bilgi vermekte, finansal kiralamanın İslami mikrofinans için uygulanabilirliğini tartışmaktadır.

### Üçüncü Bölüm: Islamic microfinance case studies<sup>106</sup>

Kitabın üçüncü bölümünde teorik değerlendirmelerden sonra dünyadaki bazı uygulamalardan bahsedilmektedir. İlk makale olan “Islamic microfinance in Indonesia: The challenge of institutional diversity, regulation and supervision<sup>107</sup>”, mikrofinans konusunda birçok çalışması bulunan Hans Dieter Saibel’e aittir. Yazar, dünyanın en fazla Müslüman nüfusuna sahip ülkesi ve aynı zamanda da konvansiyonel mikrofinans alanında gelişmekte olan ülkeler içerisinde en başarılı örneklerden biri olan Bank Rakyat Indonesia’yi bulduran Endonezya’daki İslami mikrofinans sektörüne ilişkin bilgiler sunmaktadır. Aynı zamanda sektörün zayıflıklarından bahsetmekte ve tavsiyelerde bulunmaktadır. M. Sait Siraj, “Islamic microfinance in crisis countries: The unofficial developmental discourse<sup>108</sup>” isimli çalışmasında, mikrofinansın savaş-sonrası ve doğal afet-sonrası ülkelerde de yoksulluğun azaltılmasında etkili olduğunu ilk durum için Afganistan, ikinci durum için ise Endonezya (Açe bölgesi) örneğinden açıklamaktadır.

Diğer bir ülke örneği ise Hindistan’dır. Shariq Nisar ve Syed Mizanur Rahman “Minority funds in India: Institutional mobilizing of micro savings<sup>109</sup>” adlı makalede, tarihi 1930’lu yıllara kadar uzanan Hindistan’daki azınlık fonlarından bahsetmektedir. Günümüzde azınlık fonları modeli ile yoksul insanlardan *amanah* (emanet) usulüne göre toplanan fonlardan birçok kişiye finansman sağlanmaktadır. Bu bölümde fonların çalışma esaslarından yönetilmesine kadar oldukça ayrıntılı bilgiler verilmekte, aynı zamanda bu bilgiler rakamlar, grafikler ve tablolarla da desteklenmektedir. Yoksul kesimdeki insanların mikro tasarruflarının yine yoksullara kanalize edilmesini amaçlayan fonların, topluma sağladığı sosyal katkısına rağmen çalışma

<sup>105</sup> “Faizsizlik perspektifinden finansal kiralamayı yeniden düşünmek: İslami mikro finansal kiralamanın yoksulluğun azaltılmasındaki başarı şansının incelenmesi”

<sup>106</sup> “İslami mikrofinans vaka çalışmaları”

<sup>107</sup> “Endonezya’da İslami mikrofinans: Kurumsal çeşitlilik zorluğu, düzenleme ve denetleme”

<sup>108</sup> “Krizdeki ülkelerde İslami mikrofinans: Gayri resmi kalkınma söylemi”

<sup>109</sup> “Hindistan’da azınlık fonları: Mikro tasarrufların kurumsal olarak harekete geçirilmesi”

esaslarında faizli faaliyetler bulundurmaktadır. Yazar çok kısa da olsa bu konuya da değinmiştir.

İslami finansa yönelik yapılan önemli eleştirilerden biri hep murabahaya dayalı finansmana başvuruları, yenilikçi ürünler geliştirmemeleridir. Mohammed Obaidullah ve Amjad Mohamed-Saleem tarafından hazırlanan “Innovations in Islamic microfinance: Lessons from Muslim Aid’s Sri Lankan experiment<sup>110</sup>” isimli makale yenilikçi bir yaklaşım sunmaktadır. Sri Lanka’da Muslim Aid tarafından çeltik üreticileri ve çeltik işleyenlere yönelik uygulanan proje incelenmektedir. Projede değere dayalı selem (value-based salam) ve mudaraba yöntemleri kullanılmakta, üretimden ürünlerin işlenmesine kadar süreçleri kapsayan oldukça bütüncül bir yaklaşım sergilenmektedir. Selem ve mudarabaya dayanan sisteme zekat ile vakıf uygulamalarının da entegre edilmesi teklif edilmektedir.

#### **Dördüncü Bölüm: Information sources on Islamic microfinance<sup>111</sup>**

Kitabın son bölümü Harvard İslami Finans Projesi tarafından hazırlanan, İslami mikrofinans alanında yapılmış 128 basılı/basılmamış çalışmayı (makale, rapor, sunum, vb.) içeren açıklamalı bibliyografya çalışmasından oluşmaktadır. Bu bölüm, İslami mikrofinans alanında çalışma yapmak isteyenler için önemli bir kolaylık sağlamaktadır.

#### **Sonuç**

Kitap ile ilgili yapılabilecek ilk değerlendirme İslami mikrofinans alanında oldukça önemli bir boşluğu doldurduğudur. Mikrofinans ve İslami finans alanında uzman akademisyenler ve uygulayıcıların çalışmalarının bir araya getirilmesi konulara çok farklı açılardan kapsamlı bir şekilde bakılmasını sağlamaktadır. Teklif edilen model önerileri birçok paydaş için yeni ufuklar açmaktadır. Dünyadaki farklı uygulamalardan verilen örneklerle karşılaşılan zorluklar, ihtiyaçlar, eksiklikler anlaşılmalıdır. Makaleler başarılı bir şekilde bölümlere göre sınıflandırılmıştır. Bu da okuyucunun İslami mikrofinans hakkında kademeli olarak bilgi sahibi olmasına, teorik bilgiyi uygulamalar ile birleştirmesine katkı sağlamıştır. Kitap içerik olarak doyurucu olmakla birlikte, kaçınılmaz olarak makaleler içerisinde tekrarlar da olabilmektedir. Fakat bu tekrarlar yerinde seçilen çalışmalar ile oldukça düşük seviyelerdedir.

Özellikle kitabın sonunda verilen açıklamalı bibliyografya çalışması İslami mikrofinans alanındaki yayınlar hakkında ilgililere çok faydalı bir hizmet sunmaktadır. Bu alanda çalışmak isteyenlerin hem zaman kazanması hem de literatürde bulunan çalışmaları gözden kaçırmalarının engellenmesi

<sup>110</sup> “İslami mikrofinansta innovasyonlar: Muslim Aid’in Sri Lanka uygulamasından dersler”

<sup>111</sup> “İslami mikrofinansta bilgi kaynakları”

bakımından önemli bir boşluğu doldurmaktadır. Ayrıca, makalelerde konvansiyonel mikrofinans ile ilgili de ciddi bir literatür taraması yapılmıştır. Kitabın sonunda, makalelerde kullanılan tüm yayınlar tek bir kaynakçada toplanmıştır. Bu da mikrofinans, İslami mikrofinans, İslami finans, kalkınma ekonomisi gibi geniş bir yelpazede ilgili literatürü okuyuculara sunmaktadır.

Kitapla ilgili bazı noktalarda eleştiriler getirilebilir. Öncelikle başlıkta neden literatürde neredeyse hep kullanılan “Islamic microfinance” yerine “Sharia-compliant microfinance” tercih edildiği konusunda kitapta herhangi bir açıklama bulunmamaktadır. Bu isimlendirme sadece kitabın başlığında bulunmakta, diğer makalelerde de hep “Islamic microfinance” kullanılmaktadır. Kitabın ilk sayfasındaki tanıtımda “sharia compliant” ile parantez içinde “Islamic microfinance” kullanılması daha da karışık bir durum oluşturmaktadır. Bu sebeple, kitabın başında editör tarafından neden “Islamic microfinance” yerine “sharia compliant microfinance”e isminin tercih edildiği hakkında kısa bir açıklama yapılması okuyucu açısından faydalı olabilirdi. Diğer yandan makaleler arasında kapsam bakımından bazı dikkat çekici farklılıklar bulunmaktadır. Örneğin; A. Adnan İbrahim’in makalesi oldukça ayrıntılı ve uzun şekilde bir model önerisi yaparken, diğer bir A. K. Ghalib’in çalışması oldukça sınırlı ve yüzeysel kalmaktadır. Bu nedenle, ikinci durumda olan makalelerin daha da geliştirilmesi istenebilirdi.

Sonuç olarak, bu kitap ile hemen hemen tüm yazarların üzerinde ittifak kurduğu, İslami finansal kuruluşlarının sosyal refahın arttırılması konusunda rolü ve görevleri olduğu düşüncesi, yapılan İslami mikrofinans model önerileri ile birlikte bir adım öteye taşınmıştır. Sadece bankalar tarafından değil banka dışı finansal kuruluşların da bu alanda faaliyet gösterebileceği ve bu şekilde yoksulluğun azaltılmasında İslami mikrofinansın etkili olacağına yönelik değerli bir akademik çalışma olmuştur. Türkiye’de mikrofinans alanında çeşitli uygulamalar bulunmakla birlikte İslami mikrofinans hizmeti sunan bir kurum bulunmamaktadır. Dünyadaki uygulamalara benzer olarak Katılım Bankaları’nın da bu alandan uzak durduğunu söyleyebiliriz. Bu kitap; ülkemiz akademisyenlerine, katılım bankacılarına, kamu kurumlarına İslami mikrofinans konusunda oldukça önemli teorik bilgiler yanında örnek olacak uygulamalar da sunmaktadır.