



# ISLAM AND ECONOMIC BALANCE

# Outline of Today's Presentation

## Different Worldviews

- Religion 1
- Religion 2
- Religion 3
- Islam

## How Economic Balance is achieved in Islam

- Money
- Business
- Charities
- Redistribution of wealth

# Different Worldviews

## ■ Religion 1

- Life in this world is result of the actions done in the previous life;
  - This type of worldview breeds arrogance among those who are well-off , as they consider their wellness the result of their own efforts in the previous life.
  - Those not so well-off curse their previous life for their current misfortune;
  - Arrogance and pessimism lead to imbalance in economic life of the people

# Different Worldviews

- Religion 2
  - God has sacrificed himself for the sins of the people;
    - Obviously no accountability is needed.
    - Plus the political & economic ideologies (like secularism, capitalism and communism) have rendered the role of religion and moral values irrelevant .

# Different Worldviews

- In some religion
  - Followers consider themselves (their race ) as chosen people of God and others (race and communities) as subservient.
    - Obviously their economic, political and social interests become superior to others.

# Different Worldviews

- In Islam
  - Man is vicegerent of the God Almighty, sent down in this world for a definite period;
  - They are continuously in the state of Test;
    - Those who conduct themselves in the rightful manner and enjoin what is good and prohibit what is wrong are going to be richly rewarded by their creator.
    - Those who do not follow above are not going to scape the punishment

# Accountability and Guidance

- With accountability comes the guidance which is not just restricted to worships but overall affairs of the life; be it personal, social, moral or economic.
- The purpose of Mans' creation:
  - Allah says in the Quraan: "And I have not created Jinns and men, except that they worship me."
  - Every act of man that is done in accordance with the guidance of Allah is worship.

# Economic Teaching in Quran

- And Allah has made trade lawful. (Baqarah)
- And We have made the day a means of earning livelihood. (Naba)
- And it is We who have placed you with authority on the land, provided you therein with means for fulfillment of your life. (A'raaf)
- And there are others travelling in the land, seeking Allah's bounty. (Muzammil)
- And when the prayer is finished, disperse in the land and seek the bounty of Allah and remember Allah much so that you may be successful. (Jum'ah)
- O you who believe eat from the pure things of what We have sustained you. (Al-Baqarah)



# Shariah and Finance

- In Islam, act performed voluntarily by a competent adult fall under following;

S. No.	Act	Economic Guidance	Performance	Non-performance
1	Obligatory	Zakah	Rewarded	Punished
2	Praiseworthy	Charities/Debt	Rewarded	Not punished
3	Neutral	Trade	Not Rewarded	Not punished
4	Blameworthy	Not keeping the promise	Not punished	Rewarded
5	Forbidden	Riba/Gharar/Maysir	Punished	Rewarded

# Major Economic Policies

- Money
  - It is a Unit of account, medium of exchange and standard of value.
  - A non-tradable commodity meant for facilitation in trade and services.
- Business (Trade)
  - Permissible with conditions of Islamic prohibition
- Charities/Debt
  - Highly encouraged
- Wealth Redistribution
  - Through Zakah, Sadaqah and Awqaf etc

# The Crux of Islamic Economic Policies

- Looks at;
  - moral consequences of the transaction
- Ensures that;
  - contracts are just and equitable for all the parties involved.
  - reward are related to effort, responsibility and risk-sharing.

**Thanks**

**Q&A**

**shariqnisar@yahoo.com**