



CONCEPTUALIZING A UNIFIED NORMATIVE FRAMEWORK FOR SOCIAL RESPONSIBILITY IN ISLAMIC ECONOMICS

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ABSTRACT

Recent trends have shown an increasing prominence of social responsibility issues in the literature of Islamic economics and finance. Despite this development, the justifications of responsibility issues and commitment are often argued from a number of different positions. This paper expounds three major routes to normative justification of social responsibility; the objectives of *Sharī'ah* (*Maqāsid al-Sharī'ah*), principles of Islamic moral economy (axioms of justice and beneficence), and micro-foundational assumptions (characteristics of *homo Islamicus* and the notion of *falāḥ*). Despite the differences in perspectives, notable consistencies can be observed rendering a plausible synthesis of these foundations in providing a unified normative framework of social responsibility issues and commitment for economic agents in an Islamic economy. While social responsibility is argued to be a critical component in facilitating socio-economic justice and overall human well-being in society, its ability to facilitate spiritual development remains the central consideration in the vision of human development and well-being in Islam.

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1. INTRODUCTION

The normative goals of Islamic economics, as conceived by its founding fathers, are concerned with the realization of socio-economic justice and overall human well-being. Dimensions of this socio-economic justice and well-being include poverty eradication, basic

needs fulfilment, human capital development, equal opportunity and equitable distribution of income, sustainable and holistic economic development, as well as social cohesion and moral excellence in the society of Muslim economies (Chapra, 1979; Siddiqi, 1996, 1981). The emergence of Islamic banking and finance industry in the 1970s was claimed to be the operational tool of Islamic economics in realizing these normative goals. Despite the tremendous growth of the industry, there have been contentious debates and criticisms on its lack of social responsibility role (Asutay, 2007a; El-Gamal, 2006; Siddiqi, 2004).

However, recent trends have shown increasing acceptance of social responsibility role among the industry players, in line with the increasing emphasis given in the literature on the importance of social responsibility in both theory and practice of Islamic economics and finance. Most of these literature relates to corporate social responsibility (CSR) of Islamic financial institutions (IFIs). Some of the main themes include the CSR model for IFIs (Dusuki and Abdullah, 2007; Farook, 2007, 2008; Nor, 2012), stakeholder perception of CSR of IFIs (Dusuki, 2008; Di and Nedal, 2016), IFIs' CSR performance (CSR-IFI, 2010; Sairally, 2013), and CSR disclosure of IFIs (Abul Hassan, 2010; Aribi and Gao, 2011). Other areas of discussion on social responsibility involve Islamic investment (Lewis, 2010; Barom, 2016), *sukuk* (Bennett and Iqbal, 2013), and Islamic marketing (Koku and Savas, 2014).

Despite this development, the justifications of responsibility issues and commitment are often argued from a number of different positions. Among others, the social responsibility imperative has been argued based on the microfoundational assumption of homo Islamicus (e.g. Arif, 1985; Asutay, 2007a), principles of Islamic moral economy (e.g. Asutay, 2007b; Farook, 2007; Hassan and Latiff, 2009; Naqvi, 2003; Zaman and Asutay, 2009), and the theory of *Maqāṣid* (e.g. Dusuki and Abdullah, 2007; Laldin and Furqani, 2013). A synthesis of all these major positions toward social responsibility can lead to a sound and coherent unified theoretical framework for economic agents in Islamic economics.

In the light of the above, the objectives of this paper are twofold. First, it seeks to expound the arguments for social responsibility from three different perspectives; the objectives of *Sharī'ah* (*maqāṣid al-Sharī'ah*), principles of Islamic moral economy (axioms of justice and beneficence), and micro-foundational assumptions (characteristics of homo Islamicus and the notion of *falāḥ*). Section 2, 3 and 4 of this paper discuss each of the positions

respectively. Second, it seeks to develop a unified normative framework of social responsibility by synthesizing these various foundations, which constitutes Section 5 of this paper. Finally, Section 6 concludes the paper by summarizing the arguments and highlighting a number of important implications of the framework.

2. MAQĀṢID AL-SHARĪ'AH AND SOCIAL RESPONSIBILITY

The Islamic principles and operational framework of Islamic economics and finance are basically deduced from its primary sources of *Sharī'ah*; the Qur'ān and the Prophetic tradition. As the *fiqh* literature reflects the understanding on the meaning and implications of these sources, it is natural to suggest that the "roots of Islamic economics should, by definition, lie in *fiqh*" (Khan, 2002: 62).¹ In fact, it is argued that legal and procedural structure (primarily the prohibition of *ribā* (interest) and *gharār* (excessive uncertainty)) and its proper reinforcement (such as the institutional governance through *al-ḥisbah*), has been proven to be an efficient framework for facilitating justice in the market in the historical context of Muslim society (El-Sheikh, 2008). The significant role attached to the *fiqh* dimension of the *Sharī'ah* in the development of Islamic economics can best be exemplified by Hasanuzzaman (1984: 50), who defines Islamic economics as "the knowledge and application of injunctions and rules of the *Sharī'ah* that prevent injustice in the acquisition and disposal of material resources in order to provide satisfaction to human beings and enable them to perform their obligation to Allah and the society."² This understanding necessarily reduces the relevant implications of the *Sharī'ah* on economic matters within the limited scope of its legal dimension.

Such a *fiqhi* approach is also prevalent in Islamic finance practice. Some have labelled the industry as a prohibition driven industry (El-Gamal, 2006), and followed a minimalist approach in its compliance to the *Sharī'ah* (Zaman and Asutay, 2009). The emphasis on the compliant nature of products based on contractual forms, and the neglect of their substance and spirit, have made some to conclude that the practice of Islamic finance has arrived at a 'formalist deadlock' (Bazl, 2008). Not only that, some have even accused the industry of using legal stratagem in the so-called process of Islamic financial engineering in order to mimic the utility of conventional products (El-Gamal, 2006).

Additionally, many scholars and commentators have observed that the prevalent practice of the *Sharī'ah*-compliant nature of Islamic finance has failed to address the broader outlook of society. While transactions can be entirely permissible at the micro level (which predominantly deal with legal compliance of forms and contracts), their macro level effects may be unfavorable to promoting the normative goals of Islamic economics (Siddiqi, 1999, 2004). For instance, the disproportionate use of debt-like instruments such as *murābahah* and *bay'-'bithaman ājil* has frustrated the aspiration of equity-based financing which has been celebrated as the key distinguishing feature of Islamic banking in promoting equitable ownership of wealth and risk sharing in society. In fact, in some cases, the economic effects of certain legally compliant products can lead to an undesirable long run effect in society. As highlighted by Siddiqi (2007b), debt proliferation through *tawarruq*-based instruments has exemplified this point. Secondly, within a framework where the *fiqhi* (legal) approach is predominant, issues of concern from the social and ethical aspects will not be firmly embedded into the picture. For instance, while property development, including the highly lavish real estate projects are featured prominently, the practice of microfinancing which has been proven to be an effective tool in poverty eradication is virtually absent in the industry (Abdul Rahman, 2007). Likewise, issues of social responsibility and environmental protection have also not been adequately addressed by industry players (Sairally, 2007; CSR-IFI, 2010).

The increasing concern over the divergence between the ideals of Islamic economics and the practice of Islamic finance has raised questions regarding the relevance of the prevalent legalistic approach to developing the discipline and the industry (Dusuki and Abozaid, 2007; El-Gamal, 2006; Haneef and Furqani, 2004; Siddiqi, 2004). As Haneef and Furqani (2004) highlight, limiting the 'heritage' to mere *fiqh* discussions and reasoning will not do justice to Islamic economics and finance. In this respect, a recourse to the *Maqāsid al-Sharī'ah* (objectives of the *Sharī'ah*), should be invoked to complement the *fiqhi* or legal approach to *Sharī'ah* compliant finance (Siddiqi, 2004: 15).

The theory of *Maqāsid al-Sharī'ah* provides a holistic view of the *Sharī'ah* which proves that the different and scattered rulings of the *fiqh* can be framed systematically into serving a set of overarching objectives or *maqāsid*.³ As described by Kamali, Khan, and Al Shaikh-Ali (2008: 1), "*Sharī'ah* is predicated on the benefits of the individual and that of the community, and its laws are designed so as to protect

these benefits and facilitate improvement and perfection of the conditions of human life on earth.” Traditional theory of *maqāṣid* classified the benefits (*maṣlahah*) into three levels; the essentials (*darūriyyāt*), complementaries (*hājīyāt*), and desirables (*taḥsīniyyāt*). The core of this theory is the preservation of the five elements of the essentials, which include one’s faith, soul, mind, offspring, and wealth. Based on one of the most quoted phrases in Islamic economics concerning the *maqāṣid*, Al-Ghazālī (d.1111) states that:

The very objective of the *Sharī‘ah* is to promote the well-being of the people, which lies in safeguarding their faith (*din*), their self (*nafs*), their intellect (*‘aql*), their posterity (*nasl*) and their wealth (*mal*). Whatever ensures the safeguard of these five serves public interest and is desirable, and whatever hurts them is against public interest and its removal is desirable (cited by Chapra, Khan, and Al Shaikh-Ali, 2008: 5).

The five elements of the essentials are considered indispensable aspects of human life. Hence, it is the ultimate purpose of the *Sharī‘ah* that these essentials are safeguarded at all times. The next level of *maṣlahah*, which is second in the hierarchy, deals with the complementary elements to the essentials. These include various aspects of life which are necessary in fulfilling important requirements of people’s lives, the absence of which will cause difficulty and hardship. However, the lack of any of these complementaries is not a matter of life and death, especially on an individual basis. Nevertheless, consistent with the dynamic nature of the *Sharī‘ah*, the status of these complementaries may change in different circumstances. If the lack of any of these complementaries becomes widespread, then they move from the level of complementaries to the level of essentials (Auda, Khan, and Al Shaikh-Ali, 2008). Subsequently, purposes at the level of desirables relate to the things that beautify life and make it fuller and richer. Typical examples in the classical literature include dressing neatly, the use of perfumes, beautiful homes, voluntary charities, and all other good habits and behavior. The three levels in the hierarchy of *maṣlahah* are understood to be overlapping and interrelated, such that the higher level serves to secure realization of the lower levels of benefits. In sum, the framework of *maṣlahah* provides a systematic consideration of

different aspects of life and its well-being in their respective priorities and importance from the *Sharī'ah* perspective.

Nevertheless, contemporary scholars have highlighted several limitations on the traditional theory of the *Maqāṣid*. For instance, as emphasized by Siddiqi (2004: 4), “The classical treatment, largely by Al-Ghazālī (d.1111) and Al-Shāṭibī (d.1388) put the *maqāṣid* into the strait jacket of the so called five necessities (*darūriyāt khamsa*): life, religion, progeny, reason and property.” Additionally, the scope is confined within the domain of protection or preservation (*hifz*) of the *five essentials*. Arguing against this conception, Siddiqi (2004) cited Ibn Taymiyyah’s comments on this issue:

Some confine *maṣāliḥ mursalah* to protection of life, property, honour, reason and religion. But that is not correct. *Maṣāliḥ mursalah* require us to acquire benefits and keep harm away. The protection of the things listed by these people relates to only one of the two kinds of *maṣāliḥ mursalah*. The other kind involves realisation of positive benefits, in worldly matters as well as in religion (cited by Siddiqi, 2004: 5).⁴

Despite maintaining the constituents and the order of Al-Ghazālī’s five essential elements of *maqāṣid*, Al-Shāṭibī in his exposition on *maqāṣid* reaffirmed the position of Ibn Taymiyyah by acknowledging that the benefits (*maṣāliḥ*) are to be understood in their broadest sense, inclusive of all benefits pertaining to this world and the hereafter, those of the individual and the community, material, moral and spiritual, and those pertaining to the present as well as the interests of future generations (Kamali, Khan and Al Shaikh-Ali, 2008). In other words, the meaning of benefits is not only limited to the prevention and elimination of harm, but also the promotion of such benefits. Hallaq (2004) identifies two means for maintaining the essentials; on the one hand, they are enhanced and strengthened, while on the other, all potential harm that may arise to affect them are averted. For example, the protection of life and intellect are examples of important elements of essentials which can be enhanced by ensuring the provision of proper food, shelter, clothing, and education. On the other hand, any potential harm that may threaten these essentials can be averted by penal law or prohibition such as the ban on alcohol and the dumping of toxic waste that may harm intellect and life respectively.

In the context of economic development, Chapra, Khan, and Al Shaikh-Ali (2008) argue that the notion of ‘preservation’ is inconsistent with the dynamic nature of Islam and the real world. Without a continuous progress or positive movement toward realization of the *maṣlahah*, the present level of societal well-being is unlikely to be sustained in the long run, resulting in stagnation and an eventual decline. They then extend the notion of ‘preservation’ expounded by al-Ghazālī into the notion of ‘enrichment’, and identify various corollaries of *maqāṣid* based on the primary essentials. These are summarized in Table 1.

TABLE 1
The Dimensions of *Maqāṣid* - The Essentials and Their Corollaries

Essentials	Corollaries
Faith	<p>Providing framework of values and proper motivation within the Islamic worldview.</p> <p>Education (moral and material), Justice, freedom, security of life, property and honor; Honesty; Fulfilment of all economic and political obligations; Patience; Thriftiness; Prudence; Tolerance; Mutual care; Trust; Removal of poverty; Need fulfilment of all and availability of employment and self-employment opportunities; Equitable distribution (human brotherhood)</p> <p>Enabling environment for righteousness; Family integrity; Social solidarity and political stability; Role of the state.</p>
Self	<p>Invigoration of Human Self</p> <p>Dignity; Self-respect, human brotherhood and social equality, Justice; Spiritual and moral uplift; Security of life; Property and honour; Freedom; Need fulfilment; Employment and self-employment; Equitable distribution of income and wealth; Marriage and proper upbringing of children; family and social solidarity; Minimization of crime and anomie; Mental peace and happiness; Education.</p>
Intellect	<p>Socio-economic and political development</p> <p>High quality of religious and science education at affordable prices; Emphasis on the <i>maqāṣid</i> in the interpretation of text; Libraries and research facilities; Freedom of thought and expression; Reward for creative work; Expansion of knowledge and technological base.</p>

TABLE 1 (continued)

Essentials	Corollaries
Offspring	Sustainable human development Proper upbringing; Moral and intellectual development; Marriage and family integrity; Need fulfilment; Clean and healthy environment; Freedom from fear, conflict and insecurity.
Wealth	Development and expansion of wealth which is a trust from God Education; Research and improvement in technology and management; Security of life, property and honor; Good governance; Freedom of enterprise; Employment and self-employment opportunities; Removal of poverty, need fulfilment and equitable distribution; Social solidarity and mutual trust; Saving and investment; Optimum rate of development.

Source: Summarized from Chapra, Khan, and Al Shaikh-Ali (2008)

In Islamic finance, based on an extensive survey of the available literature and the reading of the primary sources of the *Shari'ah*, Laldin and Furqani (2013) concluded that one of the means (*wasā'il*) to realize the *Maqāsid* is instituting social responsibility in the industry. The broad dimensions of social responsibility can be seen from the scope of the inaugural global survey on the social responsibility practices of Islamic financial institutions. The survey assessment components include areas such as the screening of prohibited earnings and expenditures, customer services, treatment of workers, community contributions and investments, prioritizing small and medium enterprises, charity related activities, and care for the environment (CSR-IFI, 2010). In addition, Dusuki and Abdullah (2007) apply the three classifications of *maṣlahah* to provide a framework for implementing social responsibility initiatives by Islamic firms in various business circumstances. In doing so, they identify different social responsibility concerns of the business at each level of *maṣlahah* based on their priority and significance. Ensuring employee safety and health in the workplace, avoiding any activities detrimental to society and the environment, and not producing goods that can harm society are some of the social responsibility issues they identified as being under the essentials (*darūriyyāt*). On the other hand, the initiatives to remove difficulties by extending social responsibility beyond the level of 'preservation', such as providing training and continuous education among employees is considered at

the level of complementaries (*ḥājjiyyāt*). Finally, engaging in activities or programs for perfection of public life, such as giving charity or implementing community related programs are examples of social responsibility at the level of desirables (*taḥsīniyyāt*).

The foregoing discussion has highlighted several important points. While compliance with the injunctions and rules of the *Sharī'ah* is an important pre-requisite in developing Islamic economics and finance, it has been shown that it is an insufficient approach. The consequences at the macro level, the concerns on broader social responsibility issues, and the general consistency with the *maqāṣid* are among the critical issues to be incorporated in developing the discipline and the industry. Specifically, the need to secure the long run preservation of the essential elements of the *maqāṣid* necessitates continuous enhancement of the present condition. Acknowledgement of the need to address contemporary issues such as environment, human dignity and rights, economic justice and development, and community welfare as a whole provides the *Sharī'ah* imperative to justify incorporating a broader scope of social responsibility dimension in Islamic economics and finance.

3. JUSTICE AND BENEFICENCE AS ETHICAL IMPERATIVE FOR SOCIAL RESPONSIBILITY

While numerous ethical axioms have been identified in the literature (e.g. Asutay, 2007b; Naqvi, 1981), the precept of justice (*'adl*) provides the most comprehensive basis for the operational principles for an Islamic economy. It is a comprehensive term in Islam and covers all spheres of human life. Justice has been considered the defining characteristic of Islamic life and society by all Muslim scholars throughout history, and has been shown to be an indispensable part of the legal, social, and economic process (Ahmad, 2003a).⁵ In fact, "it is impossible to conceive of an ideal Muslim society where justice has not been established" (Chapra, 1992: 209). The 'Encyclopaedia of Qur'ān' on the entry under 'economics' highlights justice and communal responsibility as the most prominent feature of economic behavior mentioned in the Qur'ān. Other important areas, such as wealth acquisition and disposal, protection of the disadvantaged and regulation of transactions through contracts, are also profoundly underpinned by this principle (McAuliffe, 2002).

One of the most important elements of economic justice in Islam is to ensure that all exchange is just and equitable among the transacting parties. In the spirit of justice, Islam exhorts those who pursue economic affairs to act fairly, truthfully, honestly and in a spirit of cooperation; and all exchange must be done with mutual consent and benefits. Individuals are also commanded to uphold their promises and trusts as well as fulfil their contracts.⁶ Similarly, Islam places great emphasis on removing all elements that can lead to any form of injustice to all individuals. The antonym of ‘*adl* (justice) is *zulm*, which is used in the Holy Qur’ān to mean indulgence in wrong, evil, iniquity, injustice, oppression, unfairness; that leads to corruption (*fasād*) (Qur’ān, 11:85) and may eventually destroy the community as a whole (Qur’ān, 21:11) (Iqbal, 2007: 31). Therefore, elements and activities deemed exploitative and unjust are highly condemned and prohibited. For instance, the elements of *ribā* (interest), *gharār* (excessive uncertainty) and *maysir* (gambling) are among the major sources of inequity; shunning these elements in the activities and transactions has been the bedrock of Islamic economics and finance (Adebayo, 2010; Cattelan, 2009). Many of the prohibited acts in commerce and finance are also described as unjust, such as dishonesty, fraud, misrepresentation, and bribery. Similarly, business activities which transgress the boundaries set by Islam and lead to corruption including involvement in wine and intoxicants, gambling, prostitution, and other unacceptable forms of entertainment are also prohibited (McAuliffe, 2002).

While the imperative of equitable exchange as explained before is crucial in ensuring fairness between all parties in economic dealings, the notion of economic justice also requires that equity is prevalent in all spheres of economic activities, including production, distribution and consumption. The recognition of the status of human beings as vicegerents of Allah the Almighty in this world necessitates that their dignity and self-respect should be protected at all times, including the right to earn their living without being hindered by any forms of discrimination, exploitation or oppression.

A system which perpetuates the situation whereby the rich become richer and the poor could not escape the vicious cycle of poverty is totally rejected by Islam. Hence, any form of economic justice must address the issues at the level of economic participation (Chapra, 1992). This is because involvement in the production side of the economy through the factor market, such as the contribution of land, capital or labor, will critically determine the share of income among the people in the economy. This will in turn influence the

economic well-being of the people through the consumption activity enabled by their productive contribution. This is why Islam rejects any form of exploitation or discriminatory practices which impede the equal opportunity of people in accessing resources or acquiring other forms of productive capacity, which may hinder their economic participation. While Islam duly recognizes the natural inequality in the distribution of wealth and resources among people, it also prohibits accumulation of wealth in the hands of a few as this may cause “societal imbalance, leading in turn to corruption, misuse of economic power and injustice towards the weak or marginalized” (McAuliffe, 2002: 7). In this context, economic returns of capital through *ribā* contracts are considered unjust as they favor wealthy capital owners in the form of fixed returns regardless of the outcomes of the investment or production. On the other hand, equity-based arrangements are believed to be the ideal form of economic participation and therefore favored by many scholars of Islamic economics as the appropriate way of ensuring economic justice. Accessibility of important factors of production, such as the access to financial capital and land, enables individuals to involve in productive economic activities and earn their livelihood. Similarly, equal opportunity in accessing other sources of productive capacity building such as education and health care are crucial in providing a level playing field for all individuals in realizing the optimum level of human capital. Discriminatory practices against any groups in society whether in the workplace, education and in the market in general will impede realization of economic justice.

Islam’s commitment to justice and equity also entails a fair and equitable distribution of income and wealth in society. The first aspect to this principle is the imperative of a just system of factor compensation. This ensures that all parties who have contributed to the economy are equitably rewarded proportionate to their level of contribution; i.e. just wages for labor, just profits for producers, and just returns for capital owners. Despite all efforts to ensure a just and conducive environment for all to earn their livelihood, natural differential in intellectual endowments and abilities of different individuals inevitably causes some to be more fortunate than others. The Islamic jurists have unanimously held the view that it is the collective duty of Muslim society to take care of the basic needs of the poor and the disadvantaged. In fact, according to Shāṭibī, “this is the *raison d’être* of society itself” (Chapra, 1992: 210). The mandatory act

of *zakat* and the consistent exhortation on various forms of voluntary charities reflect the significance of this aspect. Various Qur'ānic verses and Prophetic traditions have also highlighted the need to eliminate economic exploitation and protect the interest of all classes in society, including women, orphans, people with physical or mental disability, as well as workers and consumers. It is imperative that the state as well as the community ensure the well-being of the disadvantaged groups, and this can be done through various public spending programs (Siddiqi, 1996), or other channels of charitable activities either from individuals, institutions or even company social responsibility programs. In other words, the intense commitment of Islam toward justice demands that all segments of society take care of the basic needs of the poor and the less fortunate in the community.

The notion of justice and equity is not only limited to how wealth is acquired and shared in society, but it extends to how this wealth is utilized. In line with the Islamic worldview that wealth and resources bestowed are considered a trust, it is imperative of justice that the resources must be used consistent with the will of God for the general well-being of all individuals and other creations of God. Therefore, Islam highly encourages moderation (Qur'ān, 17:29), while inappropriate use of wealth and resources, such as extravagance in spending (*isrāf*) and destruction of the environment are condemned and linked to corruption (*fasād*) (Qur'ān, 2:60; 7:74; 11:85; 2:205; 7:56). Likewise, other forms of improper use of wealth such as hoarding and squandering of property are also prohibited (McAuliffe, 2002). In this context, an efficient use of resources is considered a part of the Islamic normative assumptions as it ensures the maximum possible benefits for society (Zarqa, 2003). Resource conservation for the sake of future generations is also an important feature and part of the dynamic nature of inter-generational economic justice (Naqvi, 2003).

As summarized by Figure 1, the notion of economic justice in Islam constitutes various dimensions including, among others, equitable exchange, equal opportunity to participate in economic activities, equitable distribution of wealth, an overall balanced and sustainable development, all of which take into consideration the various segments of society and the future generations. In realizing this, the effort towards economic justice must not be limited to the negative approach of preventing elements of injustice. Equally important is positive effort such as promoting a fair and equitable allocation and distribution of resources and wealth. The presence of the latter will facilitate and sustain the establishment of economic justice,

while the absence of the former will result in downright prevalence of injustice in society. In other words, the notion of economic justice and the overall well-being of people can only be sustained if both approaches to economic justice are observed at all times.

FIGURE 1
A Dual Approach Towards Economic Justice

Negative Approach to Justice	Justice Balance Equilibrium	Positive Approach to Justice
<p>Prohibition of <i>riba'</i>, <i>gharar</i>, <i>maysir</i>, fraud, bribery.</p> <p>Prohibition of monopoly of resources, unjust economic system, discriminatory practices.</p> <p>Prohibitions of <i>riba'</i>, exploitation of workers and the poor, hoarding wealth and resources.</p> <p>Prohibitions of waste, irresponsible exploitation of natural resources.</p>	<p>Equitable exchange</p> <p>Participatory justice</p> <p>Distributive justice</p> <p>Balanced and Sustainable development</p>	<p>Upholding promises and trusts, fulfilling contracts, transparency and honesty in economic affairs.</p> <p>Access to resources (e.g. land and financial capital), education, work opportunities, equity based partnership.</p> <p>Just compensation, guarantee on the basic needs of the poor, redistributive mechanisms (<i>zakat</i> and other charitable acts), protection of the weaker and disadvantage groups of the community.</p> <p>Preservation of the natural environment.</p>

As a complementary to justice, Islam also strongly preaches the sense of beneficence (*ihsān*).⁷ Despite the fact that the words '*adl*' and *ihsān* are concurrently used in the Qur'ān (Qur'ān, 16:90), they have different notions; "'*adl*' is a legal concept while *ihsān* is a moral one" (Hasanuzzaman, 1999: 12).⁸ In this respect, Islam persuades its followers to go a step further beyond the framework of justice, in the pursuit of excellence and perfection in all deeds and actions. One such manifestation of excellence and perfection in the notion of *ihsān* can be found in the *Hadith* of Gabriel in which Prophet Muhammad (pbuh) states; "(*Ihsān* is) to worship God as though you see Him, and if you cannot achieve this state of devotion then you must consider that He is looking at you" (Al-Bukhari, 1980: Vol. 1; Book 2; Hadith No. 47).

In human interpersonal conduct, *ihsān* denotes "good behavior, generous dealing, sympathetic attitude, tolerance, humane and kind approach, mutual consideration, and regard for one another's interest, rendering to others even something more than their due right, contenting oneself with even something less than one's own due right" (Siddiqi, 1979, cited by Abbas, 1990: 76). This necessarily entails a pure altruistic instinct where one would prepare to give priority to others and sacrifice one's own rights.

Despite *ihsān* being a supererogatory virtue, the Qur'ānic verses suggest that the attitude of *ihsān* enjoys a significant position in the Islamic framework (Hasanuzzaman, 1999). Individuals are prescribed to be magnanimous in their behavior not only among their close relations and circles such as toward one's parents and kinsmen, or near neighbours and friends, but also to the wider community, particularly to the disadvantaged groups in society (Qur'ān, 4:36). In economics, the precept of *ihsān* persuades its followers to behave magnanimously in doing their transactions, claiming their rights and meeting their obligations.⁹ For instance, the call for such behavior can be found in the relationship between debtor and creditor, where both sides are exhorted to be generous in their dealings.¹⁰ An important feature of *ihsān* is its voluntary nature (Qur'ān, 51:15-19), where good deeds are done "without any earnest request, compulsion or, social coercion" (Abbas, 1990: 77). In fact, the reference on the importance of beneficence, even during the period of one's hardship signifies its significant position in the social setting (Qur'ān, 3:134). Therefore, the spirit of *ihsān* represents the reflection of the individual's inner faith and moral conviction toward higher level of social responsibility commitment.

In sum, the concept of justice (*'adl*) and beneficence (*ihsān*) provide a comprehensive framework for the normative foundation

underlying the notion of social responsibility in Islam. While the imperative of justice serves as the core of the ethical commitment among individuals in society, the spirit of beneficence strengthens this commitment by providing another layer of ethical value. In the context where the strict adherence to procedural justice may not yield desirable outcome, “the spirit of *ihsān* will provide the necessary ingredient towards fairness” (Sadeq, 2007: 477). Additionally, the above discussions have highlighted the important position that Islam places on *Ihsān* despite its voluntary nature, not only on its significance in promoting the overall well-being of people, but also in realizing moral excellence, spiritual upliftment, and social cohesion in society. Therefore, the precepts of justice and beneficence offer a comprehensive framework where different levels of social responsibility commitment are integrated in relation to the operational principles towards socio-economic justice and human well-being.

4. HOMO ISLAMICUS, *FALĀḤ* AND SOCIAL RESPONSIBILITY

Another route in developing the discipline of Islamic economics has focused on its micro-foundations, with *homo Islamicus* replacing *homo economicus* to represent the nature of economic agents in an Islamic economy (Mahyudi, 2016). In the context of this paradigm, religious, ethical and social dimensions shape the behavioral motivation and action of the ‘Muslim man’ with the realization of *falāḥ* being the primary goal (Arif, 1985; Asutay, 2007a).¹¹ The literal meaning of *falāḥ* is to thrive, to prosper, to become happy, to have success; it covers both worlds and its dimension constitutes various aspects including spiritual, economic, cultural as well as political (Khan, 2003: 60). The economic agent with this goal in mind is described as a socially concerned God-conscious individual “who in seeking his/her interests is concerned with the social good, conducting economic activity in a rational way in accordance with the Islamic constraints, and in trying to maximize his/her utility seeks to maximise social welfare as well” (Asutay, 2007a; 168).

A careful examination of the characterisation of the economic agent in an Islamic economy provides a foundation for developing a systematic understanding of the behavioral assumptions. Firstly, while sources of utility can be derived from both self and social interest, self-

interest pursuit is constrained by the teachings of Islam where certain activities are considered unacceptable and therefore, prohibited. These boundaries constitute various injunctions, rules and commandments of *Sharī'ah* where obedience is mandatory. This provides the threshold for a minimum level of social responsibility in Islam. Secondly, while the maximization of self-interest motives in the realm of permissible activities is completely acceptable, it must be balanced with the promotion of the social interest as well. Such an altruistic behavior beyond the minimum level required by the obedient behavior will prove to be a crucial element in the process of spiritual development and facilitate the realization of one's *falāḥ*. Such conceptualization is substantiated by verses of the Qur'ān which describe the characteristics of the *mufliḥūn* (those who obtained *falāḥ*).

4.1 OBEDIENT BEHAVIOR

One important characteristic of the *mufliḥūn* is the strict avoidance of all things considered detrimental to individuals or societal well-being such as the prohibitions against transacting in *ribā*, gambling and other activities that can create injustice and corruption. Individuals are obliged to obey such injunctions at all times, even if they involve economic losses:

O ye who believe! Devour not Usury, doubled and multiplied; but fear Allah; that ye may (really) prosper (Qur'ān, 3:130).

O ye who believe! Intoxicants and gambling, (dedication of) stones, and (divination by) arrows, are an abomination-of Satan's handiwork; eschew such (abomination), that ye may prosper (Qur'ān, 5:90).

Such obedience is not only limited to avoiding elements leading to injustice and corruption in society, but also involves complying with specific commandments which reflect the positive aspect to justice and *falāḥ*. For instance, such commandments include obligatory charity in the form of *zakat*:

So give what is due to kindred, the needy and the wayfarer; that is best for those who seek the countenance of Allah, and it is they who will prosper (Qur'ān, 30:38).

4.2 ALTRUISTIC BEHAVIOR

The characteristics associated with the realization of *falāh* are also linked to charitable and altruistic behavior. While such behavior undoubtedly promotes societal well-being and necessarily contributes to social cohesion, it is also linked to spiritual development which is crucial in understanding the complete meaning of *falāh*:

And fear Allah as much as you can, listen and obey; and spend in charity for the benefit of your own souls. And those saved from the covetousness of their own souls; they are the ones who achieve prosperity (Qur’ān, 64:16).

Those who establish regular Prayer, and give regular Charity, and have (in their hearts) the assurance of the Hereafter. These are on (true) guidance from their Lord; and these are the ones who will prosper (Qur’ān, 31:4-5).

4.2 SACRIFICIAL BEHAVIOR

Integrated to both the obedient and altruistic behavior is the element of sacrificial behavior. Such behavior reflects individual readiness to sacrifice economic interest in achieving *falāh*. For instance, abstinence from involving oneself in activities prohibited by the *Sharī’ah* may involve some economic sacrifice. In this context, individuals may be tempted with the abundance of the things Allah had prohibited. Therefore, realizing *falāh* necessitates the individuals to sacrifice certain things and be contented with the permissibles. However, in the side of Allah it is clear that the small worldly benefits of the permissible is better than the seemingly abundant outcome of sinful or prohibited acts. This highlights the fact that the pursuit of economic well-being must never violate the ‘moral or ethical filters’ prescribed in Islam. The sacrificial element here introduces another dimension to the obedient behavior as described earlier:

Say: Not equal are things that are bad and things that are good, even though the abundance of the bad may dazzle thee; so fear Allah, O ye that understand; that (so) ye may prosper (Qur’ān, 5:100).

Similarly, sacrificial behavior can also be present within the act of altruistic behavior. In this context, the act to promote the well-being of others may result in an economic loss to the individuals, and such behavior necessarily represents a higher level of social responsibility commitment. It becomes more prevalent when the cost to the individual increases and such a cost primarily depend on their present economic circumstances. The larger the cost involved in proportion to the present economic standing of the individuals, the greater its level of sacrifice:

But those who before them, had homes (in Madinah) and had adopted the Faith show their affection to such as came to them for refuge, and entertain no desire in their hearts for things given to the (latter), but give them preference over themselves, even though poverty was their (own lot). And those saved from the covetousness of their own souls-they are the ones that achieve prosperity (Qur'ān, 59:9).

Falāḥ brings about a new perspective of happiness beyond the mainstream notion of utility. Economic well-being is not the only source of happiness; the well-being of others and spiritual salvation are some of the important considerations in the decision making process of economic agents. Therefore, restraining oneself from harming others, or acting in the interest of others, or even sacrificing for the sake of others, are in line with the notion of *falāḥ*. Additionally, it is important to emphasize that altruistic behavior has been consistently linked to spiritual development. This is very central to *falāḥ* where human well-being is not only dependent on material achievement, but more importantly requires spiritual upliftment.

The relationship among the commitment to social responsibility, spiritual development and the realization of *falāḥ* demonstrate the dynamic nature of the process. As noted by Zaman and Asutay (2009), the realization of *falāḥ* is a 'becoming' process. The word *falāḥ* itself reflects the process of striving toward success and the state of ultimate happiness. This journey toward the ultimate happiness progresses as the adornment of material gain is taken over progressively by the assurance of the salvation in the hereafter. This concept of dynamic process of spiritual development is consistent with the notion of *tazkiyyah*, which entails self-purification and growth. As *homo Islamicus* commits to a higher level of social responsibility, and the concern for self-interested motives progressively diminishes, the process of self-purification and spiritual development will take place,

with the eventual attainment of complete happiness and eternal salvation:

But those most devoted to Allah shall be removed far from it. Those who spend their wealth for increase in self-purification, and have in their minds no favor from anyone for which a reward is expected in return, but only the desire to seek the countenance of their Lord Most High; and soon will they attain (complete) satisfaction (Qur'ān, 92:17-21).

As noted earlier, embedded in this path to spiritual upliftment is the level of commitment to social responsibility. This can be exemplified by the following verse of the Qur'ān:

Let there arise out of you a band of people inviting to all that is good, enjoining what is right and forbidding what is wrong; they are the ones to attain felicity (*falāḥ*) (Qur'ān, 3:104).

The three components highlighted in the verse represent the levels of social responsibility commitment in the path of realizing *falāḥ*. The institution of 'enjoining what is right and forbidding what is wrong' constitutes the core to the behavioral expectations of individuals, and consistent with the discussions on the dual nature of approach toward *maṣlahah* and justice. Beyond this aspect, individuals are also exhorted to fulfil a higher level of responsibility, through the call to promote goodness (*khayr*), which according to Izutsu (2002), is comparable to the notion of *iḥsān*. It is quite apparent by now that individual behavior, the level of commitment towards social responsibility issues, and the realization of *falāḥ* are intimately integrated.

5. A UNIFIED NORMATIVE FRAMEWORK OF SOCIAL RESPONSIBILITY

5.1 SYNTHESIZING THE FOUNDATIONS OF SOCIAL RESPONSIBILITY

The foregoing discussions have provided the necessary justifications for social responsibility concerned in the forms of *Sharī'ah* imperative, principles of a moral economy, and the normative

behavioral framework. Despite coming from different positions, notable consistencies can be observed, rendering a plausible synthesis of these foundations in providing an integrated normative framework of social responsibility issues and commitment for economic agents in the decision making process.

Contemporary literature on *maqāsid* has provided the imperative of the role of promotion of good and social well-being as part of an important element to the spirit of Islamic law, along with the traditional emphasis of preservation and protection from harm. This is consistent with the discussions on the axiom of justice ('*adl*). The precept of '*adl* ensures that any element of *ẓulm* (injustice) that may result in *fasād* (destruction or corruption) must be mandatorily shunned. This can be reflected in the various injunctions and rules derived from the revealed sources of the *Sharī'ah* which provide the safeguard against any form of violation to the notion of justice. However, the notion of justice is not limited to the prevention of harm to society alone. Positive dimensions of justice in the realm of economics provide another important layer in providing the necessary environment for implementing justice in all spheres of economic affairs, in line with the aim to achieve social justice and overall human well-being.

However, the effort toward promotion of social responsibility does not end there. Islam also puts great emphasis on another layer of the normative principles known as the concept of *ihsān*, without which the realization of *falāḥ* would be incomplete. This additional layer which goes beyond the legal dimension of justice is an important component in the system of ethics in Islam. As can be seen within the context of the hierarchy of *maṣlahah*, where promoting the higher level provides assurance that the concerns of the lower level of *maṣlahah* are not being compromised, similarly in this case, the notion of justice is complemented with the notion of *ihsān*, which bring another layer of assurance that justice and fairness are promoted in all circumstances.

The imperative of the *maqasid* which involves the prevention of harm and the promotion of good on one hand, and the notion of '*adl* on the issue of social responsibility on the other, is further emphasized within the concept of *falāḥ*. In realising *falāḥ*, individuals have to balance between the pursuits of self-interest with social interest. In the context of the behavioral expectations, obedient behavior entails the economic agents to avoid all activities considered harmful and unacceptable in Islam, even if this results in economic losses (sacrificial behavior sub-set to the obedient behavior). Furthermore,

they are required to observe certain aspects important to establishing *maṣlahah* and justice in society. These two aspects imbued in the obedient behavior are consistent with the demand of the dual approach toward *maṣlahah* and justice. It is crucial that both the negative and positive features are established in society as well as in the economy as the transgression of the former will cause downright harm to society, while the absence of the latter will undermine the strive for justice and overall human well-being. On the other hand, altruistic behavior represents the voluntary aspects of Islamic ethics and is closely linked with the notion of *ihsān*. This entails the act to serve others more than is required by justice. Such an additional layer of social responsibility provides supplementary mechanism in the endeavor to maintain the state of justice at all times. More importantly, despite being voluntary in nature, altruistic behavior and its potential economic sacrifice (sacrificial behavior for altruistic purpose) is a crucial element in the process of spiritual upliftment, where its absence will hamper the process of realising *falāḥ*. Given the integrated nature of these precepts with the behavioral expectations of economic agents, the following sub-section presents a unified framework of social responsibility.

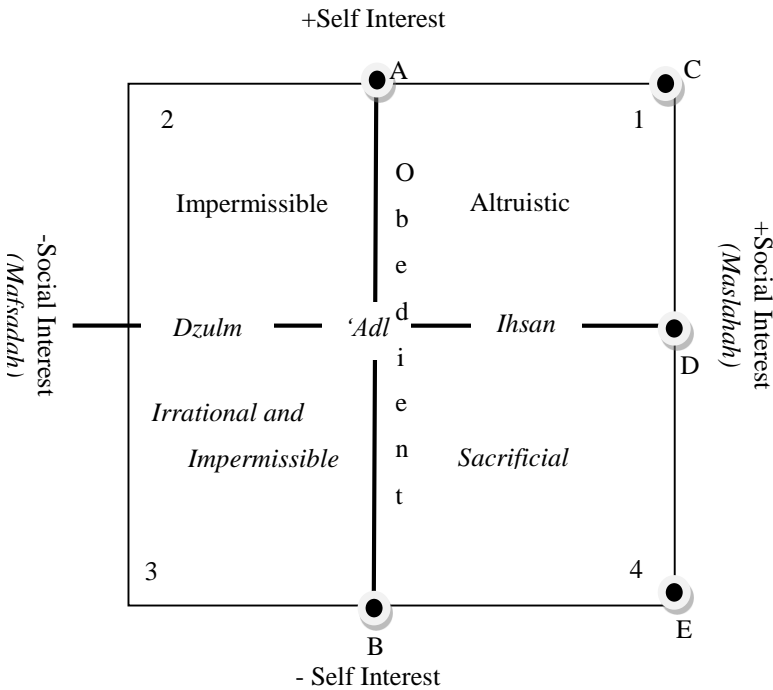
5.2 A UNIFIED NORMATIVE FRAMEWORK OF SOCIAL RESPONSIBILITY ISSUES AND COMMITMENT

As alluded earlier, the realization of *falāḥ* as the goal in life and economic affairs, and the corresponding behavioral expectations associated with it, can be integrated with *Sharī'ah* and its fundamental objectives, and the notion of *'adl* and *ihsān*, in providing a framework in which the normative foundations of social responsibility and the corresponding behavioral assumptions of economic agents can be conceptualized in a coherent and systematic manner. Such a unified normative framework of social responsibility in Islamic economics is illustrated in Figure 2.

Figure 2 shows an economic agent faced with two dimensional objective functions; the pursuit of self-interest motive represented by the vertical axis and the advancement of social interest represented by the horizontal axis. Confronted with such a situation, the diagram reflects the possible types of behavior economic agents are likely to choose. Given the two dimensions of objective function, rationality suggests that economic agents should maximize the total

well-being derived from the two sources. This may involve preferring self-interest over social interest, favoring social interest at the expense of self-interest, or possibly optimizing both. This necessary means that choosing a behavior that has both negative self-interest and social implications as irrational. Therefore, Section 3 of the diagram represents the area of an irrational behavior.

FIGURE 2
A Unified Normative Behavioral Framework of Social Responsibility Issues and Commitment



It is also important to note that all activities detrimental to society be completely shunned. Even if such activities may contribute positively to the pursuit of self-interest motive, and therefore, economically rational, it is, however not permissible from the Islamic perspective. Therefore, the second quarter which represents the pursuit of self-interested motive at any cost to society is also unacceptable. While this can happen in reality, from a normative point of view, such behavior is outside the permissible behavioral framework of the economic agents in an Islamic economy. Such behavior constitutes an

act of transgression (*zulm*) beyond the boundaries set out by Islam, and contributes to corruption and mischief in the world and brings harm to society (*mafsadah*).

On the other hand, the sections to the right of the diagram constitute the permissible types of behavior. Economic agents are allowed to pursue their self-interest as long as it does not have adverse impact on social interest. For instance, moving up the vertical axis, as shown by point A, represents the pursuit of self-interest within the context of the obedient behavior- the minimum level of obedience expected of *homo Islamicus*. It is important to note that pursuing one's self-interest but at the same time avoiding elements that can cause injustice and *mafsadah*, and upholding obligatory practices such as keeping *amānah* and paying *zakat*, as required by the obedient behavior, would also promote *maṣlahah* in the community, despite the person not being actively pursuing social interest.

The ideal situation happens when the economic agent is able to advance self-interest and social interest at the same time, as represented by point C in Figure 2. This would signify an optimal behavior for the economic agent in this unified normative framework. Nevertheless, on many occasions the two objectives may face a trade-off. The situation where economic agents have to choose a behavior pitting economic interest against ethical concerns is known in the literature as 'ethical dilemma' (Le Menestrel, 2002). From an Islamic perspective, a real scenario of an ethical dilemma can only exist when dealing with the voluntary aspects of Islamic ethics. As previously highlighted, Islam prohibits all types of *zulm* (injustice) that can lead to *fasād* (destruction and corruption) in society. Consequently, any pursuit of self-interest which is in conflict with such mandatory normative principles must be completely abandoned, even if it involves economic losses. This embodies the sacrifice expected within the obedient behavior as represented by point B. On the other hand, an ethical dilemma in this model will only involve the conflict between economic interest and altruistic motive which go beyond the mandatory normative aspects required by the obedient behavior. The choice to favor social interest over self-interest in this situation will result in a sacrificial behavior (for altruistic motive). For instance, moving along the horizontal axis toward point D would represent the advancing of social interest without considering one's self-interest, which signifies a form of sacrificial behavior. Additionally, Section 4

in the diagram represents the act of advancing social interest at a cost to individual self-interest, as exemplified by point E. While this is possible at the individual level, it is not feasible and applicable for businesses, or even in the context of any commercially oriented undertakings.

However, it is also important to note that sacrificial behavior for social responsibility does not necessarily involve a total abandonment of economic interest as represented in section 4. In fact, many decisions concerning ethical dilemmas in businesses involve trade-offs between having more or less profits, and be feasible at any point in Section 1. Therefore, the initiative to promote social interest, even if it requires some economic sacrifice, can still be financially feasible for commercially oriented ventures. In fact, consistent with the paradigm of *falāḥ*, such responsibility and spirit of sacrifice will be instrumental in removing self-centeredness and covetousness within oneself, and promoting compassion, caring, co-operation and harmony in society. Therefore, the concern for the well-being of others, as well as oneself become an integral element of social responsibility in Islamic economics, and it should be taken up by all members of the community, including institutions and businesses.

Turning to the other aspects of the framework, the vertical line which divides the continuum of social interest reflects the importance of establishing *maṣlahah* and justice in society. This necessitates that all activities detrimental to society (or even to oneself) must be rejected. While Islam acknowledges the role of self-interest motives in economic affairs, and in many ways encourages it, it is bound by the overall concept of goodness and justice. Transgression beyond this will result in injustice (*ẓulm*) that will lead to corruption and destruction (*fasād*) in society. Similarly, positive measures to ensure justice in society must also be upheld in a similar manner. Justice demands that individuals balance between their rights and their duties and responsibilities toward others. Hence, both the negative and positive approach to justice will provide a complete meaning to the notion of economic justice and the realization of all of its dimensions. On the other hand, going beyond the level of justice in promoting the interest of the society, in line with the spirit of *iḥsān*, will facilitate one's upliftment to the state of *falāḥ*. In this context, the realization of *falāḥ* necessitates individuals to exercise more than just the obedient behavior, but also altruistic behavior toward others, and potentially in the process, involve in some degree of sacrificial behavior.

In sum, in the context of this normative framework, an economic agent is no longer driven by the principle of utility or profit maximisation alone, but by the pursuit of the ultimate happiness in this life and the Hereafter, whereby the economic agent acknowledges the social and moral responsibility for the well-being of the society and the natural environment, including the well-being of the future generations. In other words, in the process of realising one's *falāḥ*, one' must ensure that the well-being of others are also promoted. Within this understanding, the social cohesion and social capital within the society will be maximised, resulting in the widespread spirit of cooperation, which in turn reinforce further the process of promoting collective well-being. Ultimately, the unity of purpose will avoid conflicting interests among members of the society, since everyone has a common aim in his life, within the comprehensive understanding of the notion of *falāḥ* (Ahmad, 2003b).

6. CONCLUSION

This paper has examined various normative foundations of social responsibility. As framed within the Islamic worldview, the discussions focus on the normative foundations frequently referred to in the literature of Islamic economics; the *Sharī'ah* and its underlying objectives (*maqāṣid al-Sharī'ah*); the precepts of justice ('*adl*) and beneficence (*iḥsān*); and the characteristics of *homo Islamicus* and the notion of ultimate happiness (*falāḥ*). While the preservation of the essentials (*maṣlaḥah darūriyyāt*) and the prevention of injustice (*ẓulm*) have been shown to be the necessary elements in providing the core and minimum level of commitment to social responsibility, the discussions have highlighted that a comprehensive realisation of *maṣlaḥah* and justice necessitates a dual approach, where the negative and positive aspects of social responsibility towards socio-economic justice and human well-being need to be concurrently addressed.

Contemporary discourse in the theory of *Maqāṣid* has emphasized the critical need for promotion and enrichment of the essentials; the broader spectrum of areas such as human rights, environment, and just economic development have been argued to be prime areas of concerns. Similarly, positive measures to secure economic justice in society must also be upheld to ensure its complete safeguard and the realization of all of its constituents including, among others, equitable exchange, equal opportunity to participate in

economic activities, equitable distribution of wealth, and an overall balanced and sustainable development, which takes into consideration the various segments of society as well as the future generations. The presence of the positive approach will facilitate and sustain the overall human well-being and economic justice, while the absence of the negative approach will result in downright prevalence of corruption and injustice in society.

Additionally, Islam always exhorts its followers to pursue a higher level of social responsibility commitment as it is considered to be a part of the spiritual development process and the key to eternal salvation in the life to come. Therefore, going beyond the level of justice in promoting the interest of society, in line with the spirit of *ihsān*, will facilitate one's upliftment to the state of *falāḥ*. In this context, the realization of *falāḥ* necessitates individuals to exercise more than just obedient behavior, but also altruistic behavior toward others, and potentially in the process, involves in some degree of sacrificial behavior. The overlapping themes in all of these principles have enabled them to be synthesized, resulting in a unified normative framework of social responsibility issues and commitment for economic agents in Islamic economics.

This unified framework has a number of important implications, both at the theoretical and practical levels. Firstly, the framework exemplifies the all-inclusive approach of Islam in promoting ethics and social responsibility with the apparent convergence and overlapping themes from the various Islamic precepts. This provides a sound, coherent and comprehensive theoretical justification for social responsibility issues and commitment in Islamic economics. Secondly, the framework enables the systematic integration of the different layers of social responsibility commitment with the various scope of social responsibility issues. This provides a basis where various aspects of ethics and social responsibility can be linked and examined in an integrated manner, which can provide appropriate guide for economic agents in their economic decisions. On a final note, while economic well-being for all is a desirable outcome, spiritual uplift remains the central consideration in the vision of human development and well-being in Islam.

ENDNOTE

1. With few exemptions (e.g. Abu Yusuf (d.798), al-Kharaj; ibn Taymiyyah (d.1328), public duties; ibn Khaldun (d.1406),

muqaddima), economic matters on the whole were considered a part of Islamic legal literature (*fiqh*) (McAuliffe, 2002: 5).

2. Hasanuzzaman (1984: 50) suggests that *shari'ah* has two aspects; *shari'ah* injunctions which include the aspect of lawful and unlawful nature of actions and contracts; and *shari'ah* rules which include the set of principles (legal maxims) derived by jurists from the *shari'ah* injunctions.
3. The term '*maqasid*' (singular *maqsid*) refers to the objectives/ purposes/intents/ends/principles behind the Islamic rulings. For a number of Islamic legal theorists, it is an alternative expression to 'people's interests or benefits' (*maslahah*, plural *masalih*). For example, Abd al-Malik al-Juwayni (d.1185), one of the earliest contributors to *al-maqasid* theory used *al-maqasid* and public interests (*al-masalih al-'ammah*) interchangeably. Abu Hamid al-Ghazali (d.1111) elaborated on a classification of *maqasid*, which he placed entirely under what he called 'unrestricted interests' (*al-masalih al-mursalah*). Fakhr al-din al-razi (d.1209) and al-Amidi (d.1234) followed al-Ghazali in his terminology. Najm al-din al-tufi (d.1316) defined *maslahah* as "what fulfils the purpose of the legislator". Al-Qarafi (d.1868) linked *maslahah* and *maqasid* by a fundamental (*usuli*) 'rule' that stated: "a purpose (*maqsid*) is not valid unless it leads to the fulfilment of some good (*maslahah*) or the avoidance of some mischief (*mafsadah*)". See Auda (2008) and Auda, Khan, and Al Shaikh-Ali (2008) for the details on the historical development of the theory of *maqasid*.
4. In fact, ibn Taymiyyah (d.1328) was probably the first scholar to depart from the strict interpretation and identification of the elements of *maqasid* (the five essentials) and included in the list, among others, fulfilment of contracts, preservation of the ties of kinship, honoring the rights of one's neighbor, as part of the worldly *maqasid*, and the love of god, sincerity, trustworthiness, and moral purity, with regard to the hereafter. See Kamali, Khan, and Al Shaikh-Ali (2008: 8-9).
5. For instance, in the economic context, Abu Yusuf (d.798) advising Caliph Harun Al-Rashid (d.809) proclaimed that rendering justice to those wronged and eradicating injustice accelerates development. Al-Mawardi (d.1058) argued that comprehensive and multi-dimensional justice promotes solidarity, law and order, development, wealth expansion, population growth, and security, and that "there

- is nothing that destroys the world and the consciousness of people faster than injustice". See Ahmad (2003a).
6. Some of the Qur'ānic verses related to the exhortation of justice, including in economic affairs are (Qur'ān, 4:58; 6:152; 7:85; 11:84-7; 12:59,88; 16:76; 42:15). See McAuliffe (2002: 5-9).
 7. The Holy Qur'ān (16:90; 3:134; 9:100, 120; 55:60; 5:93; 7:56; 2:195) stresses that '*adl* (justice) be complemented with *ihsan* (beneficence).
 8. It should be noted that this description of '*adl* is in line with the negative approach to justice through the prevention of injustice as defined by Hasanuzzaman (1984). Through the positive aspects of justice, '*adl* moves from being a legal concept to a socially oriented concept that facilitates the realization of economic justice and development in Islam.
 9. Jabir b. 'Abdullah (Allah be pleased with him) reported that Allah's Messenger (pbuh) said: "May God have mercy on the person who shows magnanimity while selling, buying and meeting his obligations." See Khan (1989: 254-*hadith* no. 12;30).
 10. The call for the creditor to be munificent toward the plight of the debtor can be found in the Qur'ān (2:280); and the same exhortation toward the debtor is exemplified by the following *hadith*; Abu Rafi' said: Allah's Messenger (pbuh) borrowed a young camel (from someone). Subsequently a camel of *sadaqah* came to him. Thereupon he ordered me to repay to the man his young camel. I said: I do not find but a young, beautiful *Bubaliya* (i.e. a four-year-old camel). Thereupon the Prophet (pbuh) said: Give him the same, as the best of the people are those who are best in repayment (of borrowed things). See Khan (1989: 254).
 11. According to Arif (1985: 97), "Islamic economics is the study of Muslim's behavior who organises the resources which are a trust, to achieve *falāh*."

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