

# Intellectual Discourse

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**The 15<sup>th</sup> International Conference on  
Islamic Economics and Finance (ICIEF 2024):  
Driving the Agenda  
for a Sustainable Humane Economy**



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# *Intellectual Discourse*

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Volume 34

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## Transliteration Table: Consonants

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

## Transliteration Table: Vowels and Diphthongs

Arabic	Roman		Arabic	Roman
اَ	a		اَ، اِيَّ	an
اُ	u		اُو	un
اِ	i		اِي	in
اَ، اِ، اِيَّ	ā		اَو	aw
اُو	ū		اَي	ay
اِي	ī		اُو	uww, ū (in final position)
			اَي	iyy, ī (in final position)

*Source: ROTAS Transliteration Kit: <http://rotas.iium.edu.my>*



# Islamic Worldview, Economics and Islamic Economics

**Sayyid Tahir\***

**Abstract:** This article explores the rationale for Islamic economics and some possibilities for developing it based on the Islamic worldview. For reasons recorded in the paper, the Qur'an is chosen as the basis for inquiry. The quest for an Islamic worldview is guided by four factors: Allah SWT's relationship to all the creation, the nature of worldly life for humans, the position of humankind vis-à-vis all other creation and the position of an individual versus other humans. The Islamic worldview is articulated in relation to the following key points: (i) Allah is the original, absolute and ultimate owner of everything in the heavens and the earth, (ii) the universe has internal consistency, (iii) a cause-and-effect mechanism is always at work, and (iv) life is a test for humans with Divine permission for personal ownership (the right to title as well as use) and freedom of choice (including obeying or disobeying Allah). Recognition of the Will of Allah as the primary guiding principle for the conduct of life, provides the foundational rationale for Islamic economics and shapes its intellectual discourse. Some conclusions are also drawn for developing Islamic economics as an academic discipline.

**Keywords:** Worldview, economics, Islamic economics, Will of Allah, Shari'ah

**Abstrak:** Makalah ini meneroka rasional bagi ekonomi Islam dan beberapa kemungkinan untuk membangunkannya berdasarkan tasawwur Islam. Atas sebab-sebab yang diterangkan dalam makalah ini, Al-Qur'an dipilih sebagai asas untuk kajian. Pencarian tasawwur Islam ini dipandu oleh empat faktor: hubungan Allah SWT dengan semua makhluk, hakikat kehidupan duniawi bagi manusia, kedudukan manusia berbanding semua makhluk lain dan kedudukan individu berbanding manusia lain. Tasawwur Islam ini adalah berpaksi kepada perkara-perkara utama berikut: (i) Allah adalah pemilik asal, mutlak dan

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hakiki bagi segala sesuatu di langit dan di bumi, (ii) alam semesta mempunyai konsistensi dalaman, (iii) mekanisme sebab-akibat sentiasa berfungsi, dan (iv) kehidupan adalah ujian bagi manusia dengan izin Ilahi untuk pemilikan peribadi (hak milik serta penggunaan) dan kebebasan memilih (termasuk mematuhi atau menderhaka kepada Allah SWT). Pengiktirafan Kehendak Allah sebagai prinsip panduan utama untuk menjalankan kehidupan, menyediakan rasional asas bagi ekonomi Islam dan membentuk wacana intelektualnya. Beberapa kesimpulan juga dibuat untuk membangunkan ekonomi Islam sebagai disiplin akademik.

**Kata kunci:** Tasawwur, ekonomi, Ekonomi Islam, Kehendak Allah, Shari'ah

## Introduction

'Worldview' or '*Weltanschauung*' means a particular philosophy of life, a way of thinking about the world or a comprehensive view of the universe and the position of humankind in it. The American Heritage Dictionary of English Language brackets the notion of "worldview" as the overall perspective from which one sees and interprets the world ([www.ahdictionary.com/word/search.html?q+world+view](http://www.ahdictionary.com/word/search.html?q+world+view)). There is no unanimity of views on *worldview*. It remains, in the end, an opinion, belief, idea or way of thinking about this world for those who espouse it, and a conjecture or hypothesis for others. Nevertheless, once enunciated, it provides its adherents with an axiomatic basis for inquiry.

Knowledge inevitably bears the imprint of the normative commitments and predispositions of its proponents. This is equally true of mainstream economics, commonly referred to as neoclassical economics. Its underlying worldview remains largely untold in the economics literature. On the religious side, apart from atheists and agnostics, there is belief in an Omnipresent God but with differences of opinion on His Attributes. This life is regarded as an end with no accountability in the afterlife, especially if an individual upholds some basic articles of faith. Humanity is considered the master of its own destiny. All worldly matters are judged against the touchstone of human "reason." "Experience" – empiricism, in technical jargon – also plays a significant role in refining reason-based conclusions.

In the presently dominant economics paradigm, individualism and freedom form the basis for discourse. Democratic conventions

in civilised societies help to smooth over gaps in divergent views on any matter. The judiciary also plays a vital role, in interpretation of the law, through its judgements. This leads to legalism: everything having democratic as well as judicial sanction, is legitimate but questionable otherwise. The result is: ‘right vs. wrong’ and ‘good vs. bad’ judgments become endogenous, i.e. above the need for exogenously determined considerations such as religious edicts.<sup>1</sup>

Islamic worldview differs in a fundamental way from the above worldview behind mainstream economics. It has far-reaching implications for looking at the nature and scope (range and setting) of economic issues as well as the epistemology and the methodology for addressing them. This article restates the Islamic worldview (section 1), notes its implications from the perspective of (conventional) economics and Islamic economics (section 2), and suggests some clues for reconstruction of Islamic economics (section 3).

### **Islamic Worldview**

Islamic scholarship discourse on ‘worldview’ has a relatively short history. According to Berghout (2007, pp. 27-8), “several worldview topics and issues were examined by Jamal al-Din al-Afghani (d. 1897), Muhammad Abduh (d. 1905), Rashid Rida (d. 1935), Wali Allah al-Dahlawi (d. 1176), Said Nursi (d. 1960) . . . Sayyid Qutb [d. 1966] was the first one to produce a quasi-systematic work on the Islamic worldview.” Among those who directly addressed matters related to the Islamic worldview as a separate field of study, as opposed to its inception and development as a concept, Berghout counts Abu’l A’la Mawdudi (d. 1979), Muhammad Iqbal (d. 1938), Malik Bennabi (d. 1973), Muhammad Baqir al-Sadr (d. 1980), Ismail Raji al-Faruqi (d. 1986), Seyyed Hossein Nasr, Muhammed Hamidullah (d. 2002), Fazlur Rahman (d. 1988), Syed Muhammed Naquib al-Attas and some others.

Abu’l A’la al-Mawdudi emphasised (i) Allah as the Sole Creator and *Rabb* (Master and Sustainer) of everything in the universe, (ii)

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<sup>1</sup> Today’s ‘wrong’ may become ‘right,’ or vice versa, with shifts in the society’s mood. Unlike a century ago, slavery is now abhorred and illegal. Young children have legally enforceable rights, but aged parents have no reciprocal rights. Shifts in the notion of marriage. These are just a few examples.

Islam as a complete code of life for man and (iii) total submission to Allah SWT as the purpose of life for humankind. He also drew several conclusions about the cosmos as well as the conduct of individual and socioeconomic life.

Al-Faruqi (1982) questioned the view of Muslim philosophers, such as al-Kindi (801-873 CE), al-Farabi (870-950 CE) and Ibn Sina (980-1037 CE), who, inspired by orderliness in the universe, emphasised cause and effect as prime reality with the creation being a passage from chaos to cosmos. Al-Faruqi summed up the rebuttal of Muslim theologians, such as al-Ghazali (1058-1111 CE), in the following words: “Either He is He by Whom everything is, by whom everything happens, incapable of initiating it or there is some other God besides Him, who is the real cause and master of all.” Observing the logical contradiction, al-Faruqi noted: “The upshot of the matter was not establishment of causality, but of divine presence, and of accommodating causality to that presence.” This led him from neutral God to Omnipresent, Omnipotent and Caring God – Allah SWT. Al-Faruqi thus advocated *al-Tawhid* (Oneness of Allah SWT) as worldview (al-Faruqi, 1992, 1-16).

Ahmad (1980) rested his argument and conclusions about economic development in Islam on *Tawhīd* (Unity and Sovereignty of Allah SWT), *Rubūbiyyah* (Divine arrangements for nourishment and sustenance of all things and directing them towards their perfection), *Khilāfah* (man’s role as a vicegerent on earth) and *Tazkiyyah* (purification *plus* growth). Naqvi (1981) argued in favour of Unity, Equilibrium, Free Will and Responsibility as four axioms for ethical Islamic economic analysis. Chapra (1993) relies on *Tawhīd*, *Khilāfah* and ‘Adālah (justice) to draw conclusions in his book on development in Islam.

According to Haneef (1997), “since economics deals with man’s relationship to nature, other human beings, with valuation in its broadest sense, and in the spheres of production, consumption and distribution of goods and services, the understanding of the Islamic view of man and nature is fundamental” (p. 43) He describes Islamic worldview in terms of four elements. (1) *Tawhīd* – one God who created the universe in perfect order, who is the Cherisher, the Sustainer, the Gracious, the Merciful, the Omnipotent, Omniscient, the Owner of everything. (2) Man’s position as *Khalīfah* (Vicegerent on earth) as well as ‘*Abd* (servant) of God and trustee. (3) Nature/universe comprising of heavens

and the earth and everything in between, for use by man in accordance with the Will of God. (4) Islam being *Dīn*– the complete code of life, enunciated in the Qur’an and the Sunnah. In the end, man is free to choose his course of action, whether that conforms to the Qur’an and the Sunnah or not. This, in turns, leaves a critical question unanswered: why could Islamic worldview not lead to a sustainable organisation of life in Muslim societies?

For Furqani (2018), ‘worldview’ means “belief, doctrine, perspective in the sense that it supplies views, assumptions and images of how to perceive things. . . [and] provides framework of thought, and objectives as well as a set of axioms and principles on which that system of thought operates” (pp. 3-4). More specifically, according to him, the earth and its resources belong to God and are created solely for man in its capacity as *‘Abd* (servant) and *Khalīfah* (vicegerent, both individually and collectively) of God. In the said capacities, individuals engage in cooperation, mutual understanding, the sharing of the world and its bounties, and the pursuit of wellbeing in this life and the Hereafter. *Khilāfah* or vicegerency, according to him, also mean resources on the earth and wealth are *Amānah* (trust) from God in the hands of the respective persons. This, in turn, implies that the said resources be used to fulfil needs of the individuals as well as the society without any misuse, corruption, wastage or squandering, corrupting environment and causing harm to the society and future generations (Furqani, 2018, p. 15). In this perspective, he perceives “Islamic economics is a body of knowledge in understanding economic phenomenon shaped and founded on the Islamic worldview that supplies perspective, directions, guidelines and goals of how human beings should arrange their economic life” (p.13).

This selective survey of the literature encapsulates the general state of the thinking on Islamic worldview. Main conclusions are based mostly on the teachings of the Qur’an. The various positions can be helpful in setting some limits or boundaries for the argument of Islamic economics. They, however, stay short of providing convincing rationale, other than the religious grounds, for Islamic economics and its subject-matter, epistemology and methodology.

In what follows, the basis for the argument is first defined, and the argument is then developed systematically. The basis of Islamic

worldview is the Qur'an. The reasons for this choice are elucidated in the next sub-section. The argument itself is spelled out in the sub-section after it. Conclusions about Islamic worldview are formally drawn in the form of bullet points in the last sub-section.

### ***The Basis for the Argument***

Rationalism and empiricism are the foundations of secular discourse. Its worldview – based on the strength of imagination and observed realities – translates into the twin notions of “individualism” and “freedom” with humankind having all rights over everything in this world and beyond. This position is shared by both believers and others.

Besides rationalism and empiricism, there exists a third basis for inquiry, i.e., the realities that transcend rational scrutiny and are recognised in Islamic and other religious scriptures. These too fall into the domain of cardinal truths. The Crossing of the Red Sea by Prophet Moses and the Israelites but sinking of the Pharaoh and his forces in their pursuit, is one such example. Prophet Jesus speaking from the cradle is another. Such is the case with the Qur'an.

The Qur'an is the Spoken Word of Allah SWT. It was communicated to humankind through the Archangel Jibrael and the Prophet Muhammad (PBUH) who had no teachers or guides. The choice of the Qur'an is supported by the Qur'an itself that challenges humankind to find any contradiction/inconsistency in it (4. *an-Nisā'*: 82), come up with like of It (17. *al-Isra*: 88) or even one of its chapters (2. *al-Baqarah*: 23; 10. *Yunus*: 38; 11. *Hūd*: 13) – if there is any doubt about it. Today, the world has the same Qur'an recited by all and memorised by millions of individuals around the world as that originally revealed on the Prophet (PBUH) more than fourteen centuries ago. The Qur'an talks about the cosmos, humankind and its position in this world and the purpose of life for humans. Reliability of the Qur'an as the basis for serious argument is also supported by its content. Cross-consistency in the text of the Qur'an simply amazes the reader.<sup>2</sup> Rationality and respect for realities, therefore, support the Qur'an as the basis for further inquiry.

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<sup>2</sup> The original Texts of the Qur'an, in Arabic, are not reproduced to save space. Instead, available English translations of the various Ayat are used with minimal editing for communicating the intent of the Qur'an. The site accessed (on 17 December 2020) in the case of this study is <https://www.altafsir.com>.

### *The Argument*

The Islamic worldview is explored here by reflection on four matters. (1) The position of Allah SWT vis-à-vis all the creation. (2) The nature of this worldly life for human beings. (3) The position of humankind vis-à-vis all other creations. (4) The position of an individual in relation to other human beings. Their relevance and usefulness become clear as the argument proceeds.

#### *The Position of Allah SWT vis-à-vis All the Creation*

Allah is *al-Ḥayyu* (The Ever Living Who has nothing before or after Him).<sup>3</sup> He is the Creator (*al-Khāliq*); everything else in the universe is His creation. He does not need a means for creating anything. When He desires something to happen, He just says “Be,” and it is (2. *al-Baqarah*: 117; 6. *al-An‘ām*: 73; 16. *al-Naḥl*: 40; 19. *Maryam*: 35; 36. *Yasīn*: 82; 40. *Ghāfir*: 68). Being the Creator, Allah is the Owner of everything in the heavens and the earth. He SWT is the Sovereign.

According to the Qur’an, Allah is the most Gracious, Benign, Caring, Kind, Merciful and Loving Lord (*Rabb*): the Owner (*al-Mālik*), the Guardian (*al-Qayyum*), the Protector (*al-Ḥāfiẓ*), the Sustainer (*al-Rāziq*) and the Sole Source from Which everything draws its legitimacy.

He is *al-Subḥān* (above any defect or shortcoming whatsoever). *Al-‘Ālim*, *al-Laṭīf* and *al-Khabīr* (always fully knowledgeable about everything big or small, open or hidden – even a secret in a heart – and in all circumstances). *Al-Qādir* – Who has total control over everything. *Al-Wakīl* – Who retains inalienable and incessant rights over all His creation. *Fa‘ālun limā yurīd* – Who exercises His discretion and is not answerable to anyone). And, last but not the least, *al-Wārith* – the Inheritor to Whom the ownership of everything ultimately returns to (as and when an existing owner in this life ceases to exist).

Limitless in His Glory is He Who created in pairs all the things that the earth produces as well as themselves (humans) and what they know not. (36) And a sign for them is the night: when We strip (the cover of) the day from it, they are suddenly in darkness. (37) And [there is also a sign in]

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<sup>3</sup> The author owes this interpretation of *al-Ḥayyu* (*the Living*) to Late Mawlana Muhammad Ishaq.

the sun that runs to a resting place set for it foreordained by the Almighty, the Knowing. (38) And for the moon We have ordained phases [which it must traverse] till it becomes like an old date-stalk, dried-up and curved. (39) Neither may the sun overtake the moon, nor can the night precede the day. They all float in their own orbit. (40) (36. Yāsīn: 36-40, various online available translations, particularly that of Muhammad Asad, edited)

And if all the trees on earth were pens, and the sea replenished with seven more seas, the Words of God would not be spent. Truly God is Mighty, Wise. (31. Luqmān: 27)

To sum up, Allah is the Original, the Absolute and the Ultimate Owner of everything in the heavens and the earth. ‘Sovereignty’ is His alone.

#### *The Nature of This Worldly Life for Humans*

Allah has created everything with a purpose. The purpose of humankind is frequently understood based on the proclamation: “We have created the jinns and the humans solely for worship” (51. *al-Dhāriyāt*: 56). However, without detracting from this, the following Revelation is the most pertinent in understanding the nature of this worldly life for humans.

Blessed is He in Whose hand is the Sovereignty and Who has [absolute] power over all things, (1) Who has created the life and the death so that He may try which of you [the humans] is good in conduct, and He is the Mighty, the Forgiving (2) (67. *al-Mulk*: 1-2)

Three other Revelations—6. *al-An‘ām*: 165, 11. *Hūd*: 7, and 18. *al-Kahf*: 7—also confirm that this life is a test for humans. In what respects? Worshiping Allah SWT: acknowledging that there is no God except Allah SWT and Muhammad is His Messenger, performing salah, giving zakah, fasting during the month of Ramadan and performing ḥajj. Furthermore, seeking His pleasure in all affairs of this life. The Qur’an articulates this latter point as follows:

Every soul is going to taste death, and We test you by evil and by good by way of trial. And, unto Us ye shall be returned. (21. *al-Anbiyā*: 35)

And We will certainly try you by means of fear, hunger and loss in wealth, lives and fruits (of labour), and give glad tidings to those who remain steadfast. (2. *al-Baqarah*: 155)

You shall indeed be tried in your wealth and yourselves. And you shall indeed hear many hurtful things from those who were given the Scripture before you and those who are idolaters, much hurt. But if you remain patient and God-fearing, surely that is true resolve. (3. *Āl'Imrān*: 186)

And know that your wealth and your children are a trial, and with Allah is a tremendous reward. (8. *al-Anfāl*: 28)

Then, on that Day [the Day of Judgment], you will assuredly be questioned about every blessing. (102. *al-Takāthur*: 8)

The test, in the end, is in terms of faith, acts of worship and conduct in relation to fellow human beings (in social and exchange matters) and the other creation of Allah. Allah communicated His Will through Prophets and Messengers sent to the various communities from time to time. The Qur'an is His last and the final communication for the mankind.

The following two *ayāt* implicitly state lower and upper bounds for the conduct in this life:

And [O Prophet!] question them about [people of] the township that was by the sea: how they would transgress in the Sabbath. How their fish would come to them on the day of their Sabbath floating at the surface, but on the day, they did not observe the Sabbath, they [that is, the fish] would not come to them. Thus, We were trying them for their wickedness. (7. *al-A'arāf*: 13 – emphasis added)

Said one who had knowledge of the Scripture: «I will bring it to thee [the throne of the Queen of Sheba] before your glance returns to you.» Then, when he [i.e. the Prophet-King Sulayman (Solomon)] saw it standing before him, he said, “This is of my Lord's bounty, that He may try me, whether I give thanks or am ungrateful. And whoever gives thanks, gives thanks only for his own sake, and whoever is ungrateful, [he should know] then my Lord is surely Independent [free of all needs], Generous.” (27. *al-Naml*: 40)

That is, staying clear of what Allah SWT stops from and gratefully doing what His Status calls for.

The Qur'an specifies the requirements for *ṣalāt*, *zakāt*, *ṣawm* and *ḥajj*in varying degrees of details. For example, the routines for *ṣalāt*, *ṣawm* and *ḥajj* are same for everyone. Their *aḥkām* in the Qur'an are quite detailed. People, however, differ in their economic status. The Qur'an only talks of giving *zakāt* and the beneficiaries of *zakāt*; all practical details are given through the Sunnah. The matter is complex in the case of practical affairs of life.

At four places in the Qur'an, namely 17. *al-Isra*: 89; 18. *al-Kahf*: 54; 30. *al-Rūm*: 58; 39. *al-Zumur*: 27, Allah has declared that it covers all conceivable matters, of course, in terms of all essential details. A closer look at the Qur'an reveals that the needful is done in the following way:

- (1) Primary addressee of the Qur'an is the individual. That is, the *aḥkām* have been given at the micro level.
- (2) The *aḥkām* in the Qur'an are about acts of personal worship mentioned above and basic matters related to an individual dealing with others.
- (3) The *aḥkām* in the Qur'an are in binary – do/do not – form. They are generalisable for derivation of rules and regulations for more complex cases.
- (4) Further necessary explanations of the *ayāt* of the Qur'an as well as matters on which the Text of the Qur'an is silent, are provided through the Sunnah of the Prophet preserved in the authentic *Aḥādith* – the narrations of the sayings, actions, deeds and tacit approvals of the Prophet SAAWS by his illustrious companions.
- (5) The Qur'an also declares the Prophet (PBUH) to be the legal authority for issuing directives for matters that Allah chose not to address through the Qur'an, for example, zakat rates.

The Qur'an sets aside any questions or qualms about the juridical status of the Prophet in the following way. Fifteen times in the Qur'an, the believers are directed as follows:

'Obey Allah and His Messenger' (3. *Āl 'Imran*: 32, 132; 8. *al-Anfāl*: 1, 20, 46; 33. *al-Aḥzāb*: 33; 49. *al-Ḥujurāt*: 14; 58. *al-Mujadilah*: 13),

‘Obey Allah and Obey the Messenger’ (4. *an-Nisā’*: 59; 5. *al-Mā’idah*: 92; 47. *Muhammad*: 33; 24. *al-Noor*: 54),

‘Obedience of the Messenger is Obedience of Allah’ (4. *an-Nisā’*: 80), and

‘*The Messenger can prescribe limits*’ besides those laid down by Allah SWT in the Qur’an (7. *Al-A’rāf*: 157; 9. *al-Tawbah*: 29).

The Ayāt 33. *al-Aḥzāb*: 36 and 59. *al-Ḥashar*: 7 also reaffirm the legislative status of the Prophet in Shari’ah matters. Finally, the believers are warned that contending with the Messenger can lead one to hell (4. *an-Nisā’*: 115).

*Position of Humankind vis-à-vis All the Other Creation in Earth and Private Ownership*

According to the Qur’an, Allah is the Creator and Master of everything in the heavens and the earth. His ownership is absolute. He chose the earth as the venue for the test of human beings in this life.

It is He Who created for you all that is in and on the earth. He then turned toward heaven and fashioned it as seven heavens. And He has knowledge of all things (29). And when your Lord said to the angels, “I am going to place a *Khalīfah* (vicegerent) on earth,” they said, ‘Wilt Thou appoint therein one who will do harm therein and shed blood, while we hymn Thy praise and extol Thy holiness?’ He said, ‘Surely I know what you don’t know.’ (2. *al-Baqarah*: 29-30 – edited, emphasis added)<sup>4</sup>

Āyat 29 clearly states that everything on and within the earth is meant for humankind. The process of testing in this life spans a considerable period for everyone. People need resources and tools for their survival and mutual interactions. The relevance of the permissibility of private ownership granted by Allah is evident here. But what does making humanity the *Khalīfah* or Vicegerent in the Āyat 30 signify?

One view is with absolute ownership belonging to Allah, private ownership falls short of full ownership. It is like that of a trustee. That

<sup>4</sup> The Ayah 7. *al-Aa’rāf*: 24-25 also confirms the setting of earth as the venue for habitation by humankind for their test in this life.

is, it is to be exercised by people according to the terms of the trust set by Allah.<sup>5</sup> This perception needs review, bearing in mind the following Revelations:

And certainly, We have placed you with authority on earth and provided in it the means of livelihood for you. [But] Little you thank. (7. *Al-A'raf*: 10)

Have they not seen how We have created for them of Our handiwork the cattle, so that they are their owners? (71) And, We have subdued them (the cattle) for them (the people) – some they ride and some they eat. (72) And there are, therein, other benefits for them and drinks. Will they not then give thanks? (73) (36. *Yasīn*: 71-73).

These Revelations, read together with the freedom of choice allowed to all humankind, support the position that private ownership is absolute and not merely a trust in a legalistic sense. In this perspective, the most likely interpretation of Allah SWT making a Khalifa on the earth, is a notification issued to all creations on earth to the following effect:

Whereas Allah SWT is the Original and Absolute Owner of everything on earth, humankind is authorized to exercise its discretion over them and avail of them—without prejudice to the True Ownership which always rests with Allah SWT.<sup>6</sup>

It fills a lacuna that could emerge if humans were to exercise their free will on the earth.

Private ownership comes with some strings attached to it by Allah SWT in exchange matters. Six of the most important ones are as follows:

- Everything not privately owned by someone, in principle, belongs to every human being. However, where Shari'ah-permitted boundaries have been established, this rule will apply separately to each geopolitical entity.

<sup>5</sup> See, for example, Chapra (1979), pp. 23-4 and Haneef (1997), p. 45.

<sup>6</sup> As what “the earth” means, is a matter of conjecture. The air, atmosphere, biosphere and the outer space are all part of the earth. The scope may extend to other planets in the solar system of which the earth is a constituent unit. Allah SWT knows the best.

- Free and willing consent of everyone involved in a matter (4. *an-Nisā'*: 29)
- No *gharar* – utmost transparency and absence of ambiguity in exchange matters (Al-Darmi, *Kitāb al-Buyū'*, 2596; Abu Daud, *Kitāb al-Buyū'*, 3376)
- No *maysir* or *qimār* – all economic exchanges must involve quid pro quo, i.e., not only take but also give back and vice versa (5. *al-Mā'idah*: 90)
- No *riba* – settling loans, debts and similar other exchanges without discrepancy in give-and-take back (2. *al-Baqarah*: 278-279; 3. *Āl Imrān*: 130)
- *Shūra* – having mutual consultation in joint/collective matters (42. *al-Shurā*: 38).

Of course, when someone dies, ownership of the things in her or his name returns to Allah SWT; the leftovers are to be reallocated among prospective claimants according to the Islamic Law of Inheritance (4. *an-Nisā'*: 7-14, 33, 176). Details of these and other important restrictions are beyond the scope of this paper. All these facilitate a meaningful test of humankind in all walks of life. Of course, in that regard man is allowed freedom to comply or not to comply with these conditions.

#### *The Position of an Individual vis-à-vis Other Human Beings*

Every individual comes to this world alone, goes back alone and is going to face accountability in the hereafter alone. Personal identity and concerns of every individual, therefore, always have paramount importance in all matters in this worldly life. Does this mean “individualism” in its extreme sense, as in secular liberal thought?

Allah has made all things in pairs (36. *Yāsīn*: 36). Human beings are no exception. Adam was the first representative of mankind, and he was soon accompanied by Eve (2. *al-Baqarah*: 30-37; 7. *al-A'rāf*: 12-19). They had different anatomies but complemented each other. All human beings are their progeny. Thus, without prejudice to their standing as individuals, Adam and Eve were spouses.

Primarily, an individual is a child of two other individuals – mother and father, also known as the parents. As a child, in the beginning the

individual totally depends on them. Bonds of love and care are built into the parents, in particular the mothers who bear the pain of bringing the child into this world.<sup>7</sup> The parents provide emotional and material support, subject to their constraints, without any formal give-and-take accord with the child. The dependency order gradually reverses, especially when parents grow old. Allah SWT has commanded every individual not to say even “fie” to their parents when one or both become old (17. *al-Isrā’* 23-24). This Commandment is unconditional. Of course, the caveat “subject to the respective individual’s constraints” applies. Symmetry in the matter is significant. This life works on the principle of give and take.

In addition to one’s parents, an individual is related by blood to another individual as brother, sister, grandchild, grandparent, maternal and paternal uncles and aunts and their spouses. The Qur’an counts them among *dhū al-qurbā* (2. *al-Baqarah*: 177) – the kinsfolk – who merit one’s attention. Proximity gives next-door neighbours a similar, though not the same, status. Notwithstanding these relations, the bond of being ultimately from the same father and mother links every individual to all other individuals in the bond of humanity. The Qur’an explicitly talks of all these relations and an individual’s responsibilities in all these respects, with the primacy of blood relations.

Notwithstanding parental and primary blood relations, the marital relation is the most important. This is a voluntary relation. But once contracted, in the Qur’anic vocabulary the two individuals become ‘spouses’ for each other. Allah SWT describes the husband and wife as “dress” for each other (2. *al-Baqarah*: 187). It implies that while husband and wife retain their personal identities as individuals, in the marital bond they together are “one person.” The spouses may have unique roles in a marital relationship. Free willing consent of both the spouses remains critical in their mutual affairs. This relation, however, differs from other blood relations because the Sharī‘ah allows the spouses to terminate it.

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<sup>7</sup> Circumstances sometimes make the realities stark in some cases, especially in the cases of children of unmarried parents, divorcees, surrogate mothers and surrogate fathers.

Finally, in modern jargon, an individual's relation to other individuals also takes the form of tribes and communities/societies/nations at village, town, city, district/county, province/state and country/national levels. This is natural. The Qur'an pointedly states that Allah made and distinguished people in the form of tribes for the purpose of identification (49. *al-Hujurāt*: 13). People, in general, need each other for their needs as well as survival. Willingness to bear responsibilities for ensuing benefits help them gradually move from lower to higher tiers of social organisation. In the past, conflicts and conquests also played a role in this regard. The present-day geopolitical divides can be viewed from this perspective.

Allah has set, in broad terms, rules and regulations in the Qur'an and the Sunnah of the Prophet in all the above respects with, as also mentioned earlier, the individual as the primary addressee of all the Divine Commandments and Edicts. The foregoing paragraph completes this account of the four issues raised at the outset for defining the Islamic worldview.

### ***The Islamic Worldview – A Consolidated Statement***

The Islamic worldview is outlined hereunder in a point form to facilitate future discourse, especially in the economic domain of life.

1. Allah is the Original, the Absolute and the Ultimate Owner of everything in the heavens and the earth.
2. The universe has order. Everything in it fits together and serves some purpose set for it by Allah. There is no flaw or inconsistency in the Divine Order.
3. There may be several worlds in the cosmos with their respective inhabitants having their own charters set for them by Allah. The absence of a mention of them in the Qur'an does not rule out such possibilities. Likewise, there may be argument on whether "earth" means the planet earth or the planetary system of which this earth is a part. Lack of knowledge about other existing worlds and the earth is inconsequential for the purpose of life on earth for humans.
4. This is a cause-and-effect world, where everything changes according to natural and biological laws ordained by Allah.

5. The individual is the linchpin in the Divine scheme for life on the earth. Notwithstanding the time and place of an individual's entrance onto or departure from the world stage, all human beings are interconnected through various bonds.
6. Fundamentally, all individuals are equal regardless of differences in their gender, race, colour, economic position or social status. Notwithstanding this, physical and biological dissimilarities between them imply that individuals of both sexes also have some unique roles to play in the Divine Scheme set by Allah for this world.
7. Notwithstanding the time and place at which an individual enters or leaves the world, all individuals are interconnected through various bonds.
8. An individual is a part of society, not the other way around. That is, society is not merely a sum of autonomous individuals. Every society rest on some explicit or implicit social contract between its members. Lineage, ethnicity, language, shared beliefs, common way of life, customs, arts and culture and shared concerns play a defining role in shaping a society.
9. This life is a test for humankind according to the criteria enunciated in the Qur'an and the Sunnah since the time of the Prophet. Humankind is given a central position in the divine scheme for this purpose. The primary addressee of the Qur'an is the individual. Among other things, free will and private ownership are two essential requirements for life.
10. Human beings face a test – as per the Qur'an and the Sunnah – in the following respects:
  - At a personal level: true faith (in Allah, His Messengers and Prophets, His Angels, the Divine Guidance from Him and the Day of Judgment); performing *ṣalāt*; giving *zakāt*; fasting during the month of Ramaḍān (*ṣawm*) and undertaking *ḥajj* (pilgrimage to Makkah once in a lifetime).
  - At the social level: compliance with the Will of Allah in line with the Divinely ordained parameters for this worldly life.

- As for the other creations, compliance with the Will of Allah in matters related to them.

Other than the above, humans have full freedom in all their pursuits, even striving for the heavens.

11. Everyone is entitled to the exercise of their free will and freedom of choice—religious freedom, free speech, freedom of association, freedom of movement, freedom of occupation, the right to work and to enjoy the fruits of one’s effort, and the right to own property. The caveat “within the bounds set by Allah SWT in the Qur’an and through the Sunnah” qualifies it in several ways.
12. Private ownership is a logical necessity for the purpose of testing humans in this life. Allah SWT has permitted it and set rules for acquiring it through exchanges, voluntary transfers and inheritance. Other than private ownership, however, all economic resources fall under the common ownership within the respective jurisdiction, today known as nation-states. Faith considerations are inconsequential in this regard. This general principle applies to natural resources, unclaimed (public) lands, and everything—including the environment—on which private ownership claims may be established. Matters relating to such property, by virtue of its nature, are to be managed at the state level in the common interest of everyone.
13. Exchange among people is an absolute necessity for at least two reasons: (i) no one is born with all the resources required for life from birth to death, and (ii) every individual naturally desires things they do not possess. Freedom of exchange is, therefore, the right of every individual. All individuals can exercise their freedoms for exchange subject to the following conditions:
  - (1) Free and willing consent of all concerned parties,
  - (2) Utmost transparency and absence of ambiguity (no *gharār*),
  - (3) No economic transactions without quid pro quo (no *maysir*), and
  - (4) Any other relevant condition ordained by Allah and His Messenger.

These conditions serve the purpose of a test of individuals, on the one hand, and the provision of a level playing field for everyone, on the other. For example, the prohibition of betting serves the latter purpose by preventing exploitation of the emotions of innocent and simple people by the shrewd. On the other hand, the prohibition of *ribā* tests the will of the resourceful individuals by requiring them to forgo income-earning interests in matters of loans and debts.

14. Ultimately, all ownership is personal. ‘A legal person’ may emerge in exceptional cases, such as government or other instances in which pure personal ownership is obscured. Two examples of the latter are: (i) a person doing business under a trade name, and (ii) many people jointly conducting business. In these cases, the personal dimension recedes into the background, though it always remains relevant. The respective individuals decide, one way or another, what may be done and how it may be done. Ultimately, all gains accrue to them, and losses are borne by them. The *aḥkām* of the Shari‘ah, originally set at the personal level, automatically extend to all such cases. As for government, it is a legal person of the people and for the people. Those in government are either representatives—whether elected or imposed—of the people, or their employees. In the case of government, therefore, all the rules for private transactions apply equally to government transactions. Those in government—namely rulers and public employees—are bound by the rules of trusteeship, functioning for and on behalf of the people, not in their own personal capacity or personal interest.
15. When an individual passes away, the ownership of everything in his or her name (but not the obligations beyond what is left behind) reverts to Allah SWT. This requires reassignment of the said things to others within the existing system of property rights. The Will of Allah embodied in the Islamic Law of Inheritance as set forth in the Qur’an and the Sunnah, therefore, supersedes all personal claims in these matters.

The following section examines the implications for academic discourse from the perspectives of mainstream economics and Islamic economics.

## **Islamic Worldview, Mainstream Economics and Islamic Economics**

Modern economics enjoys the status of the authoritative paradigm in academia. When examined in terms of its intellectual foundations, it is neoclassical economics, rooted in the Enlightenment in Europe during the seventeenth and eighteenth centuries, particularly the latter. It has its metaphysics. There was belief in Supreme God and religion was important. Religion is, however, regarded as a personal matter, but inconsequential otherwise. In this sense, “secularism” is its religion.

The worldview of mainstream economics crystallised over the past few centuries through the contributions of, among others, René Descartes (1596–1650), Baruch Spinoza (1632–1677), Voltaire (1694–1778), David Hume (1711–1776), Jean-Jacques Rousseau (1712–1778), Immanuel Kant (1724–1804), Adam Smith (1723–1790) and Friedrich Nietzsche (1844–1900). Over time, three intellectual currents—naturalism (the belief that only natural laws and forces govern the universe), rationalism (the primacy of reason), and empiricism (the defining role of experience and experimentation)—came to dominate this worldview.

Within this framework, humankind is not seen as part of a grand design with a predetermined purpose. Rather, humans are regarded as autonomous agents, masters of their own destiny, capable of determining what is good or bad, right or wrong, without reference to realities beyond this life. Gradually, emphasis shifted toward humanism, where all individuals are considered equal and free to pursue their choices, provided these do not materially or emotionally harm others.

The predominance of rationalist thought has also shaped ethics, influencing conceptions of virtue and vice, justice and crime, and the broader pursuit of a ‘good society.’ In this paradigm, personal liberty and the rule of law emerge as the central ethical pillars of social order. These ethical pillars found expression in modern political life, where ‘individualism’ and ‘freedom’ emerged as hallmarks of the dominant worldview. All individuals are regarded as equal and free to choose what they want. The dilemma of one person’s freedom conflicting with another’s is addressed through democratic arrangements based on the onepersononevote principle, which has shaped rules of the game and

institutions. Yet the issue of resourceful individuals influencing public opinion in the democratic process persists.

In the economic sphere, the freedoms to own property, to exercise individual choice, and to participate in competitive markets have structured a system that has proved resilient and effective. This framework has fostered growth in material wellbeing, enabled financial and informational revolutions and driven unprecedented scientific progress. Modern economics is termed “neoclassical” because it rests on the same intellectual foundations articulated by Adam Smith in the eighteenth century.

We argued in the preceding pages that the individual occupies a central place in the Divine scheme of life on earth. The individual’s role is inseparably connected with the society and the environment. Economic initiative and exchange are inevitable, arising from differences in personal needs and human dispositions. Everything on earth ultimately serves the higher purpose of humankind: seeking the Will of Allah. For this purpose, Allah has prescribed conditions in the Qur’an and explicated them through the Sunnah of the Prophet. The question thus arises: how does the Islamic worldview justify Islamic economics as a distinct field of inquiry, separate from contemporary economics? The answer may be approached through the following Revelation in the Qur’an:

Have you not seen that Allah knows everything that is in the heavens and the earth? No secret conversation of three takes place but He is their fourth, nor that of five but He is their sixth, nor of fewer than that (three) or more than that (five) but He is also with them [as a party] wherever they may be. Then, on the Day of Resurrection, He will inform them of what they did. Assuredly, Allah has knowledge of all things.  
(58: *al-Mujādilah*: 7)

The scope of this Revelation is wide. It implies that whenever individuals engage in any matter, Allah SWT is also a party to it. Whether the number is three, five, fewer, or more, His presence and stake remain constant. This is because Allah SWT is the Original and Absolute Owner of everything in the heavens and the earth, around which human exchanges take place. Rationality therefore requires that, in addition to the consent of worldly stakeholders, allowance must be made for the

Will of Allah. This follows logically and leads to the question of how such divine involvement is expressed in economic life.

In the context of this life as a test, Allah SWT has prescribed limits and rules for human conduct. Prohibitions such as liquor, obligations such as *zakāt* and restrictions such as *ribā* (interest) are all measures that acknowledge His ownership and authority. Likewise, the emphasis on free and willing consent, protection of the less fortunate and bans on gambling establish parameters for exchange that create a level playing field. Distributive obligations further reduce gaps between the haves and have-nots. Together, these and several other measures not mentioned here form the agenda of Islamic economics.

Ultimately, besides the free-and-willing consent of individuals, allowance for the Will of Allah (embodied in the Sharī‘ah) is perfectly logical. This is the rationale for Islamic economics as a distinct academic discipline. Ethical and moral defences of Islamic economics and its efficacy in addressing complex economic challenges, are secondary considerations. For comparative purposes, it is noteworthy that neoclassical or secular economics is a systematic inquiry into the economic problem of man without reference to divine will or revelation.

At the practical level, Allah’s involvement in worldly affairs takes the form of setting the rules of the game – the *aḥkām* of the Sharī‘ah– which determine what may be done and how. These rules provide safeguards for the poor and the weak, while also creating avenues for economic pursuits in the larger interest of society. A formal demonstration of this point at both theoretical and practical levels requires separate study. A few clues are provided in what follows.

### **Conclusion: The Way Forward for Islamic Economics**

Islamic economics, like conventional economics, is a systematic study of economic and distributive issues in an economy. It is grounded in the Sharī‘ah that introduces distinctive, ethical and moral constraints. Its core principles include private ownership, voluntary exchange and market-based distribution and redistribution, moderated by the Sharī‘ah. However, the inclusion of the Will of Allah through the Sharī‘ah significantly alters the economic framework, introducing unique ethical and moral guidelines.

In principle, all exchanges are voluntary, and markets are the natural institution. Prices are set by demand and supply, with government shaping the market environment rather than intervening directly. Financial gaps in the transaction process are addressed via third parties acting as traders or lessors or *via* profit-sharing partnerships. Individuals bear tax liabilities for the provision of pure and social public goods (like roads and other infrastructure).

A Sharī‘ah-based economy is a market economy with built-in distribution and redistribution. Government’s direct economic role is limited: it “runs” rather than “manages” the economy, and distributive aims are pursued through private initiative rather than tax-transfer programmes.

The economy would be monetised with money serving as the medium for exchange. Banks, insurance and financial markets would operate without interest or chance-based instruments. Likewise, joint stock companies, stocks, securities and their corresponding markets would exist, with new fresh financial engineering and institutional development.

Government is a legal person in two distinct capacities: (a) elected representative of the people for addressing their public concerns and (b) operational arm of the state for managing state assets and concerns. In its representative role, it would avoid acting as an economic agent to prevent competing with citizens.

Two notable departures from current practices will be prominent: (i) no interest-based financial intermediation, and (ii) no direct welfare role for government beyond administering *zakāt*. Prohibiting *ribā* would transform banks into economic agents, rather than pure financial institutions as at present. This would lead to (a) integration of real and financial sectors, (b) rationalisation of demand, (c) creating employment, (d) easing supply constraints and (d) lowering inflation. This would imply a distinct policy agenda. Furthermore, welfare shifts to private initiative will reduce redistribution costs and public debt.

Islamic economics addresses all real-life issues: resource allocation, production, poverty, inequality, unemployment, stability, development, and environmental degradation. As a discipline, it encompasses micro, macro, monetary/financial, public, development, agricultural, environmental economics, and more.

Islamic economics is not “economics of Muslims and for Muslims.” Its diagnosis and remedies are universal. Rather than accepting realities as they are and proceeding to description and prescription, Islamic economics interrogates foundations. For example, the split between money creation and productive deployment is a root cause of inflation; instead of merely controlling money supply, “no *ribā*” points to redesigning financial architecture to address structural causes.

Since 1976, much work has been done, though the rise of Islamic banking in the 1980s diverted attention from theory. Interest in Islamic economics is again growing. Solid development requires solutions aligned with Sharī‘ah edicts and reconstructing the discipline, rather than Islamising conventional economics to fit the *maqāsid* (purpose) of the Sharī‘ah.

Our discussion on the Islamic worldview and its implications for economics concludes with a reminder: Allah, being Loving and Caring, has ensured that all creation and every divine injunction serve a purpose. The same applies to the Sunnah of the Prophet. Yet purpose does not always directly disclose divine intent—just as “ $2 + 3 = 5$ ” does not mean that “ $2+3$ ” is the only cause of “ $5$ .” Therefore, the sound approach is to address legitimate concerns through practicable means guided by the Qur’an and Sunnah, rather than conjecturing about the “intent of Allah SWT” or the *Maqāsid* (purpose) of the Sharī‘ah.

The Sharī‘ah defines boundaries for economic activity through six conditions: (1) free and willing consent of all parties, (2) transparency and avoidance of ambiguity (No *gharār*), (3) prohibition of one-way transfers outside charity (No *maysir*), (4) equal settlement of debts in nominal terms (No *ribā*), (5) trading only items under ownership (No *Ghāeb*), and (6) buyer’s rights of recourse (*khiyarāt*). It further restricts (1) mutually exclusive conditions in exchanges (No *Shartān*) and (2) combining two exclusive transactions in one (No *Bay‘atān fī Bay‘ah*). Within these limits, parameters are set for trading, leasing, partnerships, loans, safekeeping, agency, collateral, guarantees, and their combinations. Rules for *zakāt*, both obligatory and voluntary, are separately detailed in the Qur’an and Sunnah.

The above, properly understood and followed, have the potential of leading to new economic organisation. Freely working markets, government’s role limited to governance matters, integration of real and

financial sectors of economy and private initiative also taking care of distributional matters.

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## **Ḥadīth**

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(i) Al-Bukhārī, 88:204 (where 88 is the book number, 204 is the ḥadīth number)

(ii) Ibn Hanbal, vol. 1, p. 1

Reference:

(i) Al-Bukhārī, M. (1981). *Ṣaḥīḥ al-Bukhārī*. Beirut: Dār al-Fikr.

(ii) Ibn Ḥanbal, A. (1982). *Musnad Aḥmad Ibn Ḥanbal*. Istanbul: Cagri Yayinlari.

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