

Islam and Civilisational Renewal

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ISLAM AND CIVILISATIONAL RENEWAL

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AIMS AND SCOPE

- **ISLAM AND CIVILISATIONAL RENEWAL** (ICR) offers an international platform for awakening the civilisational potential of the Islamic legacy. Revitalising synergies between Islamic and other civilisations in a spirit of self enrichment through discovery and research may facilitate renewal within Muslim societies and more significant contributions by Muslims to the global human community.
- ICR is inter-disciplinary, non-political and non-sectarian. We seek to contribute to prospects of peace among all nations, and assist the conceptual and societal transformation of Muslims.
- ICR encourages a fresh discourse for self renewal informed by an inclusive tolerant approach to diverse schools of thought and expression of ideas. The intent is to integrate over 1,400 years of Islam's civilisational resources of diversity, dialogue and coexistence for meaningful exchanges with other world civilisations.
- ICR promotes the Malaysian initiative of *Tajdid Haqāri* or Civilisational Renewal, with its component principles: 1. Faith, Ethics & Spirituality, 2. Just Governance, 3. Independence & Self-Determination, 4. Mastery of Knowledge & Science, 5. Islamic Economics & Finance, 6. Human Dignity & Ecological Wellbeing, 7. Cultural & Aesthetic Integrity, 8. Equity & Fraternity, 9. Diversity & Dialogue, 10. Peace & Security.

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EDITORIAL

This July issue of ICR, volume 5 number 3, carries a full load of eight articles whose dominant themes revolve around good governance and reforming interest-based finance. These both reflect the ongoing concern cultivated at IAIS with joining policy-related work to civilisational renewal, a process requiring the awakening of timeless Islamic values and practices. Such awakening must integrate the deepest consciousness of primary principles with the activities of our outward existence as individuals and community.

We open with the heart-felt reflection on ‘Love and Forgiveness in Governance’ by Tan Sri Syed Hamid Albar, the former Foreign Minister of Malaysia, reminding us of the integral connection between our outer activity and our inner lives. Next Yutaka Hayashi discusses peace building in the most concrete fashion on the basis of rural life, in his ‘Daily Life and Local Governance in Rural Afghanistan.’ Hayashi stresses the need to build peace from the ground up, placing agricultural and village requirements at the fore. Then two IAIS Fellows grapple with challenges facing projects to implement good governance in Muslim societies. Elmira Akhmetova addresses the topic of ‘The Arab Spring, Good Governance and Citizens’ Rights’ from the perspective of the higher objectives of the Shariah related to just governance and the need for nonviolent approaches to conflict. Amplifying certain themes in her article is the thoughtful study on ‘Integrating Islamic Principles and Values into the Fabric of Governance’ by Daud AbdulFattah Batchelor. Batchelor also reminds us of essential Shariah objectives, asking how they might best be embedded institutionally into society – he points to a systems thinking approach which acknowledges that governance works in a systemic framework wherein moral qualities exert direction.

Among the considerable challenges facing Muslim governments is the issue of preserving and reviving the venerable system of private endowments serving public interests. Deputy CEO of IAIS Mohamed Azam Mohamed Adil and his colleague Mohd Afandi Mat Rani, together examine ‘The Implementation of Land Acquisition Act 1960 and Its Negative Impact on the Development of *Waqf* (Endowment) Land in Malaysia’, suggesting improvements in the implementation of this law to induce aspects of Islamic law more responsive to modern needs.

A constant concern which IAIS closely attends to is the cluster of issues related to Islamic Financial theory and practice. With modern money now institutionalised as interest bearing debt, ‘interest’ lies at the heart of the next two contributions, one by IAIS Fellow Abdul Karim Abdullah who takes up the topic of ‘Enhancing Cyclical Stability by Interest-free Banking.’ Abdullah critiques the Keynesian model of debt financing, proffering instead that “achieving cyclical stability requires replacing *financing by borrowing at interest* with *financing on*

the basis of risk sharing". Yusuf Jha returns to the pages of ICR with a tightly argued yet persuasive analysis of 'The Destructive Logic of Interest: The Fallacy of Perpetual Growth', where he demonstrates how "legalisation led to a shift that paved the foundations for our modern day financial architecture." Both Abdullah and Jha converge on the conclusion that one clear way forward to the inter-linked disasters that induced the current financial system would be to remove interest-based debt structures. To cap our articles and point to integrating themes of good governance and reforming finance, Mohammed Farid Ali from IAIS reflects on a timeless Islamic value. His 'Contentment (*Qanā'ah*) and Its Role in Curbing Social and Environmental Problems,' reminds us of the direct relationship of human character with society and environment, and uncovers the implications of the Qur'anic notion of the 'good wholesome life' regarding how to pursue our material means of sustenance and worldly provision. True abundance and human flourishing are grounded upon self-discipline, frugality, and wise moderation in handling material resources. There is a 'word for the wise' here for those with comprehending minds and understanding hearts.

In our Viewpoints section, IAIS fellows Sheila Ainon Yussof deftly highlights the complexity of 'Conversion Issues in Malaysia' today in her dissection of a recently much publicised case; while Ahmad Badri Abdullah examines halal aspects of the 'Ethical Dimension of Vaccination Programmes'; then Marco Tieman highlights 'Synergy in Halal Supply Chains' from the perspective of logistics. Several event reports from Kuala Lumpur round out the issue.

We extend a warm welcome to new readers of ICR, and renew our gratitude to our friends for their interest and support. Length of article contributions may vary with flexibility from five to eight thousand words, while Viewpoints should remain around one thousand five hundred words. The promise of future work requires active involvement by readers and thinkers in contributing to the task of civilisational renewal.

Mohammad Hashim Kamali
Editor-in-Chief

ARTICLES

LOVE AND FORGIVENESS IN GOVERNANCE¹

*Syed Hamid Albar**

What is lacking in our world today? Why are so many parts of the globe experiencing conflict? In my view, there is an absence of love and forgiveness which brings us to our current state. We see it in Europe, the Middle East, and even in Asia. The current conflicts within or amongst nations and people are mostly due to the detachment of our outer self from our inner self. Remember that human beings are all children of Adam, and God in His wisdom created us all differently so that we may learn to harness our sense of love and forgiveness towards each other. The word “love” here refers to a desire for good and for the benefit to come to others (Hamza Yusuf, 2012:19). Admittedly, there exists good and evil in all of us, and when we react to situations using our base instincts (our outer self so to speak), there is always the possibility of evil coming to the fore.

For example, when someone harms us on a thoughtless impulse, we may seek to react in a similar manner by inflicting equivalent harm or worse with more punitive outcome upon the perpetrator. This could result in our achieving physical satisfaction. However doing this will only perpetuate hatred, revenge and conflict, and thereby we are no better than the perpetrator of the harm.

Hate is the absence of love, and only through love can hatred be removed from the heart. Arguably, the disease of hatred is one of the most devastating forces in the world. But the force that is infinitely more powerful is love. Love is an attribute of God, hate is not. A name of God mentioned in the Quran is *Al-Wadud*, the loving one. Hate is absence of love and only through love can hatred be removed from the heart. In a beautiful hadith, the prophet said, “none of you has achieved faith until he loves for his brother what he loves for himself”. According to Imam al-Nawawi, when the Prophet (s.a.w) says “brother” we should interpret this as universal brotherhood, which includes Muslims and non-Muslims (Hamza Yusuf, 2012:19).

Therefore, we must never allow our emotions to get the better of our inner self. Instead we should search within ourselves for the desire for ‘forgiveness’, which would in turn perpetuate understanding and respect for one another and begin a

journey toward a more peaceful world, where everyone may share happiness and prosperity. This requires self-awareness and inner strength to tamp down the evil impulses and allow the good to come to the surface.

When I say there is an absence of love and forgiveness, I don't mean that we do not love our families or forgive our friends. This certainly is there. What is lacking is the capacity to approach the "stranger" or the "other" with love and forgiveness. This can only be manifested when we consciously decide to approach issues in a sincere spirit of love and forgiveness, in other words to internalise reliance on love and forgiveness as guiding principles when dealing not just with family and friends but everyone. This implies making love and forgiveness key aspects of our mechanism for governance. According to Desmond Tutu in his book of *Forgiving: The Fourfold path for Healing Ourselves and our World*, forgiveness is truly the grace by which we enable another person to get up, and get up with dignity, to begin anew. To not forgive leads to bitterness and hatred. Like self-hatred and self-contempt, hatred of others gnaws away at our vitals. Whether hatred is projected out or stuffed in, it is always corrosive to the human spirit.

Therefore there is a need to search our innerself through *muḥāsabah* ('self-oversight'). Without this we would not be able to understand and/or inculcate the feelings of love, compassion and forgiveness amongst beings created by God. God made the human to be vicegerent on earth—we were not created for conflict, rather to love and learn from each other. In this way we may create a community of people, a community of nations, and a community of states that could interact with each other to benefit from the universe created by God for us. Love and forgiveness are the prerequisites to turn these objectives into realities.

Love and forgiveness may be idealistic principles but they are not passive principles. They are very active principles requiring us to actively manage the two most significant human qualities: namely our minds and emotions. Love and forgiveness must have a connection with the temporal world. Granted: they cannot be the only principles that we use for governance. We may be idealistic but we are not blind. Undoubtedly evil exists in our world and must be confronted forcefully. But even when we are forced to confront evil, we have a choice of how to confront it, using a spirit of love and forgiveness or using a spirit of hatred and vengeance. History has given countless examples of which is the better approach.

This year 2014 is the centenary of the First World War; let us therefore examine how this war was prosecuted—ruthlessly and with vengeance. The spirit of vengeance was best reflected in the victor's peace imposed on a defeated Germany with punitive reparations and the like. The result was truly tragic in its predictability. Another World War broke out 30 years after that. By contrast, the end of the Second World War was a different story altogether when Western powers eschewed punitive reparations and treated West Germany as an ally. De

Gaulle and Adenauer rose above their nations' historical enmity and in the spirit of love and partnership formed an enduring partnership for over seventy years, a partnership that has banished the spectre of war between France and Germany.

Sourced in Divine Attributes

The feelings of love and forgiveness are timeless qualities of God which are sourced in the divine Attributes of Mercy and Compassion (*al-Rahmān al-Rahīm*). These two qualities seem to be lacking in our world today. When confronted by conflict or disagreement between peoples or nations, there is a strong tendency to pursue it to the death. Such a tendency assumes we should solve problems premised on anger and revenge. In these circumstances we fail to base our intent for resolving conflicts upon considerations of love and forgiveness. Our emotions will usually drive us in one direction, whilst our mind may direct us to think deeper in order to prevent us from acting irrationally. This is why I say that love and forgiveness are active principles requiring us to think deeper and to act differently.

The conflicts around the globe that confront us today arise because we are really not looking for solutions to achieve reconciliation and peace, but rather seeking revenge on the principle of 'an eye for an eye'. We forget what Mahatma Gandhi once said—'An eye for an eye leaves the whole world blind!' The cardinal principle of conflict resolution is the willingness to reach a new frontier of forgiveness—the understanding of forgiveness demonstrated by the likes of Nelson Mandela and Mahatma Gandhi. The Prophet of Islam, Muhammad (peace be upon him), and the prophets before him did not have in them even a tinge of hate and anger. The Prophet Muhammad (pbuh) possessed tremendous qualities of humility, love, patience, perseverance and forgiveness. It was this spirit of love and forgiveness which enabled the Prophet to be so "supremely successful" in both the temporal and secular realms. These are not my own words, but are the conclusion drawn by Michael Hart in his 1978 book *100 Most Influential Persons in History*—where Hart ranked Prophet Mohammad no. 1. If love and forgiveness were good enough for the most influential person in history, it is my humble submission that it should be good enough for the rest of us.

Indeed every human being may possess love and forgiveness, which is sourced in Compassion as a divine quality. In the present day this quality appears to be lacking especially in the Arab world. Failure in the Arab world to find reconciliation and resolution is due to the absence of love and forgiveness. They debate and confront each another without any desire to compromise and accommodate; each claims to be in the right on the basis of anger, or in retribution for what the other had done. Anger and violence then become the order of the day, although God had endowed them and their countries with enough material wealth. However, material wealth without love and forgiveness comes to nought.

Idealism over Realism

In my experience, in politics people tend to be Machiavellian though they may deny it; that is a major problem confronting humans (Machiavelli: 1532). I do not accept Hobbes's conception of "state of nature" when he asserted that human beings are by nature bad, solitary, nasty and brutish (Giampietri C: 2008) or the belief that "every human being is born a sinner and salvation would only be possible after that" (Matt P: 2006). For Muslims, our belief is that every human being is born like a clean sheet of paper. In this respect, the Muslim conviction concerning the original nature of Man in his primordial state is similar to the Rawlsian philosophy of justice which assumes that Man in his original state is neutral and predisposed towards justice (Richardson HS). It is our environment and upbringing that makes us what we are. There is much disagreement over the understanding of these principles; while the way dogmas are being practised or interpreted is itself a problem. Islam instructs us to rely upon "*Hablu min Allah*" and "*Hablu min al-nās*" (a rope from God, and a rope from people; see Q 3:112)—to forge strong ties with God and with our fellow humans. A meaningful relationship can only exist when there is love. Thus, in order to be complete our love of God should not be limited to God alone, but must also extend to love between fellow human beings.

When these principles are extended to the governance of the State or even of corporate entities, then we require leaders at the national, regional and international levels who both possess and practice love and forgiveness. Admittedly this is easier said than done, since those who are sincere and honest are found to be few, and for that matter they rarely survive in the harsh political environment. Machiavelli advocated politics and governance whereby the end justifies the means—in other words, we don't require ethics and moral values for means of governance. Yet without clean, honest and sincere leaders we would be governed by the law of the jungle led by leaders who are unscrupulous and corrupt. Neither is this sustainable, since those who are wronged will only be waiting for an opportunity to strike back thereby unleashing another cycle of strife and conflict.

For a lasting peace, for a sustainable peace, it is critical that ethics and principles be at the forefront of all that our leaders do. It is thus critical that sincere and honest leaders not simply withdraw from the political scene. If states are led only by corrupt and materially greedy leaders then we would inhabit a cruel unforgiving world. Unfortunately, the political realities appear to make it expedient to be amoral. Often it is said: "either you kill your competitor, or be killed by your opponent or rival". This implies that being compromising, accommodative, loving or forgiving is not the norm and is too idealistic to follow.

Thus, the definitions of love and forgiveness become more complex. Frequently love and forgiveness are used not merely for reconciliation and conflict resolution, but are also now being employed as a tool to gain political mileage. So it is not at all surprising that conflicts are brewing everywhere in the world today!

Without being parochial, I would say that Malaysia's founding fathers exemplified this ideal in practice. They exhibited love not just for their own respective communities, but also the other communities in their country. Considering that the different communities lived in totally compartmentalised and self-contained worlds, this was indeed far-reaching and laid the foundations for nation-building so that Malaysia is one of the most successful countries in Asia by any objective measure.

Governance comes with responsibility. Hate and anger do not recognise responsibility but are fed by lust, greed and selfish emotions. What would responsible governance mean to them? For people possessing love and forgiveness within themselves, when governing they would include the elements of righteousness, virtue, goodwill, trust and sincerity. But those who are driven by hate, vengeance, anger and greed, once given power would exercise that power irresponsibly. For example, Adolf Hitler was a charismatic nationalistic leader who lacked ethical moral values, and therefore caused much suffering and destruction because of his ambition and greed.

What we are today can be attributed to the environment we live in and the education system that we went through. The education system worldwide must therefore include in their syllabi teachings on love and forgiveness between human beings, human beliefs, and the environment. We should not focus our education solely on material pursuits. Education cannot be done in a vacuum, but must be delivered in an ethical context and its outcomes measured not just by how many students pass, but also what values they imbibe and practice.

I strongly believe our lives should be driven by the sense of justice, fairness and moderation, and that it has to be founded on the rule of law. These concepts are all interrelated. I am reminded of the statement by the Nobel Peace Prize winner Aung San Su Kyi—"Law and Order without being infused by justice is just tyranny". The pursuit of international justice and rule of law are lauded everywhere and considered to be worthy virtues, but this is evident in their application. Generally the rule of law and justice have become selective in practice and application. Often they are practised based on affiliations and profiling, rather than objective merit. Even an icon like Aung San Su Kyi did not practice what she preached when confronted by the difficulty of applying these worthy principles. Despite the persecutions suffered by the Rohingya at the hands of the majority Burmese community, she has not uttered a word of support for the Rohingya community or a word of condemnation against those persecuting them.

In international relations we have the paradoxical situation where countries whose internal political arrangements are admirably democratic and infused with principles of justice, love and forgiveness, do not appear to practice them when it comes to relations toward other countries. The bottom line for the major global powers seems to be how to dominate or impose standards and exercise hegemony on smaller and weaker countries. It is as if for them love and forgiveness stops at the water's edge. That is why in the beginning of my essay I stressed that we have to extend these same principles to the "stranger" and to the "other" in addition to our family and friends. For this reason we need more people who are idealists and constructivists, who believe in human ideals based on ethical values, so as to create an international system that is more balanced and just. Regrettably such qualities are mostly found amongst the academics and not in the real world of international politics.

Lessons from the Past for Good Governance

Based on the revealed Qur'an and Prophetic Hadiths, Islamic teachings state that history is a good teacher to learn lessons from the past, to have role models as worthy examples of iconic leaders or those we may emulate and learn from. This would prevent us from repeating the same mistakes of the past. In so far as love and forgiveness are concerned we could do no better than to follow our beloved seal of all prophets, Saiyidina Muhammad (pbuh), as his approach were always tempered with love and forgiveness even towards those who humiliated, harmed or hated him.

Love and forgiveness definitely have an important role for good governance. Governance describes the way we should manage the affairs of states and governments to achieve the desired objectives of nation states—namely, maintaining positive and constructive international relations at the bilateral and multilateral levels in order to enable peoples and nations to mutually benefit and live in peace, harmony and security. We have tried to realise this in the umbrella organisation ASEAN.

A country's leader must focus on what the government should do to benefit the nation and its citizens. Good governance means whatever we do must not be for personal benefit or for the benefits of our family members. This can only be achieved when love and forgiveness are made central to governance. Given this responsibility, a true leader must never betray the responsibility entrusted with him. Today we have become a very materialistic society and many of us have forgotten the very essence of good governance. Islamic teachings convey that responsibility must be performed and guided by four core values:

- *Ṣidq* (upholding truth)
- *Amānah* (being trustworthy)

- *Tablīgh* (being able to communicate effectively)
- *Faṭānah* (to have wisdom)

Only by truly practising these core values can one avoid corruption. A leader must be able to look straight in the eyes of citizens and state the government is doing the right thing. Further, a leader who practices love and forgiveness in governance and in the decision making process can certainly contribute to ending conflicts amicably or at the very least mitigating the effects of conflicts from spilling out uncontrollably within the society. A good judge has to dispense justice based on law, facts and evidence. A good conscientious judge is one who not only weighs the law and evidence before him, but will also consider the full circumstances of the case before meting out any sentence or pronouncing judgment. For example, a thief who steals bread for his children out of desperation should not be treated in the way as a common thief who steals as part of his way of life, although the law may allow the judge to impose such punishment. In my view, a conscientious judge is a judge filled with compassion, love and forgiveness.

In discharging administrative functions as well love and forgiveness play an important role, otherwise officials will be reduced to mere machines with no feelings and compassion. While due process of law must be upheld without any interference or prejudices, the detachment of love and forgiveness in exercising these functions and duties will not bring justice and fairness. Love and forgiveness in governance do not mean that the law must take a back seat—rather they are factors which keep one in authority in check for those with power to discharge his or her duty conscientiously, and be just and fair and without fear or favour. Here the question of legitimacy arises. Where do we draw the line and who gets to draw the line? What is the basis for our decisions? Ultimately for democrats, the sovereign will of the people is paramount, and so for our actions to be considered legitimate, the majority of the people have to see them as just and necessary. The powers of discretion given to those with administrative responsibilities must have clear guidelines to ensure that discretion does not degenerate into capriciousness.

When I was on the bench as a judicial officer, I often pondered upon these questions before meting out any sentence on the accused person:

- *whether the evidence has been weighed properly and correctly;*
- *whether there exists any prejudices arising from the Prosecution's submission and presentation;*
- *whether there is any emotion which might have influenced the judgment;*
- *whether there exists any discretion in the law to consider the mitigating circumstances which would allow a lesser sentence to be passed.*

Similar considerations were also experienced when I served as a Home Minister and had to discharge my duties under the now repealed Internal Security Act.

Many criticised the application of this particular law, but at the same time they did not care to admit that this law was duly passed in Parliament by the majority and therefore, by extension, it was the wish of the majority of the population to live in peace and security. The idea of a Preventive Law is to prevent certain situations from happening or acts committed to the detriment of the society. This would threaten both security and law and order. The Preventive Law is intended to deal with matters that allow for the maintenance of peace, security and stability. It should be realised that the application of the ISA was not totally without due process—the detainee could apply for “habeas corpus” to order the Minister or officials to release the detained person. Within six months of his detention the detainee could apply to a Tribunal to review his detention and determine whether the Minister had rightly exercised his power. Otherwise the Court or the Tribunal would order the release of the detainee.

In comparison to laws in other countries, the Malaysian ISA may be said to have had more built-in safeguards than e.g. the Patriot Act or the Guantanamo Bay detention process. The decision of the Home Minister to sign a detention order under the ISA was not done at the Minister’s own whims and fancy, but after taking into considerations all issues as advised by the intelligence agencies that the interest of the nation and society has to be protected from potential threats to security of the Federation. Naturally, this issue might be debated at length on the basis of its subjectivity or the absence of objectivity of the said Minister. Everyone is subject to the same preventive law whether ordinary citizens or politicians. They cannot make use of their positions to interfere with the law just because he/she is a Member of Parliament or an important person in society.

Having deliberated on this subject it is indeed very rare these days to find a person who truly practices love and forgiveness, despite the reality that all religions, including Islam and Christianity, teach their followers to be compassionate. For example, the Qur’an we find that God states concerning forgiveness:

- *“The repayment of a bad action is one equivalent to it. But if someone pardons and puts things right, his reward is with Allah...”* (Q 42:40)
- *“But if you pardon and exonerate and forgive, Allah is Ever-Forgiving, Most Merciful.”* (Q 64:14)
- *“But if someone is steadfast and forgives, that is the most resolute course to follow.”* (Q 42:43)

Christianity likewise teaches its followers to be forgiving. For example, in *Matthew 6:14-15*, it states that, *“For if you forgive men for their transgressions, your heavenly Father will also forgive you. But if you do not forgive men, then your Father will not forgive your transgressions.”*

Love and forgiveness should be practised at all levels and should be cultivated and nurtured within us. The day we stop caring about this is the day that humanity dies. Love and forgiveness lie at the core of our spiritual needs. Look at how mankind has benefitted through love and forgiveness as contained in the Qur'an and the Sunna of the Prophet of Islam. One must oppose his own ego's desires and seek treatment for this disease with the healing force of acceptance of the divine decree and prayer on behalf of one's enemies in a way that suppresses the ego (*nafs*) (Hamza Yusuf, 2012:19). Interestingly Desmond Tutu had similar views on the same subject:

“Forgiving and being reconciled to our enemies or our loved ones are not about pretending that things are other than they are. It is not about patting one another on the back and turning a blind eye to the wrong. True reconciliation exposes the awfulness, the abuse, the hurt, the truth. It could even sometimes make things worse. It is a risky undertaking but in the end it is worthwhile, because in the end only an honest confrontation with reality can bring real healing. Superficial reconciliation can bring only superficial healing.”

The acts of caring, helping, co-operating, assisting and tolerance are all traits of love and forgiveness. Despite its shortcomings Malaysia is a good example of a nation built on a spirit of harmony and tolerance. We may observe that despite its majority population being Muslims, other religions and cultures are allowed to coexist with the religion of the Federation. Malaysia is one country that has the most number of public holidays in the world compared to other countries, in order to accommodate differing religions and cultures. To celebrate these different festive seasons Malaysia originated the concept of “Open Houses”. Even its popular local cuisine has been fused together from diverse multi-ethnic and multi-cultural communities.

If we ingrained into a community the sense of loving our fellow humans, working together, cooperating and collaborating with each other, then we would have a wonderful community. There would be a collective sense of identification, love and forgiveness. In that type of community there will not be civil war or internal conflicts, because people within such a community will feel satisfied and safe together since they are one. Together they will build their society for peace and harmony, not destroy or tear apart their mutual bonds.

We should cultivate and nurture this perception until it becomes part of our core values. In the corporate world there are codes and guidelines on governance and management to protect the environment and promote a culture of good governance between and among the corporate players. Perhaps a relevant parallel Ministry might examine the possibility of forging a blue print for love and

forgiveness in governance which could include, *inter alia*: values and practices which might not have been taught in schools, and things which people generally have grown accustomed to take for granted.

Subjects to be taught such as '*adab*' and '*pendidikan moral*' (ethics) are vital to inculcate the intrinsic values of love and forgiveness. When I was in a religious school, one of the early subjects taught was '*adab*', namely—the rules of behaviour. There was a need for this type of religious, cultural, ethical and value imprinting without colouring it with prejudice and bias. We have to persuade more people to be committed to serve voluntarily, not for money or power, but because it is necessary and beneficial to the common interest of all. We must recognise there remains much suffering around us in the world, even though there is far more wealth and riches.

When I served as a Committee Member on the Economic Consultative Council years ago, I proposed that instead of developing beautiful golf courses which took up 300 or 400 acres of land, these lands should be used to build low cost houses because nearby there were squatters who lacked even basic housing. Being an idealist I suggested to the ECC that the government should get rid of these golf courses and instead make use of the land to build low cost homes for the poor. Ungku Aziz who was then Chairman of the Poverty Committee remarked that I was even more radical than himself.

In the context of an organisation it is important to consider the interpersonal relationships and community relationship, especially in terms of honesty and positive moral values with the sense of rightness—like the Japanese. If we were to observe the discipline and behaviour of the Japanese after the Tsunami of 2012, we would be able to see how calm and composed they stood in the queue without agitation or panic. They did not react negatively nor abandon their principles in the face of this calamity, but stood firm on high moral grounds. They did not rush or grab when food or other supplies were distributed. Nor did they show any impatience or anger. All waited patiently for their turn. If these values could be inculcated into a community, then we could have a more healthy and sustainable communal life. This would mean everybody could share and live together, notwithstanding their differences be they tribal, religious, cultural, ethnic or racial. We should seek to transpose this mode of behaviour to the arena of nation states in their inter-state relations, international politics and international relations, living as a community of nations—the feeling of togetherness, cooperativeness, reciprocal working, helping each other, caring and sharing. We would then have a more peaceful, just and secure world order.

We must practice good moral values, something lacking today. We have the tendency to put individual freedom as our top priority without a balancing emphasis on the positive values of moral traits. We are even willing to act and do

things against our human nature, against the very essence of our created nature. If we can inculcate such understanding and acceptance that freedom is not absolute but requires mature responsibility, and that everything has a limit, then we will more easily achieve peace and security. We have to learn to appreciate that not all of us are the same, but that diversity is natural and inherent to creation. This will help create a better global order, even better than what the UN practices. There is no need for a formal body to achieve this objective. A formal body could become the catalyst for dominating people and propagating hegemony, without exercising responsibilities. It might advocate values but without responsibilities, and where would this lead us to?

Learning love and forgiveness must start from the family and home—our upbringing from an early age. This is the most significant environment for inculcating love and forgiveness. It is therefore fundamental for every parent to express not only kind words but also to demonstrate and translate the sentiment of love and forgiveness into action for their children in their upbringing.

From my own personal experience it was my upbringing which made me the person I am today. My father was a teacher (*ustaz*) who strongly believed in cultivating family and religious values. So the home rituals of eating, dining, and praying together as a family were very much valued and observed. Some might say this was old fashioned, but these old ways must not be made light of as now; not only do they allow children to acquire proper habits and manners, they also would allow the parents to share their understanding of love and forgiveness, and therefore mutual respect for others would be attained.

These experiences are what make me convinced that although idealistic, incorporating love and forgiveness into governance is also realistic. Our parents have inculcated these principles in us from the time we were children. Unfortunately, many persons no longer practice these values consistently, especially towards those whom they do not know. Therefore those who do so are called ‘idealists’ as if they live in an unrealistic world. Fortunately, advances in information and communication technology provide an avenue for these idealists to spread their ideals in the real world. What is needed is for idealists to organise, to form virtual communities to spread these ideals. It is my contention that there is a need for more organisations dedicated to peace, love and forgiveness. NGOs established on the basis of love and forgiveness are very few in numbers, as most NGOs pursue their own agendas, often merely a cloak to support or promote certain political ideologies and philosophies. Idealists should not shy away from the battle of ideas. With greater dissemination of the importance of ethical principles in both domestic and international political arrangements, we may realistically alter the political imperatives. Nothing can stop an idea whose time has come.

Notes

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- 1. This reflection is inspired by my interview with Dr. Alwi Shihab of the Fetzter Institute on 10 October 2013. I am glad to acknowledge Syed Ali Haidar, Syed Sadiq Albar, Thuraya Albar, Dr. Prodyut Dutt, R. Suresh Kumar and Mariza Maarof for their views, comments and assistance.

A PEACEBUILDING FROM THE BOTTOM: DAILY LIFE AND LOCAL GOVERNANCE IN RURAL AFGHANISTAN

*Yutaka Hayashi**

Introduction

The images of Afghanistan are quite often occupied with the long history of conflicts since late 1970s. Even some knew the assassination of Ahmad Shah Massoud on the eve of 911 attacks on the US soil in 2001. The year of 2001 was a historic turning point for the country to re-start state building from the ashes of two decades of war. In other words, 2001 can be seen as a new beginning of peacebuilding in Afghanistan.

This article will examine a possible peacebuilding in Afghanistan from the perspective of rural life after 2001. It is often argued that peacebuilding means to establish state institutions and rule of laws and to introduce a democratic system. This paper, however, aims to highlight the rural daily life and local governance system in order to lead a stable and effective peacebuilding in Afghanistan. For that purpose, based on the interviews conducted between 2003 and 2013¹ it is, therefore, emphasised that the importance of peacebuilding in rural area, not the top-down peacebuilding, is critical to materialise peace in the country.

This article will investigate the life in rural Afghanistan and based on that, highlights the descent and humble needs of villagers, farmers and ex-combatants for life that directly indicate a way to establish peace from rural area. It would also imply the gap between the reconstructions of state system and the needs of the people in rural area. This article, therefore, (1) touches upon brief background of the targeted rural districts, and (2) examines the needs of the people in the rural area and finally (3) highlights the community structure and local governance in rural Afghanistan.

Turmoil in Afghanistan since 1970s

Afghanistan, a conflict affected South Asian Islamic Republic, witnessed longstanding violent conflicts that started in 1970s. Since 1919, Afghanistan became a sovereign country as a kingdom. Once the kingdom of Afghanistan enjoyed calm and peaceful time, but with slow economic development. King Zahir Shah introduced a democratic political system (1963-1973), the first constitution (1964) and the first general election (1965). The turmoil of the country began with the *coup d'état* in 1973 and the result was the establishment

of the Republic of Afghanistan. The first president of Afghanistan Daud Khan, however, was not able to maintain his power. On the 28 of April 1978, the so-called Saur Revolution, the pro-communist People's Democratic Party of Afghanistan (PDPA) took over the political power from Daud Khan and assassinated him in the presidential palace on the day. Accordingly, the name of the country changed from the Republic of Afghanistan to the Democratic Republic of Afghanistan. The new government brought radical changes to rural life by land reform and so on. Consequently, it caused rural aversion and then armed uprising. The political and security situation created a cause for Russian invasion in December 1979, which was marked as the beginning of the Afghan conflict. Since then, the country was in conflict, at the same time, it is possible to say that this is the beginning of the process that undermined and decomposed the state system of Afghanistan. Because of the prolonged conflict, the decomposing process continued until 2001.

After the 911 attacks and subsequent intervention by US/NATO and allied forces, the situation in Afghanistan changed its nature. Since 1992 up to 2001, the conflict in Afghanistan was a "forgotten war" waged by local and domestic players, but after the collapse of the Taliban regime, massive international assistance flooded into the newly established Islamic Republic of Afghanistan for reconstruction. After 2001, although there are insurgencies in Afghanistan, the newly established Islamic Republic of Afghanistan² became an internationally recognised sovereign state and the sole recipient of international assistance inside the border. The national and international efforts are made to restore the state system and the life of the people after the decades of conflict. While the effort to reconstruct state system continues, the vast majority of the nation (72 per cent) lives in rural areas and 5 per cent of people maintain nomadic life (CSO 2012). In that sense, it would be crucial to re-establish the rural life for the majority of the nation and it automatically means that peacebuilding in the rural areas is directly related to the peacebuilding of the country.

Previous Studies

The international effort to reconstruct Afghanistan also created a surge of research interest in the country, but since 1960s and 70s, there were several studies on rural Afghanistan. Dupree studied pre-war rural Afghanistan during 1970s and his writings provide basis of rural research³. After the breakout of conflict in Afghanistan, Kakar suggested that the rise of religious leaders (Mullahs)⁴ in rural areas as providers of channels to obtain weapons and resources, and the emergence of commanders as users of physical power⁵, while Mullahs did not have much power during pre-war Afghanistan⁶. At the same time, the rise of warlords and commanders from the sons of rural traditional leaders was also depicted after 1979⁷.

After 2001, witnessed the increase of research on rural Afghanistan. Wily investigates rural society focusing on land tenure system and points out that due to the conflicts land tenure became one of the major issues in rural Afghanistan⁸. Wily also suggests that resolving land right issues in agricultural areas can contribute to the lasting peace and stability⁹.

It is highlighted that the influence and control of central government in rural areas is limited and the rule of laws in those areas is not fully implemented¹⁰. Deschamps claimed that the inability of the justice system to handle the cases concerning the land tenure/right and judgment outside formal judicial system would undermine the legal system¹¹. In fact, it is reported that villagers are not relying on the government but using Taliban courts to solve their cases concerning land, inheritance and family disputes¹².

From the perspective of political history, it is analysed that Afghanistan has a strong tribal society and delayed centralisation of power¹³. Grace also indicates that, as a reality in rural Afghanistan, villages operate apart from the state system and rule of laws¹⁴. Those arguments mentioning state-society relations would lead us to the insight of Migdal¹⁵. Using the title of Migdal's book, Saikal called the inability or malfunctioning of the state and functioning community in Afghanistan as weak state and strong society¹⁶. In that sense, it would be possible to say that Saikal developed the previous state-society analysis in the context of Afghanistan.

While there are several areas of research on rural Afghanistan, the majority of peacebuilding studies focus on reconstruction of the state system in order to recover from the failed state situation in the post conflict period¹⁷. On the one hand, the emphasis is given to state building¹⁸, others highlight the importance of the rule of laws¹⁹.

In this regard, it should be noted that those discourses are 'state-centric' and disregard the detailed research at village level. It is, therefore, meaningful to review the peacebuilding process based on the reality of micro-level, namely, village and community level. This is why this article examines a case study of rural Afghanistan to highlight possible approaches for peacebuilding in rural areas.

Historical Background of the Targeted Districts; Kalakan and Mir Bacha Kot

The case study is based on the interviews in the northern districts of Kabul Province where different military powers waged decades of violent conflicts. The targeted districts, Kalakan and Mir Bacha Kot, were one of the fiercest battlegrounds in the region (Map 1 and 2). Map 1 showed that the area experienced fierce battle because of the main road connecting Afghanistan with former USSR where Afghan Mujahedeen conducted attacks against Russian troops alongside

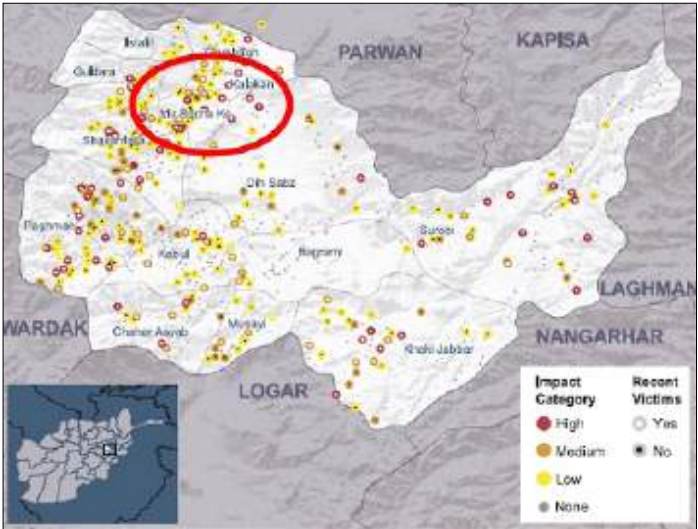
the main road. As a result, landmines were planted and UXOs (Unexploded Explosive Ordnances) were left in the region (Map 2).

Map 1: Targeted Districts: Kalakan and Mir Bacha Kot, and two Main Roads



Source: AIMS modified by the Author

Map 2: Targeted Districts: Kalakan and Mir Bacha Kot and Landmines/UXOs Impacts



Source: Landmine Impact Survey

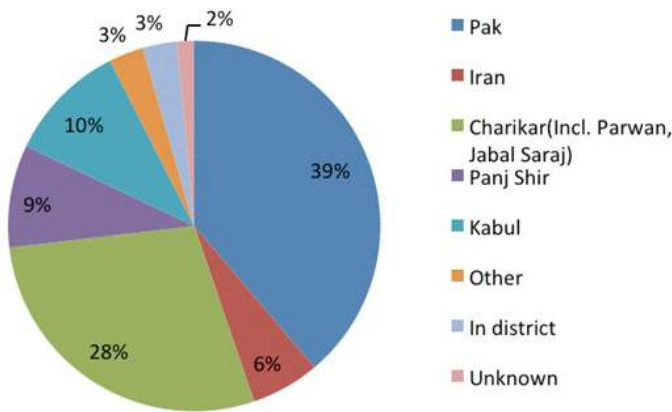
Large number of the farmers living there once took their weapon to fight. After the emergence of Taliban in the region, villagers in the northern parts of Kabul, including both Kalakan and Mir Bacha Kot, mainly the minority Tajik, were forced to move by Taliban²⁰.

The Shomali plain, northern part of Kabul Province including Parwan Province, was once a large source of wheat and called as “Breadbasket of Kabul”. In addition, the Shomali plain was well-known grape producing area and until 1970s, Afghanistan account for around 60% of dried fruits in the global market²¹.

Most of villages in Kalakan and Mir Bacha Kot districts took the side of Rabani and Massoud, and during Taliban era, majority of their grape trees and Karez²² (underground water tunnel) were destroyed by Taliban. Mosques and houses in the area were also set on fire and burned down.

The impact of such harsh conflicts resulted in the migration of the villagers in the two districts. Figure 1 showed the places where villagers of the two districts spent their life during the conflicts. Based on the interviews conducted by the author, 45% of villagers escaped to other countries (Pakistan 39%, Iran 6%). Those who stayed inside the country (53%) went to other provinces. Out of the 53%, 37% went to the Northern Alliance controlled area or Tajik-majority area (Charikar (Parwan Province) 28%, Panj Shir Province 9%, and Kabul Province 10%)²³.

Figure 1: Impact of Conflicts:
Places lived outside Kalakan and Mir Bacha Kot during conflicts



Source: Interviews by the Author (December 2004)

Based on the interviews, the villagers responded that almost 90 per cent of residents returned to their villages after the year of 2001. It was, however, not easy for them to re-start their life in the villages because of the destruction of

houses, Karez, grape gardens and farm lands. In addition, the villagers in the age of 30s and 40s, most of them lost the opportunity for education during the conflicts. Majority of the age group of 30s and 40s are illiterate and among the age group, large number of males joined the battle and now returned to the community without productive skills except farming. Thus, job opportunities for those ex-combatants are quite limited. For instance, those ex-combatants only can work as day labourers.

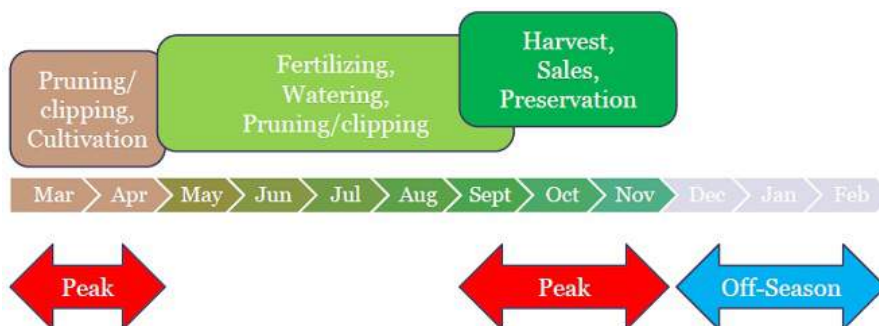
This historical background of the two districts would make sense to focus on the area to consider a peacebuilding from the perspective of rural area.

Life of Villagers and Needs of People in Rural Area

During the war time, a large number of male members of Kalakan and Mir Bacha Kot districts took their weapon and joined the conflicts. At the time of joining the conflicts, a consideration was paid on each family to have male member in each family to take care of the household and farmland²⁴. At least one male member was left for each family and other males were attending the conflicts in the mountains or battlefields. After 2001, those ex-combatants returned to their village and re-started their life as farmers or day labourers in and around Kabul.

Most of the villagers own farmland or grape garden and produce grape, wheat, and vegetables. Figure 2 indicate the agricultural calendar in the northern part of Kabul Province.

Figure 2: Agricultural Calendar in Kalakan and Mir Bacha Kot Districts

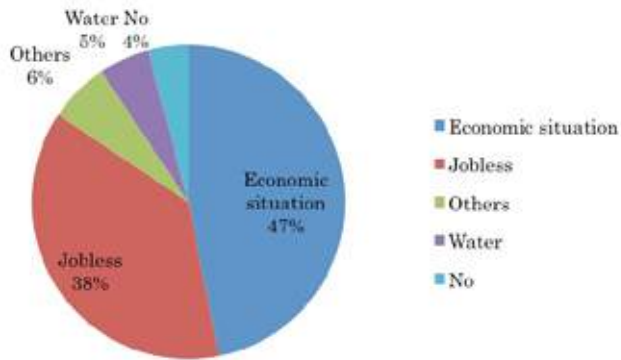


Source: Interviews by the Author

The off-season in winter period, namely, December, January and February, farmers call it as “short blanket (in the 12 months, they can work only 9 months)”. If the harvest cannot provide enough income for the household, then, farmers usually go to day labour in Kabul or nearest large cities in next province (Parwan Province).

Interviews conducted by the author suggest that (1) Economic situation (cash/ income, owing land or not), (2) Jobless (unemployment especially during winter), (3) Water (available water for farmland) are the biggest difficulties in the rural area (Figure 3). In addition, (4) Availability of electricity and farming materials such as agrichemicals and equipment is also mentioned²⁵.

Figure 3: Biggest Problem in the Life of Village



Source: Interviews by the Author

As for (1) Economic situation, farming in Kalakan and Mir Bacha Kot district allows villagers only 9 months work and for the other 3 months, they have to wait the arrival of spring without doing anything. This is a huge economic loss for the villagers.

On (2) Jobless, the answer seems very understandable and reasonable. Considering the job availability in the rural area, any job (apart from farming of their own land) can be a supplemental source of cash and income. Many respondents are taking up farm labour or any type of labour in and around the district. Although the availability and prospect of labour work would be unstable, people still can get some extra cash for their household²⁶.

Regarding (3) Water, in Afghanistan, Iran and other central Asian countries, water means farmland. If there is no water, then, there is no farmland, which means that the land can be farmland or dessert. It solely depends on the water availability. It is, therefore, obvious that the water availability is crucially important for farmers in the region.

Finally, (4) Electricity, before 2001, grid line of electricity was totally not available, but after 2001, gradual expansion of grid line can be seen as a visible peace dividend. Even the rural communities, people hope to have the electricity for their life and for their children. The power supply can be used for lights, TV,

mobile and so on. As for the farming materials, agrichemicals (fertiliser etc.) and equipment are the additional means to improve their harvest.

Those four above indicate that the wishes of rural villages are focusing on their life, not something related to government or security. In this connection, it should be noted that the first priority for the villagers are not security, governance or corruption, but their normal life and its improvement. The results of interviews highlight a gap between the needs of local people and the focus of international assistance. Quite often, international communities, donor agencies or UN agencies try to re-establish a state system in the post-conflict situation, but as a result above showed that people on the ground do not consider their government or the way of governance. Huge amount of foreign assistance is pouring into the governance, security and reconstruction of state system as peacebuilding efforts, but the focus does not match with the needs of the villagers.

It seems that this discrepancy is creating frustration among the majority of nation, namely, farmers and rural villagers. It would understandable that farmers and villagers think they do not benefit from the massive inflow of money donated by foreign countries. This is because farmers and rural residents are still struggling with their daily life while the capital is developing and expanding with the foreign assistance.

In that sense, the discrepancy indicates a gap between international peacebuilding efforts and local efforts for life. In other words, we need to re-think the approach for peacebuilding in the context of local perspective. It would be essential for the foreign assistance or official development assistance to reflect and respond to the needs of the majority of the nation.

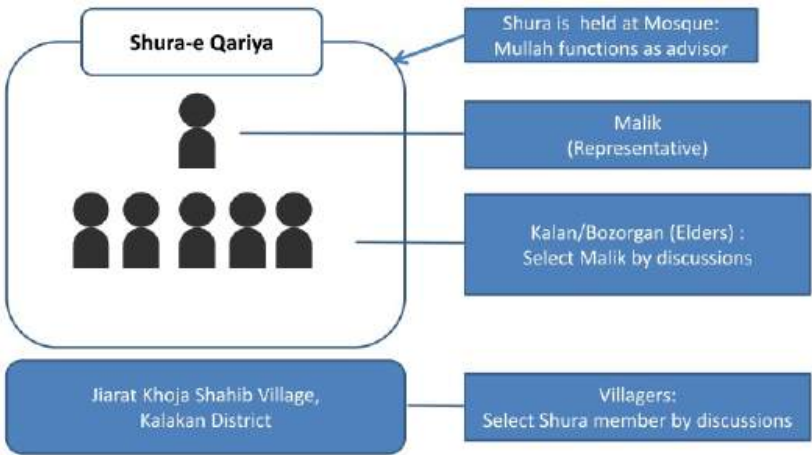
Local Community Structure and Its Relation with Governments

The villagers organise community structure to govern themselves. Afghanistan has 34 provinces and 364 districts. Under the central government, there are Provincial governments and District governments. The smallest official administration unit is district, and one district consists of several villages and communities. Each village and community has its own governing body. In the case of northern districts of Kabul Province, the governing body is called as 'Shura'²⁷. Shura is not an official administrative institution, but an indigenous community structure.

There are two levels of Shura, that is, Village level Syura (Shura-e Qariya: Council of Village) and District level Shura (Shura-e Mardomi Ursowali: Council of the people of District). Usually a village is formed in a walking distance from Mosque, and a village has a Shura-e Qaliya (Figure 4). Outside of formal and official administrative organisations, villagers operate their area through Shura-e Qariya. People select the members of Shura (Kalan/Bozorgan: Elders) by

discussion and the qualifications for a member are not based on financial status or family lines but on the character, wisdom, and literacy. Then, those members of Shura select a Malik (Representative). Malik does not have any given years of term, but if villagers file complains to Shura, then, Shura will have another discussion to evaluate the Malik. The same procedures can be applied to the members of Shura. Shura is held at Mosque having the attendance of Mullah and, contrary to author’s expectation, Mullah functions only as an religious advisor for Shura.

Figure 4: Village level governing body: Shura-e Qariya



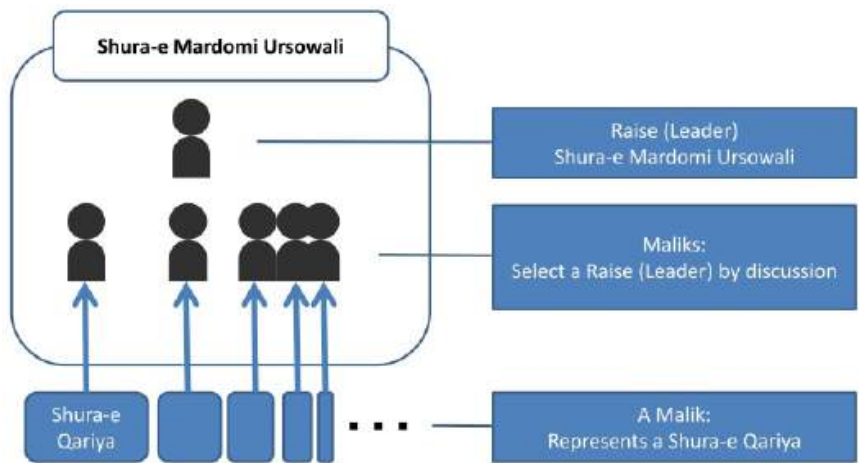
Source: Interviews by the Author

Shura handles decision makings such as supporting very poor villagers/ widows, issues of water allocation and farmland demarcation, request of infrastructures for the village (bridge, road, school and hospital, electricity) to national and provincial governments and so on.

Above the Shura-e Qariya, there is a Shura-e Mardomi Ursowali, which comprises Maliks representing each village (Figure 5). Maliks select Raise (Leader of District). Although the Constitution of Afghanistan prescribes the establishment of District Council, currently there is no district council in reality. Instead, Shura-e Mardomi Ursowali substitutes the function.

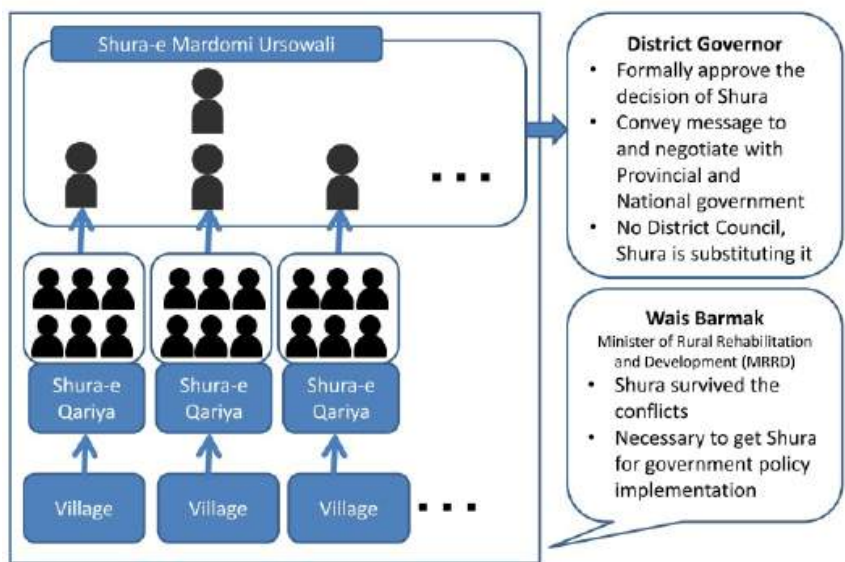
In addition, the District Governor is dispatched from the central government, which means that the Governor does not know the detailed matters in his/her assigned district. Therefore, the Governor usually follows and approves the suggestions and decisions made by Shura-e Mardomi Ursowali. In that sense, the Governor is depending on the knowledge and leadership of the Raise and Shura (Figure 6).

Figure 5: District level governing body: Shura-e Mardomi Ursowali



Source: Interviews by the Author

Figure 6: Shura-e Mardomi Ursowali and Government



Source: Interviews by the Author

As described above, Shura has enough knowledge on the area and plays important role in the rural Afghanistan. The Minister of Rural Rehabilitation

and Development (MRRD) acknowledged rural farmers and ex-combatants as ‘backbone of Afghanistan’ and mentioned that ‘it is important to include Shura which functioned during and after the conflict in the process of implementing government policy in rural area’²⁸.

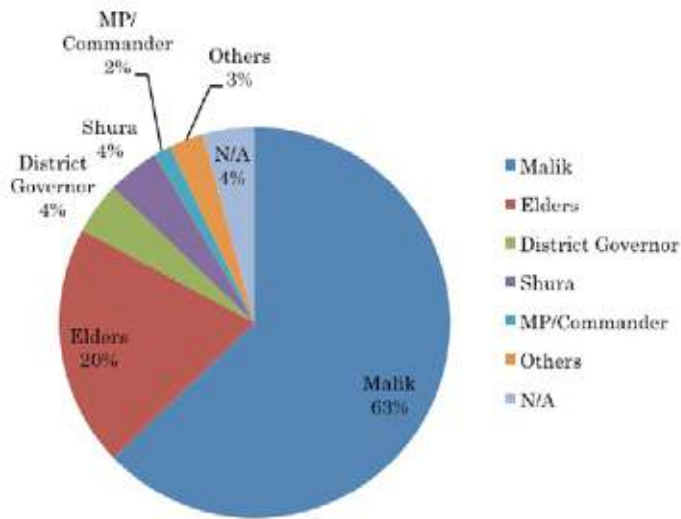
What is indicated here is the importance of Shura for the peacebuilding and reconstruction in rural areas. It is widely reported the high prevalence of the corruption of Afghanistan (Transparency International, 2012), but Shura is functioning better than the central government in rural area. Shura both in village as well as in district level can gather the voices of the villagers and reflect their wishes into the policy in the district. Shura is also supported by the residents because of the fairness and transparent process of selection for its members.

Although Shura cannot directly solve economic difficulties of the villagers, it can facilitate better environment for their village and district through the interaction with the District Governor. In this regard, it would be possible to say that Shura can be seen as a funnel to convey the wishes of the village/district to the state system. On top of that, it is observed that the Shura members have the mobile phone numbers of the Member of Parliament selected from the region²⁹. If Shura wants to get something, they directly call to the politicians and solicit their support.

Regarding the power and influence in the village and community, Figure 7 shows the answers of the respondents. It is no doubt that the issue of land in the rural area would be critical. In the case when land disputes happen, Figure 7 indicates that villagers go to Malik (63 per cent), followed by elders in the village (20 per cent). Only 4 per cent of villagers ask District Governor to solve land disputes. This would mean that residents in rural area see Malik and elders have the power and authority as well as enough knowledge on the land and related matters. It is, however, interesting that people do not go to Shura (4 per cent) to solve the land issues. This might be interpreted that Shura as a council of multiple members would not be so suitable to make a quick decision on urgent matters such as land.

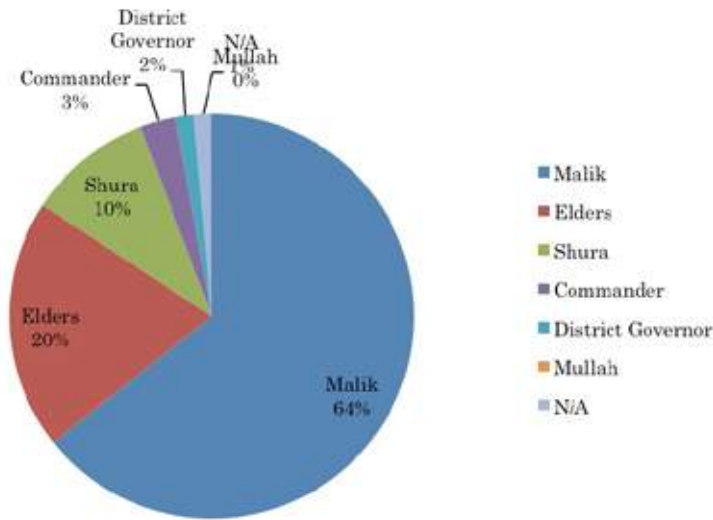
Based on Figure 7, it is quite reasonable to say Malik and elders as biggest decision makers in the village. Figure 8 suggests that Malik (64 per cent) and elders (20 per cent) are the biggest decision makers on the matters in the community. Both Malik and elders know the past and present on the village matters, therefore, rural residents can rely on and trust their decisions. In addition, when community member asks Malik, elders and Shura to handle contested matters, there will be no need to pay any fee or money for the judgment or arbitration. On village matters, it seems that people would not turn to District Governor (4 per cent), as this paper has already mentioned, District Governor is an outsider.

Figure 7: Who has the Power and Authority to Solve Land Dispute?



Source: Interviews by the Author

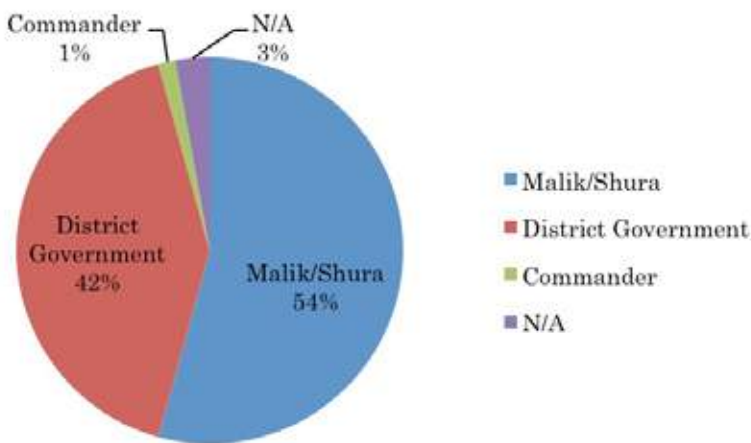
Figure 8: Biggest Decision Maker on the Village Matters



Source: Interviews by the Author

It does not, however, mean that District Government has power or authority in the community. Figure 9 shows the perception of rural residents on District Government. Apparently, people recognise the power and authority of District Government (42 per cent). Malik and Shura are also seen to have the power and authority in their community, but Figure 9 indicates that people are wisely choosing the institutions to express their demands and claims, to ask for arbitration, and to handle the matters at hand.

Figure 9: Who Has More Power and Authority?



Source: Interviews by the Author

In the rural communities, people are using traditional system, that is, Shura and its head, Malik, as an institution to manage daily and ordinary matters and to convey their request to the formal state system. At the same time, although District Governor is an outsider, local residents acknowledge the power and authority of the District Government as an official and formal governmental organ in the rural area. In addition, former commander of the area is now a Member of Parliament, and people also use the former commander as an other informal way to transmit their wishes to the state system. Those formal and informal, traditional and governmental institutions create multiple layers of structure in the rural areas and local residents are selective in the use of those institutions according to the nature of the matter. In the rural areas, the local governance is built upon complex layers of formal and informal institutions and working in a very effective way to tackle daily and local issues.

Conclusion

The peacebuilding in rural Afghanistan was a reconstruction of life for the villagers. Daily decision and issues are handled by Shura. After seeing decades of war, they are now trying to make peaceful life through Shura and it is mainly done outside the central, provincial and district governments. The communities are using government organisations through Shura.

The interview results showed that what people wants is to make a better living, and they suggested that there is a gap between those needs at local level and international peacebuilding efforts at national level.

Peacebuilding at national level can be translated into state system reconstruction and re-establishment of state governance but peacebuilding at local level can be brokendown into the reconstruction of daily life. In the ordinary life in rural areas, central issues are related to their life, such as economic situation, water and electricity, not the state system.

International assistance tends to focus on the reconstruction of state system as an approach for peacebuilding for the post conflict countries or collapsed states, but what is suggested here is that we need to change our mindset for the notion of peacebuilding. The abstract word, peacebuilding, should be analysed and translated based on the real aspects of farmers and villagers in Afghanistan.

Lamb stated that there is a gap of perception between the people of Afghanistan and outsiders. While international observers compare today's Afghan governance with what it could be, for the nation, government with corruption or malfunction is better than that with a mass murderer³⁰. This remark and the case study in rural Afghanistan urge us to look into the perceptions of people on the ground in detail, not to rely on our textbook knowledge of peacebuilding or post conflict reconstruction.

Following to the findings in this article, it would be possible to suggest some policy recommendations:

- In order to make visible, tangible, and positive impact in rural areas, the developmental and peacebuilding efforts by the international community and by the government should focus on the improvement of the economic situation, water and electricity in rural regions.
- Both the international and governmental actors needs to change the mindsets of peacebuilding, not based on the internationally and academically common understanding and practices of peacebuilding, but based on the viewpoints of villagers and farmers to respond to the needs on the ground.
- For the international community and the government, the term "governance" should be understood not totally relying on the textbook knowledge, but

through the perception of rural residents. For them, the government with corruption and ineffectiveness might be better than that with killers. Priority should be given to the perceptions and needs of the people, not to the globally common knowledge and practices on good governance.

- The government should increase the effort to incorporate the Shura/Jirga system into the formal governmental decision making procedure. Shura and Jirga can provide detailed information, critical needs, and priority for development projects.
- Villagers and rural residents can increase the transactions with the governmental, provincial and district institutions through their channels in order to meet their needs, for instance, the use of former commanders and current Members of Parliament from their region. Those figures have much influence over the government and know the reality and needs of rural life.

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Notes

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1. The total number of respondents is 70 persons in two districts. While 80% of respondents are member of society, 19% of them are Malik or Shura members (decision makers in the community).
 2. Since 1996, while three countries recognised the Islamic Emirate of Afghanistan lead by Taliban, Rabbani government represented Afghanistan in the UN.
 3. Dupree 1973.
 4. Most of Taliban leadership uses the title of Mullah, which indicate the rise of value of Mullah.
 5. Kakar 1995, pp.141-144.
 6. Huldt, Jansson eds. 1988, p.79.
 7. Koofi described the fall of her own family after 1979 and described how her brother became a commander during the conflict period. Koofi 2011.
 8. Willy mentioned that land tenure is not "one of the causes of turmoil" in the 1980s and 1990s, but it served as "a tipping point to conflict". Willy 2003, p. 11.
 9. Willy 2004, especially, p.4.
 10. Wily 2003, Deschamps and Roe 2009.
 11. Deschamps and Roe, p.1.
 12. Giustozzi, Franco and Baczko 2012.

13. Paullada 1973.
14. Grace 2005, pp. 18-19.
15. Migdal 1988.
16. Saikal 2005.
17. Fukuyama 2004, 2006, Ghani and Lockhart 2008, Ponzio 2011.
18. Fukuyama 2004, Hyek & Morton 2012.
19. Tondini 2010, Mason 2011.
20. Since 1990s, forced migration was reported by Human Rights Watch or UN. UNOCHA 1999.
21. FAO, *Afghanistan – Survey of the Horticulture Sector 2003*, Food and Agriculture Organization of the United Nations, Rome, 2004.
22. The numbers of Karez in Kalakan district, for instance, were 108 before the conflicts, but in 2003, only 3 Karez were remained (interviews by the author).
23. During the conflicts (against Russia and internal conflicts), those who went to Pakistan or Iran can be seen as somehow economically better because the transportation cost from their village to other counties was essential. In other words, the villagers who stayed in the countries can be seen as relatively poor (interviews by the author).
24. One respondent, Mir Hamza, explained that he requested to the then commander, Haji Daud (currently, a Member of Parliament) to join the Mujahedeen, but Haji Daud rejected his request and said that Mir Hamza should take care of his family as there were no man to take care of the house.
25. In Figure 3, electricity, agrichemicals, farming equipment are categorised as “Others”.
26. For instance, on the income for farm labour during peak seasons (March-April, September-November), they can earn 300 to 400 Afghani (almost equivalent to 6 to 8 USD) per day.
27. In Pashtun dominant area, Shura is known as “Jirga”. The basic idea of Shura and Jirga would be the same, meaning “Council” of people, but the detailed manner to operate Shura and Jirga would have some differences, for instance, the selection and membership of council members.
28. Interview with the Minister by the author (July, 2012).
29. Interviews by the author. Many former commanders became politicians after 2001. The Members of Parliament from Kalakan and Mir Bacha Kot districts are also former commanders in the region.
30. Lamb 2012, p.17.

THE ARAB SPRING, GOOD GOVERNANCE AND CITIZENS' RIGHTS

*Elmira Akhmetova**

Abstract: This article is a study of the origins and consequences of the Arab Spring through highlighting the higher objectives of the Shariah in governance, as well as the basic rights and responsibilities of the citizens and the rulers in Islam. The paper suggests that maintaining peace, harmony and social stability are the main objectives of Islam in governance. But revolutionary changes commonly destroy social harmony and well-being; and produce chaos, insecurity, injustice and economic collapse. At the same time, the citizens own rights to disobey their deviant rulers. Accordingly, through discussing the rights and responsibilities of the citizens before their rulers and of the rulers before their people, the paper recommends adoption of the approach of nonviolent and evolutionary changes to improve political and social ills. It also suggests that governments should conduct peaceful, fair-minded and just rule rather than giving people no other option but to create public havoc. The paper also suggests that Islamic principles in governance, as embedded in the text and traditions, are conducive to good governance and democratic thought in many compelling ways.

Introduction

The Arab Spring is a manifestation of the absence of good governance in the Middle Eastern and North African (MENA) countries. For decades, the citizens of these post-colonial nation states were suffering from an unending cycle of despotism, economic and political exploitation, poverty and public cruelty. Global media highlighted the series of mass eruptions and instability occurring throughout the region since October 2010 as an arrival of a Western type of democracy and good governance in the Muslim World. When Egyptian president Hosni Mubarak relinquished power on 11 February 2011, it was claimed that for thirty years he had tyrannised the people of Egypt, and now in their righteous wrath, the citizens came to understand democracy, and wanted to achieve democracy.¹ On 31 March 2011, an American columnist, Declan McCullagh, enthusiastically commented in *The Economist*, that democracy is becoming a reality in a number of Muslim countries. Yet, he raised concerns on the future of democracy in the Muslim world due to the restoration of Islam in politics, as he skeptically stated:

Now, however, there are signs that Islam is a growing force in the Arab revolutions. That makes secular-minded and liberal people, both Arabs

and Westerners, queasy. They fear that the Arab awakening might be hijacked by the sort of Islamists who reject a pluralist version of democracy, oppress women and fly the flag of *jihad* against Christians and Jews.²

Declan McCullagh was right in presuming the emergence of the previously outlawed Islamist parties as major political players in the post-Spring governance. On 23 October 2011, Tunisian citizens voted in the first post-revolution election, where the formerly banned Islamist party *Ennahda*, also known as the Renaissance Party, won 37 per cent of the total vote and 89 seats (out of 217) in the Tunisian Constituent Assembly (41 per cent), and managed to elect forty-two women. On 30 June 2012, Mohamed Morsi, a leading member in the Muslim Brotherhood, was sworn in as Egypt's first democratically elected president. Yet, the flag of *jihad* did not fly against Christians and Jews. On 2 December 2011, during his run for the presidential elections, Morsi shared his stance towards non-Muslims with Dream TV. He said: "We are commanded, by God Almighty, to respect others' faiths, just as we respect our own. God Almighty granted all people the right and freedom to believe. People are free to believe in God or not to believe, not only Muslims or Christians. If God gave the people the right to freedom in such a tremendously important matter, what about less significant rights and freedoms?! They are obviously guaranteed."³

One year later, on 3 July 2013, Morsi was brutally overthrown by a military coup in the name of democracy and the demands of the Egyptian people. Since then, political turmoil has deepened in Egypt. Security forces have killed hundreds of Muslim Brotherhood members in the streets, and arrested thousands of others. On 24 March 2014, an Egyptian court sentenced 529 members of the outlawed Muslim Brotherhood to death on charges including violence, inciting murder, storming a police station, attacking persons, and damaging public and private property.⁴

A Western-type of democracy and liberalism have not become a reality either in Egypt or in other post-Spring MENA countries, except in Tunisia. Before bearing any benefits, the Arab Spring generated widespread chaos, civil wars, bloodshed and insecurity. Thousands paid the ultimate price for regime overthrow. Human rights groups reported up to 194,702 deaths (80 per cent in Syria) around the region since the start of popular uprisings. Due to the chaotic nature of each nation's conflict, many of the mortality rates are rough estimates. Economic and social welfare systems entirely collapsed as well.

Then, how may such violence and anarchy be justified in the name of democracy and liberalism? What are the main objectives of democracy and good governance then? Also, are the problems of human insecurity and well-

being directly related to the restoration of Islam in the politics of the post-Spring MENA countries? What are the fundamental objectives and main principles of Islam in governance? Consequently, this essay attempts to respond to these questions by highlighting the basic objectives of the Shariah in governance, and the basic rights and responsibilities of the citizens and rulers in Islam.

Islam and Good Governance

The term good governance is a civilian concept. It basically centres on the responsibility of governments and governing bodies to meet the needs of the populace as opposed to select groups in society. It originated in a 1989 World Bank document entitled *Sub-Saharan Africa: From Crisis to Sustainable Growth*. Within the context of this record, the notion of good governance was directly associated with the types of structural economic adjustment policies that the World Bank had been advocating for many years: reduced state intervention in economic decision-making; reduced public sectors and more efficient and transparent public sector administration; freer markets and the elimination of unnecessary public subsidies; and increased integration into the world economy generally.⁵

Since then, the concept of good governance has been expanded by the World Bank and other international aid donors, non-governmental organisations, academicians, and Western governments and politicians to include all of the following: economic liberalisation and the creation of market friendly environments; transparency and accountability with respect to both economic and political decision-making; political liberalisation, particularly democratic reforms; rule of law and the elimination of corruption; the promotion of civil society; the introduction of fundamental human rights guarantees, especially with respect to political rights such as freedom of expression, freedom of assembly and freedom from arbitrary imprisonment; and the adoption of policies designed to safeguard long-term global interests like education, health and the environment.⁶

At present, the concept of good governance covers a broad spectrum, allowing different cultures and organisations to develop their own institutions and mechanisms for social reforms, and to frame their respective interpretations of the term in divergent ways. This paper attempts to comprehend the good governance paradigm in the particular case of Islam and implementation of its tenets in the contemporary Muslim world.

The system of rule that the Qur'an has envisaged is founded in the following principles such as: trust (*amānah*), justice (*'adālah*), consultation (*shūrā*), the rule of law or the Shariah, pledge of allegiance (*bay'ah*), the principle of vicegerency (*khilāfah*), representation (*wakālah*), and bidding good and forbidding evil (*amr bi'l-ma'rūf wa-nahy 'an al-munkar*).

The establishment of public welfare and concern for the public interest are among the most important functions of good governance. In Islamic jurisprudence, the principles of good governance appear under the concept of *siyāsah shar‘īyah*. *Siyāsah shar‘īyah* is a broad doctrine of Islamic law which authorises the ruler to determine the manner in which the Shariah should be administered. Literally *siyāsah shar‘īyah* means a Shariah-oriented policy, or government in accordance with Shariah. It applies to all government policies, be it in areas where the Shariah provides explicit guidance or otherwise.⁷

In the usage of the *fuqahā’*, *siyāsah shar‘īyah* denoted decisions and policy measures taken by the imam and the *ulū al-amr* on matters for which no specific ruling can be found in the Shariah. In that connotation, *siyāsah shar‘īyah* is equal to acting on *maṣlahah*, or public interest, which the Lawgiver has neither upheld nor overruled.⁸ Accordingly, *siyāsah shar‘īyah* denotes the “administration of public affairs in an Islamic polity with the aim of securing the interest of, and preventing harm to, the community, in harmony with the general principles of the Shariah, even if this disagrees with specific rulings of the *mujtahids*.”⁹ This broad concept of *siyāsah shar‘īyah*, including its meaning, mechanisms and functions, has developed over centuries in the works of the *fuqahā’* and the Qur’anic guidance was constantly implemented to guarantee public interest.

Government in Islam is an essential component of God’s trust (*amānah*) to mankind. The government must guarantee the rights of every individual under its authority. Its primary function is to ensure the well-being and security of the people, and to establish peace and justice in society. A ruler may accordingly take discretionary measures, enact rules and initiate policies as he deems appropriate in the interests of good government, provided that no substantive principle of the Shariah is thereby violated.¹⁰

In the early days of the institution of the caliphate, the leader, acting as both spiritual and political guide of the community, had to rule on the basis of the trust delegated to him by God and also by the members of the community, who could publicly monitor his activities. The leader acknowledged that he was not the ruler but the servant of the people and his job was to work for the well-being of the entire society, that all his decisions, actions and policies were guided by the criteria of public interest and that he was accountable to the society and to God. The leadership did not have to come from any royal family or aristocracy: talent, character, sincerity, integrity and commitment to God’s guidance were the main criteria for leadership.¹¹

Accountability of the government (*muḥāsabah*) is one of the fundamentals of the Islamic concept of rule. *Muḥāsabah* as a principle of government has been concerned with political and financial matters and the abuse of authority for selfish purposes. As Mohammad Hashim Kamali observes, the principle of

accountability in the Shariah basically draws no distinction between government leaders and other members of the community and renders them all accountable for their conduct. Everyone is responsible for what they do regardless of his/her social or political status. According to Kamali, this is because all the evidence that is found in the Qur'an and Sunna on personal accountability of individuals is conveyed in general ('*āmm*') terms which makes no exception in favour of anyone.¹²

The Islamic government is obliged to conduct the community affairs through consultation (*shūrā*) with the community and their representatives. In that sense, consultation involves a certain degree of accountability to the public as well as their participation and involvement in decision-making.¹³

In sum, ensuring peace, justice, harmony and social stability are the fundamental objectives of governance in Islam. To achieve these aims, the government must guarantee the rights of every individual under its authority and should secure public participation in decision-making. It follows that there is no essential incompatibility between the ultimate aims of the good governance paradigm and Islamic political theory envisaged in the Qur'an and Sunna. In the following pages, I discuss the relevance of good governance in the contemporary Muslim world.

Current Scenario of the Muslim World

The Muslim world is currently experiencing a period of significant political, economic and social transition. It is shaken badly by large-scale bloodshed, political upheavals, poverty and economic depression. The soul of the ideal Islamic state, which is closely in line with the Western concept of good governance, is lost in reality in the modern Muslim world. In fact, the Qur'anic model of governance never accomplished its paramount objectives and far-reaching potential except during the rule of the Prophet [peace be upon him]) and the righteous caliphs. Following this period the Islamic caliphate existed in form rather than substance, simply passing political authority from one state to another, and from one dynasty to another.¹⁴ Since the establishment of the Umayyad dynasty in 661CE, the entire Muslim world, with rare exceptions, suffered from despotic and authoritarian regimes, the evils of nepotism, corruption and injustice, endless political turbulences and wars, and the negligence of the citizens' basic rights.

Since the early days of the Islamic political establishment, Muslim societies strived to find appropriate mechanisms to protect the citizens' rights and their independence from authority, by rooting this in the Qur'anic principles and the Sunna. The result was the creation of the judiciary as an independent institution from the executive power to enforce justice and order in society. The first independent judges for Muslim provinces were appointed as early as during the

rule of 'Umar ibn al-Khaṭṭāb (r. 634-644), the second righteous caliph. These judges were completely independent from the regional governors but were under the direct supervision of the caliph. The same policy was continued during the Umayyad dynasty as judges were given a freehand without any restrictions from the executive power including that of the caliph himself.

During the reign of Ḥarūn al-Rashīd (r. 786-809), the famous Abbasid caliph, the post of the *Qāḍī al-Quḍāt*, judge of judges, was created and entrusted to Ya'qūb ibn Ibrāhīm al-Anṣārī, known as Abū Yūsuf (d. 798). The whole judiciary consequently came under Abū Yūsuf's supervision, including the appointment and dismissal of governors, following up with court rules pertaining to them, and all judicial matters attached to the governors, without any interference from the caliphs or their assistants.¹⁵

For many centuries, this mechanism of the judiciary worked effectively in different parts of the Muslim world in line with its original principles of being independent from the executive power, and protected the rights of the populace without any religious or ethnic discrimination. The Shariah highly emphasises on the equality of all in front of the law, regardless of their religious beliefs, or social or political standing. Even when the rulers wanted to transgress the power of the judiciary, they knew perfectly well that they would face not just the judicial institution, but the whole public, who were keen on the judges' independence and saw in any disobedience of judiciary rule a challenge to themselves. In such way, the Muslim populace was able to maintain their rights and to face their rulers in the cases of despotism or injustice.

The colonial age destroyed this very spirit of tranquillity in Muslim societies, including the old-aged communal mechanisms of preservation of justice and human dignity. Following the decolonisation strategy of the post-World War II period, various nation-states began to emerge in the Muslim world in the name of ethnic nationalism. At present, there are more than fifty Muslim nation-states, extending from the Atlas Mountains in the West to the Malay Archipelago in the East, and from Sub-Saharan Africa to the steppes of Central Asia. This division of the Muslim world into various nation-states, however, reflected largely the interests of their colonial powers. The authorities, who were responsible for drawing the territorial borders of the nation-states in the Muslim world, paid almost no attention to ethnic and religious peculiarities, and the will of the people living within these boundaries.

Very soon, territorial divisions became a source of tension between newly decolonised Muslim states that claimed mutually exclusive rights to the same territories. As Vali Reza Nasr, a leading expert on the Middle East and Dean of the Johns Hopkins School of Advanced International Studies in Washington DC, noticed, the colonial powers drew boundaries but did little to unify the peoples

that fell within them into a national culture. At times they even did the opposite; and sought to maintain their control by encouraging competition between ethnic, linguistic, religious, or tribal groupings.¹⁶ Unresolved tensions between peoples and regions continue to be one of the main problems in the modern Muslim world, frequently leading to bloody clashes that have escalated sharply in the last several decades. It seems that the ideology of nationalism was an ineffective answer to the problems existing in the Muslim world, and brought about more enmity and antagonism, contributing greatly to sectarian, ethnic as well as ideological conflicts in the contemporary Muslim World.

Imperial powers left their former colonies into the hands of local marionette governments, which, due to their spinelessness and vanity, depended persistently on the will of their former masters. In effect, the contemporary Muslim world is shaped by the ills and misdeeds of the past and continues being influenced by intrigues of the foreign powers. Overwhelmingly, countries in the third world never really achieved their complete independence. The legacy of colonialism continues to shape and reshape their politics, tactics, economics as well as societies. Colonialism also survived in the forms taken by state ideologies, political visions, and institutions.¹⁷ At the same time, most of the nation-states in the Middle East and North Africa failed to merge their cultural, religious and regional peculiarities positively into the politics, state ideologies and systems.

Most of the Middle Eastern and North African Muslim countries are governed by monarchies, which failed to respond to the needs and opportunities of their own people, or to create a milieu of public trust, appreciation and sincerity between the political elite and the people. Within two decades or slightly more, the legitimacy of the ruling families to represent the entire populace became a crucial subject in many Muslim states. Piecemeal economic and political reforms were introduced, to varying degrees, within many countries in the region, as a means of meeting the challenges experienced by the ruling power. Yet, Muslim states today are a long way from having even a minimal level of democracy. No countries in the Muslim world were rated as having a “full democracy” under the guidelines of the Democracy Index, compiled in 2010 near the beginning of Arab Spring by the Economist Intelligence Unit; and only three out of forty-nine Muslim-majority countries were rated as a “flawed democracy.” The rest were rated either an “authoritarian regime” or a “hybrid regime.”¹⁸

The modern type of electoral process as well as other Western-style democratic mechanisms of decision-making to the MENA region also went wrong. Most of the despotic rulers in the Middle East claim to have been democratically elected. These elections, however, were not transparent, and were influenced or manipulated by their former colonial or other Western powers.

Furthermore, evils like corruption, nepotism, injustice or chauvinism are

widespread in Muslim societies. The results of the Corruption Perceptions Index (CPI) 2013, prepared by Transparency International, warn that the abuse of power, secret dealings and bribery wreck the individual and public wellbeing within the Muslim world. It ranked many Muslim countries as having the highest perceived levels of corruption in the world. The latest Index in 2013 scored 177 countries and territories on a scale from 0 (highly corrupt) to 100 (very clean). In that list, the ten bottom countries which were ranked as most corrupted, excluding North Korea, are Muslim-majority countries. Somalia and Afghanistan, along with non-Muslim North Korea, made up the worst performers in the year, scoring just 8 points each, followed by Sudan (11 points), South Sudan (14 points), Libya (15 points), Iraq (16 points), Uzbekistan, Turkmenistan and Syria (17 points each). Only three Muslim-majority countries score above 50: United Arab Emirates (69 points), Qatar (68 points) and Brunei (60 points).¹⁹ Such disappointing figures do not evoke hope for a quick recovery in the Muslim world. Muslim nation-states are far distant from achieving the fundamental objectives of governance in Islam. The most disturbing realities, however, are related to the issue of citizens' rights in these countries, which I discuss in the following pages.

Citizens' Rights in Islam and Current Realities

The recent outbreak of the Arab Spring is a collective struggle of the masses for their basic civilian and human rights. Overall, the post-colonial governments in the MENA region failed to ensure the well-being and security of their citizens. International watchdogs often raise concerns on various cases against human rights, including pervasive political censorship, police brutality, arbitrary detention, torture, and restrictions on freedom of religion, speech, association, and assembly. Poverty, malnutrition and lack of health security are also among the foremost problems of the MENA countries. The region is home to about seventy million of the world's poor (living on less than two dollars per day) and twenty million of the world's extremely poor (living on less than US\$1.25 per day). Despite possessing 70 per cent of the world's energy resources and 40 per cent of its natural resources, the gross domestic product (GDP) of all member states of the Organisation of Islamic Cooperation (OIC) is less than that of Japan. The challenges which the MENA governments are facing today are immense, and a quick and proper response from the authorities is urgently required. The concept, principles and structure of governance, including its philosophy and fundamentals, needs to be reviewed and comprehended by the authorities.

The actual spirit of Islamic principles of governance, which had been established by Qur'anic commands and the deeds of the Prophet [peace be upon him] and exercised by the righteous caliphs, is gone. In the early period of Islamic history, the leader acknowledged that he was not the ruler but the servant of the

people and his job was to work for the well-being of all in society, that all his decisions, actions and policies were guided by the criteria of public interest and that he was accountable to the society and to God.²⁰ The primary function of the government in Islam thus is to ensure the welfare and security of the people, and to establish peace and justice in society. To realise these aims, the government must guarantee the rights of all citizens under its authority, regardless of their gender, age and religious, social or ethnic backgrounds.

There are at least six basic rights the citizen enjoys in an Islamic polity: the right to vote; the right to nomination for political office; the right of consultation in the affairs of the government; the right to express an opinion on political matters; the citizen's right not to obey a deviant ruler; and, lastly, the right to health, welfare, occupation and education.²¹

Every citizen of an Islamic polity is entitled to participate in the election of the ruler and other representative government bodies. Once the head of the government is lawfully elected, he is under an obligation to consult the community in government affairs. The principle of consultation, or *shūrā* in Arabic, embraces every facet of life and is easily adaptable to a variety of different situations. According to Kamali, it is a "collective right of the community and those of government."²² Accordingly, Islamic government is participatory and consultative; its mechanism of consultation contemplates a dynamic and fervent participation of the populace in a varied strata of state affairs.

In addition, the citizen of an Islamic polity enjoys the right to criticise and to express his/her opinion on the conduct of government as well as political matters. This right is manifested in the prominent Qur'anic principle of *ḥisbah*, which means promotion of good and prevention of evil (*amr bi'l-ma'rūf wa-nahy 'an al-munkar*). Under *ḥisbah*, no individual in the state, regardless of his/her gender, religious belief or social strata, can be prohibited from promoting a good cause or putting a stop to an evil one. In addition, Islam gives people the right to freedom of association and to the formation of parties or organisations, provided that this right is exercised in spreading virtue and righteousness, not to spread evil and mischief.

Next, citizens have the God-given right to protest peacefully against the government's tyranny as well, whether that abuse is directed against individuals, groups, or the entire population. In Islam, once the head of the government is lawfully elected, the citizen is normally obliged to obey him and to remain loyal to him. In *surah al-Nisā'*, God demands obedience to the lawful government when he addresses the believers accordingly: "O you who believe! Obey Allah and obey the messenger and those of you who are in authority" (*al-Nisā'*, 4:59). This loyalty, however, is not unconditional. When the lawful authorities violate the law and conduct acts of transgression or fail to fulfil their responsibilities

as the legislative representatives of the country, then the citizens are entitled to decide whether to obey the deviant authorities or not. Different approaches are required with regards to different types of deviant governments and the circumstances involved.²³

Mohammad Hashim Kamali maintains that in situations other than a clear declaration of unbelief (*kufr*) and renunciation of Islam, defiance of lawful authority must never be brought about by armed rebellion on the part of a minority within the community.²⁴ Prophet Muhammad [peace be upon him] had forewarned at two junctures about this by saying that: “He who raises arms against us ceases to be one of us,”²⁵ and “He who unleashes his sword against us ceases to be one of us.”²⁶ Islam generally is for stability, peace and public order, and there is no space for the overthrow of the lawful government by a minority group. The devices in the Islamic political system of the citizens’ rights to criticise the authorities, to participate in the electoral process and consultation (*shūrā*) and freedom of expression provide suitable room for constructive improvements in state affairs.

Therefore, provisions for public welfare and consideration of the public interest are among the most important functions of governance. Protection of human life and dignity is a fundamental objective and principle of Islamic teachings. Islam thus entitles all citizens to the provision of the basic necessities of life without any distinction of caste or belief. The right to basic necessities embraces the right to employment and assistance to find an appropriate occupation as well. It is the responsibility of the state to provide an organisational structure through a well-established judicial system, administrative control and a security system necessary for a peaceful co-existence of citizens.

In sum, the government must guarantee all the previously mentioned rights for every individual under its authority. It should ensure the well-being and security of the people, and establish peace and justice in society. If the regime fails to fulfil these main objectives of Islamic governance, then the citizens have rights to contribute towards change, but, in this writer’s view, the main Islamic principles of keeping peace and public order should be preserved.

Arab Spring and Its Aftermath

The ‘Arab Spring’ is often identified as the birth of a “collective Arab consciousness.”²⁷ This revolutionary wave of mass demonstrations and protests (both violent and non-violent), riots and civil wars in the Middle East and North Africa was sparked by the suicide attempt of a young Tunisian street fruit vendor, Mohamed Bouazizi, on 18 December 2010. Becoming extremely frustrated due to police corruption, discrimination and ill treatment, Mohamed Bouazizi immolated himself in public. When he died in hospital several weeks later, the flame of public

rage rapidly engulfed Tunisia and most of the Arab world within days, transforming the politics of the region and ousting even the best entrenched dictators.

Ten days after the death of Bouazizi, President Zine el Abidine Ben Ali's twenty-three-year rule of Tunisia ended. Colonel Muammar Gaddafi, who ruled Libya for forty-two years, was killed by rebel fighters in October 2011, eight months after government clashes with protesters escalated into a nationwide civil war. Ali Abdullah Saleh, Yemen's President for thirty-three years stepped down in February 2012 after months of massive nationwide protests. Hosni Mubarak of Egypt, who ruled the country for twenty-nine years, was overthrown in a mass uprising in February 2011.

The Arab Spring, indeed, brought a significant change to the entire MENA region. Both the positive and negative facets of this political outbreak have extensively been elaborated by scores of academicians, political scientists, journalists and writers. In this article, I would like to discuss the four most essential aspects only.

Firstly, the full episode of the Arab Spring confirmed the strength of the will of the masses. Upheavals across the MENA region were sparked mainly because of the negligence of citizens' rights by the respective governments. For decades, the region has been exploited by those who hunted for controlling the resources and wealth of the nations, with no concern for their people's will. The citizens' rights to participate in decision-making processes were mostly ignored. They were not given any opportunity to amend the unfair systems through peaceful means endorsed by the Shariah, such as by participation in fair elections, consultation, the assessment of the conduct of the government, and freedom of expression. The MENA population is exhausted from the unending cycle of despotism, economic and political exploitation, poverty and public cruelty. They opted for change, and, certainly, for a quick and substantial change.

Besides, the Arab Spring manifested the potential of the youth. Already in March 2011, in the early days of the Arab Spring, Declan McCullagh illustrated the political disruption in the MENA region as the "sight of corrupt old Arab tyrants being toppled at the behest of a new generation of young idealists, inspired by democracy, united by Facebook and excited by the notion of opening up to a wider world."²⁸ No doubt, youth are the most optimistic and assertive stratum of every society, and they played the major role in the Middle Eastern transformation. In addition, the youth represent a significant portion of the MENA population. At present, more than half of the Muslim population is under the age of twenty five, and the needs and wants of such a significant portion of society should not be neglected. For decades, however, Arab youth remained marginalised and isolated and excluded from decision making process. They have been the most frustrated stratum in their societies with the methods of governance.

Secondly, the political transformation and the elections did not mark the end to post-colonial dictatorship and despotism. The Arab Spring caused structural changes that shook the Arab swamp. Before bearing any benefits, it generated widespread chaos, civil wars, bloodshed and insecurity. It has now opened a door that could lead toward either stability and advancement, or regression and destruction. Evils of sectarianism and tribalism have appeared too clearly and are now threatening societal and state unity in the entire region. The conflict in Syria, for instance, which began as peaceful demonstrations against the Ba'ath regime under President Bashar Al-Assad, soon turned into a civil war with sectarian and tribal dimensions. According to the Britain-based Syrian Observatory for Human Rights report, at least 160,000 people were killed in the Syrian conflict between March 2011 and May 2014, many of whom were civilians and children.²⁹ The real figure is likely to be much higher. Ceasefire attempts by the United Nations and the 2012 peace plan of Kofi Annan, the former UN Secretary-General, practically collapsed, with infractions of the ceasefire by both sides resulting in thousands of casualties.

According to a Lebanese journalist and editor in chief of the *Tahawoulat* newspaper, Sarkis Abu-Zayd, the conflicting parties in Syria are bound by tribal rather than religious or sectarian cohesion. In the cases of Libya and Yemen too, with the Arab Spring, tribal conflicts that were inherent in the social fabric floated to the surface. As Abu-Zayd pointed out, tribal clashes in various Libyan regions have today reached a point that threatens secession and the establishment of a tribal federation, which will likely be accompanied with chaos, massive loss and terror.³⁰

In Egypt, the earliest attempts of democracy also failed. Field Marshal Abdel Fattah el-Sisi overthrew the first democratically elected president in the entire history of Egypt, exterminated those who opposed him and paved the way for his absolute rule. Ironically, Sisi claims that his actions against the Egyptian people were all done in response to the demands of the Egyptian people. A new cycle of military dictatorship might become a reality in Libya as well.³¹

Thirdly, the Arab Spring did not signify the arrival of a Western-type of democracy and liberalism in the Muslim world either. People in the post-Spring countries are subjected to widespread social and economic instability, poverty, injustice and discrimination. It seems that the change of a ruler or government alone may not improve the situation and establish democratic systems.

Ibrahim Alloush, Professor at Zaytouna University in Jordan, while speaking about the situation in Libya after the murder of Qaddafi, asserted that: "If you look at the reality of how the situation was in Libya before the airstrikes, the UN encroachment and radicalisation of the militants, who are backed by the West, and compare the former condition of the country and the current one, then you will clearly realise that the country is today suffering from a range of serious

problems which it has not experienced previously. Its infrastructure is entirely demolished, military forces are walking in the streets, attacking people and even killing them, and they do whatever they like to. Many things have been changed, but not for the good.”³²

Radicalisation and violence is significantly increasing in other countries as well. According to the Egyptian Centre for Economic and Social Rights (ECESR), since the 3 July military coup until 11 November 2013, 2,665 people were killed in Egypt. Statistics up until 3 December also show that as many as 16,000 were injured in violence which swept the country. 13,145 arrests took place in 718 incidents.³³

Lastly, I strongly believe that Islam played no major role in initiating of the Arab Spring. The movement was led by civil society, especially the youth, and it was widely spread across all strata of the population, including non-Muslims and atheists, in their demand for accountability and good governance. The Arab Spring, yet, opened a door for the Islamic parties to come to power in a democratic way through the ballot box. Their message that Islam stands for just, accountable and consultative governance became the most essential aspirations of the masses, who were suffering from suppression and dictatorship for many long years. Public demand of the Arab nations at that stage, in fact, consisted not in choosing between secularism and an Islamic state but between corrupt governments and a clear economic agenda on how to attain social justice. The challenges, however, faced by the newly elected Islamic parties in Egypt, Tunisia or Libya, were too heavy and complicated. So far, the Renaissance Party of Tunisia alone is partly successful in facing these challenges. The so-called “neo-fundamentalists” lacked experience, time and internal as well as international support to find effective and quick solutions to economic and social problems of their peoples. They were unable to implement the principles and objectives of governance as outlined in the Qur’an.

International actors also played a role in the general lack of success of the Islamists, especially in Egypt. In fact, the West has perused its interests in the region both openly and covertly for decades, while endlessly maintaining that it calls for individual freedoms, democratic values and respect for public will. As *Ahmad Chaker Jomaa, head of Journalism for the Federation of Student Islamic Societies (FOSIS)*, points out, the West would much prefer dealing with tyrannical military dictatorships (as shown by their historical support for Khalifa Haftar of Libya), rather than dealing with governments which are elected to represent the will of their people.³⁴ It is why the international community turned a blind eye when the democratically elected head of state, Mohamed Morsi, was so ruthlessly overthrown in Egypt by military coup. The present political scene of the world reveals that we are witnessing a period of turmoil with the

re-distribution of natural resources and strategic regions among the superpowers. People living in these underdeveloped areas will once more suffer because of the rich resources or strategic locations of their native lands.

It appears that the genuine desire of the majority of the Arab people in the wave of upheavals across the region has been for the establishment of good governments, which will enforce justice, equality and harmony, through democratic means. Islamic principles of governance have a potential to guide the people in building successful democratic nations in the region. Yet, without an alliance with other secularist parties of the country, and the full exertion for the Islamic principles in governance such as pluralism, egalitarianism, and freedom of speech and expression, the electoral victory of the Islamist parties alone will not provide substantial solutions to problems of the MENA region.

Conclusion and Recommendations

After a brief evaluation of the origins and consequences of the Arab Spring through highlighting the higher objectives of the Shariah in governance, as well as the basic rights and responsibilities of the citizens and the rulers in Islam, the paper suggests the following conclusions and recommendations.

Firstly, there is no essential incompatibility between the ultimate aims of the good governance paradigm and the Islamic political theory envisaged in the Qur'an and Sunna. Islamic principles, as embedded in the text and traditions, are conducive to democratic thought and good governance in many compelling ways. Securing peace, harmony, social stability and fairness are the primary objectives of governance in Islam. To achieve these goals, the government must ensure the rights of every individual under its authority, and should secure public participation in decision-making. In addition, the Qur'anic devices of the citizens' rights to criticise the authorities, to participate in the electoral process and consultation (*shūrā*), and freedom of expression and speech provide an appropriate space for constructive improvements in state affairs.

Secondly, the Arab Spring was a manifestation of the absence of good governance, including its main components such as democracy, moderation, liberalism and justice, in the MENA region. The majority of the current nation-states in the Muslim world are far distant from achieving the primary objectives of Islam in governance. They failed to implement the potential and competence of the principles and objectives of governance outlined in the Qur'an. The citizens are entirely deprived from having an opportunity to amend the unfair systems through the peaceful means endorsed by the Shariah, such as by participation in fair elections, consultation and the assessment of the conduct of the government.

At the same time, rapid political and social transformations are commonly not for the benefit of the people. The Arab Spring is still unfolding and the

uncertainties will be clarified in the course of time. Yet, at this moment, its negative consequences such as widespread bloodshed, human insecurity, injustice, nepotism, dismay and many other social ills are exceeding the positive ones. Healing of the hurts of the Arab Spring requires a prolonged period of time.

Lastly, it seems that implanting of Western-style democratic mechanisms alone may not cure the ills of the Muslim world. Stability and progress in the region depends mainly on the aptitude of the governments to create a milieu of public trust, devotion, appreciation and sincerity between the political elite and the people. To succeed, the governments should learn to respond to the needs and benefits of their own people. They should find effective and quick solutions to economic and social problems of their people. Consideration of public welfare and public interest, and protection of the rights of the citizens and human dignity is the main solution for stability in the MENA region.

The paper proposes the following policy recommendations:

- Evils of corruption, nepotism, intolerance, tribalism, and political and economic injustice should be prevented by the authorities as being extremely harmful for the well-being and security of society, and its stability. The government must guarantee the rights of every citizen under its authority, regardless of their gender, age, and religious, social and ethnic backgrounds.
- Militarism and violence, whether by individuals or states, must be brought under control through understanding the authentic Islamic principles in governance. Moderation and balance (*wasatiyyah*) approach must be implemented by the citizens and governments as a valuable legal guideline in the way of achieving good governance in the MENA region. Governments should accept peaceful, fair-minded and just rule in order to prevent revolutions and other types of public havoc.
- The will and rights of the citizens should not be neglected or interfered with by external and internal actors. Governments must ensure a platform for the youth and women to participate in decision-making. The promising potential of youth in the MENA region should be recognised and directed in a correct manner through proper education, respect and supervision.
- Muslim religious leaders, judges, ulama, Muftis and associations must concentrate on achieving a better understanding of the objectives and principles of governance in Islam at governmental and public levels. In order to heal the wounds and negative outcomes of the Arab Spring, they must publically condemn all types of violence, corruption, discrimination and rivalry among different *madhāhib*, religions, tribes and nations.

- The media and educational system should be utilised actively for raising public awareness. The Islamic concepts of governance and citizens' rights could be included in university curricula, and textbooks should be prepared to train the Muslim youth to adopt more peaceful and harmonious ways of life.

Notes

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27. The term 'Arab Spring' was coined by the American political journal *Foreign Policy* to denote the chain of revolutionary upheavals and public havoc happening in the Middle Eastern and North African (MENA) region since October 2010. In fact, the notion 'spring' was first used in reference of the 'The Spring of Nations,' describing European revolutions of 1848. Later, it was used most prominently to describe a series of reforms taken within the period of 1966-1968 in Czechoslovakia that would later be reversed by the Soviet invasion of the country in 1968. See, Joseph Massad, "The Arab Spring and Other American Seasons," *Aljazeera*, <<http://www.aljazeera.com/indepth/opinion/2012/08/201282972539153865.html>> accessed 3 June 2014; and Marc Lynch, "Obama's 'Arab Spring?'," *Foreign Policy*, <http://mideastafrica.foreignpolicy.com/posts/2011/01/06/obamas_arab_spring> accessed 3 June 2014.
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INTEGRATING ISLAMIC PRINCIPLES AND VALUES INTO THE FABRIC OF GOVERNANCE

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Abstract: Important Islamic principles and values in governance are identified from the Qur'an, Sunna and the essential Shariah objectives (*Maqasid al-Shari'ah*). The principles (vicegerency, rule of law, justice, social welfare, separation of powers, accountability, consultation, obedience, public participation, inclusiveness, equality, dignity, *hisbah* or enjoining the good and forbidding the evil, limiting money politics, and ensuring a free, independent media, and peace and security) have considerable bearing on the structure of government institutions and in ensuring good governance, while the values (trustworthiness, transparency, cooperation towards good, moderation, eagerness for knowledge, frugality and valuing time, and good neighbourliness) relate more to the moral qualities required by rulers, leaders and government officers alike. The proposed process of integrating these into governance is based on a systems thinking approach which acknowledges that governance works in a systemic framework. It also stresses the modern discipline of change management but points out that both it and a systems approach were already applied most successfully by Prophet Muhammad [pbuh]. Working examples, which can be adapted for use in Muslim countries for government departments and civic society have been identified from Canada and Malaysia, respectively.

Introduction

An Islamic system of governance *per se* is an 'ideal' system, which is a tantalising objective for Muslims but not always easily achievable in practice. Countries may call themselves "Islamic" but Islamic values may not have strongly penetrated the consciousness of their leaders and citizens. Following the colonial era and with widespread Islamic education, Muslims worldwide are exhibiting a renaissance of interest in the implementation of Islamic principles and values in their political systems. In the West following the global financial crisis and collapse of major corporations attributed to poor ethical financial practices, there has been a strong parallel trend towards incorporating ethics and values into governance.

There has been a belief that by emphasising basic Islamic teachings Islamic values would naturally be transferred to the public arena and to government institutions. This however, has not necessarily been the case. Muslims in Afghanistan and West African countries for example, exhibit the highest level of observance of religious rituals in surveyed countries but also experience amongst the highest incidences of perceived corruption.¹

From another perspective, a key failure of the *mujāhīdīn* parties in Afghanistan, who defeated the powerful Soviet armed forces, while standing on a platform of

striving towards an Islamic political order, was their inability to transfer Islamic values. Analyst Olivier Roy, pointed to a general deficiency with their Islamism but erred in oversimplifying that “Islam does not offer a blueprint of an Islamic government but just promotes Islamic values”². These examples however, illustrate the need for a planned administrative *system* and institutions³ whereby Islamic values can be effectively integrated. It would be inspired by the examples of Prophet Muhammad [pbuh] and the Rightly Guided successors who established the first Islamic polity in Medina that represented the “best community raised for the benefit of mankind”⁴.

An effective approach for integrating Islamic principles and values into government will need to be comprehensive and holistic. Some tools developed by western practitioners based on older, partly Islamic concepts, can be applied. Islamisation involves change. *Change management*⁵ needs to address the *System*⁶ in which it operates; then to apply effective strategies to bring about sustainable changes by understanding its component parts and how they operate. A *System* is a set of interdependent, interacting components with mutual relationships forming an integrated complex whole – as well as the rules that govern their interactions. Human organisations are viewed as conceptual systems. A system of government is a coordinated body with an organisational scheme to enable effective governance. The system will comprise a body structure developed according to Islamic principles and a ‘soul’ of government officers and citizens who will ideally be conversant in Islamic values. Applying *systems thinking* uses a style of reasoning and problem solving that starts by understanding the system properties, including its structural and social and human factors (behavioural aspects) to achieve a successful outcome. Such an approach will help practitioners to see how to change systems effectively and to act in tune with the natural processes of the real world.

The process of integrating Islamic principles and values into the fabric of governance involves the following steps:

- Identifying the key Islamic principles and the government institutions that reflect them.
- Identifying the Islamic values to be inculcated.
- Outlining the key aspects of social transformation.
- Determining the approach for transforming government through *change management*.
- Routinely applying the concept of *Ihsān* or continual improvement through reviews and audits.

“Governance” is the act of governing or ruling whereas “government” is the body of representatives and institutions through which this is done. The key Islamic

principles and their allied institutions will be first discussed below, followed by an elaboration of the important Islamic values.

Islamic Principles

Islamic principles provide the foundation for Islamic governance. The primary Islamic doctrine is *Tawhīd* (Belief in the Absolute Unity of God)⁷ on which all Islamic institutions should be established. It may be stated at the outset that whatever is the common heritage of mankind and is beneficial can be adopted in Islamic governance. Many government institutions in their modern form have developed in non-Muslim countries in the absence of any obvious contradiction to Shariah and may be accepted in an Islamic system based on the Islamic legal principle that what is not specifically prohibited is potentially acceptable⁸. ‘Modern’ institutions in non-Muslim countries often developed socially in response to and in conformance with the natural laws of Allah (*sunnat-Allah*) and many countries have incorporated religious ethics (from Christianity or Judaism) that are unsurprisingly aligned with Islamic teachings.

Nayef Al-Rodhan had proposed eight criteria for ensuring good governance: (1) participation, equity and inclusiveness (2) rule of law (3) separation of powers (4) a free, independent and responsible media (5) government legitimacy (6) accountability (7) transparency, and (8) limiting the distorting effect of money in politics.⁹ Derivation of these criteria as universal principles can be provided from Islamic sources and are discussed further below. Effective governments have always involved three functional branches – the executive, the legislature and the judiciary.

Sovereignty

The classical Islamic position based on the Qur’an¹⁰ is that true sovereignty over a people belongs to Almighty Allah. However, as Allah has provided for mankind on earth to conduct their own affairs, he has instituted the role of *khilāfah* (successors or vicegerency) for them¹¹. The Successor rulers to Prophet Muhammad [peace be upon him] took this title and role, which is in reality a trust (*amānah*) to uphold God’s law, the Shariah¹². As humans are the *khalifah* of Allah, the concept exists that the ummah itself is the repository of this trust. It is only through their legal representatives that the ruler (the Executive) can take power with a delegated sovereignty on their behalf.

Leadership and Legitimacy (The Executive)

In Islam, the role of the executive is paramount in exemplifying the true values to be inculcated within the government. The leader must practice what he says he will do. This is in accordance with the example of Prophet Muhammad

[pbuh] who practiced principle-centred leadership and embodied all the virtues enunciated in the Holy Qur'an.

The issue of government legitimacy in Islam has become blurred by historical precedent where even the great scholars¹³ accepted or legitimised certain usurpers of power. This was perhaps acceptable in emergency situations short-term but not as general precepts. A review suggests the main sources of Islamic legitimacy in governance are: (1) A qualified executive candidate (2) freely elected by a majority of citizens or their representatives (3) *bay'ah* (allegiance by consent) of citizens based on this election (4) the upholding of Shariah law and provision of justice (5) ensuring social support for needy citizens¹⁴ (6) ruling through consultation (*shūrā*) (7) demonstrating transparency and accountability of government, and (8) change of the executive (or government) during periodic elections or due to physical or mental incapacity or failure to perform mandatory (*'ibādah*) practices in public.

Rule of Law and Justice (‘*Adl*) (The Judiciary)

Scholars agree that justice is a seminal aspect of the Islamic political system: “Justice is a supreme virtue and it is, in all its manifestations, one of the overriding objectives of Islam to the extent that it stands next in priority to belief in the Oneness of God (*tawhīd*) and the truth of the Prophethood of Muhammad [pbuh].”¹⁵ This follows from explicit statements of God Almighty, referring to justice both in civic relations, as well as in court rulings¹⁶:

Allah does command you ... when you judge between man and man, that you judge with justice (*Al-Nisā'*, 4: 58).

Islam requires that justice transcends considerations of “race, religion, colour and creed”¹⁷ even if it disadvantages one’s own kin and favours a protagonist. The challenge to perform justice is especially high for a ruler but then the Prophet [pbuh] cited the great reward for a “just ruler” that he would be foremost among those on the Day of Judgement to be protected by the Shade provided by Allah Himself.¹⁸ Mohammad Hashim Kamali, amongst others, stressed that as envisaged by the Qur'an, including the verse below, justice must be administered under the rule of law¹⁹, signifying the essential establishment also of a valid authority to implement Shariah law.

If any do fail to judge by (the light of) what Allah has revealed, they are (no better than) Unbelievers (*Al-Mā'idah*, 5: 44).

Social Justice

A ruler or government must strive to secure the people’s welfare (*maṣlaḥah*) in accordance with the legal maxim that “the Imam’s (head of state) performance

is judged by reference to people's welfare".²⁰ This is the single most important criterion by which to evaluate the success or failure of an Islamic government. Consequently, to be Islamic, a State should ensure that "every individual, man and woman, shall enjoy that minimum of material well-being without which there can be no human dignity, no real freedom and, in the last resort, no spiritual progress".²¹ The Prophet [pbuh] ruled that in addition to *zakat* there is provision in the wealth of the wealthy to support the poor whenever the *zakat* sum is insufficient to ensure their basic needs:

There is indeed a duty [*haq*] on property apart from *zakat*.²²

Separation of Powers

Although *Khulafā' ar-Rāshidūn* rule in Islam's early history involved the centralisation of powers, there is no Shariah ruling that deters separation of powers between the executive, judicial and legislative branches in an Islamic government today.²³ Cogent arguments are provided by Kamali necessitating the executive's non-involvement in the general formulation of Shariah rulings by the *fuqāha* and in the implementation of decisions by the judiciary. Muhammad Asad and Muhammad El-Awwa, amongst others, have also argued that a head of state is obligated to take the majority position of *shūrā* members²⁴. Kamali concluded that "the implications of *tawhīd* need not be extended to the organisational structure of power in the state". Rather a separation of powers is preferred.²⁵

Obedience and Loyalty

Obedience (*tā'ah*) to Allah, the Prophet [pbuh] and the legitimate government, is obligatory on believers as indicated by the following Qur'anic verse:

O you who have believed, obey Allah and obey the Messenger and those in authority among you. And if you disagree over anything, refer it to Allah and the Messenger.... That is the best [way] and best in result. (*Al-Nisā'*, 4: 59)

This obedience to rulers is qualified if they become oppressors. The Prophet further stressed obedience to delegates of the legal authority: "Whoever obeys my appointed leader has indeed obeyed me, and whoever disobeys my appointed leader has in fact disobeyed me".²⁶ Another duty of citizens next to obedience is to provide the ruler assistance (*nūṣrah*), such as for example, in providing sincere advice (*naṣīḥah*).²⁷

Accountability (*Muhāsabah*)

The government is accountable to the Public for the responsibilities entrusted by them to the leader. Any Islamic-minded leader first needs to assess his own deeds

(*muḥāsabah al-naḥs*) and correct them to ensure his success in the Hereafter in line with the Prophet's [pbuh] instruction:

Every one of you is a guardian and is responsible for his charges: The Imam (ruler) of the people is a guardian and is responsible for his subjects.²⁸

Accountability as an Islamic value has been reviewed by Kamali who identified the following premises of accountability in Islamic governance²⁹:

1. Political authority in the Islamic system belongs to the community that elects the head of state;
2. Consultation (*mushāwarah*) and the right of people to be consulted in government affairs is a principal means by which the community participates in government, voices its concerns on government policy, and takes the government to account;
3. The *ḥisbah* principle of promotion of good and prevention of evil and its allied concept of giving sincere advice (*naṣīḥah*) also render the government accountable;
4. There is no recognition in Shariah of any exception to the rule of law. Neither the head of state nor government officials are above the law;
5. The community is vested with the right to depose a deviant ruler and government;
6. The citizen's duty to obey ends when the government itself violates the law;
7. Accountability is manifested in the manner of selection, appointment and dismissal of government employees;
8. Trust of governance is predicated in accountability to God Most High and to the community since vicegerency (*khilāfah*) entrusts the community to establish good government;
9. The right to complain for one who is wronged or becomes a victim of official abuse;
10. Violators are liable for payment of damages, penal sanctions or both; and
11. Bribery and corruption are punishable, and the use of an official position for personal advantage is not tolerated.

Consultation (*Shūrā*) (The Legislature)

The conduct of true consultation (*shūrā*) on state matters with representatives of the Islamic polity is considered mandatory upon a ruler.³⁰ Kamali noted that since the Prophet himself adopted *shūrā* as a regular feature of his leadership and this pattern was followed by the pious Caliphs after him, it has become a normative practice.³¹ There would seem to be close compatibility with modern

parliamentary systems where deliberations to ensure good decision-making by the Public's representatives take place involving the principles of *shūrā*, *ijmā'* (consensus) and *ijtihad* (independent reasoning). The Shariah vests the people's representatives with the authority to pass consensus-based legislation through *ijmā'* since delegated sovereignty belongs to the ummah.³² A legislature can thereby deliberate and pass laws on public affairs which are not covered in the clear *nuṣūṣ* of the Shariah, but they should be in accordance with *maqāṣid al-sharī'ah* objectives. Where lay people unqualified in Islamic law are involved in preparing new legislation, qualified *fuqahā* experts should be provided to assist in the law-making process.

Participation and Inclusiveness

Kamali emphasised the critical importance of public participation in government, "Islamic government is a qualified democracy in that it holds the community as the locus of authority that can take the government to account and may ultimately depose it."³³ The Public may participate through the election of representatives to a parliament. The core Islamic value of the basic equality of mankind indicates there should be equal access for citizens to participate in the government process, which should thereby be inclusive for ethnic and religious minorities.

Equality (*Musāwā*), Dignity and Mutual Respect (*Al-ʿIrd*)

The following is a decisive statement in the Qur'an on the general equality of mankind with the only valid point of distinction being the level of a person's piety:

O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that you may know each other. Verily the most honoured of you in the sight of Allah is the most God-conscious of you. (*Al-Hujurat*, 49: 13)

The creation by Islam fourteen centuries ago of an egalitarian society was "nothing less than a social revolution".³⁴ Although the concept of equality is relative as there is no absolute equality since people are all inherently different, nevertheless in regard to the sphere of transactions with each other (*mu'āmalāt*), "the Shariah is affirmative on the equality in basic rights, and the spiritual distinction that some individuals may have over others is not taken into account". 'Equality' of citizens is understood here as: (1) Equality before the law and courts of justice; (2) Equality in employment opportunities; (3) Equality in general duties, such as taxation; and (4) Equality in meeting people's welfare needs.³⁵

The following Qur'anic verse depicts dignity as a natural right of every person "regardless of colour, race or religion", which is provided as an expression of God's favour and grace - not just resulting from meritorious conduct.³⁶

We have bestowed dignity on the progeny of Adam ... and conferred on them special favours above a great part of Our creation. (*Al-Isrā'*, 17:70)

It is a cardinal rule therefore, to be considerate to one another and to recall the Prophet's advice that "Whoever wishes to be delivered from the hell-fire and enter the garden should treat people the way he or she wishes to be treated".³⁷

***Hisbah* (Enjoining Good and Forbidding Evil)**

Hisbah is a broad principle to be undertaken by every qualified citizen in his or her own capacity, as is repeatedly ordained in the Holy Qur'an:

The believers, men and women, are *awliyā'* (helpers, protectors) of one another; they enjoin good and forbid evil. (*At-Tawbah* 9:71)

Hisbah is also an essential feature of Islamic government and a prerequisite for its success:

Allah will certainly aid those who aid His (cause) ... (Those) who, if we establish them in the land, establish regular Prayer and give regular Charity, enjoin the right and forbid wrong. (*Al-Hajj*, 22:40-41)

The traditional *Muhtasib* role in Middle Eastern countries encompassed the regulation of trade and commerce in bazaars, overseeing the standards of craftsmen, and the supervision of public morals, public baths, schools, public safety and traffic regulation in conformance with Shariah law. In modern times, the institution has operated successfully in Pakistan and is concerned there mainly with investigating and rectifying injustices faced by the Public from government departments.³⁸ *Hisbah* requires citizens to be vigilant in promoting peace and justice in the community. If necessary, a citizen may resort to criticising the ruling authorities within the limits of proprietary and public interest.³⁹ The *hisbah* concept should also be used to promote ethical business practices.⁴⁰

Free, Independent and Responsive Media

As each citizen is considered to be a *khalifah* of *Allah*, it is essential citizens are well-informed about issues since they are required to make choices on election candidates and be involved as stakeholders to present their views in public forums. For this reason many constitutions of Islamic republics correctly call for a free, independent and responsible media.⁴¹ Furthermore, after a government is elected, it must be accountable, and so government policies and their implementation need to be reported in a free environment constrained only by the necessity to avoid slander, acrimonious debates, or the release of national secrets.

A form of media control of serious concern is when media moghuls develop a stranglehold over how and what news is portrayed to the public. Such is the

case of the media conglomerate of Rupert Murdoch, which published falsified information suggesting Iraq held weapons of mass destruction to encourage the 2003 invasion of this Muslim country, with devastating ongoing consequences to its citizens.⁴²

The Qur'an is replete with admonishments to respect each other's dignity and to refrain from making false accusations or statements, which disturb good relations between mankind, and to observe good manners in broadcasting news:

O you who believe! If a wicked person comes to you with any news, ascertain the truth lest you harm people unwittingly ... Let not some men among you laugh at others; It may be that the (latter) are better than the (former) ... Nor defame nor be sarcastic to each other by (offensive) nicknames ... Avoid suspicion as much (as possible): for suspicion in some cases is a sin; and spy not on each other, nor speak ill of each other behind their backs. (*Al-Hujurāt*, 49:6, 11-12)

Mechanisms to thwart biased or incomplete portrayals of important news require legislation to prevent media concentration in a few hands, and to ensure fairness, impartiality and objectivity.

Limiting the Distorting Effect of Money in Politics

Certain well-placed individuals are often attracted to worldly status for their own sake but their desire becomes insatiable when they wish to amass even greater wealth and power. It is often powerful elites in society who wish to influence decision-makers and the public through their control over the media. Such is frequently the case in the United States. In contrast, Western European countries with their short publicly-funded election campaigns often with free advertising minimise the role of money politics in securing the election of pliable candidates. The abuse of wealth to wrongly influence persons in authority and unlawfully consume another's *rizq* (provisions) is forbidden in the Holy Qur'an.⁴³ Islamic teachings are replete with advice against such tendencies so as to create a healthy society in which all citizens ideally have similar opportunities to progress spiritually and materially.

Ensuring Peace and Security

An Islamic government is committed to protect the rights of life, ownership, and personal security, which are essential (*al-darūriyyāt*) Shariah objectives.⁴⁴ Allah rewards those who seek peace and calls against hostilities except against aggressors:

Whoever forgives and makes peace, Allah will reward him for it. Verily God does not love the transgressors. (*Ash-Shūrā*, 42:40)

Based on Islamic injunctions Kamali defined the individual’s right to personal security in a State as “his right to live a peaceful life without fear of aggression, unlawful arrest, detention and punishment.”⁴⁵ Peace and security in Islamic governance is enhanced by building unity among citizens – Muslims and non-Muslims alike – who can be members of one ummah as exemplified in the constitution of the early Madinah state. This unity and concern for each other is the basis for both resistance to external threats as well as in ensuring national harmony.

The Islamic principles discussed above combine in their many facets to help achieve the *ḍarūriyyāt* (essential) objectives (*maqāṣid*) of the Shariah – the protection of faith, life, intellect, lineage, dignity, and wealth.

Islamic Values

Islamic values (Table 1) are the prime ethical and moral qualities derived from the revealed texts, which Muslims aspire for their leadership and government to hold and to become inculcated amongst the general Public.

Table 1: Islamic Values in Governance

Islamic Values	Qur’anic References
Trustworthiness	23:8-11; 4:6-10, 58; 8:27
Transparency of government (anti-corruption)	2:188; 4:29
Cooperation towards good between citizens	5:2
Moderation; avoiding harshness and difficulty	2:143; 2:185; 3:159; 4:28; 5:6; 31:19
Eagerness to learn and share knowledge	3:71; 20:114; 30:56; 39:9; 96:1-5
Frugality; valuing time and punctuality	6:141; 7:31; 17:26-29; 103:1-3
Good neighbourliness	4:36

Trustworthiness

Government leaders especially need to be trustworthy and keep their covenants (*amānah*) as they are directed in the Holy Qur’an. Their office is for the well-being of the citizens and the country not for their own personal interests.

Allah does command you to render back your trusts to those whom they are due... (*Al-Nisā’*, 4:58)

Transparency of Government

This value is concerned with openness and avoiding bribery and corruption, which is unacceptably too common in Muslim societies. Allah decries this vice:

[D]o not eat up your property among yourselves for vanities, nor use it as bait for judges, with intent that you may eat up wrongfully and knowingly a little of (other) people's property. (*Al Baqarah*, 2:188)

Prophet Muhammad [pbuh] further emphasised this: "Cursed is the one who bribes and the one who takes a bribe".⁴⁶ Following a comprehensive review, Kamali concluded: "It is forbidden for government officials to accept bribe of any kind, whether in the name of gift, donation or contribution from anyone in the course of duty".⁴⁷

Cooperation towards Good (*Ta'āwun*)

A justification for people coming together in a single polity is the benefit obtained from their mutual cooperation for the provision of different services for each other due to their different specialised trades, professions, and competencies, as well as different positive character traits that complement each other and contribute to the well-being of society. God Most High instructs the believers towards this prime value:

Cooperate in righteousness and piety, but do not cooperate in sins and aggression. (*Al-Mā'idah*, 5:2)

Cooperation in righteousness and piety are the keys to building a *taqwa*-oriented community of mutual trust, dignity, respect and support.

Moderation (*Wasatiyyah*) and Avoiding Harshness and Difficulty (*Taysīr, Raf' al-Harj*)

Kamali reviewed the following seminal Qur'anic verse and understood its meaning as "The ummah must remain faithful to the commitment to moderation"⁴⁸:

Thus have we made of you, an ummah justly balanced, that you might be witnesses over the nations, and the Messenger a witness over yourselves. (*Al-Baqarah*, 2:143)

In his recent writings, Kamali recommended the following *wasatiyyah* approach to governance:

Good governance is a potent instrument and facilitator of moderation and balance in public affairs. Consultative leadership that listens to the voice of its people while remaining alert to extremism and imbalance is indispensable to addressing issues as and when they arise. It is often a question of understanding the people's concerns through good advice, effective communication, receptivity and trust between the people and their leaders. Consultative engagement with experts and community

leaders as well as effective decision-making mechanisms often facilitate and articulate balanced and comprehensive responses to issues.⁴⁹

Important Islamic values related to *wasāṭiyyah* include avoiding the extremes of harshness and of imposing unnecessary difficulties. God Most High advised Prophet Muhammad [pbuh] that:

It is part of the Mercy of Allah that you do deal gently with them. Were you harsh-hearted, they would have broken away from about you: so pass over (their faults). (*Al-‘Imrān*, 3:159)

Another important value is that of facilitating the easier path (*taysīr*) when alternatives exist and each is permissible, and having similar potential benefit, as indicated in another Qur’anic verse:

[Allah] does not want to put you in difficulties. (*Al-Baqarah*, 2:185)

The Prophet [pbuh] further clarified this by stating, “The best of your religion is the easier options therein”⁵⁰. In imbuing this value into the government administration, efforts should be made towards alleviating hardship and in facilitating the ease and well-being of citizens.

Knowledge-centredness (Eagerness for ‘Ilm)

The Qur’an is replete with frequent instructions to acquire knowledge – and in providing respect to the Prophets and those imbued with knowledge and wisdom – as indicated in its being the first of its revealed verses⁵¹, as well as the following:

[S]ay, “O my Lord! Advance me in knowledge.” (*Ṭā Hā*, 20:114)

Allah teaches us to respect those who have knowledge in various fields:

Say, “Are those equal, those who know and those who do not know?” (*Al-Zumar*, 39:9)

Prophet Muhammad [pbuh] said, “Seeking knowledge is a sacred duty imposed on every Muslim man and woman”⁵² so the citizenry of the country *in toto* need to have good education facilities provided for them. Knowledge is essential for good governance – for timely decision-making, for identifying and resolving important issues in society, and for facilitating economic development. However, knowledge that is destructive for mankind, physically, intellectually or spiritually, and promotes alienation, dehumanisation or environmental destruction, must be rejected.⁵³

Avoidance of Waste (*Israf*); Frugality/Cost-Efficiency and Punctuality/Time-Efficiency

An Islamic government and its public servants need to act as stewards to carefully

husband the scarce natural and financial resources at their disposal. Further they need to conduct their responsibilities in a timely manner to achieve results within the financial budgets allocated. There should be no wastage of public assets, time or money. The national treasury holds funds in trust for the citizens that should be used wisely. Extravagance of one person leads to deprivation of another and the basic guideline on utilisation of resources and spending is moderation in consumption and spending that avoids both the extremes of niggardliness and extravagance⁵⁴ as is reflected in Allah's directives:

Verily spendthrifts are brothers of the Evil Ones ... Make not your hand tied to your neck, nor stretch it forth to its utmost reach, so that you become blameworthy and destitute. (*Al-Isrā'*, 17:26-29)

This maxim also relates to punctuality and in the observance of time limits:

By Time, verily Man is in loss, except such as have faith and do righteous deeds. (*Al-ʿAṣr*, 103:1-3)

These important messages on minimising waste are backed-up by admonitions of the Prophet: "A person will be asked about his life and how he spent it, his youth and how he used it, and his money: how he earned it and how he spent it"⁵⁵.

Good Neighbourliness

God Almighty has called on Muslims to take the utmost care to develop good relations with their neighbours and kin-folk:

Worship Allah and join none with Him; and do good to parents, kinsfolk, orphans, the poor, the neighbour who is near of kin, and the neighbour who is a stranger... (*Al-Nisā'*, 4:36)

It could be understood by analogy that an Islamic country should also display this trait in external affairs with neighbouring *countries*. In this respect, it is instructive to read in the Qur'an that:

Allah forbids you not, with regard to those who fight you not for [your] Faith nor drive you out of your homes, from dealing kindly and justly with them... (*Al-Mumtaḥanah*, 60:8)

Social Change - Essential Precursor to Islamic Government

Change in society first needs to begin with change within the heart and mind of the individual practitioner to reflect the Islamic values, who can then influence change amongst social networks. It can then spread within and beyond the State structures so the institutions are soundly rooted within civil society. To achieve a government inspired by Islamic principles and values requires that a majority of

citizens support it. Islamic government cannot rightly or practically be imposed by fiat upon people but must be one wherein the public participates and becomes part of the process. This is the lesson provided by the limited success of the Islamising experience of Zia ul-Haq's authoritarian regime in the 1980s in Pakistan:

Islamization “from above” is a risky proposition unless accompanied by Islamization “from below”. Effective change cannot simply be mandated or legislated. Societal acceptance is based both upon involvement through representation in the process of change and upon understanding, attitudes and values.⁵⁶

The mass *da'wah* approach and focus on community welfare of the Muslim Brotherhood in Egypt has arguably been more effective than the elite approach initially taken by the *Jama'at-i Islami* in Pakistan for Islamising society. Further, the manner of Islamisation to receive public “buy-in” must address real societal needs and be conducted on the basis of Islamic principles:

‘Islamisation’ measures introduced in Pakistan during the Zia regime became associated with the increasing sectarian tensions because of their emphasis on Shariah laws and *fiqhi* hair-splitting, **rather than on maqāsid al-Sharī'ah (Shariah objectives). ... A different Islamic agenda signifying freedom, tolerance and concern for Islamic principles ...** would have enhanced social harmony and national integration.⁵⁷

Social change is a key prerequisite for Islamic government, as was clearly demonstrated by Prophet Muhammad [pbuh] in changing the dominant precursor Arab *jāhiliyah* society to become the “*khayrun ummah*”. Allah indicates that social change begins at the individual level:

Verily, never will Allah change the condition of a people until they change it themselves (with their own souls). (*Al-Ra'd*, 13:11)

Sumaya Mohamed and Shadiya Baqutayan⁵⁸ described how social change in Islam takes place at three levels – in the individual, the community or *ummah*, and then the universal level. Individually, the process occurs in stages beginning with Islam, then Faith (*Iman*) and finally in pristine practices (*Ihsān*), with the individual represented at each stage as a Muslim, *mu'min*, and ultimately a *muhsin*, based on the well-known Jibraili hadith⁵⁹. Societal change then necessarily requires first changes in individuals, which involves both *Tazkiyah* and *Tafakkur*. *Tazkiyah* is ‘the effort directed upon oneself for the attainment of moral and religious perfections’⁶⁰ – its locus is the ego or *nafs*. Islam is replete with a methodology for achieving this change, termed the greater *jihad*. Change in tandem called *Tafakkur*, is required in the mindset (*'aql*) of the person to gain

a true understanding on matters. Positive changes lead in the direction of *Ihsān*. The individually guided and enlightened Muslims will then wish of their own volition to make *da'wah* (call) and *tablīgh* (preaching) to bring change in others and in societal institutions:

When the Muslims, as individuals, purify their innate and outer nature and perfect themselves both physically and spiritually, they turn to change and improve the social structure of their societies. They start changing the moral behavior of their families, and close associates. They then turn to their group, society and community. All these improvements are accomplished by performing *Islāh* [reform or striving towards pious action]. [Ultimately, they] change other institutions of their societies such as family, education, economy, and politics, on the basis of Islamic Shariah.⁶¹

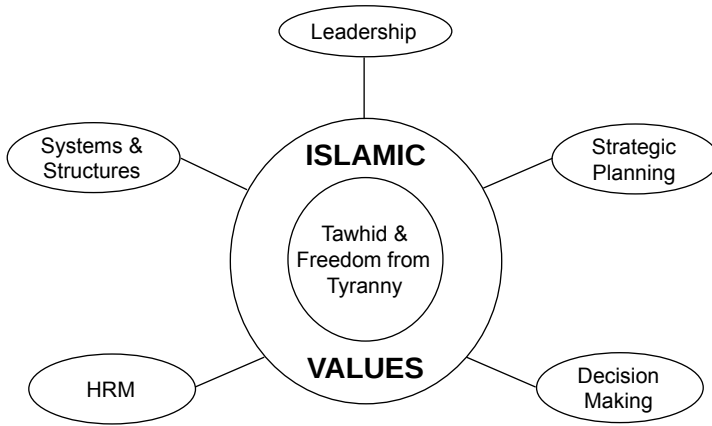
The concept of *Islāh* or reform is close to that of *Tajdīd*, which term can be considered to mean renewing the application of Islam to society, such as Islamic principles that have become neglected.⁶² These two activities, *Islāh-Tajdīd*, can go hand in hand, the one strengthening the other to bring about positive societal change.

Integrating Islamic Values and Ethics into Government

The Muslim ummah, including its governance element and citizens, should be considered as an organic integrated whole since Prophet Muhammad [pbuh] described the “believers” as “like one body; if the head is in pain, the whole body suffers and if the eye is in pain, the whole body suffers”.⁶³ This corresponds to the nature of a systems management approach since it “views the organisation as a unified, purposeful system composed of interrelated parts. This approach gives managers a way of looking at the organisation as a whole and as part of a larger external environment. In so doing, systems theory tells us that the activity of any segment of an organisation affects in various degrees, the activity of every other segment”.⁶⁴

The Islamic government model is value-centred with the fundamental principle being *Tawhīd*. The main values to be inculcated were described earlier. The Value-Centred Islamic Management Model developed by Naceur Jabnoun (**Figure 1**), includes features that could be admirably adapted to an Islamic Government Model: “All the practices of strategic planning, decision-making, human resources management, leadership and systems and structures are chosen based on the extent to which they serve the Islamic values.”⁶⁵

Figure 1: Islamic Management Model (Naceur Jabnoun, 2012)



The manner in which these values can be integrated into governance is well shown by the *Khulafā' ar-Rāshidūn*. With expansion in the size of government in modern times, it is proposed that in addition to the country's leader taking the lead in the process, it is also recommended that a special unit be established and empowered so as to guide efforts for the inculcation of Islamic values throughout the government, public service, and national institutions.

Four levels of integration of values into the fabric of government can be considered:

1. Integration into the three organs of government – the executive, legislature, and judiciary, and subsidiary institutions.
2. Integration into all ministries and the Public service.
3. Integration into political parties that call themselves “Islamic”.
4. Dissemination to the Public at large.

The Executive, Legislative and Judicial branches would have or should develop their own Islamic Values and Ethics Committee. Senior Judges are often chosen in a process that involves either or both of the Executive or Legislature branches of government where their credentials are vetted. As an example and consequence of the need to re-establish public confidence in the Kenyan Judiciary after a period when the Executive stamped his command over outcomes, the Judiciary seeks its transformation within a new framework that incorporates the ethical values of the rule of law, human dignity, equity, social justice, human rights, transparency and accountability⁶⁶. Elimination of unethical practices was to be achieved by revising the Judiciary Code of Ethics while values and ethics will be accentuated through regular training and internal communications.

Public Service

A number of examples exist in the government departments of Western countries, which could be modified for the inculcation of Islamic values in Muslim countries. Within each department, region, branch or agency there should be a designated committee or division responsible for the implementation of government policies on Islamic values. Useful general principles are cited below, following the OECD Council Recommendation on Improving Ethical Conduct in the Public Service of member countries, as adopted on 23 April 1998⁶⁷:

1. Ethical standards for the Public service should be clear and reflected in the legal framework.
2. Ethical guidelines should be available to public servants, especially in their interactions between the public and private sectors.
3. Political commitment to ethics should reinforce the ethical conduct of public servants.
4. The decision-making process should be transparent and open to scrutiny.
5. Managers, management policies, procedures and practices should promote ethical conduct.
6. Public service conditions and human resource management should promote ethical conduct.
7. Adequate accountability mechanisms should be in place within the public service.

In one relevant example, the Canadian Government identified Key Leadership Competencies that must be satisfied together with “effective behaviours” for positions at Deputy Minister to Supervisor level within the Public Service.⁶⁸ Their approach involves a foundation of ethical values from which Public Service leaders deliver results through strategic thinking, engagement and management excellence.

A highly apt modern example relevant to developing an Islamic values program in the Public Service of Muslim countries is provided by the Canadian Public Works and Government Services Department (PWGSC) published as *“Integrating values and ethics in the organizational culture”*.⁶⁹ A Senior Departmental Ethics Counsellor was first appointed to champion the initiative. In 1999 the Ethics Development Office (EDO) was established as “a small office designed to assist employees, sectors and branches by providing information so they could incorporate ethical considerations into their approaches, plans and strategies.” To secure buy-in from senior management and provide a forum to discuss how values impact at work, an Ethics Leadership Team comprising executives from across the branches and regions was also established. Ethics Officers were appointed and report to three core staff responsible respectively for

policy and communications, training, and case management. These staff members act as service providers giving functional advice and assisting in developing and implementing ethics action plans, and in building awareness.

Civil Society

A multifaceted approach is needed to inculcate Islamic values into civil society. The government has some institutions that can influence civil society, but in the main, civil society has the freedom to accept the Islamic values or ignore them. The Home Affairs Ministry would have an oversight role to ensure that Islamic values are promoted in the national media, such as newspapers, television, and the print media. Government Islamic Affairs Departments can disseminate positive messages on Islamic values, such as in Friday khutbahs in masjids and in the curricula taught in madrassahs. The Ministry of Education would have a similar role in schools and tertiary institutions.

An admirable effort to incorporate “religious and spiritual values” into national governance in a multi-religious society has been provided by initiatives of former Prime Minister of Malaysia, Abdullah Haji Ahmad Badawi. In addition to implementing the Prime Minister’s Directive No. 1 of 1998, which aimed to enhance the integrity of government administration in all ministries, departments and agencies of Federal and State governments, Badawi formulated a **National Integrity Plan (NIP)**, as a master plan to guide similar implementation among other sectors such as the private sector, political parties, non-governmental organisations, religious groups, the media, women, youth and students in an integrated manner. It was addressed to all citizens, Muslim and non-Muslim alike:

The formulation of the NIP is predicated upon the spirit and principles of the Federal Constitution, the philosophy and principles of the *Rukun Negara* as well as the aspirations of Vision 2020. The overall objective of the NIP is to fulfil the fourth challenge of Vision 2020, namely, “**to establish a fully moral and ethical society whose citizens are strong in religious and spiritual values and imbued with the highest ethical standards.**”⁷⁰

The initial target, Target 2008, involved five priorities, namely:

- Effectively reduce corruption, malpractices and abuse of power;
- Increase efficiency of public delivery system and overcome bureaucratic red tape;
- Enhance corporate governance and business ethics;
- Strengthen the family institution; and
- Improve the quality of life and people’s well-being.

The approach and overall strategy of the NIP is to mobilise all sectors of society to support and uphold the aspirations of the NIP, and to cooperate and coordinate their activities to implement its various programmes – from the grassroots to the highest societal levels. Its synergy is to involve institutions ‘from below’ with those ‘from above’ to generate its own “dynamism and vitality”. This is a unique initiative of the Malaysian government through its championing organisation, the Institute of Integrity Malaysia. One informed United States-based blogger was “very impressed” with the Malaysian NIP and opined that “many countries and organizations can use that plan as a model”.⁷¹

Change Management

One critical management competence required for the task of integrating Values in governance is change management. Western specialists opined: “when a group undergoes a change, it is not the organisation that changes, but rather the behaviours of individuals”⁷² – completely in line with Qur’anic advice that:

Allah will not *change* the *condition* of the *people* until they *change* what is *within themselves*. (*Al-Ra’d*, 13:11)

Prophet Muhammad [pbuh] was probably the ultimate change manager in history and his teachings as a consequence of his exemplary character continue to influence millions today towards good. His was a transformational leadership style – inspiring positive change in each of his followers with concern for their individual well-being.

Continuous Improvement towards Excellence (*Ihsan*)

Ihsān means not only perfecting one’s own ‘*ibādah* to please Allah, but to excel in all of one’s worldly endeavours – worship, work and social interactions. This is in accordance with the hadith: “Allah the Almighty wants that when one of you does a job, you do it well”.⁷³ In terms of government, it means inculcating Islamic values into governance with continual improvement towards the ideal.

As circumstances continually change an organisation must aspire to continuous improvement. New governments are elected and chief decision-makers in government departments come and go. The external environment also changes due to factors such as macroeconomic and political changes and availability of new technologies. Consequently, a government must continually transform itself within the bounds of the constitution to deliver on its mission.⁷⁴ A continuous improvement model shown in **Figure 2** for improving the performance of a government agency comprises five stages. After obtaining Senior management commitment (Step 1), Planning is conducted (Step 2), leading to Implementation of a Program (Step 3), with its performance then Measured and Evaluated

(Step 4), and the Program finally Reviewed to assess whether its objectives and targets are being met, which leads to continuous improvement proposals from Management (Step 5) for further implementation.

Following Islamic teachings, the core principle of continuous improvement is the individual's self-reformation (*tazkiyyah*) and all are encouraged to continually seek to improve their own performance towards excellence (*ihsān*). Training can be provided to help personnel in self-reflection and to solve root causes of problems. Furthermore, small sustained steps are encouraged for long-term improvement rather than large steps that may not be sustainable over the long-term. Prophet Muhammad [pbuh] advised: "The best loved deeds to Allah are the ones that are continuous even if they are not very many."⁷⁵

Figure 2: Continuous improvement model for a government agency.⁷⁶



Conclusion

The important Islamic principles and values elucidated in the article are aligned with *maqāṣid al-sharī'ah* objectives. Means are outlined for implementing these in governance and civil society. A Systems management approach is the most appropriate manner in which the Islamic values can be integrated effectively into the framework of governance.

Policy Recommendations

- Muslim governments should stress on reform starting with individuals using *Tazkiyah* and *Tafakkur*, and by government based on an *Iṣlāḥ-Tajdīd* approach, to incorporate Islamic values into society.

- Muslim countries should stress the foundation of Islamic values in developing leadership competence in the Public Service and to implement a program of integrating values, based on successful models such as that of the Canadian Public Works Department. Efforts should be made to ensure continuous improvement towards excellence. All practices of strategic planning and decision-making, and systems and structures should consider the extent to which they serve Islamic values.
- Muslim countries should consider adopting themselves the approach of the National Integrity Plan of Malaysia as a means of integrating Islamic values and ethics into their civil societies.
- The importance of Islamic principles and values should be taught in schools, and research conducted to facilitate implementation of these into government and civil society.

Notes

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1. Daud AF Batchelor, "A New Islamic Rating Index of Well-Being for Muslim Countries", *Islam and Civilisational Review*, Vol. 4 (2), April 2013, Table 3.
 2. Olivier Roy, *Afghanistan: From Holy War to Civil War* (Princeton, NJ: Darwin Press Inc, 1995), pp. 57, 112.
 3. Oliver McTernan commented in "Is the spirit of the Arab Spring dead?", *MENA Insights*, vol. 01 (01), May 2014, p.37: "There are a number of studies which show that without institutions that guarantee the dignity and rights of the individual and the principles of justice, there will always arise the possibility of the derailment of a nascent democracy from the elements of the so-called 'deep state'.
 4. Al-Qur'an 3:110.
 5. "Change management" as a specific discipline began to develop in the 1980s supported by leading western corporations with input from engineers and psychologists in developing programs such as Total Quality Management (TQM).
 6. The word "System" derives from the Greek word *systema* meaning "whole compounded of several parts". Its use goes back to Philosophers Plato (*Philebus*)

- and Aristotle (*Politics*). As a useful paradigm it has been developed especially by western scientists from the 19th century, while “Systems thinking” developed in the early 20th century by biologists and engineers. Refer however to the hadith where Prophet Muhammad [pbuh] described the *Ummah* as a body with separate interacting parts, displaying his advanced understanding of “Systems thinking”.
7. Ismail R. al-Faruqi and Lois Lamy al-Faruqi. “The Essence of Islamic Civilisation”. <<http://i-epistemology.net/ismail-faruqi/161-the-essence-of-islamic-civilization.html>> (Accessed 19/01/2014).
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THE IMPLEMENTATION OF LAND ACQUISITION ACT 1960 AND ITS NEGATIVE IMPACT ON THE DEVELOPMENT OF WAQF (ENDOWMENT) LAND IN MALAYSIA

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Abstract: The Land Acquisition Act 1960 has long been used in land acquisition law to take over land by force in Malaysia. This article attempts to identify the extent of implementation of land acquisition by the government based on the Land Acquisition Act 1960; whether it meets and is consistent with the Shariah, particularly involving Muslim *waqf* land. A few suggestions towards Islamisation of the act have been put forward to improve the Act by taking into account the principles and methods governing the Shariah so that every national development can be done in a more dynamic and comprehensive manner in tandem with modern needs.

Introduction

Land acquisition has always been considered a sensitive issue and it may cause controversies and create dissatisfaction amongst the people. The usual question put forward is the rationale of the land acquisition towards public interest, or whether the reason for land acquisition is really in tandem with the public interest. According to Article 13(1) of the Federal Constitution, no person may be deprived of property save in accordance with the law. The guarantees provided in the Federal Constitution are to ensure that private property rights are protected by law in Malaysia.

To meet its requirements, the authority has drawn up a law of land acquisition that has clear procedures so that all actions undertaken by the authorities are consistent with the rules and laws, particularly for land taken by force or without valid consent of the land owners, by taking into account the principles of adequate compensation as guaranteed in Article 13 (2) of the Federal Constitution. Even though land acquisition is legalised in Islam, the rule is not absolute. In addition, it involves trust property that benefits Muslim citizens. There are a few aspects that need to be analysed and refined without acting arbitrarily or taking easy steps that in the end will cause loss to the *waqif* and the trust holders. From other aspects, the right to preserve the benefits of *waqif* is included in the category of “specific rights”. The right should never be put aside even though the basic rulings put “general rights” first rather than “specific right”.¹

Law of Land Acquisition in Malaysia

According to Article 13 of the Federal Constitution, no person may be deprived

of property save in accordance with law. Therefore, land acquisition by force is not opposed to Article 13 because the power and the process of land acquisition is done according to law under the Land Acquisition Act (LAA) 1960. If the land acquisition is against the law, the action is said to be illegal or void or could be subject to dispute. State Authority (SA) is the only entity that is given the power and right pertaining to State land which is within the State and the right to minerals and rocks that are located on and inside State land, as long as it has not been excluded specifically by the State Authority (SA).²

Section 2 of the LAA (1960) includes the King or Sultan, or the Governor and the Federal Territories of the King. The roles start from the decision of land taken until it is vested in him or her, or the land is withdrawn from the acquisition process. If the land is required for public development purposes such as building hospitals, schools, highways, bridges, dams, ports, airports, the Land Acquisition Act is also acted upon by the SA and by the Federal Government or any agencies that are in need of the land. Based on Article 13 of the Federal Constitution, and guarantees and provisions contained in the 1960 Act, acquisition of land by the government should not be construed as an act of plunder or that the government does not recognise the right of the people to their property. This is because the law requires that compensation be assessed at market price. This right is consistent with the concept of “adequate compensation” as guaranteed in Article 13 of the Federal Constitution.³

The Land Acquisition Act 1960

In essence, land is a matter of the State as enshrined in the Federal Constitution and it is within the jurisdiction of the executive of each State Government. However, Article 76(4) of the Federal Constitution allows Parliament to formulate a law of the land for the purpose of ensuring uniformity and equality of policies amongst the States. The law in question is the LAA 1960 (Act 486) amended in 1997. This Act came into force on October 13, 1960 for the whole of the Federation of Malaya. For Sabah, the law governing the acquisition of land is the Land Acquisition Ordinance, 1950, and in Sarawak it is the Sarawak Land Code 1958. The LAA 1960 was enacted by Parliament in accordance with Article 76(4) of the Constitution. Before the LAA 1960 became effective, there were eight written laws and they have undergone several amendments and modifications. They provide guidance on matters of land acquisition like land acquisition procedures, the parties involved, the compensation paid and the method for determining compensation.⁴

The LAA 1960 that has been practised in Malaysia is inherited from India (Land Acquisition Act (India) 1894). The main purpose of this Act as enacted is to establish uniformity of law in the States in connection with the acquisition of land

by force. Besides, it is intended to cover the taking of lands owned by any person or body by force for public purpose or public facilities, evaluation, compensation for the land acquisition, and any matters arising from the acquisition of land.⁵

According to Salleh Buang, prior to the enactment of the Act, local laws related to land consists of four systems of law:⁶

- (a) The Malay Customary Land Law (*Undang-undang Tanah Adat Melayu*);
- (b) English Deeds System enforced in Penang and Malacca;
- (c) Dutch Grants, applicable only in the vicinity of Kota Melaka; and
- (d) Islamic Land Law (*Undang-undang Tanah Islam*).

With the existence of LAA 1960, the public interest will prevail over individual interest. Government development programmes can be done quickly and easily, even if the land affected is registered land and owned by individuals who may refuse to cooperate in the process of land acquisition. This shows that the existence of LAA 1960 is to facilitate the acquisition of land by the government. Through this uptake, it would eliminate the concept of use and enjoyment exclusively under Section 44 of the Land Code, and the concept of ownership cannot be denied under Section 340 of the Land Code. This is because in most cases the concept of buying and selling between individuals and the government failed to obtain agreement on the importance and value of land prices. Other than that, the acquisition will facilitate the exchange of the original conditions of land that occurs automatically.

Land Acquisition by Force in Islamic Law and Its Application in the National Land Code

Acquisition of lands by force that occurred during the time of the Prophet [pbuh] and practices implemented by the Companions were intended for public interest or *maslahah 'ammah*. Normally, dispossessed lands were taken for the construction or expansion of mosque sites, grave sites and the expansion of roads. The purpose and justification for taking over such land were not debated or disputed by Muslim jurists. Compulsion of the rulings was clear and not disputed by any parties. Indeed, the matters mentioned are set as fundamental needs of society in any country in the world. In fact, their absence would lead to hardship and inconvenience to the community and Muslims in particular. In addition, to a certain extent the level of needs is at the level of *daruriyyat* and no longer *hajiyyat* and *tahsiniyyat*. If the site of a *masjid* or graveyard is too small and can no longer accommodate the ever growing population, or there is a lack of roads for public access, and other basic necessities, in these cases, it becomes the responsibility of the authorities to provide proper facilities to ensure the comfort and happiness of the public.⁷

Previously, not many problems arose due to land acquisition because at that time there was abundant state-owned land and the population density was low. Most affected by the acquisition of land was government land and if there was any land involved, it could always be replaced by other land or by financial compensation. It is very different today, where land acquisition is not only for the purpose of constructing public facilities like roads, mosques and cemeteries. It is more for development projects for the sake of the development of country's economy. Amongst the projects are the constructions of factories, housing developments, shopping complexes and other profit-oriented businesses. Thus, nowadays, real estate investments are seen as more highly profitable business prospects than other forms of investment.⁸

An amendment to the 1960 LAA in 1991 brought major changes to the concept of land acquisition implemented by the government.⁹ It is different from what was carried out before the amendments were made. Even though the amendments only involved some particular sections, the impact on the land acquisition laws in the country is significant. The amendment raised a lot of controversies amongst the people who saw it as an act detrimental to landowners and a seizure of people's rightful property. Amendments to the 1960 LAA by the government today is to realise the government's intention in implementing a privatisation policy, which is expected to increase and accelerate the pace of economic growth through the contribution of public sector. The policy was announced by the former Prime Minister of Malaysia, Dato' Seri Dr. Mahathir Mohamad in 1993.¹⁰

The amendment to Section 3 of the LAA, 1960 provides that the powers over acquisition of land are given to the SA. The power conferred is absolute and final. This means that the power allocated to the State Authority to take any alienated land is not bound by or subjected to any terms and conditions other than those provided by the Act. All decisions made by them cannot be disputed and challenged in any court. According to Section 42 of the Land Code 1965, land is under the absolute jurisdiction of and belongs to the government. Therefore, the government of the SA is the only qualified party and authoritative on the eligibility and right to take any alienated land by force.

According to Section 3 (1) of the LAA 1960, individual property may be taken away by force by the government for public interest and the country's economic development. However, in today's reality, the government allows private bodies to acquire individuals' land. The entities who actually need the ownership of the land are institutions or bodies that want to develop and commercialise the land. This matter needs to be taken seriously as there is a threat that fraud and abuse of power can easily occur. This is because such practice will erode the positive meaning of public and national economic development and invites various arguments from the landowners. It also gives a long term impact on the

development of *waqf* property in Malaysia. Amongst the matters raised is the question of land acquisition that can be made by anyone who is eligible to apply and the forms of economic development which are limitless and boundless. Other than that, the purpose of land acquisition or public interest is up to the government to decide. The worst phenomenon is that, whatever decision made by the SA, it cannot be disputed by any parties, be it the landowners or the court.¹¹

Procedures adopted by the land administrator based on the LAA 1960 are seen to contrast with the concept of land acquisition in Islam. The confiscation of property by force in the country's land law is also found in Islam. However, what sets the two apart is that aspects of the implementation and practices being applied these days show a number of weaknesses and defects which must be taken into consideration to achieve justice for both the landowner and the agencies that want to take the land.

Application of the Concept of Public Interest (*Maslahah 'Ammah*) and Public Purpose in *Waqf* Land

The acquisition of *waqf* land in Islam, which is also based on the concept of *maslahah* puts stress on the aspect of the purpose and target of an action made and at the same time it takes care of the *waqifs*' benefits for which their right is taken by force.¹² Therefore, when it comes to the implementation of the acquisition of *waqf* property by the government, it shall take into account several aspects before land acquisition is made as a basis or policy since it needs to be applied from the concept of *maslahah* in Islam. The policies include consideration of:

- (a) The purpose of acquisition of *waqf* land is based on the urgent need in terms of religious, educational, economic and social criteria.
- (b) The impact or implications of taking over the land itself to the *waqif* and trustee, and the benefits derived from the acquisition of land.
- (c) Other alternatives that can be considered such as looking for another place in lieu of or other considerations in favour of both parties (the owner of the land and the taker of the land).
- (d) The opinions and views of authoritative parties need to be considered as a study in determining the status / compulsory status.

Section 3(a)(b) of the 1960 Act provides for the same thing which is that the SA may acquire any alienated land for public purposes and it may also be given to individuals or bodies to carry out economic activities in the interest of or "beneficial" for economic development of the country. Furthermore, in Section 3(b) interpretation of "beneficial" is so broad and too general. Provisions contained in the section are not just for economic development but more than that. This also includes social cultural and religious activities. The meaning

of economic development is provided in Section 3 (b) of the Act, which shall include the benefits for:

- (a) Economic development of Malaysia;
- (b) Economic development of parts of the people of Malaysia;
- (c) Civilians as a whole; and
- (d) Civilians of all ages¹³

Hence, it is not contrary to the policy of the Act where Section 13 (a) states that private land can be acquired by the Government for the purpose of erecting churches, temples, or other houses of worship.¹⁴ Although in practice until this study is done, there is no case of the SA applying Section 3 (a) for the purpose of building houses of worship other than Islam which involved *waqf* land. Even so, if the SA would like to take *waqf* land for the construction of churches or temples, this does not oppose or conflict with the Act, while any objection or protest is against the law (Section 36).

There is a change in the concept of land acquisition of after Section 2(3) of the Act was amended in 1991. The parties whose lands are taken cannot argue on the purpose of any acquisition made. The right to determine whether it is for public interest or individual interest belongs entirely to the SA. State Religious Councils (SRCs) have no right to question the purpose of any specific or general *waqf* land affected by land acquisition by the SA whether it is reasonable or not. SRCs have no jurisdiction in any acquisition law and anything related to it. In 1992, there was a suggestion made that the Act should be amended to disallow *waqf* lands (especially for *masjid* or *madrasah*) to be taken by the government for whatsoever purposes. Land administrators will not accept or entertain any objection applications from any parties wishing to object in term of the purpose of land acquisition. The then Deputy Minister of Land and Cooperative Development, Dr Goh Cheng Teik had advised the state government not to abuse their power to take over people's land for private projects. The ministry developed a revised proposal to the Council of the National Land Code (MKTN) in 1995. The ministry is willing to negotiate with the State government if there is land taken for development by the private sector and would ask for a report to be made to the ministry if there is such a case.¹⁵

The LAA of 1960 does not provide any section to land owners to void or prevent their land from being taken when Form A was gazetted.¹⁶ As explained before there is no precise definition of public purpose. The government is the only one who is qualified to interpret the qualification whether the acquisition is for public purposes or otherwise. The decision made by the government however, cannot be challenged by any parties in court. Therefore, the provisions made are in favour of land applicants to use the method of coercion in taking over lands

especially involving non-urgent land development or simply taking an easy way to acquire strategic land for development.¹⁷

The Fiqh al-Islamy Council passed a few resolutions as a result of the 4th Assembly which was held in Jeddah on the 6th April 1988 pertaining to the forcible removal of ownership for the benefits of the public. One of the resolutions was that land taken by force from the owner cannot be used for the purpose of investment whether for the public or individuals. Based on this resolution, authorities should distinguish between the acquisition of land for public purposes and land intended for investment.¹⁸

Standard of Benefit (*Maslahah*) in *Waqf* Land Acquisitions

Rulings based on the mechanism of *maslahah* in all circumstances require clear guidelines or procedures. The benefits for human lives in this world are constantly changing over time. The effects of confusion and obscurity of this mechanism would affect the current rulings which are mostly built upon *maslahah* rulings. This concept has become the benchmark in applying the law either with stern prohibitions or allowing with certain conditions, or to take a moderate approach by relying heavily on decisions made by the government.

The acquisition of *waqf* lands for public interest must be solely for public interest (*haqiqiyyah*) or *qat'iyyah* rather than for interests that are *wahmiyyah*. The implementation of land acquisition made by the government for the purpose of constructing roads, hospitals, airports, mosques etc are obviously for the benefits of the people on the basis of necessity. Actions that have been taken here adhere to what is meant by *maslahah haqiqiyyah* or *qat'iyyah* as discussed by Muslim jurists. Acquisition can bring benefits to the public and the proposed projects are deemed necessary.

The lawful concept of land acquisition based on *maslahah 'ammah* discussed according to *Shari'a* rulings need to be taken into consideration to ensure the interest of all parties. Even though this approach is seen to mean the same as public purpose provided in the national civil land law, the interpretation between the two are different from each other, especially for *waqf* land with its own legal basis, as opposed to other general owned lands, in terms of usage and ownership rights. The concept of public purpose in Islam takes into account limitations and boundaries in accordance with Islamic legal maxims. Similarly, if there is a clash between two interests (*maslahah*), priority should be given to the public.²⁰

Contradiction between Benefit (*Maslahah*) and Harm/Damage (*Mafsadah*) in *Waqf* Land Acquisition

As explained, land acquisitions by force are often exposed to abuse and misuse of power by interested parties. Therefore, a conflict exists between *maslahah*

and *mafsadah*, which involves many aspects in the acquisition of *waqf* lands, especially in terms of the purpose of the acquisition and procedures when an acquisition is made.

Islam provides a clear guideline that state matters that lead to harm/damage or *mafsadah* shall be a priority from the aspect of goodness (*jalb al-masalih*). This means that in all cases of land acquisition, the matters that may lead to damage, difficulties or whatsoever negative implications in the future shall first be given consideration rather than the benefits from the actions. This procedure complies with the Islamic legal maxim that “*dar’u al-mafasid awla min jalb al-masalih*” (removing damage takes priority over promoting benefit). In the context of *waqf* land taken by force by the SA and not replaced with other land, it will lead to *mafsadah* not only to the *waqif* but also to Muslims in general.²¹

Besides, where there is a contradiction between these two elements, the method of *tarjih* (more appropriate and selected opinions) based on the concepts of *rajih* (stronger) and *marjuh* (weaker) can be implemented. These concepts are based on two aspects whether it is *maslahah* or *mafsadah*. The quantity of advantages and disadvantages becomes a measurement that determines the limit and boundary of the rulings between prohibition and command. For example, *waqf* land acquisition made for the purpose of building a public housing estate is categorised as *maslahah wahmiyyah* or in the public interest, seems to give profit and benefit the public. This implementation is initially seen to bring benefit to national economic development, but when examined in detail it appears to give long term detrimental effects to the alienated lands. Amongst the lawful conditions of land acquisition including *waqf* land is that the land acquired is for public use (*al-kulliyat*) and should not benefit only a small number of individuals.²²

From another aspect, the construction of housing estates undertaken by the government today is dominated by certain groups consisting of corporate members who earned enormous profits from selling the houses. The buyers of the houses are however, not from the low income group or people who are in need, but are high income people who can afford to buy the houses at a high price. Even in certain areas, non-Muslims take advantage to buy as many houses as possible just to acquire land.

Requirements of Land Acquisition Application

The Islamic method of land acquisition requires that only the government is entitled to take, or to seize ownership for public use. According to Dr. Bakr b. ‘Abd Allah Abu Zayd, *waqf* lands that can be taken by force are bound to conditions or methods of Shariah rulings. If the lands acquired are not for the purpose of public interest such as giving them to foreigners to manage and develop, then such action is considered as “merciless”, which is prohibited in Islam.²³

According to Section 3 (b) of the Act, land application applies to anyone. It all depends on the State Land Authority (SLA) whether the applicants are Muslims or non-Muslims, corporate bodies, which may consist of locals or foreigners. The word “any person” brings about a major implication to individuals, companies or any eligible parties entitled to get lands. Any person here does not mean that it is specified to only eligible land owners, but also it may include parties who just use the land for economic development. Then Act does not state specifically who can apply to take any land. They have the right to own any land taken by force through the SA with reasons to develop economic activities on land held by the government, though originally they do not have any right to own land.²⁴

Therefore, *waqf* land can be taken by any parties either individuals or corporations. To make any objection, obstruction or other actions that could disturb the acquisition of lands by force is considered an offence. Provisions contained in the Act are clearly in contrast to the methods of land acquisition in Islam.²⁵ Eligibility to apply for a parcel of land in Islam should also be seen from a more practical and rational perspective. If *waqf* land is taken for luxury projects that are certainly profitable to particular parties, priority must be given to the major (*kubra*) *maslahah* rather than a small (*sughra*) *maslahah*. *Waqf* lands that usually bring benefit to the recipients normally come from the rich. Helping the poor is much better than helping the rich. This is because neglecting the poor is more harmful or engenders negative impacts. Therefore, the best approach is to prioritise the *maslahah* that results in adverse effects than the *maslahah* that has less adverse effects.²⁶

Since there is no restriction and obstacle from the government, it is very worrying if *waqf* land also becomes forfeited assets because of the rapid changes over time and constant developments merely in the name of public interest, such as what is happening to the Malay Reserve Land (MRL). According to Ahmad Nazri Abdullah, in a period of 23 years (1947-1970), the Malays lost as much as 674,906 hectare of MRLs or on average 29,344 hectares per year. Although there is a provision to replace the acquisition of MRL, in reality it is not implemented at all.²⁷

Method of Determining Land Compensation

Land acquisition by force with sufficient compensation has been agreed by majority *fuqaha*.²⁸ Islam has laid down general rules in determining the amount of compensation that should be given to the landowner by emphasising the concept of justice (*Al-Quran*, Surah *al-Nahl* 16:90) and agreement between the two parties (*al-rida bayna al-tarafayn*). In the property valuation profession, to make a decision about the value of a property is not an easy task.²⁹ The most accurate valuation and reasonable compensation is usually a result of a thorough, responsible and informed exercise.³⁰

The specific methods and rules depend on *siyasa al-syar'iyah* and the wisdom of the ruler. The authorities should make every possible effort to achieve these policies by not taking for granted or doing it half-heartedly as well as being irresponsible until it leads to injustice and cruelty to the parties whose land is acquired.³¹

The LAA of 1960 has allocated compensation and methods of compensation payment in the First Table of the LAA 1960 under Sections 12, 35, 46 and 47. The first table of the Act becomes a formal (written) regulation for valuers, land administrators and applicants in setting a fair value for compensation. Under the provision of the LAA 1960, there are some matters that need to be studied because they are against Shariah rulings practised by land administrators. The LAA 1960 is said to be a barrier to fair payment of compensation to landowners. According to the Deputy Director General of Valuation and Property Services Department (VPSD) Mani Usilappan, the LAA 1960 needs to be amended to enable fair compensation payments to be given to landowners whose lands are acquired for development purposes. The government also promised with the amendment of LAA 1960 (amendment 1997) that the LAA will become fairer and beneficial to the people. However, research shows that the matter of the value of compensation becomes disputed and the main factor for grievances of landowners when their land is involved in the acquisition. For example, land acquisition in Hulu Perak to widen the Gerik-Pengkalan Hulu route, is said to have had major differences between Malay and non-Malay landowners in term of land valuation. Malay landowners were paid between RM5,000 to RM6,000 compared to non-Malays, RM40,000 to RM50, 000.³²

Land acquisition procedures adopted by the land administrator today do not facilitate the concept of bargaining between both parties in determining the amount of compensation or reimbursement. There is no consultation between the two sides to reach agreement. As a result, two different claims occur between the landowner and land applicant. The landowners surely would have demanded for high compensation and the land applicant would want to pay lower compensation. Section 12 of the LAA 1960 only gives full power to the land administrator to carry out a full inquiry to get the details needed as a basis to determine the award. Therefore, the compensation given often does not reach sufficient a amount and contrary to the market price. This is because the market price is the price owners accept willingly and without coercion from the buyer through bargaining. Section 37 of the LAA 1960, section 37 has given the power to landowners or SRCs to appeal to the court about the payment of compensation. However, the court cost is high and it takes a long time to settle, which brings loss to SRCs as transpired with the case of *waqf* land acquisition in the State of Melaka.

The Status of *Waqf* Land and the Rights to Demand Compensation

The principle of *al-ta'bid* or “sustainability” is explained by *fuqaha* in the chapter on conditions of *sighah waqf*.³³ As was agreed upon by the majority of *jumhur*, determining or limiting the *waqf* land period implied denying the rulings of *waqf*. This is one of the principles that differentiate between *waqf* properties and other properties. In this case, there are views that *waqf* land holds “permanent” status as an absolute condition that cannot be tied to any specific period of time. The *Shafi'i Madhhab* suggests permanence as the main condition in giving properties to *waqf*. Therefore, removable properties cannot be endowed (*waqf*) unless the property remains part of permanent properties (*'aqar*).³⁴

In Malaysia, some States designate cemetery and *masjid* sites under Section 62 NLC 1965 as public reserved land and are then regulated by the Religious Department or Religious Commissioner. In essence, the government or the SA gives reserve status to this land to avoid *waqf* land from changing to freehold land. If the government requires that land for development, the government has to bear a high cost to pay for compensation of land registered as freehold. But by categorising it as reserved land, the government only needs to cancel the reserved status and indirectly the lands become government-owned without it having to pay any compensation. Land laws in Malaysia deny the *waqf* land rights given by the government since it is known as *tanah kurnia* or bounty land. Whereas in property endowments in Islam, land given by the government for the purpose of religious activities is categorised as *waqf irsād*, which is also recognised as *waqf*.³⁵

It is suggested that the SA should look at the issue of land acquisition for development and give it serious consideration because of the concern that in future more and more types of *waqf* lands like *masjid*, *surau* and cemetery are being changed from their reserved status. The NLC 1965 also needs to be referred together to standardise it in all states to exclude mosque, *surau* and cemetery land from reserved status. This means all lands use for religious activities like mosque, *surau* and cemetery should be categorised as *waqf* land, which is also known as *waqf irsād*. *Waqf irsād* is state owned properties that were endowed by the government or the authority for the public interest and it has freehold status.³⁶

It is time for all states to make changes by looking at the example introduced in the state of Kedah. More than 20 acres of mosque, *surau* and cemetery lands were taken by the government without paying any compensation. If the SA pays the compensation; surely the SRCs would be able to buy lands as replacement. Indirectly, this incident also invites negative perceptions from the public that SRCs do not defend mosque and Muslim cemetery lands until the lands are

taken away by the government for the purpose of development. It may also allow people to come with an issue saying that SRCs also share profits by surrendering the land to the government. All these negative perceptions will affect the good name and credibility of SRCs in the eyes of the public.³⁷

In this case, with reference to the provisions of *Shari'a*, if lands are endorsed for *masjid/surau* and cemetery by *waqif* to the government and reapplication is not made by SRCs, then the SA must pay the sum of compensation as the original value or more than the original value. Assets (compensation) will be included under the category of "*waqf istibdal*" replacing the first asset. All revenues and earnings must be applied to the same purpose as determined by *waqif* and in accordance to endowment rulings which do not allow any transaction done on it; that is it cannot be sold, given as gift or inherited. In the state of Johor, all lands that were given for religious purposes are put under the administration of Johor Islamic Religious Council (MAIJ). Therefore, reserved lands for public use like mosques, *surau*, cemeteries are put under the control of Johor Islamic Religious Council. Lands of these types need to be registered under the ownership of MAIJ. Similarly in Malacca, most of the *tanah kurnia* or bounty lands have been registered under the ownership of the Melaka Islamic Religious Council (MAIM).

Alternative of Replacement of Land for Land (*Tawid'bi al-'Aqar*)

The rulings of land acquisition by force in Islam are not only focusing on the benefits of the public. Even this is agreed amongst the jurists, that any land acquired shall be accompanied by replacement or valuation, better known in Arabic as *ta'wid* or *qimah*. Replacement either in the form of money or the same type is not determined by *fuqaha* because it depends on the needs and benefits of the ruler at any one time.³⁸

In this case, it is the right of the property owners to get a just replacement or compensation (*ta'wid al-adl*). If the *ta'wid* is given in the form of money that brings justice to the owners, this is considered better and just to the landowners. However, not all situations can be resolved with money as replacement. It depends on the needs and wants of the landowners that are different from one another. Perhaps for individual landowners, they believe that replacement of money is a better option based on their needs. In our view, looking at the needs for land that is scarce and difficult to replace, *ta'wid* for *waqf* lands taken and compensated by government money, is deemed unjust.

In today's context, the concept of *ta'wid* is better known as compensation. Lands taken by force by the government are paid by money as the compensation to the landowners. Article 13(2) of the Federal Constitution provides that adequate

compensation must be paid to the person deprived of property for the value of land taken. The amount of compensation must be paid as soon as possible after the land administrator conducts an investigation. Even though the compensation paid is deemed enough, but the concept of justice is sometimes overlooked. Land administrators who are assigned to take the land do not give any space to landowners to make a choice either to receive compensation money or other lands as replacement.³⁹

This provision is actually contained in Section 15(1) LAA 1960 which gives full authority for land administrator discretion to negotiate to get agreement with the rightful person for compensation. Arrangements can be made either as:

- (a) Replacement of compensation with money or;
- (b) Replacement of the compensation partly with money and partly by other means.

Based on the provision of Section 15(1), the land administrators can use their discretion to either give compensation by money and land, or replace it with other land without any other compensation. In addition, the land administrator can also substitute it in the form of shares in a company or residence. Prior to materialisation of the LAA of 1960, the land administrator could use discretion to make arrangements with parties having interest, where acquired land would be replaced with another land.

The provision of section 15(1) of the Act is not applied fully by land administrators in carrying out their duty in land acquisition. The provision has not been debated by any party. There is a need to amend Section 15(1) of the Act. Thus, practically all lands whether they are individually owned or SRC's *waqf* lands, are compensated with money. The land administrators usually prefer the easier method by just making inquiry and pay the compensation with money. This is the simplest method practised by the land administrators, which might not be in favour to the land owners.

This is against the government policy that wants to develop *waqf* lands and encourage Muslims to *waqf* their property in order to increase the amount of *waqf* lands to facilitate economic development of Muslims as a whole. Therefore, looking at the current needs especially for *waqf* lands, it is important to give options to SRCs to determine the kind of compensations as provided in Section 15(1) of the LAA 1960. Legal department of the Headquarters of the Director-General of Lands and Mines (DGLMD) needs to examine and provide the extent of the appropriateness of this section so that it will stay relevant to current needs and provide benefits to all parties.⁴⁰

Implementation of Exchange of Land (*Istibdal*) to the Acquired *Waqf* Land by the State Authority

Istibdal or *waqf* land exchange according to *Shari'a* is seen as one method or an alternative in solving *waqf* land acquisition by the SA which is implemented from the viewpoint of Imam Ahmad ibn Hanbal. *Istibdal* in this context is an alternative to the lawful rulings based on *maslahah ammah*. After *waqf* land is acquired by the SA, implementation of the *istibdal* mechanism is no longer an alternative, but it is obligatory to be implemented by the responsible party.⁴¹

If *istibdal* is not done by removing the original assets directly, an action giving permission to the SA to acquire *waqf* lands by force is against the methods and principles property endowment in Islam. This is because what is understood about lawful *waqf* land acquisition is that there is the concept of *istibdal* that can re-establish a second set of assets as *waqf* through replacement and exchange. With that, the action of *waqf* land acquisition by the SA does not contradict the hadith that *waqf* property cannot be sold, used for making *hibah* or inherited.⁴²

Results of the study through an interview with the State of Terengganu Director-General of Lands and Mines (DGLM) found that there are a few approaches that are thought suitable for implementing the concept of *istibdal* without involving many parties. If it is seen from the scenario of difficulties to SRCs to acquire land as replacement, then SRCs should make a direct claim to the agency/company that acquires the land so that the acquisition requires replacement with land not money. In this case, the agency is given full responsibility to get other lands as a replacement. An agency that acquires land using the normal application method is provided under land laws with one of the three following mechanisms:

- (a) To apply for government land from the SA.
- (b) To buy private land from the proprietor/owner.
- (c) To take any land by force through the legal process.

Through the first way, the agency will apply for government land from the SA. In this case, the effort of the agency to replace the *waqf* land needs to be paid attention to and supported by the SA. Moreover in some states, the Head of SRCs comprises the Chief Minister or Head of State of the respective States. Similarly, the State Executive Member or EXCO may also be appointed as Member of the Board of Directors which can take the initiative by providing land before any acquisition is made by the SA. The SA or state government should take this matter seriously because it involves the SRC's interest, which is institution under the administration of the state government.

If the first method cannot resolve the problem, the agency party needs to

purchase a private property near to the *waqf* land. If both of these solutions are not available, the last way is to acquire land by force through provision in the LAA 1960 in the manner it is done to other owned lands. The decision to accept or reject the land to be replaced depends on the SRCs, and does not represent an automatic replacement. The outcome from an interview with the lands administrator suggests that they encourage SRCs to take these approaches to avoid the detrimental effects of declining numbers of *waqf* land due to development. In most cases land administrators do not agree to the acquisition of *waqf* lands and try hard not to involve them a land acquisition, unless they have no other choice but to act by force.⁴³ In this case, claim or application must be made to a particular agency and not directly to the Land and Mineral Office (LMO). This is because LMO is a party that administrates and manages land acquisition or disposal. PTG has no financial provision to pay compensation for involved lands. Therefore, the agency or company must be responsible to find a suitable land for replacement.

If it involves Federal projects such as road construction, or road widening, airport development, etc, the agency needs to make an application to the Director-General of Lands and Mines Department (DGLMD) whereas application can be made at the state LMO for a State government project. There is the probability that land replacement for state government projects is easier because the land is owned by the state. DGLMD as well as LMO will provide support so that the application should be approved by the State government. If the land is individually owned, the agency needs to work hard and to discuss with the landowners to get an agreement to sell the land. If the landowner refuses and there are no other choices, the government will use the LAA 1960 by way of forced acquisition for the purpose of development.⁴⁴

Conclusion and Recommendation

Islam has laid a clear and strong basis in the matters of revocation of individual property rights. This concept is discussed in the chapter of *intiza' al-milkiyyah li manfa'ah 'ammah* that refers to the concept of *Maslahah* which is taken from methods of *fiqh* as a mechanism to make it lawful to acquire ownership by force in Islam. However, the concept of *istibdal* fulfils the *Shari'a* need and requirement of current development that *waqf* lands can also be taken by force if there is an extreme necessity or *darurah*. All these must be done by fulfilling the standard and conditions contained in Shariah.⁴⁵ Consequently, the main goal of Islam related to promoting national economic development is social justice.

- From a policy standpoint, policies and the implementation of property development in Malaysia needs to coordinate and adapt to Islamic values.

- The LAA of 1960 which is the main vehicle for land acquisition in Malaysia and applied by land administrators needs to be studied, evaluated, and coordinated with Shariah methods, especially when it involves trust endowment property owned by Muslims.
- Islam forbids all actions that can interfere with others' rights or violations of ownership, which is not permitted by the Shariah. Such action is contrary to the principles that a person's ownership needs to be protected, preserved, and guaranteed in Islam.
- In an effort to improve the LAA 1960, whatever efforts and recommendations towards Islamisation of property laws need to be given serious consideration by interested parties so that it can sustain the needs of current development.⁴⁶

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ENHANCING CYCLICAL STABILITY BY INTEREST-FREE BANKING

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Abstract: Cyclical instability in the form of business cycles has been a bane of modern economies for decades. A major cause of business cycles is the introduction and utilisation of debt financing. Remedies based on the Keynesian paradigm provide only temporary stopgap measures that, while alleviating conditions in the short term only make the problem of instability worse in the long run. The main reason is that Keynes' analysis fails to trace cyclical instability to its real cause, which is financing spending - private as well as public - by borrowing. Accordingly, this paper argues that achieving cyclical stability requires replacing 'financing by borrowing at interest' with 'financing on the basis of risk sharing.' This can be expected not only to reduce not only cyclical instability, but to bring other benefits as well.

Introduction

A business cycle is a period of turbulence consisting of economic "ups" and "downs." It is similar to a roller coaster ride: a period of economic growth (boom) is followed by a recession or depression (bust).¹ As it brings uncertainty, instability is to be avoided. Business cycles affect entire nations, sometimes on a global scale. They affect different segments of society in different ways.

The growth (boom) stage of the business cycle is invariably accompanied by inflation. Inflation has adverse effects on the population, especially on the lower income groups; it reduces the standard of living by increasing the cost of living. Because it reduces the purchasing power of money, inflation acts as a tax, in particular as a *regressive* tax. In extreme cases, such as in the Weimar republic, inflation can result in social disintegration, raising the prospect of despotism. The bust stage of the business cycle, by contrast, is accompanied by unemployment and slow or negative growth. Recessions put some people out of work and reduce growth.

It is generally assumed that business cycles are unavoidable because they are caused by factors beyond human control. Consequently, the lack of success by governments in bringing stability to economic activity is seldom questioned. Factors commonly identified as causing these business cycles include fluctuations in aggregate demand, inventions leading to improvements in production, transportation or communication methods as well as the discovery and exploitation of natural resources. Other factors include changes in population, wars, and epidemics.²

A less well-known view is that business cycles are caused primarily by changes

in interest rates and the money supply.³ When the money supply is reduced and interest rates rise, economic activity slows down. When the money supply expands, rates fall and economic activity accelerates. The reason is that much spending – including investment – is financed by borrowing. The cost of financing is a major cost of production.⁴ An increase in the costs of production reduces the supply of goods and services, while a decrease in the costs of production has the reverse effect.⁵ This is known as the “law of supply.”

The view that interest rate volatility is a significant cause of business cycles attains special relevance from the Islamic point of view.⁶ The reason is that *interest is proscribed in Islam*.⁷ From the Islamic perspective, income can only be earned in exchange for a counter value (*iwad*) or at least in exchange for a willingness to share the risks of business enterprise.⁸ Income can only be earned in the form of wages (for labour), rent (for leasing property or capital goods), and profit (for taking risk).⁹ It can only be earned in exchange for a meaningful contribution to economic activity.¹⁰

The standard Keynesian response of spending one’s way out of recession is no longer viable – if it ever has been – as it requires governments to go more deeply into debt, thereby making the problem of indebtedness worse.¹¹ The Keynesian paradigm falls short of diagnosing accurately the underlying cause of the cyclical instability afflicting the modern economy. It does not recognise that *the underlying problem is using interest as an incentive to motivate economic activity*.¹² It does not see that the fundamental cause of instability is the institution of interest and the fractional reserve system of banking which supports it, and not a lack of government spending.

Accordingly, this paper proposes transforming an interest-based monetary system into an interest-free economic system. In such a system, the problem of cyclical instability, as well as other problems caused by interest-based finance, can in principle be overcome: “unemployment, inflation, poverty amidst plenty, increasing inequality and recurrent business cycles ... could be solved by abolishing interest and replacing it by profit sharing.”¹³

Fluctuations in Interest Rates and Business Cycles

Empirical evidence confirms that booms are preceded by low interest rates, while busts are triggered by high or rising interest rates. This is generally not disputed even in the conventional discourse on the subject of business cycles.

In 1974, the oil-producing nations of OPEC nationalized their oil resources and quadrupled the price of oil, causing substantial inflation globally.¹⁴ Efforts to contain inflation – which took the form of dramatically increasing interest rates – resulted in a global recession in 1974 – 1975. In the UK, for example, interest rates reached 13% by 1974 from a previous low of 5% in 1972.¹⁵

As a result of the recession, unemployment rose everywhere. In response, the US Federal Reserve initiated an “easy” monetary policy, with the intention of lowering interest rates.¹⁶ Reduced rates helped to increase spending and thereby overcome the recession. However, they also paved the way for a new round of inflation, beginning in 1977. A second increase in the price of oil took place at the end of the decade and made inflation worse.¹⁷

In an effort to stem the double-digit inflation of the late 1970s, interest rates were again raised.¹⁸ In 1981, nominal interest rates in the US peaked at 21 per cent. Real interest rates “reached an unprecedented level ... the all-time high of 9.55% (per annum) in the second quarter of 1982.”¹⁹ The result was a wave of bankruptcies: “in 1983 the number of people who defaulted on their mortgages tripled.”²⁰

At the international level, a number of nations defaulted on their loans. Mexico defaulted in 1982. By 1983, 20 other nations defaulted and could only pay interest charges. “Essentially, the poor countries had become insolvent.”²¹

Additional evidence of the effects of interest rate volatility is presented by the crisis of 2007. This was the first global downturn since WWII.²² In July 2003, the federal funds rate dropped to 1 per cent and stayed there for a year.²³ A period of low interest rates was followed by a period of rising rates. Low interest rates were brought about by a dramatic expansion of the money supply. The expansion of the money supply was part of a long-term trend. In the eighteen year period “from January 1990 to April 2008, the United States M-2 money supply more than doubled from \$3.2 trillion to \$7.7 trillion.”²⁴

As a result of low interest rates prior to the crisis of 2007, borrowing and spending – in particular in the housing sector – took place on a large scale. To make matters worse, lending standards were lowered. Financial innovation in the form of debt securitisation facilitated the flow of large amounts of capital from institutional investors into the US subprime housing market.²⁵

When reports about growing asset bubbles became widespread in 2005, monetary policy was reversed and interest rates began to climb. Homeowners had to increase their monthly repayments.²⁶ Due to their inability to make higher monthly mortgage payments, rising numbers of homeowners began to default on their mortgages. As the recession struck, the US government committed vast sums of money to support failing financial institutions. “Fearing that the global financial system would itself collapse unless drastic action was taken, the government committed about \$12 trillion to support financial markets.”²⁷

Mainstream Analysis

Macroeconomic stabilisation policies since the Great Depression have been largely based on the Keynesian model.²⁸ This model, like other models, makes certain assumptions about how the economy works. Unlike the classical model, based

on the ideas of J. B. Say, the Keynesian model postulated that macroeconomic equilibrium can take place even at employment levels that fall significantly below full employment. This was demonstrated by the Great Depression.²⁹

In a departure from the classical view, Keynes denied that the free-market system (capitalism) has the capacity to “correct” itself, or to restore full-employment equilibrium on its own, without external (government) intervention. In his view, left to its own devices, the economy is unable to recover by adjustments in prices, followed by adjustments in employment and output.³⁰ There is no point in waiting for the economy to recover by itself because, as Keynes famously noted, “In the long run, we are all dead.”³¹

The legalisation of lending at interest saw the emergence of lenders. Lending at interest meant that, unlike before, it became possible to put a price on money itself. This “price” is known as *interest*. When the same lenders also began to borrow, they became financial intermediaries (banks). They borrow from parties with surplus funds (savers) and lend to parties experiencing a shortage of funds (investors). But this meant that capital would have to have *two* prices and not just one. One price (the savings rate) would be paid to savers, while another higher price (lending rate) would be demanded from borrowers (businesses). The difference between the two prices (interest rate “spread”) would constitute the source of revenues for the shareholders of the financial institutions.

This duality of prices, however, means that no equilibrium can ever take place in the “money markets,” as an equilibrium price is by definition a *single* price.³² However, equilibrium between savings and investment would not be achieved in an interest-based system even if only one price prevailed. The reason why investment cannot become equal to savings even if one price of capital prevails is that so long as parties with surplus funds have the option of depositing their funds in financial institutions to gain guaranteed interest income, some businesses, specifically the less profitable ones, would remain without investment.

The fact that capital comes at a price disqualifies all businesses whose rates of profit fall below current lending rates from obtaining loan financing.³³ Even some businesses whose profits may exceed the lending rates will be disqualified, as the need to repay loans includes the need to repay the principal amount of the loan in addition to the payment of interest. Thus, merely earning a rate of profit that is higher than the lending rate does not guarantee that this profit will be sufficiently high to repay the principal amount of the loan too.³⁴

Hence, as long as the rate of interest is higher than zero, not all savings will return to the real sector in the form of investment. Some savings will remain “trapped” within the financial institutions because they are too expensive for some businesses to borrow.

The money that remains “trapped” in financial institutions due to a lack

of qualified borrowers, or due to a lack of sufficiently profitable investment opportunities, constitutes a *surplus*. This surplus arises directly out of the fact that capital comes at a “cost” (interest), from the fact that the “price” of money is higher than its equilibrium price.

The equilibrium “price” of money is zero, because only at this price will all savings have an incentive to return into the real sector. The reason is that when no opportunities to gain interest income exist, even marginally profitable enterprises can be expected to attract some investment funds.

Because the equilibrium rate of interest is zero, fixing interest rates at any level higher than zero effectively turns that rate into a “minimum” rate. A minimum price causes an imbalance between supply and demand, in this case, between the demand and supply of funds. The supply of funds will exceed the demand. The result is a surplus of funds in the financial institutions. From an economic perspective, this surplus represents a waste, as funds are lying idle without being invested.

There is another reason why macroeconomic equilibrium is not likely to take place in a system that uses lending at interest to finance investment and other spending. The reason is that, due to the need to add interest to the repayment of all loans, financial institutions collectively always take more money out of the circular flow of money over a given period of time than what that they inject into it in the form of loans. Having to repay all loans with interest ensures that every borrower will always have to repay more than what he borrowed. This ensures that repayments (leakages) over a given period of time will always be greater than loans (injections).

Moreover, the excess of repayments over injections financed with borrowed money will have a *recessionary* effect, as more money is drained from the system than what is injected into it. Thus, over the long term, financing spending by borrowing has an effect that is opposite to its short-term effect. In the short term, financing spending by borrowing indeed stimulates demand. However, because new spending is financed mostly with “created” rather than earned money, the result of an increase in spending financed with “created” money is mainly inflation. Over the long term, by contrast, as borrowers have to repay their loans with interest, financing spending by borrowing has a recessionary effect.

To counter this long-term recessionary effect, more and more money is pumped into the system by means of bailouts that run into trillions of dollars, to keep it and indebted parties afloat. Bailouts are partly financed with “created” money, which comes into existence when central banks purchase impaired “assets” such as collateralised debt obligations or CDOs (bundles of bad loans) from financial institutions at taxpayers’ expense.³⁵ This may restore some stability in the short run, but only makes the problem worse in the long term, as debts and the interest burden on those debts continue to pile up. Taxpayers are asked to make greater and greater sacrifices, public services continue to be reduced, all in order to repay

rising debt with interest to financial institutions.

The Keynesian response requires the public sector to compensate for a lack of private investment by increasing government spending. But this merely shifts the problem from the private sector to the public sector. The government may well solve the problem of disequilibrium in the private sector (a deficiency of investment spending) by increasing its own spending, but it can do so only by causing disequilibrium (deficit) in its own finances, caused by the need to increase its own spending beyond its tax revenues.

Moreover, public sector deficit spending adds to the national debt. Thus, the Keynesian response overcomes one problem (recession) only by causing other problems, in the first instance a government budget deficit and indebtedness.³⁶ What is worse, as governments also borrow from foreign lenders, public sector deficit spending produces an imbalance (disequilibrium) on the capital account of the international balance of payments, as inflows of funds on the capital account exceed outflows.³⁷ The excess of inflows over outflows raises the value of the currency in relation to other currencies, thereby reducing exports and increasing imports.³⁸ This creates a second imbalance, this time on the current account, as payments for imports exceed the payments for exports. Thus, it is clear that financing spending by borrowing money at interest destabilises economic activity in multiple ways.

Fractional Reserve Banking

Macroeconomic instability in a conventional economic system is not caused only by fluctuations in interest rates and the money supply. The primary source of instability is the system of banking and finance that makes lending money at interest possible in the first place. This system is known as the “fractional reserve system” of banking.

In the fractional reserve system of banking, financial institutions are permitted by law to operate with a mere fraction of their deposits in the form of cash. They use the remaining deposits to make loans and gain interest income. In other words, they are legally permitted to take risks with their depositors’ funds.

The fractional reserve system of banking has a distinctly unique feature. It allows the financial institutions to expand the volume of credit far in excess of the money supply in circulation in the form of cash.³⁹ The expansion of the money supply takes place by making loans, through what is known as the “creation of money” process.⁴⁰

It is of some interest that none of the money “created” and loaned was in existence before a loan is made. “Created” money comes into existence when loans are deposited in bank accounts. When loans are deposited in banks, the money supply expands, as the money supply is made up largely of bank deposits.

Of some interest is also the fact that none of the money “created” by means of lending has been *earned* by anyone, including in particular by the parties that borrow and spend the money “created” in this way. No new goods and services are produced in exchange for these newly “created” funds. The expenditure of funds that have been merely created rather than earned, however, has a profoundly destabilising effect on economic activity.

The expenditure of newly created money substantially increases aggregate demand in the short term, well beyond the capacity of the economy to keep up with rising demand for goods and services. As a greater number of dollars begins to “chase” the same number of goods, the first result is inflation. This is true in both the product as well as the resource markets, for both consumer as well as producer goods.

As a result of rising inflation, central banks begin to reduce the money supply and raise interest rates. With an increase in the cost of borrowing, spending declines. Declining sales and spending now cause disequilibrium in the opposite direction. As aggregate supply exceeds aggregate demand, inventories of goods begin to rise. In response, production is reduced and unemployment increases. This represents the bust stage of the business cycle. In response to the recession, interest rates are lowered again, and the same process repeats itself. It is in this way that the fractional reserve system of banking contributes to destabilising economic activity.

Since lending at interest presupposes the ability of financial institutions to lend their depositors’ funds to borrowers, reform will require dispensing with the fractional reserve system of banking altogether. This can be accomplished by requiring banks to re-invent themselves as investment institutions. Instead of guaranteeing interest income to parties with surplus funds, they will offer profits from a well-diversified portfolio of investments. Investment can range from relatively low risk investments such as investments in commercial and residential property generating rental income, inclusive of shopping malls, to higher risk investments such as investments in new technologies financed by venture capital. For risk-averse parties, investment companies can offer deposit-keeping services, similar to transactions accounts, which will guarantee deposits but will pay no profits.

The financial institutions that currently operate on the basis of interest need to transform themselves into investment companies. They can do this by converting debt on both sides of their balance sheets into equity. Thus, depositors will become shareholders, while borrowers will become partners of the investment company. In contrast to the way it operated as a bank, the institution will now operate as an investment company. It will be required to share the risks of business enterprise with the entrepreneurs using investors’ funds. As such, it will be able to guarantee

neither capital nor income to investors.

This will also be good news to governments and taxpayers, as in the case of poor investment decisions, it will be the shareholders of the institutions that will have to bear the brunt of the losses, not governments and taxpayers as is currently the case by means of bailouts of financially troubled institutions.

An interest-free financial system also requires a new – interest-free – economic theory. *The new economic theory and practice both need to be free of interest.* The new system needs to operate in a way that will utilise exclusively real-sector incentives (wages, profits and rents), to the exclusion of interest income.

In such a system, business cycles caused by fluctuations in the “prices” (interest rates) and volume of credit (money supply) can be expected to be significantly reduced. Phasing out the interest-based monetary system will ensure that surplus funds will be invested in the real sector. Moreover, it will ensure that all spending will remain within the limits imposed by current income and savings. For those still requiring loans, interest free loans (*qard hasan*) could be arranged.⁴¹

Interest-Free Monetary Policy

One argument against the implementation of an interest-free monetary system is that if lending at interest is phased out, and the issuing (and trading) of bonds becomes illegal, the central bank will have no way of regulating the money supply, as it will be unable to conduct open market operations.⁴² Thus, in order to enable the central bank to exercise monetary policy, it is necessary to retain the interest-based banking, inclusive of financing by way of the issuance and trading of conventional, interest-bearing bonds.

However, the money supply can also be regulated *without trading debt*.⁴³ The magnitude of the money supply can also be regulated by buying and selling asset-backed securities. Such securities represent the ownership of assets. For example, instead of trading bonds, the central bank or rather a government investment company can buy and sell common shares or – in an Islamic monetary system – asset-backed *sukuk*.⁴⁴

Additional liquidity can be injected into the financial system by buying shares or *sukuk* instead of bonds. Conversely, liquidity can be reduced by *selling* shares and *sukuk* instead of bonds. The effects on the money supply will be comparable to the effects of buying and selling government bonds, minus the harmful side effects produced by trading in debt. Moreover, trading shares or *sukuk* instead of bonds (debt) will not produce any of the harmful side effects caused by trading debt, in particular indebtedness and financial instability.⁴⁵

The fact that the trading of shares and *sukuk* would affect the prices of these securities is not a cause for concern. After all, the trading of bonds under the current regime, also impacts bond (as well as share) prices. What is worse,

changes in bond prices translate into changes in interest rates, which impact the entire system, without regard to any differences in performance or efficiency. Strong performers are just as affected by rising interest as weak performers.

This would not be the case with changes in share prices caused by the trading of asset-backed securities by a government investment company, as changes in the prices of stocks would be largely confined to those actively traded. Indeed, changes in share prices that can be expected to result from such trading would help realise the specific objective of the government, whether it be to increase investment, or to reduce inflationary pressures, as the case may be.

There is nothing wrong with a government investment company participating in the trading of shares of public or private companies, especially if it is done in the public interest (*maslahah*). Such activity indeed helps to attain one of the central objectives of the Shariah, the realisation of public welfare. Purchases of shares or asset-backed *sukuk* merely represent a temporary “nationalisation” of productive assets, while selling them represents their “privatisation.” At a time of crisis, governments already purchase the shares of financially troubled banks, as well as of other companies.⁴⁶ If governments or its agencies can buy shares in private financial institutions, surely they can also buy shares of other private sector companies.

The difference would be that the government investment company would buy asset-backed securities of healthy and profitable companies, instead of the bad debt of insolvent financial institutions.⁴⁷ The increase in share prices, arising from the purchases of shares by the government trading agency will provide incentives to such companies to increase investment.

In this way, rising share prices would produce precisely the effect desired by the government: an increase in investment. The incentive to private sector companies to increase investment as a result of rising prices of their shares will complement the efforts of the government to inject additional liquidity into the financial system – and thereby stimulate overall economic activity.

Conversely, the government may contain inflationary pressures by selling shares. Falling share prices, caused by sales of shares by the government investment company, will reduce the incentive to invest by issuing new shares, as companies are unlikely to obtain higher than normal prices.

From the point of view of Islamic law, buying and selling debt – except at par value – gives rise to *riba* or interest.⁴⁸ For this reason buying and selling of bonds, whether issued by governments or the public sector, is not an option in an Islamic monetary system.

Ownership of company shares or other certificates of investment (such as *sukuk*) by a government investment company need not be permanent. Should, for example, inflation become a problem, the trading agency would sell the shares

back to the private sector, and thereby withdraw liquidity from the system to reduce inflationary pressures.

Moreover, the fact that the money is injected *directly* into the real economy means that the effects of the trading of real-sector securities would be immediate rather than delayed, as is often the case when spending is financed by borrowing. Significant time lags pass when funds have to enter the real sector *via* the financial sector.

In general, there is no guarantee that borrowed money will be invested where it is most needed, in the real sector rather than used for the purpose of unproductive speculation. However, if entrepreneurs were to obtain funds by selling shares directly to the government investment agency, these funds would immediately be injected into the real sector. This is likely to stimulate economic activity faster and more effectively than any funds that first need to be borrowed at interest by real sector companies.

As a result, managing the money supply by buying and selling shares is both more effective and efficient than through the trading of bonds. This constitutes a strong incentive for the implementation of an interest-free monetary system, which uses only profit, wages and rents as incentives for rewarding productive activity.

Conclusions and Recommendations

We have seen that fluctuations in interest rates (and the money supply) constitute leading causes of boom and bust cycles. The ability of banks to “create” money and lend it at interest exacerbates macroeconomic instability. Low interest rates increase spending while rising interest rates reduce it. Each policy has harmful effects. A low interest rate policy causes inflation, while a high interest rate inhibits growth and may cause a recession.

Reducing cyclical instability caused by fluctuations in interest rates and the money supply can be achieved by adopting an interest-free system of finance. This requires replacing the fractional reserve system with an interest-free system.

The adoption of an interest-free monetary system can ensure that money will remain in the real sector and not be withdrawn from it at any time. Under the current system, whenever borrowers repay loans to financial institutions, funds are withdrawn from circulation. These funds remain out of circulation until they are able to re-enter the real sector when new loans are again used to finance spending. This withdrawal of funds from the real sector, no matter how temporary, has an adverse effect on economic growth.

Implementing debt-free financing can also ensure that businesses, households and even governments will not spend beyond their means. This will mitigate excessive spending financed by cheap credit or insufficient spending caused by expensive credit.

Replacing the interest-based monetary system with an interest-free system would ensure that the prime cause of instability – fluctuations in interest rates and the money supply – would no longer be a part of the institutional infrastructure of the modern economy. As a result, economic activity would become more stable.

To realise this objective, financial institutions as well as the central bank need to re-invent themselves as investment companies. Financial institutions need to become investment companies, while the central bank needs to become a “national” investment company.

Due to the prohibition of “earning” income in the form of interest, all companies will be compelled to operate in the real sector. As a matter of principle, equity financing is more conducive to enhancing systemic stability than financing by debt.⁴⁹

Thus, it is advisable to restructure the current interest-based financial system to ensure that parties with surplus capital will only be able to earn income in the form of wages, profit or rent.

- An interest-based monetary system should be replaced with an interest-free alternative that requires financing on the basis of risk sharing.
- Financial institutions need to be transformed to operate in the real sector.
- Monetary policy should be conducted by trading shares instead of bonds
- Issuing shares and other equity instruments should be made easier.
- Tax breaks should be provided to firms raising capital by way of equity issuance.

Notes

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1. A recession is a period of negative economic growth for a period of six consecutive months or more. Negative growth signifies a declining overall output (GDP). Recessions signify higher levels of unemployment. They impose costs on society in that they reduce the standard of living, especially for the unemployed, and have other adverse effects such as a rise in poverty. Inflation affects everybody, according to his or her level of income.
2. The invention of the printing press, the steam engine, hydroelectric power, combustion engine, radio, television, telephone, and the computer all initiated long term cycles. See the Kondratiev theory of the business cycle.
3. Interest rates fluctuate in response to changes in the money supply, managed by

central banks through the exercise of monetary policy. An increase in the money supply results in a reduction in interest rates, while a decrease in the money supply has the reverse effect. Low interest rates trigger booms – including the rise of bubbles – while high interest rates have the reverse effects: they trigger recessions and busts.

4. In the developed countries, approximately two thirds of all investments is financed by borrowing.
5. An increase in the cost of production is graphically demonstrated in demand and supply analysis by shifting the entire supply curve to the left, thus indicating what is termed a “decrease in supply” or a decline in production.
6. Although some Muslim economists, such as Timur Kuran do not consider interest to be *riba*, the vast majority of Muslim jurists consider any amount of interest, however small, as tantamount to the *riba* forbidden in the Qur’an.
7. Al Qur’an, 2:275, translated by Abdullah Yusuf Ali.
8. Many civilisations in the past, including the Chinese, Greek and early Roman civilisations have outlawed loans at interest. See Shafiel A. Karim *The Islamic Moral Economy: A Study of Islamic Money and Financial Instruments*, BrownWalker Press, Boca Raton, 2010, p. 15, accessed online on 11 May 2014, <<http://www.bookpump.com/bwp/pdf-b/9425394b.pdf>>
9. A number of Muslim nations have been implementing Islamic banking and finance. See for example Sven Alexander Schottmann, “The Pillars of ‘Mahathir’s Islam’: Mahathir Mohamad on Being-Muslim in the Modern World,” *Asian Studies Review*, 35.3, September 2011, 355–VI, p. 359.
10. On the role of ethics in the Islamic economy see Ozay Mehmet “Al-Ghazzali on social justice: Guidelines for a new world order from an early medieval scholar,” *International Journal of Social Economics*, Vol. 24 No. 11, 1997, pp. 1203-1218.
11. The Keynesian response to the problem of recession or depression is to “kick start” a stagnant economy by an infusion of liquidity in the form of an increase in government spending. The rationale is that governments need to compensate for a lack of spending in the private sector (investment and consumption). This is how the Great Depression of 1929 was overcome. On Keynes’ advice, governments embarked on massive spending programs in the form of labour-intensive public works such as the construction of highways and dams. The rising incomes of households enabled them to increase demand for goods and services. In this way, an increase in demand (spending) resulted in an increase in supply (production).

The Keynesian perspective assumes that the market system is fundamentally not “self-correcting,” and therefore outside (government) intervention is required to restore full employment equilibrium. There is no reason to assume, according to Keynes, that market forces alone are powerful enough to restore full employment equilibrium, for example through an adjustment (in this case a reduction) of prices. This is due primarily to the “stickiness” of prices, including wages.

Stated differently, the Keynesian perspective assumes that supply is a function of demand rather than vice versa. By contrast, in supply side economics (based on the ideas of J. B. Say) “supply creates its own demand.” The supply side model was resurrected in 1980 by Arthur Laffer (the author of the so-called Laffer curve).

The weakness of the Keynesian “remedy” is that if the increase in government

- spending is financed by borrowing, an adverse side effect is an increase in the national debt. If the increase in government spending is financed by printing money (quantitative easing or the purchase of government bonds by the central bank), on the other hand, the undesirable side effect is inflation.
12. For an interesting account, see n.a. "Historical Overview of Usury," *Mission Islam*, accessed online on 19 May 2014; <http://www.missionislam.com/family/ursury_riba.htm>
 13. Mohammad Siddiqi, "Islamic Banking and Finance in Theory and Practice: a Survey of State of the Art," *Nejatullah Islamic Economic Studies*, Vol. 13, No. 2, February 2006, p. 4.
 14. Harry Cleaver, "Close the IMF, abolish debt and end development: a class analysis of the international debt crisis," *Capital and Class*, 2012, libcom.org, p. 24, accessed online on 13 Feb 2014, <<http://libcom.org/library/close-imf-abolish-debt-end-development-class-analysis-international-debt-crisis-harry-cl>>
 15. n.a., BBC News Business, "Economy tracker: Interest rates," 17 September 2013, accessed online on 13 Feb 2014, <<http://www.bbc.co.uk/news/business-11013715>>
 16. An "easy" monetary policy requires increasing the money supply. Monetary policy is normally implemented by conducting "open market operations." This refers to the process of buying and selling of government bonds by the central bank. In order to lower interest rates, it is necessary to increase the money supply. The central bank accomplishes this by buying government bonds such as Treasury Bills from banks. Purchases of bonds by the central banks increase the reserves of banks. This increases their capacity to make loans and thereby expand the money supply.
 17. James Crotty "The Great Austerity War: What Caused the Deficit Crisis and Who Should Pay to Fix It?" Working Paper Series Number 260, Political Economy Research Institute, Amherst, Massachusetts, June 2011, p. 10, accessed online on 2 August 2013; <http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_251-300/WP260.pdf>
 18. George J. Church "Ready for a Real Downer," *Time Magazine*, 23 November 1983, accessed online on 18 July 2013; <<http://www.time.com/time/magazine/article/0,9171,922689-2,00.html>>
 19. Real interest rates are equal to nominal rates minus the rate of inflation. Zhang, Yongli, "Fluctuations of Real Interest Rates and Business Cycles," *Annals of Economics and Finance* 11-1, pp. 185–208, 2010, p. 189, accessed online on 9 July 2013; <<http://ftp.aefweb.net/AefArticles/aef110107.pdf>>
 20. Naomi Klein, *The Shock Doctrine*, Penguin Books, 2007, p. 159.
 21. Ann Pettifor, *The Coming First World Debt Crisis*, Palgrave Macmillan, 2006, p. 108, 113. "Despite problems in repaying their debts in the 1980s, developing nations dramatically increased their borrowing during the following decade. While in 1990, they issued only \$4 billion of bonds, in 1997 they borrowed \$99 billion. By 2000, the level of low income country debt "was 150% higher than it had been in 1985." Ibid, p. 115.
 22. Ihsanoglu Ekmeleddin, *Enhancing Economic Cooperation Among Muslim Countries – The Role of the OIC*, IUM Journal of Economics and Management, 17.1 (2009), pp. 13-30.

23. Steve H. Hanke, "The Fed's Modus Operandi: Panic," Cato Institute, 18 March, 2009, accessed online on 15 July 2013, <<http://www.cato.org/publications/commentary/feds-modus-operandi-panic>>
24. M2 measure of the money supply includes cash plus demand and time deposits. French, Douglas E., in Rothbard, Murray, N. *The Mystery of Banking*, 2nd ed., Ludwig von Mises Institute, Auburn, Alabama, 2008, p. xii, accessed online on 8 June 2013; <<http://mises.org/books/mysteryofbanking.pdf>>
25. Debt securitisation is a process whereby retail loans (such as subprime, credit card, auto and student loans) are bundled together and sold wholesale in the form of new securities, for which the original loans serves as both collateral and source of income. Examples of such securities include the MBSs (mortgage backed securities) and the so-called "collateralised debt obligations" or CDOs. The defaults by borrowers on these loans played a central part in the recent global financial crisis of 2007.
26. Many subprime customers had adjustable rate mortgages, which meant that when market rates rose, they were required to increase their monthly payments accordingly. Many were not able to do so, as in some cases the required monthly payments more than doubled.
27. James Crotty, "The Great Austerity War: What Caused the Deficit Crisis and Who Should Pay to Fix It?" Working Paper Series Number 260, Political Economy Research Institute, Amherst, Massachusetts, June 2011, p. 16, accessed online on 2 August 2013; <http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_251-300/WP260.pdf>
28. The supply-side model made a brief appearance with the election of Ronald Reagan in the US and Margaret Thatcher in the UK in 1980. According to this model, stimulating economic activity should begin on the supply side of the economy, mainly in the form of lower taxes and reduced government intervention in economic activity.
29. The classical model provides the foundations for the supply side model.
30. Campbell R. McConnell and Stanley L. Brue, *Economics*, thirteenth edition, McGraw Hill Inc. 1996, pp. 335 – 336.
31. John Maynard Keynes, *Tract on Monetary Reform*, Prometheus Books, 2000, Ch. 3.
32. At such a "price," the amount of savings (over a given period of time) becomes equal to the amount of investment.
33. Inability to post acceptable collateral in order to guarantee the lenders' capital could disqualify even some businesses whose profit rates exceed the lending rates.
34. For example, a business that borrows money at 8% per annum would have to earn at least 14.5% of profit on the capital borrowed, in order to repay the loan over a ten-year period, assuming repayments would be made on a monthly basis.
35. Taxpayers "pay" for the bailouts of financial institutions by having to pay higher prices for consumer goods and services. Bailouts cause inflation because they are invariably financed by "quantitative easing" (printing of money). Whenever central banks purchase the "assets" (invariably bad loans) of financial institutions, printed money enters the system and causes inflation. It is sometimes overlooked that not only commercial but also central banks can "create" money, albeit in different ways. Commercial banks "create" money by making loans; central banks do it by printing money. Inflation takes place whenever central banks, in an attempt to prop

- up troubled financial institutions, use newly printed money to pay full or pre-crisis (higher) prices to financial institutions for their “assets.” Such bailouts constitute a massive subsidy of the shareholders of privately owned financial institutions by taxpayers. In this sense, central banks – which in some countries such as the US are privately owned – effectively provide a “safety net” for banks.
36. In addition, as the Chicago (monetarist) argues, public spending does not replace but rather “crowds out” private investment.
 37. The US for example has borrowed heavily from China, Japan, and other nations that routinely “invest” their surplus earnings of foreign exchange, obtained from trade surpluses with the US, in US Treasury Bills, short term US government bonds.
 38. A higher value of the local unit makes imports cheaper but exports more expensive.
 39. Money supply in the narrow sense consists of cash and coins in circulation. In the average developed economy, this constitutes less than 5% of the money supply in the broad sense, which includes transactions (demand) deposits, as well as time deposits.
 40. This essentially takes place when banks make loans. These loans are hardly ever made in cash but almost always by check. As soon a loan is made, new money is “created.” To make a new loan in this way, the bank only needs to have enough excess reserves with the central bank to cover merely a fraction (commonly less than 10%) of the total amount of the loan.
 41. JAK banks in Sweden provide interest-free loans to consumers. The cost of administering such loans averages about 2% of the total amount of the loan.
 42. Open market operations refer to the trading (buying and selling) of government issued debt (bonds). Government bonds are issued by the ministry of finance, but the trading is carried by the central bank. A sale of bonds to banks has the effect of reducing the reserves of financial institutions, leading to a contraction of credit (lending) and an increase in interest rates. A purchase of bonds has the reverse effects.
 43. See for example, Hamid Reza Izadi and Maryam Izadi *New Monetary Policies in Usury-free Banking*, Asian Economic and Financial Review, 2013, 3(7), pp. 881-905.
 44. Rafe Haneef, “From Asset-backed to Asset-light Structures: the Intricate History of Sukuk,” *ISRA International Journal of Islamic Finance*, ISRA, Volume 1, Issue 1, December 20019, pp. 103 – 126.
 45. These effects include inflation, unemployment, sluggish growth and a growing gap between the rich and poor.
 46. During the recent (2007) financial crisis, the government of Sweden bought up most of the near bankrupt banks at rock bottom prices, effectively nationalising the banking system.
 47. Asset-backed securities are certificates of ownership of productive assets.
 48. n.a. *Resolutions of the Securities Commission Advisory Council*, revised second edition, Securities Commission, 2009, pp. 96 – 99.
 49. Hyman P. Minsky, “The Financial Instability Hypothesis,” Working paper No. 74, May 1992, prepared for *Handbook of Radical Political Economy*, Philip Arestis and Malcolm Sawyer (eds.), Edward Elgar Aldershot, 1993, pp. 7-8, accessed online on 9 May 2013, <<http://ssrn.com/abstract=161024> or <http://dx.doi.org/10.2139/ssrn.161024>>

THE DESTRUCTIVE LOGIC OF INTEREST: THE FALLACY OF PERPETUAL GROWTH

With a Discussion of Reformist Action by Islamic Banks

*Yusuf Jha**

Abstract: This paper seeks to discuss the historical narrative of interest, tracing how its societal legalization led to a shift that paved the foundations for our modern day financial architecture. With modern money being institutionalized as interest bearing debt, it posits that the destructive logic of perpetual growth leads to, amongst other things, the ‘transmutation’ of Western Europe, its Colonialist impulse, Globalization and the Privatisation of the Commons. Associated with these factors are the myriad crises facing the modern age, all connected to the financial system, such as resource depletion, distortion of fair trade, displacement of rural populations, global poverty, deforestation and the eradication of local ecosystems. The paper proposes that any serious reformation of the financial system has to start with removing what lies at the heart of its growth imperative, namely: interest.

“Anyone who believes that exponential economic growth can go on forever on a finite planet must either be a Madman or an Economist.”

-- Kenneth Boulding

Introduction

If there were any lessons to be learnt from the global financial crisis of 2008, it was that our current financial system is unsustainable and cannot last forever. Despite this realisation and the numerous after-effects that followed, such as the persistent economic downturn, global recession and the European sovereign debt crisis, instead of taking heed we have seen a return to the rhetoric of the “growth” mantra. It seems that amidst standard talk of regulatory reform, increased capital ratios, limits on leverage, new liquidity requirements and the new and improved Basel III; the following contention has been ignored: our financial system is unsustainable precisely because it was founded upon usury (read: interest¹), itself an unsustainable practice premised on the fallacy of perpetual growth.

Today the notion that the 2008 global financial crisis was a manifestation of systemic symptoms and underlying structural problems has found increasing consensus in the advocacy of both academics and financial professionals alike (Stiglitz, 2012 & Lietaer et al, 2010). Amidst a convergence of crises spanning the finance², energy³, health care⁴, and ultimately the environment⁵; the connecting factor has become increasingly apparent: money (Eisenstein, 2007).

Interest's Destructive Logic: Perpetual Growth

Modern money essentially only comes into existence through lending at interest, meaning that *“at any given time the amount of money owed is greater than the amount of money already existing”* (Eisenstein, 2011). As the money-producing institutions do not create the accompanying interest charge, the ‘perpetual gap’ between the collective debt owed and the amount of money present *“drives us into competition with each other and consigns us to a constant, built-in state of scarcity”* (Eisenstein, 2011). Crucially any future money itself comes into existence as interest-bearing debt (thereby perpetuating the gap), entailing *“the creation of money creates a future need for even more money”* (Eisenstein, 2011).

This is where the system's penchant for continual growth becomes manifest, as such *“new money does not come from mining more gold and minting more coins.”* Instead, *“It appears every time a bank or other institution makes a loan... which quantifies a judgment of one's ability to compete for money and therefore to pay back a loan with interest. In today's system, money does not exist without debt, debt does not exist without interest, and interest drives us to earn more and more money”* (Eisenstein, 2007). If the money supply does not grow, *“then a percentage of wealth-holders corresponding to the prevailing interest rate must go bankrupt”* (Eisenstein, 2011). There is no neutrality within an interest-based system, *“the choice is between growth and collapse, not growth and stability”* (Douthwaite, 1999, p.28-29).

This stark choice between economic collapse and a perpetually growing money supply means that in practice, fiscal policy becomes a balancing act between these two extremes. On the one hand, there is the need to continually grow so as to prevent collapse and on the other there is a cap on growing too much, for when money is created, *“in amounts exceeding the ability of the economy to create new goods and services, the result is inflation”* (Eisenstein, 2007, p. 269). This conundrum traps the entire global economy in a trajectory of seeking *“non-inflationary economic growth—an increase in the production of goods and services ... [and] the relentless conversion of life into money”* (Eisenstein, 2007, p. 269),

Modern money thus has *“crisis and collapse built into its basic design”*, for the very reason that it *“seeks interest, bears interest, and indeed is born of interest”* (Eisenstein, 2010). With the destructive logic of ‘perpetual growth’ enshrined as its necessary design feature, the effect of this ‘logic’ on various nations and institutions reveals *“the progressive conversion of nature into products, people into consumers, cultures into markets and time into money”* (Eisenstein, 2012a).

The Logic of Interest and the Colonialist Project

Arguably the dimension of seeking ‘perpetual growth’ was the major factor in inducing the colonialist impulse, as readily available capital provided the

backdrop to an era of plunder. It was primarily Genoese and German bankers that funded Spanish and Portuguese exploration of the Americas and the importation of New World gold and silver (Douthwaite, 1999). Likewise, it was the innovation of the world's first central banks of Holland and England that acted as the effective monetary counterpart to their nation state's chartered joint-stock companies; funding colonialist expedition under the remit of trade. Indicatively, the two East India Companies would not have been able to function as efficiently without a supportive credit system through their standard national banks. Citing the 'United Dutch East India Company (VOC)', Ferguson notes, *"Once Dutch bankers started to accept VOC shares as collateral for loans, the link between the stock market and the supply of credit began to be forged. The next step was for banks to lend money so that shares may be purchased with credit. Company, bourse and bank provided the triangular foundation for a new kind of economy"* (2009, p.133).

The result, as Graeber (2011) notes was that, *"Starting from the baseline date of 1700, then, what we see at the dawn of modern capitalism is a gigantic financial apparatus of credit and debit that operates – in practical effect – to pump more and more labor out of just about everyone with whom it comes into contact, and as a result produces an endlessly expanding volume of material goods ... At every point, the familiar but peculiarly European entanglement of war and commerce reappears – often in startling new forms ... Almost all of the bubbles of the eighteenth century involved some fantastic scheme to use the proceeds of colonial ventures to pay for European wars. Paper money was debt money, and debt money was war money, and this has always remained the case"* (2011, p. 346).

The growth imperative and resultant scrambling for territory among European powers would lead to dire consequences for much of the wider world. Using Africa as an example, Douthwaite (1999) cites how by the end of the 19th century, close to ninety-six percent of the second-largest and second-most-populous continent would be incorporated into the profit-making remit of a Western European state. By way of illustration, he notes, *"By the end of the (19th) century France had secured 4 million square miles, Britain 3 million and Germany, Portugal, Belgium and Italy about 900,000 each. Only two countries – Liberia and Ethiopia, just 4 per cent of a continent the same size as the United States, Australia, India and China put together – were not incorporated into the supply and marketing system of a major power"* (1999, p. 38-39).

Douthwaite (1999) contends that the First World War could be attributed to this "growth imperative" in that populous European powers such as Germany *"had come rather late to the territory-grabbing game and was unhappy with what it had got"* (1999, p. 39-40). Accordingly, the aftermath of the war and formal

dismantling of empires would entail that opportunities for overt imperialist expansion were to recede, necessitating more “*subtle forms of exploitation*” (Douthwaite, 1999, p. 38).

The Logic of Interest and Corporations

It is no co-incidence that Joint-stock corporations were created at the beginning of the colonial period (Graeber, 2011, p. 449). Tracing history from the first major modern corporations such as the Muscovy (Russian) Company (chartered in 1555), through to the two East India Companies (The British and Dutch, both chartered in 1600’s), they were direct facilitators of the most expansive military colonialist ventures of their times. For a century, one such private, profit-seeking British corporation governed India, using military force where necessary, such as that to “*shut down the (more efficient) Indian cotton export trade*” (Graeber, 2011, p. 347). This “*peculiarly European entanglement of war and commerce*” was built on a direct link between the world’s first stock markets (in Holland and England) and the military ventures of their parent companies (Graeber, 2011, p. 346).

The facilitation of such military fetish was only possible, in that the credit produced by the banks was on hand to feed it in a manner unprecedented. This was because “*The creation of central banks represented a permanent institutionalization of that marriage between the interests of warriors and financiers that had already begun to emerge ... and that eventually became the foundation of financial capitalism*” (Graeber, 2011, p. 364). The key to the rise of the Corporation, was thus precisely in its being able to combine the capital, and therefore the economic power, of unlimited numbers of people, all being supported against the backdrop of the money-creating powers of banks, in facilitating military endeavour (Bakan, 2005, p. 8).

By the final decade of the seventeenth century, Corporations evolved to overtake more traditional forms of partnerships deemed inadequate for financing the new large scale industries of industrialization (Bakan, 2005, p. 9). This burgeoning wave of new Corporations meant that their number in post-revolutionary America, between 1781 and 1790, would increase from 33 to 328 (Bakan, 2005, p. 9). Keeping with this trend, industrial undertakings would become more and more capital-orientated, for example railway and infrastructure construction would not have been able to function and develop at the scale they did without the significant number of Corporations facilitating them. Illustratively, in England, between 1825 and 1849, the amount of capital raised by joint-stock companies, increased from £200,000 to £230 million, more than a thousand-fold (Bakan, 2005, p. 10).

Thus the Corporation arose as a direct creation of interest’s growth imperative; in keeping with the theme of “perpetual growth” its function was to maximize

the role of capital, to become efficient ‘profit-making machines’ (Bakan, 2005). According to Armor, Hansman and Kraakman (2009) all Corporations would eventually possess five distinct, core, structural characteristics, each intricately geared at optimizing profit, namely: (1) legal personality, (2) limited liability, (3) transferable shares, (4) centralized management under a board structure, and (5) shared ownership by contributors of capital (2009, p. 7). Collectively, “*these characteristics have strongly complementary qualities for many firms. Together, they make the corporation uniquely attractive for organizing productive activity*” (2009, p.7).

With “*productive activity*” being a synonym for maximization of profits, this very over-riding function of the “growth of money” has led to the Corporation being termed both “*psychopathic*” (Bakan, 2005) and “*destructive*” (Korten 2010) in its orientation. The destructive logic therein has been described by former Harvard University Business School Professor David Korten as one of ‘nurturing the growth of money at the expense of life’. He notes, “*The publicly traded, Limited Liability Corporation is more accurately described as a pool of money with special legal rights and protections dedicated to self-reproduction ... Only the money, which the corporate officers are legally bound to serve, has rights ... Management’s real focus is on the money, not the shareholders. In effect they are hired by money to nurture its growth and reproduction even at the expense of life*” (Korten, 2013).

With the modern form of Corporations consisting of typically combinations of thousands, even hundreds of thousands, of broadly dispersed, anonymous shareholders; responsible ownership is arguably stifled in favour of the profit motive⁶ (Bakan, 2005, p. 14). In his book, *The Corporation: the pathological pursuit of profit and power*, Canadian Law Professor Joel Bakan presents a series of striking examples illustrating how profit maximization is consistently commercially justified to effect a series of humanitarian disasters. From child labour in developing world sweatshops, to the use of pollutant externalities, and the disturbing trial of *Anderson v General Motors (GM)* wherein the latter was found to have factored in potential human fatalities as part of its “*cost-benefit analysis*” (Bakan, 2005, p.64); the words of “money having to grow even at the expense of life” have a ring of truth to them.

Today, practically all economic activity in the world is carried out under the corporate form (Bakan, 2005, p. 112). Of the world’s largest 100 economic entities, 51 are corporations and 49 are countries (Anderson & Cavanagh, 2000). This structural bias towards “money’s growth” pre-empts the best of intentions of those who work in them, despite recent discourse on the social responsibility of Corporations, the bottom-line remains the same⁷.

The Logic of Interest and Financial Capital

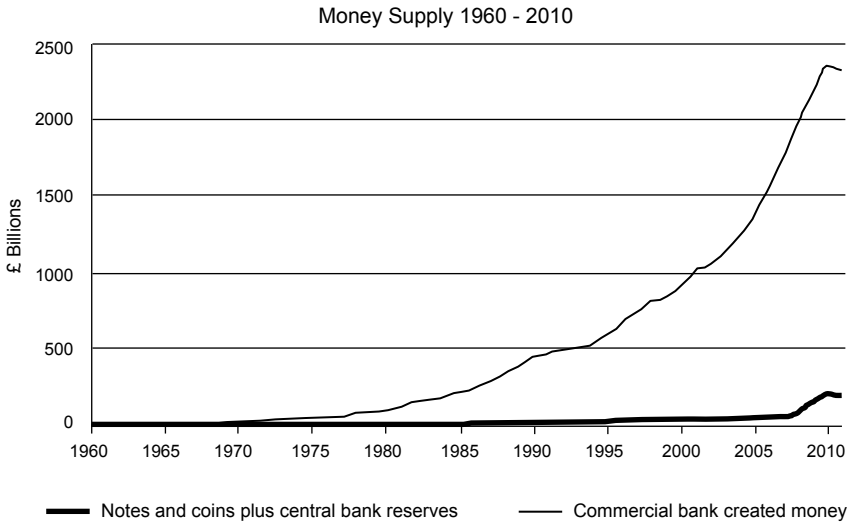
The Bretton Woods system initially sought the ‘control of capital movements’ through the use of a fixed exchange rate as all U.S. currency held outside the country was redeemable at \$35 per ounce of gold. The stated desire of a fixed exchange rate was to allow for the full freedom of cross border trade, though its effects were short-lived. On August 15, 1971, *“United States President Richard Nixon announced that foreign-held U.S. dollars would no longer be convertible into gold – thus stripping away the last vestige of the international gold standard ... By doing so, Nixon initiated the regime of free-floating currencies that continues to this day”* (Graeber, 2011, p.361).

Whatever his reasons⁸ were, *“The immediate effect of Nixon’s unpegging the dollar was to cause the price of gold to skyrocket ... The result was a massive net transfer of wealth from poor countries, which lacked gold reserves, to rich ones, like the United States and Great Britain, that maintained them”* (2011, p. 362). With the global system of credit money entirely unpegged from gold, the world entered a phase of financially unprecedented history, the amount of money banks could create by making loans was essentially only limited by their own reserves – leading to a phase perhaps being best termed as ‘growth mania’ (Daly, 1974).

The unfettered growth imperative of interest would progressively destroy and distort more aspects of trade in this era than any other. As Eisenstein (2009) states, *“the credit bubble that is blamed as the source of our current economic woes was not a cause of them at all, but only a symptom. When returns on capital investment began falling in the early 1970s, capital began a desperate search for other ways to maintain its expansion. When each bubble popped – commodities in the late 1970s, S&L real estate investments in the 1980s, the dotcom stocks in the 1990s, and real estate and financial derivatives in the 2000s -- capital immediately moved on to the next bubble, maintaining an illusion of economic expansion.”*

The removal of the dollar peg and the subsequent deregulation of domestic and international finance (Tucker, 2007), meant that commercial banks were able to lend in a manner unconstrained. Citing the UK as an example, the Earl of Caithness in the recent 2009 Banking Bill debate noted, *“UK money supply has grown from £31 billion in 1971, when President Nixon closed the gold window, to in excess of £1,700 billion today. Let us consider the implications of those last two figures. They mean that every year since 1971 the banking system has created, on average, for its own use, in excess of £44 billion. That is more per year than the entire money supply which had, until 1971, sustained our economy since recorded history and through two world wars”* (House of Lords, 2009).

The exponential money growth prompted by commercial banks from the 1970s onwards is illustrated in the case of UK by Figure 1 below:



(Source: Positivemoney.org)

Figure 1: Fluctuation in UK Money Supply through Commercial bank created money

This new dawn of *“the financialisation of capital meant that most money being invested was completely detached from any relation to production of commerce at all, but had become pure speculation”* (Graeber, 2011, p.376). This speculation in turn, would seemingly come at a cost as Lietar and others note that: *“According to the IMF, between 1970 and 2010 there were 145 banking crises, 208 monetary crashes and 72 sovereign-debt crises; in other words, a staggering total of 425 systemic crises. An average of more than 10 per year! These crises have hit more than three-quarters of the 180 countries that are members of the IMF, many of them being hit several times”* (2012, p. 12).

The ensuing ‘financialisation of capital’ could be largely said to be twofold: the trading of capital on the foreign exchange markets and the trading of ‘positions on capital’ on the financial derivatives markets. In discussing both, Lietar and others (2012, p.11) claim: *“Today’s foreign exchange (forex) and financial derivatives markets dwarf anything else on our planet. In 2010, the volume of foreign exchange transactions reached \$4 trillion per day. One day’s exports or imports of all goods and services in the world amount to about 2% of that figure.”* In that this entails that *“98% of transactions on these markets are purely speculative”* Lietar chooses to refer to the modern global economy as *“the Global Casino”* (2012, p.12).

This increasing rift between the financial markets and the real economy is what prompts the likes of David Korten (2010) to author his *“Declaration of independence from Wall Street”*, wherein he proposes his agenda to move from *“Phantom Wealth to Real Wealth”* (2010, p.1). Therein, he states that *“Asset bubbles create only phantom wealth that increases the claims of the holder to society’s real wealth and thereby dilutes the claims of everybody else”* (2010, p.32); a ‘fallacy’ he later ascribes to the erroneous belief that *“interest grows faster than trees”* (2010, p. 32).

The growth imperative of interest having contributed to the further stripping of capital into derivatives (options, futures, swaps, etc.) would lead to a situation wherein these instruments would come to dominate the vast majority of trade. The net result of derivatives being standardized and sold ‘over the counter’ (OTC), mostly by banks has meant that *“the total notional amount of over-the-counter derivatives still outstanding totaled an eye-popping \$604.6 trillion in June 2009, compared with an estimated 2009 gross world product of \$ 58 trillion”* (Korten, 2010, p. 118). Illustrative of the ever-widening gap between the financial and real economy, this was over eight times the entire world’s annual GDP in the same year!

All of this has contributed to the volatility of the financial markets wherein repercussions of ‘waves of credit’ has been described by Lietar (2012) as being more akin to that of a ‘financial tsunami’ than that of a calm sea. According to the London based think-tank, International Financial Services London (IFSL): *“During the financial crash of 2008, the global total of asset-backed securities issued and sold to investors fell by 79 percent to \$441 billion, as overleveraged borrowers, banks and investors exited the market”* (IFSL, 2008).

This era of unregulated casino-style financial manipulation may be considered the final stages of the ‘unfolding of a process centuries in the making’ (Eisenstein, 2010). The reasons for this being plainly connected to the destructive logic of perpetual growth, are that *“the supply of money – and the corresponding volume of debt – has for several decades outstripped the production of goods and services that it promises ... Faced with the exhaustion of the non-monetized commonwealth that it consumes, financial capital has tried to delay the inevitable by cannibalizing itself. The dot-com bubble of the late 90s showed that the productive economy could no longer keep up with the growth of money. Lots of excess money was running around frantically, searching for a place where the promise of deferred goods and services could be redeemed. So, to postpone the inevitable crash ... The new financial goods and services that arose were phony, artifacts of deceptive accounting on a vast, systemic scale”* (Eisenstein, 2010).

The resultant accent on privatisation, like the process of capital stripping and cannibalizing itself, would seek to perpetuate growth; but, at what cost?

The Logic of Interest and the Concept of Property

The whole process of money creation as interest bearing debt merely postpones the day of reckoning by deferring the need to create new goods and services into the future. This in turn creates a pressure to find more things that can be sold, the resultant accent on privatization means that *“Life itself has become a consumer item”* (Eisenstein, 2010).

Whilst fair markets recognize the role of private property and enforceable property rights; the growth imperative of interest leads to a more sinister manifestation of liberal doctrine. As Eisenstein (2011) says, *“Because of interest ... to make new money to keep the whole system going, we have to ... create more ‘goods and services’. The principal way of doing so is to begin selling something that was once free. It is to convert forests into timber, music into product, ideas into intellectual property, social reciprocity into paid services. Abetted by technology, the commodification of formerly nonmonetary goods and services has accelerated over the last few centuries, to the point today where very little is left outside the money realm It is why drinking water has been the number-one growth category in beverage sales.”*

During the ‘*Water Wars*’ fought in Bolivia in 2000 and 2005, Crane and Matten (2010) state that the Bolivian government granted monopoly rights to a private water corporation in the now infamous Law 2029 which ensured that *“people were not allowed to use water for free out of their wells or even to collect rainwater”* (2010, p. 86).

Eisenstein’s (2011) central assertion is that interest effectively causes money to seek to privatise four broad categories of the common wealth comprising natural, social, cultural, and spiritual capital, as it *“converts the unique and sacred into the monetized and generic.”* It is the two factors of *“interest-bearing debt and systemic growth pressure”* that collectively entail that, *“the destruction of a forest to create 100,000 board feet of lumber is, preposterously, counted as an increase in wealth. The forest no longer contributes to soil stability, oxygen production, climate stability, biodiversity protection, and so on, but those losses are not included in the price of a plank of lumber. Together, these two factors drive the conversion of the natural commons everywhere into money”* (Eisenstein, 2012).

The ascription of Property Rights to a host of previously unsold phenomena supports Eisenstein’s assertion. Today forms of natural capital barely known to have existed have become private property as multilateral agreements such as the International Property Rights (TRIPS⁹) have effectively forced developing countries to extend property rights to indigenous seeds and plant varieties¹⁰. Unfortunately the allocation of corporate property rights to individual plant genes has already potentially impacted agricultural practices that two thirds of the world relies upon for their livelihoods (Shiva & Holla-Bhar, 1996).

In tandem with the drive to patent and privatise indigenous cultural and local knowledge (Shiva & Holla-Bhar, 1996), property rights claims have also conspired to deny viable treatments and cures that would save lives in epidemic proportions. When the 39 pharmaceutical corporations chose to sue the South African government in its effort to import and produce cheaper generic HIV/AIDS drugs for its 4.7 million dying HIV patients, they were merely following the “growth imperative” embedded within the logic of their organizations. Today six corporations own 70% of patents on staple food crops (ActionAid, 2004), with the electromagnetic spectrum (Crandall, 2008), sequences of genetic DNA (Kennedy, 2002), and, even the earth’s capacity to absorb industrial waste having been privatized (Eisenstein, 2011).

Often forgotten, such “privatisation” does not stop at the level of new “goods”, there is also a simultaneous pressure to increasingly monetize and provide new “services”. This has contributed to the destruction of community. As Eisenstein (2012) says, *“In our current system, economic growth means the conversion of nature into product and human relationships into services. It is widely recognized, at least among environmentalists, that Earth cannot sustain much more of the former. Less understood is that the expansion of services bears a limit as well, that we witness today as the atomisation of community, the disintegration of civic culture, the enclosure of the cultural commons, and the deskilling and helplessness of nearly the entire population. There is little left that we do not already pay for.”*

The End of Growth

The most important financial development during the phase of ‘growth mania’ was that of ‘securitisation’. Described as the financial practice of pooling various types of contractual debt, it allows for investors to fund debt through debt. As Figure 2 below shows, the development of four deeply interconnected financial markets were all premised on the concept of ‘securitization’. These markets in turn allowed for an unregulated “shadow banking system,” made up of hedge funds, money market funds, investment banks, pension funds, and other lightly-regulated entities; underpinning the financial system as a whole. Collectively “shadow banking” symbolises the failure of the financial system in its imperative for perpetual growth. With the total amount of such unregulated money to be estimated between \$70 to a \$100 Trillion (Fiaschi, 2013); the figures indicate anything from 30% to more than half of the world’s total money supply are unaccounted for¹¹. Illustrating the “money madness” that engenders a spirit of mass insider trading, collusion and collective fraud has like the regulated system it feeds off reached its limit as well.

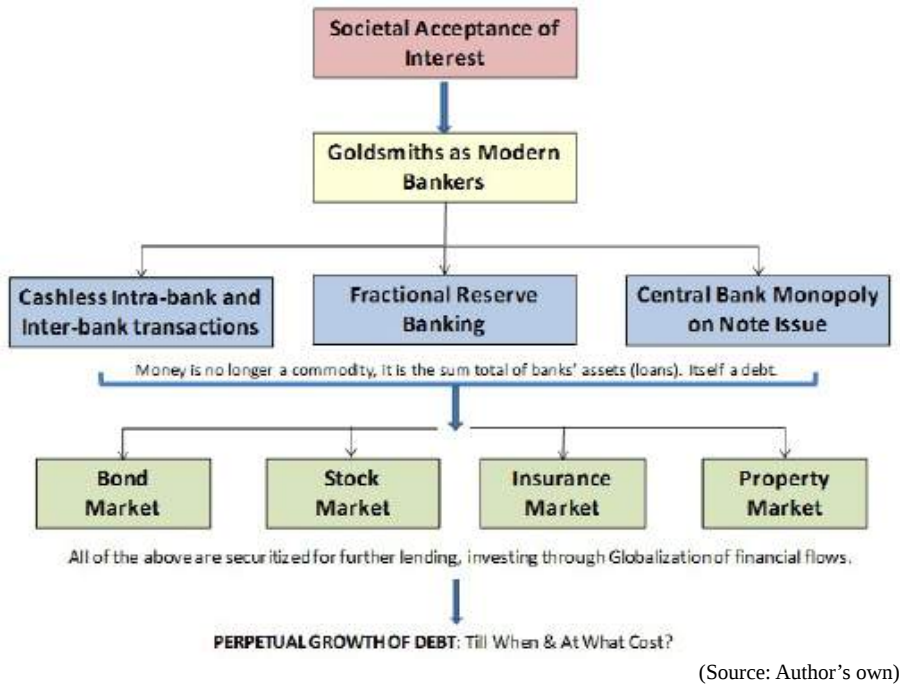


Figure 2: Illustrating the ‘Financialisation of Capital’ introduced by Interest

The systemic “end of growth” has long been in sight. Richard Heinberg, Senior Fellow of the Post Carbon Institute, states that “growth is over because of a convergence of three factors—resource depletion, environmental impacts, and systemic financial and monetary failure” (Heinberg, 2011). At the threshold of a crisis of our own making, we have reached an impasse in our ability to grow. Eisenstein says, “There is little more we can convert. Technological progress and refinements to industrial methods will not help us take more fish from the seas – the fish are mostly gone. It will not help us increase the timber harvest the forests are already stressed to capacity. It will not allow us to pump more oil the reserves are drying up. We cannot expand the service sector – there are hardly any things we do for each other that we don’t pay for already. There is no more room for economic growth as we have known it; that is, no more room for the conversion of life and the world into money” (Eisenstein, 2010).

Arriving at the gradual exhaustion of the remaining supplies of accessible petroleum, the onset of “Peak Oil¹²”, depletion of over fifty percent the world’s fisheries, destruction of rain forests, acidifying oceans, disappearing species, threatened food chains, changing climate; there is little left to supply the

“growth” machine. In its place the former administrator of the United Nations Development Program, James Gustave Speth, asks what he calls the big question, namely, “*How can the operating instructions for the modern world economy be changed so that economic activity both protects and restores the natural world?*” (Speth, 2008).

The Role of Islamic Finance

When Mufti Taqi Usmani (2008) wrote his landmark paper on *Sukuk and their Contemporary Applications*, he opposed the fact that most Islamic investment certificates (Sukuk) were effectively structured as Bonds through their guaranteeing the return of principal, lack of asset ownership and display of similar cash-flow mechanics. He wrote, “*The mechanisms used in Sukuk today...render the Sukuk exactly the same as conventional bonds in terms of their economic results. Islamic banks were not established so that they could offer the same products, and engage in the same operations, as conventional banks in the prevalent interest-based banking system*” (Usmani, 2008). With the issuing of an AAOIFI¹³ directive prohibiting the characteristics outlined in Mufti Taqi’s paper, one may have expected a change in Sukuk dynamics. And yet, practically every single Sukuk issued since has had the same characteristics, i.e. that of a *bond*. Mechanics and justification¹⁴ aside, there is a reason why Sukuk display bond-like characteristics; it is that they are essentially issued in a bond market (See: Figure 2).

Most Islamic Finance practitioners will readily concede that the story of Sukuk is echoed across almost all Islamic Finance products. Today, practically every single Islamic Finance product finds its origins in an economic, risk and cash-flow sense from a commercial equivalent¹⁵. The fundamental problem Islamic Finance faces is that it is trying to impact a system based on the negation of interest within the organizational structure, law, regulation and general market framework that was founded on its very logic. No wonder Mufti Taqi in the very same paper was driven to write, “*Islamic financial institutions have now begun competing to present themselves with all of the same characteristics of the conventional, interest-based marketplace, and to offer new products that march backwards towards interest-based enterprises rather than away ... Oftentimes these products are rushed to market using ploys that sound minds reject and bring laughter to enemies*” (Usmani, 2008).

Thus the main criticism against mainstream Islamic Finance from those within and outside the industry is that the current practice of reductive focus on transactional validity, as opposed to the wider dynamics and market, remit they operate in has unwittingly co-opted Muslims into the very logic they should oppose. Instead of providing a viable alternative, as Maulana Akram Nadwi

states, *“the instruments and transaction contracts that are billed under Islamic finance are only just Islamic and only in the latter, symbolic sense: they build or propose legal solutions on the pattern of terminology and contracts ... without any regard for whether the general outcome to which these contracts contribute is even tolerable, let alone desirable”* (Nadwi, 2013).

As such, mainstream Islamic Finance is not formulated towards answering Speth’s big question; its operational concern instead of proposing an alternative to the destructive growth imperative has effectively been to normalize it under an ‘Islamic’ pretext. It is important to note that this has happened notwithstanding the sincere intentions of many of its practitioners to bring about a genuine change; like Corporations the structural elements of greed and profit maximization at all costs embedded within the industry discount the good desires of those within.

Despite this, recent times have seen more genuine initiatives in Islamic commerce, perhaps more in keeping with that first conceived by the early generation of Islamic economists¹⁶.

Reforming Islamic Finance

Whilst this paper has sought to be diagnostic without necessarily being prescriptive, it will conclude in providing one such way mainstream Islamic Finance can rectify its organizational structure to effect change consistent with an emergent contemporaneous de-growth movement¹⁷. Perhaps the most impressive aspect of Islam’s medieval economy was the role of Awqaf (plural: Waqf); the practice of charitable endowments that was systematised to such a degree that entire nation state economies were supported through them. Historically such privately run endowments provided services throughout the Muslim world in a manner akin to contemporary welfare states; such as food, housing, health and education – all decentralized and provided at practically zero cost to the State (Çizakca, 1998). The Cash Waqf, consisting purely or partially of cash provisioned for a variety of purposes, was historically, in economic terms, the closest precedent to Islamic banks. Cash Awqaf often contributed non-interest bearing loans to the public as well as each other through innovative means not entirely dissimilar from modern day Islamic Banks (Çizakca, 2004). Whilst contemporary times have seen this institution cease to play an effective role for a variety of reasons ranging from under-development, colonization and the establishment of national states wherein Waqf-controlled assets came to be centralized; its revival under Islamic Finance could potentially play a central role in the de-growth movement.

Scholars such as Çizakca (1992) recommend that Islamic banks be obliged by the government, (or by regulatory authorities such as AAOIFI), to allocate a certain portion (e.g. 5%) of their investment portfolio per annum to the purchase of Waqf certificates (being certificates with a right to the income and not ownership

in the underlying assets, as per Waqf principles). The allocation and management of social capital by Islamic banks and the revival of community orientated, decentralized Awqaf; could literally be a 'match made in heaven'. Contemporary scholars such as Sadeq (2005) and Kamali (2005) argue precisely for this mode of action in their stating that the successful and professional management of such Trust-based Awqaf community projects could be best orchestrated professionally by Islamic Banks.

Whilst Islamic banks, being commercial banks, would find it difficult to transform the structure of their balance sheet portfolios, as that would risk compromising deposit or savings usually mandated to be protected by state regulatory authorities; such *Waqf* funds, in a manner akin to investment funds could effectively operate as off-balance sheet activities (See *Figure 3* below). This would be particularly feasible, as most Islamic banks operate a mandated charity account, thereby allowing them to add seed money to the fund as charity in addition to managing the funds with a profit generation incentive.

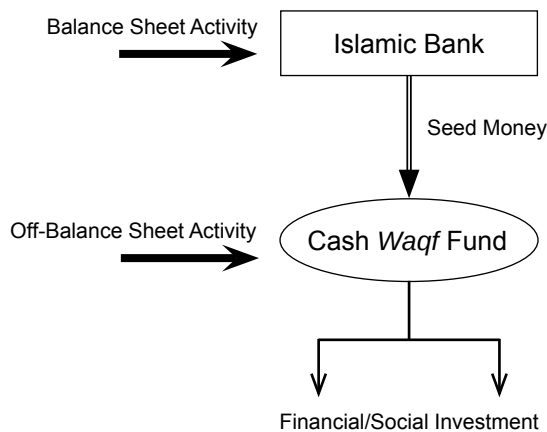


Figure 3: The Waqf Fund as an Off-Balance Sheet Activity

The net-effect would be to enable Islamic banks to embody a de-growth dynamic under their mainstream growth one. Recent developments in the industry indicate cause for optimism. From Pakistan's Meezan Bank inspired *Ihsan Trust*¹⁸ to Malaysia's *Waqaf An-Nur Corporation Berhad's* (WANCorp)¹⁹ model of a corporate waqf; Islamic Finance is gradually learning to focus on the wealth-creating core at the very heart of the capitalist system, the role of interest-based money and the Corporation. By previously ignoring the growth narrative

of usury and the institutions that arose out of it, Islamic Finance's intelligentsia have ignored the fundamental Islamic command of paying heed to direction, as the Qur'an asks:

“So where then are you going?” [Qur'an, 81:26]

In answering this question it may help to reflect that it is no co-incidence that the implied meaning of *Riba*, the word for usury in Islam, is '*destructive growth*' and the meaning of *Waqf* is literally to '*stop it*'.

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Notes

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1. The demarcation between Usury and Interest is historically at least, a false one. The papal position before Henry VIII's 1545 "*An Act Against Usurie*" was that usury was the sin of *any* amount of interest charged on a monetary loan. This was in keeping with scholastic theologians of Christendom such as Thomas Aquinas who saw usury as an abuse of the natural essence and function of money. Thus the allowance for 'non-usurious' rates of interest was a later development introduced by the moral relativism advocated by Christian reformists such as

Calvin (1509–1564) and Luther (1483–1546) and eventually impacted by the Church of England. This paper adopts the pre-reformist position in considering usury and interest alike and uses the terms interchangeably with no difference intended, except where interpretative difference occurred historically, in which cases the relevant distinction will be made explicit.

2. The fragility of the global financial system is illustrated by impending hyperinflation, currency collapse, and depression waiting for the day when the American dollar can no longer be sustained (Eisenstein, 2007).
3. Peak Oil and the dependency of all aspects of our economic infrastructure and food supply on fossil fuels is a significant challenge when one considers that no conventionally-recognized alternative energy source can possibly hope to replace oil and gas any time soon (Eisenstein, 2007).
4. Recent times have seen an epidemic rise of autoimmune diseases; heavy metal poisoning, electromagnetic, chemical, and genetic pollution. These factors aligned with the degeneration of the modern diet, the toxicity and impotence of most pharmaceutical drugs causes significant cause for concern (Eisenstein, 2007).
5. Climate change, global warming, desertification, coral bleaching, tree death, topsoil erosion, habitat destruction, irreversible loss of biodiversity, toxic and radioactive waste, PCBs in every living cell, swaths of disappearing rainforests, dead rivers, lakes and seas, increasing slag heaps and quarry pits all point to the fact that the planet the next generation will inherit will be very different to one we currently live on (McKibben, 2011).
6. It may be worth paying heed to the former founder of Body Shop, Anita Roddick, her company being one of the first to prohibit the use of ingredients tested on animals and one of the first to promote fair trade with third world countries (Bakan, 2005, p.51). Losing control of her company's directional policy after floating it on the London Stock Exchange, she had this to say, *"You go onto the stock market ... and the imperative is to grow – and by a small group of people's standards, financial investors who are gamblers ... like in a casino", she called the whole process, "A pact with the Devil"* (Bakan, 2005, p. 52).
7. Despite talk of the Triple Bottom Line in People, Planet and Profit; decisions taken for the first two can only be acted upon if there is justification for the third. As Milton Friedman says, *"There is but one social responsibility for their shareholders, to make as much money for their shareholders. This is a moral imperative. Executives who choose social and environmental goals over profits – are, in fact, immoral"* (Bakan, 2005, p. 34). Similarly concepts such as that of "Enlightened Shareholder interest" and "Corporate Social Responsibility" justify behaviour only on the grounds that in the long term they will increase shareholder profits. Thus mainstream economic discourse retains the bottom line of profits as the sole maxim for management to pursue.
8. Graber (2011, p. 364) alludes that, *"Nixon floated the dollar in order to pay for the cost of war in which, during the period of 1970-1972 alone, he ordered more than four million tons of explosives and incendiaries dropped on cities and villages across Indochina ... The debt crisis was a direct result of the need to pay for the bombs, or to be more precise, the vast military infrastructure required to deliver them."*
9. For more details on TRIPS, visit: http://www.wto.org/english/tratop_e/trips_e/

- trips_e.htm [Accessed 26 May, 2014].
10. See: Interview with Vandana Shiva on The Role of Patents in the Rise of Globalization. Available from: http://www.inmotionmagazine.com/global/vshiva4_int.html [Accessed 26 May, 2014] Wherein the Environmental activist Vandana Shiva says: *"If you want to have one tool for imperialistic control, it's the patent law under the WTO agreement ... With the broadening of patents to life forms, patents do not just regulate technology they regulate life."*
 11. Though initially estimated to make up 25 to 30 percent of the total financial system according to the Financial Stability Board (FSB), a regulatory task force for the world's group of top 20 economies (G20); later estimates in 2010 and a 2013 paper by Fiaschi (2013) posited the size of the shadow banking system to have been over \$100 trillion in 2012.
 12. "Peak Oil" is often misunderstood to refer to the total exhaustion of petroleum resources. In fact it just signifies the period when the production of oil achieves its maximum rate before beginning its inevitable decline. This peaking and decline of production has already been observed in thousands of individual oilfields and in the total national oil production of many countries including the U.S., Indonesia, Norway, Great Britain, Oman, and Mexico (Heinberg, 2011).
 13. AAOIFI (The Accounting and Auditing Organization for Islamic Financial Institutions): Is an international autonomous non-for-profit corporate body that prepares accounting, auditing, governance, ethics and Shariah standards for Islamic financial institutions and the Islamic Finance industry as a whole. (See: <http://aaoifi.com>)
 14. Most Sukuk issued since Mufti Taqi's paper and AAOIFI's resolution rely on the dispensation provided to Ijarah contracts, wherein similar repurchase agreements at face value are deemed tolerable. In practice, genuine asset risk pertaining to Ijarah assets is likewise mitigated, as most such Sukuk are "asset based", implying a nominal ascription to assets through repurchase agreements (not true sales), rendering them effective debt obligations conducive to the ratings of credit rating companies.
 15. This could be posited as the real reason why Organizational Tawwarruq though effectively deemed non-Shariah compliant by AAOIFI is in widespread use across Islamic Financial Institutions; i.e. it has to mimic an interest based loan for short-term liquidity requirements (Khan, 2009). Similar arguments could be extended to a whole plethora of Islamic Finance products.
 16. In the late 1960s and early 1970s, pioneering Islamic economists (Baqir al-Sadr, 1968; Mawdudi, 1969; Chapra, 1970 and Kahf, 1973) sought to place the Islamic Economic system as one that would promote universal brotherhood and justice, equitable distribution of income and individual financial freedom through the fulfilment of basic human and spiritual needs for all.
 17. As a reactionary movement to the growth imperative built into our contemporary financial system, there has arisen a counter alternative financial narrative premised on the principles of *de-growth*. As the name implies, this narrative proposes a system that incorporates the ecological limits of the planet, precluding and countering the structural need for its endless growth in consumption. From Hernan Daly's *Steady State Economics*, Tim Jackson's *Cinderella Economy* (Jackson, 2011, p. 197) to the contemporary revival of Gift Economics, including

Islamic Gift Economics (Setia, 2011a); academics and activists alike are realizing the many limits to economic growth.

18. *The Meezan Bank* of Pakistan, in their founding of the Ihsan Trust (www.ihsantrust.org), have instituted a Cash Waqf that provides development microfinance, benevolent loans, and educational grants for financial assistance; all as the charitable arm of the Bank itself (i.e. utilizing its seed money).
19. The *Waqaf An-Nur Corporation Berhad* (WANCorp) is essentially a corporate waqf by Johor Corporation (JCorp), itself a State Investment Corporation in the state of Johor, Malaysia. Amongst the flagship initiatives of the corporate Waqf are: owning and managing a chain of 17 clinics and a full-fledged hospital, providing start-up capital for Microenterprises, Disaster relief and the management of a chain of seven mosques catering to over 15,000 worshippers (Obaidullah, 2014).

CONTENTMENT (*QANĀ'AH*) AND ITS ROLE IN CURBING SOCIAL AND ENVIRONMENTAL PROBLEMS

*Mohammed Farid Ali**

Abstract: Contentment is an important dimension of virtuous human character (*akhlaq*) in the context of our attitude towards material provision and worldly sustenance, and our attitude towards sharing our sustenance with others. We first explore the position which the discipline of cultivating human character holds in Islam. It discloses the direct relationship of human character with our society and the environment. These relations are the foundation on which the treatment of contentment (*qana'ah*) is based. After defining the term *qana'ah*, we discuss the “good wholesome life (*hayatan tayyibah*)” mentioned in the Qur'an (*al-Nahl* 16:97) which denotes ‘self-contentment’. The term provides the premise that a virtuous and pure life in this world is based on human self-control towards his means of provision, his society, and the environment. With a disciplined human attitude towards material means, material abundance or scarcity of worldly things will not disrupt one's conviction and self-sufficiency. We then discuss the by-products of non-contentment and greed such as wasting of food and other natural resources. This leads us to the topic of self-discipline in terms of dealing with the material world and our fellows. Finally we discuss the importance of self-discipline through frugal-moderation for individual and civilisational renewal.

Human Character and its Position in Islam

In Islam, *akhlaq*, (ethics) (singular *khuluq*) or the cultivation of virtuous character-traits, is conceived as the principles which govern human conduct and behaviour determined by revelation (Qur'an and Sunna). These character-traits are principles which discipline and rectify human existence in order to achieve the purpose of human life in this world to the fullest. This conception of human behaviour brings home the point that morality is a system of conduct leading to the good life. It is a model of behaviour and practical knowledge to deal with others redundant. The ‘others’ here can be living beings whether fellow people and animals or inorganic things including our environment, property, wealth, etc. What one should stress here is that the moral order is not merely a subsidiary portion of Islam, rather it is the essence of Islam which is all-pervading in every aspect of life. It may be said by and large that the axis of the Islamic order is its moral praxis and philosophy. The Prophet ^{sallallahu} _{alayhi wa sallam} stated: “Indeed I was sent to perfect the noble character-traits”.¹ In his famous hadith the Prophet ^{sallallahu} _{alayhi wa sallam} confined his mission to perfect or to complete the virtuous qualities of humans. He was sent to complete the ethical guidance which previous Prophets had initiated. Hence, the objective of the Prophets and their guidance sent by Almighty Allah

was the moral perfection of humans.

The Prophet's utterance sheds light on the deep relationship between Islam and morality. This relationship is seen in many statements of the Prophet Muhammad sallallāhu 'alayhi wa sallam including: "Religion is good character"² which defined Religion as 'good character (*husn al-khuluq*)'. This relationship between religion and morality was clear to the Companions of the Prophet sallallāhu 'alayhi wa sallam. When the mother of believers 'Ā'ishah was asked about the character of the Prophet, she answered: "His character was the Qur'an (*kāna khulquhu al-qur'ān*)". This is further supported by the statement related from the Prophet sallallāhu 'alayhi wa sallam himself: "Obscenity and obscene actions do not pertain to Islam in anything, and the best people in terms of Islam are best in terms of character".³ In another occasion he is reported to have said: "Islam is [all about] good character".⁴

The nature of the relationship is such that both Islam and good character are inseparable. Weakness in one will project weakness on the other and vice-versa. The relationship between the two does not end here. It is reflected at the literary level where the word character (*khulq*) and the word *dīn* (faith-practice) complement each other as synonyms. The word *dīn* denotes the duties one has towards Almighty Allah, towards oneself, towards others, and one's duties towards other living creatures. On the other hand, the word *akhlāq* similarly denotes these duties as we pointed out above.⁵

We emphasise that morality is not merely a portion of Islam, but is the essence of Islam, which pervades every aspect of Islam like faith (*īmān*) itself. The cord between faith and morality is reflected in the hadith: "the most perfect of believers in faith are the ones who have more superior character-traits".⁶ The perfection of faith here is attached to the perfection of character. The relationship between faith and character is evidenced in other reports: "One is not faithful unless he loves for his brother what he loves for himself." Similarly the narrated hadith: "he who believes in Allah and the Last day will not hurt his neighbour, he who believes in Allah and the Last day should entertain his guest, and he who believes in Allah and the Last day should say good words or should remain silent."⁷ Consideration of one's faith here is made dependent on good attitude towards neighbours and on speech which does not harm people's feelings.

Likewise, morality is deeply embedded in the ritual worship (*'ibādah*) prescribed by Islam. In essence the spirit of worship is profoundly ethical, for worship is fulfilment of the duties one has towards Almighty Allah. The ethical concern prevails in all acts of worship.⁸ For example regarding prayers (*ṣalāh*) Almighty Allah says (*al-Ankabūt* 29: 45): "And establish regular prayer: for prayer restrains from shameful and unjust deeds." In regard to fasting the Prophet explained that one who does not behave morally, Almighty Allah will not accept his fast. Abu Hurayrah reported the Prophet sallallāhu 'alayhi wa sallam as saying: "Whoever does

not give up forged speech and evil actions, Allah is not in need of his abstaining from his food and drink.”⁹ Similarly in relation to pilgrimage (*Hajj*) Almighty Allah prohibits obscenity (*rafath*), wickedness (*fusūq*), and wrangling (*jidāl*) for one performing pilgrimage (*al-Baqarah* 2:197). In this manner morality is always imbedded in acts of worships prescribed by Islam. As the worshipper executes his duties towards his Creator, his heart thereby becomes prone towards fulfilling the rights of other humans and creatures.

Furthermore, the ethical concern is also seen in Islamic legal teachings pertaining to all types of transactions amongst humans (*al-mu‘āmalat al-‘āmmah*). The objectives of these Islamic teachings or Shariah rulings are summarised and classified into five: preservation of religion, life, lineage, property, and faculty of reason. These five Shariah objectives (*maqāsid*) reflect the essence of morality. There are various traditions which support this. The Prophet ^{sallallahu} ^{alayhi wa sallam} said; “The Muslim is one from whose hands and tongue other Muslims are safe”; and “The one who deceives is not from us”; and “he who raises weapons against us is not from us.” The ethical thrust projected by these hadiths relate to people’s dealings with each other. They are taught not to cause harm or damage to each other, which is the aim which the five Shariah objectives strive to realise. Therefore, it can be said that the Shariah objectives (*maqāsid al-sharī‘ah*) are actually ethical objectives (*maqāsid akhlāqīyyah*).¹⁰ To summarise our discussion on the role morality plays in Islam, it will be appropriate to state that moral perfection is the spirit of the Islamic message while the Shariah system is the outer garb of this spirit.

The reason behind the overriding interest of Islam in ethical behaviour is that this is very important for continuity of social life and its physical and spiritual progress. One who considers the scope of ethical principles and extends their necessity to embrace human existence, will not dispute this truth. Imagine what the life of a society would be like, if moral principles are omitted allowing the dominance of corruption, decadence, lying, cheating, theft, bloodshed, and infringement of prohibitions and rights? What will life be like if the deeper meaning of human relations including love, affection, integrity, cooperation, compassion, and sincerity is eliminated? Could harmonious social life continue in this situation?¹¹ Undoubtedly such life would be miserable and resemble the law of the jungle. This is because deep in their nature humans are altruistic and societal while at the same time they have inclinations towards dominating, arrogance, selfishness, or revenge. If they use these self-centred powers (*al-quwā*) in corrupt ways then they will encourage disaster. Almighty Allah says (*al-Baqarah* 2:205): “when he turns his back, his aim everywhere is to spread corruption through the earth and destroy crops and cattle. But Allah loveth not corruption.” In order to avoid corruption, human beings are in need of an ethical order (*nizām khulqī*) which will cater for their social needs, and block their evil

inclinations and instincts, while guiding them to use their powers in ways which will benefit them and others.

In line with this ethical order, Islam strictly prohibits killing (except for certain specific reasons) even killing one's self since killing infringes on life. Killing even one human is considered to transgress on the life of all mankind. The Qur'an says (*al-Ma'idah* 5:32): "if any one slew a person—unless it be for murder or for spreading corruption in the land—it would be as if he slew the whole people: and if any one saved a life, it would be as if he saved the life of the whole people." In the same way, not only killing itself is prohibited, but those things which lead to killing as well. These measures are meant to protect and enhance life.¹² In communal life, humans can only flourish if their social relations are upright and peaceful, and are based on the principle of brotherhood (*al-ikhā'*) and sincerity (*al-ikhhlās*). There are many hadith of the Prophet which support this principle, as Imam al-Tirmidhi narrated: "A Muslim is brother to a Muslim, he will not cheat him, he will not lie to him, he will not forsake him, for the blood, property, and dignity of every Muslim is unlawful to another. It is enough for a Muslim to be evil merely by despising his Muslim brother."¹³ The principle of brotherhood is actually the end result, for it can only come into existence if one instils within oneself good character-traits and eliminates the blameworthy traits.

Qanā'ah

The human attitude towards their sustenance, wasting because of non-contentment, and human attitude towards sharing one's livelihood with others, are at the heart of the Islamic concept of *qanā'ah*, and the Qur'anic concept of 'a good wholesome life (*ḥayāt ṭayyibah*)'. The Arabic root verb *qana'a* means to embrace something with open hands or approach it face to face (*al-iqbāl bi-l-wajh 'ala l-shay'*). The noun *qanā'ah* denotes the condition where one is satisfied with something, and has sufficiency for one's needs. The root meaning—embracing with open hands—is connected with contentment or satisfaction. One only embraces something with open hands when one is satisfied with that thing as sufficient for one's needs. This literal meaning is the bridge which opens out to the technical ethical and spiritual meaning. Specifically *qanā'ah* connotes satisfaction of self (*nafs*) with the distribution of means (*al-raḍa bi al-qism*). This actually involves a double movement of acceptance and relinquishing. The leading Sufi master of Khurasān, al-Qushayri (d. 1072 CE) observed that *qanā'ah* is to be content with what one has and to abandon greed (*hirs*) for what one does not have.¹⁴ The famous literary thinker al-Jāḥiẓ presented a broader definition: *Qanā'ah* is to limit oneself to what life offers; satisfaction with things which make livelihood easy; to abandon greed for acquiring material goods; to abandon the urge for seeking high status and affection for it; and abandoning

inclination towards material goods and the compulsion to amass them.¹⁵ In both definitions greed is pointed to as a condition which contradicts contentment. In order to be content, satisfaction with what one has is not enough, but one has to take a further step by relinquishing greed for acquiring what one does not have. Greed takes different forms including urges, fondness, or self-inclination, and when greed reaches its utmost height it manifests in the form of compulsion and violence in pursuit of what one desires to acquire.

a) A Good Wholesome Life (*Ḥayātan Ṭayyibah*)

Contentment may be understood as a wealth which never depletes. Acquiring such a form of inner-wealth can overcome troubles and problems such as lasting desires, over-consumption, and depletion of natural resources. It can transform selfish, non-caring and greedy persons into caring and generous ones. Islamic teachings make this very clear. The revered ethical writer Ibn Ḥibbān al-Bustī (d. 965 CE) in his *Rawḍat al-‘Uqalā’* stated that the phrase mentioned in the Qur’an “*ḥayātan ṭayyibah*” refers to contentment (*al-qanā‘ah*).¹⁶ This verse states (*al-Naḥl* 16:97): “Whoever works righteousness, man or woman, and has faith, verily, We will certainly enliven him with a good-wholesome life...” The 19th century Iraqi scholar, Shihāb al-Dīn Sayyid Maḥmūd Al-Alūsī (d. 1853) reported that the Prophet ^{ṣallallāhu ‘alayhi wa sallam} taught that the correct interpretation of this phrase “a good-wholesome life” is ‘contentment’, and the new life mentioned in the verse refers to our life in this world. Our material life here and now can only be pleasing and wholesome if it is lived with contentment (*‘aysh al-qānī*). A life driven by greed will devolve into never ending toil and distress.¹⁷

The leading exegete of the Qur’an Ibn Jarīr al-Ṭabarī (d. 923 CE) besides ‘*al-qanā‘ah*’, presented several interpretations of the phrase “good-wholesome life” including lawful provision (*al-rizq al-ḥalāl*), good provision (*al-rizq al-ḥasan*), wholesome provision (*al-rizq al-ṭayyib*), happiness (*al-sa‘ādah*), and others. Amongst all these interpretations Ibn Jarīr gave clear preference to ‘*al-qanā‘ah*’. His explanation throws important light on the significance of a good-wholesome life:

This is because all other interpretations are probable to be in harmony with the meaning of *qanā‘ah*. Almighty Allah will make the pious people content with whatever lawful or good or wholesome provision they are provided. It is not necessary that the provision provided to pious people be in abundance. Most of the pious people are provided with limited material provisions in any case. The important point here is not the amount of the provision, but the human behaviour in relation to the worldly materials. With contentment as a praiseworthy character-trait, pious people are grateful and happy with whatever lawful means provided to them.¹⁸

Contentment is more important than the material itself. This is the reason why the most outstanding model of contentment, the Prophet ^{sallallāhu} ^{alayhi wa sallam} used to supplicate: “O Allah! Make me content with whatever you have provided me, bless it for me, and for all that I do not have recompense me with goodness.”¹⁹

b) Willing Acceptance (*Riḍā*)

Another term very similar to *qanā'ah* is *riḍā* (acceptance or compliance). The word *riḍā* most often denotes the acceptance of fate and Divine decree of Almighty Allah (*al-qadā wa al-qadr*). This acceptance requires people to be tolerant and compliant with whatever circumstances they confront, whether it is comfortable or distressful. So *riḍā* in this sense shares something with *qanā'ah*. However to Iraqi Sufis, since *riḍā* is one of the ‘states’ (*al-aḥwāl*, pl. of *hāl*) which alights in the heart and is not attained by the efforts made by servants of Allah, it may be considered as the end product of *qanā'ah*.²⁰ In other words, people who exert effort in being grateful with what they have and do not surrender to greed, are the ones in whom *riḍā* alights in their hearts. This can be said regarding *qanā'ah* as well. It is a station (*maqām*) as far as the servants of Allah are making an effort to be economical in their habits of consumption. After hard effort to maintain frugal habits, they are rewarded with *qanā'ah* as a ‘state’ within their hearts. This is evidenced in the Prophet’s utterance: “He who seeks to achieve a state of sufficiency, Almighty Allah will render him free of need, and he who strives to be content, Allah will make him content (*man yastaghni yughnihu Allāh wa man yaqna' yuqanni'hu Allāh*)”.²¹

If we consider *qanā'ah* as a *state*, then obviously it has to come as an end-result of efforts known as exercises (*riyāḍah*). Some scholars refer to such efforts as a cure (*‘ilāj*), like the great Hanbali scholar, Ibn Qudāmah al-Maqdisī (d. 1223 CE), who wrote that by curing greed and avid-desire (*tama'*), one could achieve *qanā'ah*. He added that the servant also needs to economize the resources of his livelihood (*al-iqtiṣād fi al-ma'īshah*). One who intends to achieve *qanā'ah* should initiate an effort to control his consuming habits, limit his desires to necessities, cut indulgence in luxuries, and mentally prepare his self.²² Therefore, we conclude that all these discussions on *qanā'ah* definitely support the reality that it is an umbrella concept which embraces various related concepts such as *zuhd* (renunciation), *faqr* (voluntary poverty), *infāq* (spending on others), and opposes *isrāf* (extravagance), *tabdhīr* (wasting), greed, and others. To explore fully all these dimensions of the key concept of ‘contentment’ would take us far beyond the limits of our present study.

To better understand how contentment can lead to a good-wholesome life, we may approach it from two complementary perspectives: One being the human attitude towards the means provided for him, and the other from the perspective of human behaviour in sharing their means with others.

Human Behaviour towards Sustenance

The first perspective is supported by Sa'id Nursi's (d. 1960 CE) allegory of two men entering a hall with an audience hosted by a man of honour during a severe winter. The one embodied with the trait of contentment is satisfied with the place he is provided by the host so long as he is safe from the cold outside while the one inflated by the trait of greed shows anger and dissatisfaction for not getting the most honoured seat by respecting his ego which he feels he deserves. Both these men show gratitude differently to the host. The host's treatment towards both of them is according to their attitude as well. Looking at the demanding non-appreciative attitude, the host offered him a place at the end of the hall, while he offered the more respected place to the one who showed gratitude and humility. Sa'id Nursi then elaborates that the "hall" stands for the universe and the resources in it, while the host portrays Almighty Allah, and the two men represent types of humans utilizing the universe with different attitudes.²³

In this allegory Said Nursi explains that a man who is greedy will not appreciate the means he already has. He will think that what he has is not enough for him, so he will complain and never show gratitude. We have pointed earlier to the word "satisfaction" in the definition of *qanā'ah* which is an important element in understanding contentment. Greed leads to non-contentment (*'adam al-qanā'ah*) and non-contentment is dissatisfaction. Dissatisfaction disseminates complaints inside the greedy person, instead of appreciation and gratitude (*shukr*). It destroys his enthusiasm to work and to make an effort so he becomes lazy. Laziness is tantamount to desire for wealth, which does not involve making effort even if it is unlawful. In this way the greedy person loses his self-respect and esteem.²⁴

Said Nursi goes on to demonstrate that the negative effect of greediness and non-contentment can even be experienced in such everyday activities as sleeping and waiting for someone. If one allows oneself to sleep naturally he will doze off smoothly. On the other hand when one forces oneself to sleep, he will be turning on his sides impatiently and will end up losing the mood to sleep altogether. Similarly when waiting for someone for an important purpose, if one keeps on complaining "where is the person?" "why is he late?" he will end up losing patience. Eventually he will get up and leave without achieving the important purpose. The hidden reason behind humans behaving greedily in doing their everyday work is that there is an arrangement and order decreed by Divine Wisdom in everything. In order to produce bread, one has to cultivate, harvest, mill, then bake. A greedy person in an effort to achieve a fast result tries either to jump this order and fails to achieve his goal, or he tries to omit one of the steps and may achieve his goal but with defects.²⁵

Waste: The Byproduct of Non-Contentment

Almighty Allah prohibited wasting (*al-A'rāf* 7:31): “Eat and drink: but waste not by excess, for Allah loveth not the wasters.” Nursi (in his *al-Lam'ah* no. 19) while explaining this verse relates it to moderation (*iqtiṣād*)—in other words the economical usage of sustenance. He advised that to use one's sustenance with frugality is the *shukr ma'nawī* (the inner appreciation) because of which Almighty Allah will bestow blessings (*barakah*) on the person. To support this, he presented the Prophet's utterance: “He who is thrifty will not lament regarding his family livelihood”. People go into poverty or scarcity when they are not moderate in their expenditure. An interesting point emerges here: that when people start wasting and are not thrifty, they activate greed in themselves. We earlier pointed out that greed will lead to non-contentment.²⁶ It is a vicious cycle: Wasting leads to greed, greed leads to non-contentment, and non-contentment leads to wasting once again. We will explore this cycle in our discussion below.

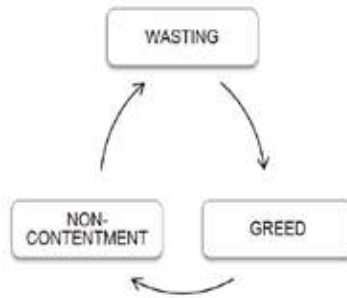


Figure 1: Vicious Cycle of Wasting
(Source: Author)

If greed and non-contentment from the individual's attitude becomes the attitude of an entire society or nation, then similar consequences as explained above shall befall them. As an example, Nursi points towards the attitude of Jews and their greed for worldly possessions. Their march to own more and more made them subject to humiliation, misery, death and insult.²⁷ Their greed led them to gain wealth using usury, trickery, and sophisticated means of deception. Yet they were not satisfied with such means and a never ending effort for a never ending desire brought them humiliation. Nursi contrasted them with those nomads who in their contentment live a dignified life with little material possessions.²⁸ The point here is that it is not the amount of sustenance, but one's attitude towards it. Jews and Nomads are only mentioned as examples of human attitudes although

greed and non-contentment are not limited to any group or nation. This is an attitude which has now become a global phenomenon. Non-contentment puts individuals and organisations into fear. This fear takes the form of sky rocketing demands which are one of the key factors driving the prodigious production of goods in contemporary economies. The demand is not necessarily authentic, but similar to false alarms triggered in the state of fear. To understand the authenticity level of the demand, one should consider the consumer attitudes in the market and the amount of resource-wastage. The UK-based Institution of Mechanical Engineers reported that in “mature fully developed” countries like the UK, wastage often results from poor retail and consumer behaviour. The institution reported that “between 30% and 50% of what was bought in developed countries is thrown away by the purchaser”. Wasting of sustenance is not only a matter of losing “life-supporting nutrition” in the case of food, but also means wasting priceless resources “including land, water and energy.”²⁹

The contemporary global “wasting attitude” is better understood when contrasted with rubbish. Where does the rubbish come from? Who produces rubbish and why? In 2012, the New Straits Times published a report with the title “World’s rubbish problem piling up”. The report quoted the World Bank that city and urban dwellers are the major rubbish producers: they generated more than 1.3 billion tonnes of rubbish a year, and would generate 2.2 billion tonnes by the year 2025. One of the concerns of the World Bank was the cost of managing the waste. “The old concept of “throwing away” rubbish no longer works.” The cost to manage solid waste in 2012 was US\$205 and will soar to US\$375 billion (RM 1.1 trillion) in one’s year time.³⁰ Besides addressing the waste management cost which is obviously another financial burden on the world, this issue of our widespread wasting attitude has to be addressed. The origin of the rubbish problem is human attitude. Non-contentment and greed has blindfolded us to make well-thought decisions in regard to what we need, how much we should buy or consume, and what is healthy and what is not.

The campaign “Think, Eat, Save and Reduce Your Foodprint” made by World Environmental Day 2013, showed some positive changes in both consumers and restaurants in Kuala Lumpur, Malaysia. While Malaysia was marking the World Environment Day, Kuala Lumpur alone that year threw about 15,000 tonnes of food and kitchen waste on a daily basis. That was enough to fill 7.5 football fields or feed 7.5 million people a day. 10% to 15% of this waste was “unconsumed and expired food.” Due to the campaign, hoteliers reported decline in the number of people wasting food at buffets. People opted to reduce the courses in Ten-course Chinese diners which had a record of throwing away 30% of food. The Malaysian Association of Hotels (MAH) reported an increase in the number of cleared plates by diners. Hotels now prepare food according to the number of

reservations.³¹ These positive changes are related to increased awareness. Thus, an ethical and religious approach may play an effective role in changing peoples' greedy and non-contented attitudes.

One can understand from these few examples that humans are not capable of utilising all the sustenance obtained by the demands of their non-contented and wasteful attitudes. Their capacity to utilise is limited. Beyond their capacity, they will have to discard part of the sustenance or keep the sustenance until a true need arises again. Sustenance which cannot be kept because of its perishable nature will be wasted. For instance, a non-contented hungry man buys three pieces of cooked chicken. His stomach has the capacity for only two pieces. After eating two pieces the third piece is most likely to be thrown in the bin a common scenario one sees in restaurants. On the other hand, a contented man will buy according to his capacity and needs, he will not waste. He will be thrifty in utilising his sustenance.

Similarly, abundant sustenance cannot quench the thirst of greed. The greed will keep on triggering false demands. The Prophet's companion Sa'd b. Abi Waqas spoke well when he said to his son: "O Son if you seek for riches, seek it through contentment. He who does not have contentment, wealth will never suffice him".³²

Our discussion regarding human attitude towards sustenance indicates that contentment can teach humans to appreciate what they have. They can be thrifty when utilising their provisions and avoid wasting. We also saw that with non-contentment humans don't appreciate the means; and they tend to be unhappy and demanding. They waste resources when they accumulate them because of false demands or beyond wise and balanced need.

Human Attitude towards Sharing One's Livelihood with Others

After viewing some negative effects of non-contentment and greed on individuals and societies at large, we now concentrate on explaining *qanā'ah* in relation to sharing sustenance with others. Some humans due to greed become selfish and neglect to pay their *zakah* (charitable tax) to the needy.³³ This can be applied to other forms of beneficence, such as establishing waqf-based institutions to assist the poor, orphans, widows, single mothers, and others. As we saw above, contentment is not only related to material means, but also plays an important role in everyday inter-human activities. Sparing time for family and friends is not possible if one is not content with oneself, for greed and non-contentment are inherent qualities of self-centeredness. Issues such as impatience, anger, or selfishness, are all connected with non-contentment. To this extent, one may assert that greed and non-contentment serve as a source of immorality and the decay of human social life.

Based on this insight, two common attitudes are born in society which are quite relevant to our present time:

1. Once my stomach is full, I do not have to care about others dying in hunger.
2. You work and I will eat. You make an effort and I will rest.³⁴

Both attitudes reflect that without contentment humans become self-centred and stingy (*bakhīl*). When humans become self-centred and do not fulfil the virtue of sharing their material means with other humans, they actually harm their “finer nature”. The Holy Qur’an states (*Muḥammad* 47: 38): “Behold, you are those invited to spend (of your substance) in the Way of Allah: but among you are some who are niggardly. But any who are niggardly are so at the expense of their own souls...” The verse points to the message that humans are invited to participate in the cause of Almighty Allah (*fī sabīl Allāh*), namely by sharing with others. Almighty Allah is independent of human aid in His cause. The invitation to serve the cause of Almighty Allah is for one’s own ultimate good. If one does not take part in His cause because of one’s own self-centeredness and stinginess, one damages one’s *own* soul. The damage to one’s soul is then transformed into various social problems, especially when individuals come into contact with family and society. There are many problems which are solely or at least partially caused by non-contentment. For instance, the rise of snatch thieves recently in Malaysia. Men, women, old, young, and pregnant ladies all fell victims to this type of theft, and some even succumbed to their injuries.³⁵ Other examples of problems arising from non-contentment are cases of drug and other substance addictions; and cases of children abandoning their old parents due to non-contentment and self-centredness. The *Times of India* recently reported a drastic rise of such cases in India, with children abandoning their old parents at places like railway stations. A psychiatrist interpreted this behaviour as ego-centric.³⁶ We mentioned earlier that good social relations are feasible through the principle of brotherhood (*al-ikhā*). Without *qanā’ah* people will not be able to practice this fundamental virtue.

Self-Discipline and Human Behaviour in Relation to the Material World

Our discussion of the human attitude towards livelihood and towards sharing livelihood with others brings us to the understanding that either human can dominate human attitude towards the material realm, or the material world can dominate human attitudes. This applies to both the consumers and the producers. With contentment one may learn self-discipline enhancing the self to maintain control of material consumption both from qualitative and quantitative aspects. Similarly self-discipline may assist producers to take control of the quality and

quantity of their products. Non-contentment produces an opposite effect upon the human character. Profit orientation and other worldly gains fall short of blurring their vision to see the negative effect of immense production on our environment and society. In this state they lose self discipline letting the fancies of the material world take control of their consumption-attitudes. Instead of necessity and sufficient means, consumers embrace brand names, lifestyle designs, and new models of products. For the producers and retailers, profit and worldly gain becomes the basis of promoting their goods with features which could attract as many consumers as possible. This suggests that without self-discipline humans can be enslaved by the material world. Almighty Allah reminds us in the Holy Qur'an (*Āl 'Imrān* 3: 14): "Fair in the eyes of men is the love of things they covet".

Self-discipline is to restrain oneself from adhering to all the dictates of human desires (*shahwāt*) and abiding only those which fulfil genuine needs. The term "*zuhd*" describes self-discipline and self-renunciation: "Abandoning those lawful [means] beyond need (*tarku mā zāda 'alā ḥajatihi min al-ḥalal*)".³⁷ Self-restraint need not denote renouncing worldly materials entirely, but renouncing that which is beyond proper bounds of need, or renouncing that which one does not have. Sahl b. Sa'd al-Sā'idī reported that: "A man came to the Prophet ^{sallallāhu 'alayhi wa sallam} and said: "O Messenger of Allah, advise me on a deed which if I perform, Allah will love me and the people will love me. The Prophet ^{sallallāhu 'alayhi wa sallam} replied: "Renounce the pleasure of the world, Allah will love you, and renounce that which is in the hands of people, people will love you".³⁸

This hadith calls for moderate consumption of material resources. The first part encourages us to consume only according to need, and doing so honours the human with love of Almighty Allah. The second part, "renounce that which is in the hands of people", signifies that one should consume or produce within one's own means. One's personal endeavour should not lead to a consumption level which will usurp the resources of other fellow humans. Letting fellow humans enjoy their share of resources will honour them with love and respect. This is well supported by another hadith which states: "The one who takes from the material world more than his needs digs his own grave without realizing."³⁹ By consuming and producing beyond proper bounds of need humans tap the earth's natural resources excessively, and invite environmental calamities upon themselves.

We should understand from these teachings that with contentment and proper discipline, humans may do good both to fellow humans and to their environment. They can control their nature of dependence on the material world. Self discipline will assist them to decide between what they need and what they think or imagine they need. Of course, advertising is the science of implanting unnecessary desires in our souls.

Self-Discipline as a Constituent of Individual and Civilisational Renewal

Human character and attitudes stand on the front line when it comes to renewal (*iṣlāḥ*) and reform (*tajdīd*). The Qur'an explains this better (*al-Ra'd* 13:11) "Verily Allah never will change the condition of a people until they change what is in their souls". The Qur'an interpreter, al-Alūsī (d. 1270/1853) in commenting on this verse quoted, a *hadith qudsī* reported by 'Ali ^{radiyallāhu 'anhu}. The précis of the *hadith* is that Almighty Allah says: Those who were involved in my disliked-disobedience then turned towards my beloved deeds of obedience, I will surely change My Punishment of them into My Mercy. Those who were involved in my beloved deeds of obedience, then turned towards my disliked-disobedience, I will surely change My mercy for them into My punishment."⁴⁰ This verse and its interpretation sheds light on the external situation of humans based on their inner state of soul and morality. Be it spiritual, or environmental, or social, or financial, the inner state of humans plays a crucial role for any positive outcome. This verse imparts that humans are to discipline their lower desires in relation to consumption and behaviour. If appetitive desire is not controlled, it can take the form of compulsion in obtaining what one does not have. Theft, rape, violence, war, air and water pollution, food scarcity and other forms of social, environmental, financial, and political corruption are all usufructs of the undisciplined inner human state. Similarly, for contemporary external developments, humans need to maintain their inner development.

Inner development is the Islamic concept of "human development". Without this development, the human-wilderness, including corruption, violence, self-centeredness and immorality, will be at a par with its sophisticated technological infrastructure. A simple example of this mismatch is the poor civil etiquette of people living in developed cities like Kuala Lumpur. The saying "in first world infrastructure with third world mentality" is a consequence of such situations.

Civilisation is about humans existing together and interacting with people and the environment around them in an appropriate and balanced way.⁴¹ To achieve this, humans need to control their inner appetitive desires when dealing with each other and when dealing with the material world. The inner self will decide the nature of his action. Self-discipline will generate good actions which will be beneficial for him, his fellow humans, and the environment. The Qur'an states (*Fāṭir* 35:18): "And whoever purifies himself does so for the benefit of his own soul". The concept of purification of inner-self (*tazkiyat al-naḥs*) or self-discipline if rendered in other words is the implication of this verse which holds great promise for civilisation. By self-discipline a decaying civilisation can rejuvenate itself from within.

Conclusion and Recommendations

From the Islamic perspective, *qanā'ah* is a defining element of self-renewal both for the individual and society. Within frugal-contentment also abides the moral dimension of the Islamic vision of reform and renewal (*iṣlāḥ wa tajdīd*). It is through *qanā'ah* that individuals and societies determine the nature of their dependence on the material world, how they relate to their environment, and their quest for self discipline. Civilisational renewal is only feasible when the spiritual principles of Islam are manifested in the outer conduct of society. *Tajdīd* which is concerned with “inner moral and spiritual transformation” and *iṣlāḥ* which looks into “external aspects of religion” have to be integral.⁴² This notion perfectly fits the classical idea of *taṣawwuf* and *sulūk*. *Taṣawwuf* works on the inner aspect of the human in strengthening our spiritual relationship with God while *sulūk* works on the human character and our manifestation in external human conduct. It would be fruitless if one perfects one of the two and neglects the other. Our discussion of *qanā'ah* has shown how contentment and its opposite appetitive-desire are interconnected with individuals and with societies. The portrait of *qanā'ah* showed that contentment as a positive human character encourages generosity in one's treatment of fellow humans. And appetitive-desire is a negative human character which can lead to self-satisfaction and fulfilment of personal needs even at the expense of damage to other individuals, societies, nations, or corporations. Contentment works positively in the opposite manner to build bonds of integrity and integration.

The overview of *qanā'ah* also revealed that the contemporary concerns about social and environmental problems frequently are related to the aftermath of the problem. Thus, curbing pollution is related to waste management, which deals with the waste already out there. By contrast, the vital concept of *qanā'ah* is mainly concerned with actual human behaviour in relation to the material world, which is the breeding ground for social and environmental problems. This means *qanā'ah* could prevent social and environmental problems while they are still in their early stages.

- Examining the role *qanā'ah* should play in peoples' lives and how various other aspects of life are interconnected with this virtue, we recommend that this concept be included in civic and ethics modules taught in public schools along with its related social-ethical dimensions.
- We also recommend that *qanā'ah* be positioned as a central policy for industries, manufacturers, factories, supermarkets, hotels, restaurants, and all those premises which deal with edible or non-edible items—in so far as government guidance makes this reality.

Notes

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VIEWPOINTS

Conversion Issues in Malaysia: A Challenge to Religious and Racial Harmony

*Sheila Ainon Yussof**

There is a worrying trend recently of inter-religious cases which have fuelled angst amongst multiracial communities in Malaysia, and which threaten to disrupt racial harmony or dismantle the 1MALAYSIA Unity Framework. We refer to the recent case of a “Muslim” bride (named Zarina Majid) marrying her Hindu boyfriend of seven years.

The earlier version of her story goes like this. Zarina was a product of the law which at its time allowed a unilateral conversion of minors by their parents who converted to Islam. Zarina’s parents married as Hindus in 1980. Her father converted to Islam at the urging of a relative while her mother remained a Hindu. It was reported that they remained in the “dual-religion” marriage for a good number of years, and Zarina said that her mother, being illiterate, did not realise that her children were Muslims. Her father registered them as Muslims in their birth certificates and in their MyKad (the national identity card). The problem arose when their father left his home after the birth of Zarina’s brother in 1990 and abandoned them. As a result of abandonment, Zarina was Muslim in name only, nurtured by her Hindu mother to become a practising Hindu, whilst the Muslim father moved on with his life presumably to marry a Muslim wife.

Zarina’s version was refuted by her father. He revealed that *both* he and his wife converted to Islam and registered their children as Muslims—it was not a case of unilateral conversion of a minor. He did not abandon them but was kicked out of the house at the behest of his wife, who insisted on going to the temple to practise the Hindu faith. As a result of the wife’s upbringing, the children eventually became Hindus.

Whatever the circumstances or the veracity of the statements made by Zarina or her father, the law in Malaysia as it stands today completely prohibits a marriage between a Muslim and non-Muslim as it would violate the prevailing Islamic norms upheld in Malaysia. Herein lay the offence, blown out of proportion, when Zarina as a Muslim was marrying a Hindu according to Hindu rites. It was the irresponsible behaviour of the mother or the father that the Shari’ah court, the National Registration Department and JAIS (Jabatan Agama Islam Selangor, or Selangor State Islamic Religious Department) had to take the pot-

shots. JAIS was attempting to protect Islam but its “overzealousness” diluted its well intentioned effort.

We sympathise with Zarina as she has made countless trips for the last seven years to the Shari‘ah Court and the National Registration Department (NRD) hoping to remove the word “Islam” from her identity card, since she is not a practising Muslim. The Federal Court ruling clearly stated that “a Muslim who wanted to renounce Islam must get the certificate from the *religious court* before other documentation could be completed.” Granted there were bureaucratic delays, yet there is no discrimination here against racial minorities. Muslim women practising their faith also face the same bureaucratic inefficiencies with the Shari‘ah court, and we understand the concern of Zarina to get on with her life. It may be the fault of the system or the staff, but Islam should not be held responsible.

What the Hindu temple officials failed to do was to ensure that a ‘Certificate of Renunciation’ was issued before proceeding with the wedding ceremony. Failing to do so made them an accomplice to the offence. In this case, JAIS was merely doing its job to prevent an offence before it is committed. A marriage of a Muslim with a non-Muslim is not allowed in Malaysia, unless the non-Muslim spouse converts to Islam. It is a statutory offence and there is no need for JAIS to listen to the plight of the bride and her futile attempts to change her religious status. Also there is no need for JAIS to be overzealous, if that was what it was accused of. If we were to take the law into our own hands we would be faced with the same embarrassing situation in the form of *khalwat*. South of Malaysia in a Muslim-minority country, I was told by a scholar that the system in Singapore takes a stricter approach: the moment a Muslim is involved in a religious offence, no matter whether he was practicing his religion or not, the matter will be immediately *referred* to MUIS (the Singapore Islamic Religious Council) who will decide the course of action to follow, with the full force of the law behind it. The scholar was relating the story of “body snatchers”, where a deceased (a registered but not a practising Muslim) was about to be cremated by his Hindu relatives, when MUIS was alerted and a compromise was made to defuse the situation: they allowed the Hindu rites to be performed first symbolically; and then MUIS took over his funeral and burial rites as a Muslim.

In the frenzy of debate over the constitutional rights of Zarina, her father and mother (both Malaysian citizens and revert Muslims—whether practising or not) get away blameless. Are the parents not ultimately responsible for failing to look after the status of their children, which then led others to ridicule or blame Islam itself for causing these problems—and which escalated into Islam-bashing? Zarina has three other siblings who will be trapped in the same situation unless it is remedied. Conversion to Islam means voluntarily accepting the faith without fear or favour and with no compulsion. Islam does not encourage

conversion for convenience, nor does it invite opportunist converts merely to balloon the number of adherents. Conversion to Islam does not mean it should be used as a convenient tool to betray trust or abandon family commitments or enjoy any material benefits. Islam neither condones irresponsible behaviour and uncaring and unethical conduct, nor allows the use of such conversion issues to gain political mileage. There is a need to revisit the conversion issue from every angle of law and cultural sensitivities and thereby resolve this problem through objective ways—rather than go witch-hunting.

In this scenario, we must be aware that the press never ceases to sensationalise news that might tarnish the image of Islam. Sensational headlines have appeared which easily incite racial and religious sentiments and foster distrust amongst different religious communities. Similarly, when a terrorist attack occurs elsewhere, the media reports it as “Muslim terrorists”, while the labels Hindu, Buddhist, Jewish or Christian terrorists never appear in the tabloids. There is a need for responsible and unbiased reporting—especially in a multiracial society. “*Islamophobia*” has been imported into Malaysia, and thus, interfaith dialogue is needed among different sectors of society, including the press, social activists and think-tanks in order to ensure mutual respect and to defuse language that may stir or insult any race or religion. Even more importantly: vote seeking politicians must also refrain from spouting statements which aggravate the delicate balance between religions.

This embarrassing situation could have been avoided by using common sense and engaging competent people with compassion and fairness to ensure that the law is respected and complied with, for no one is above the law. The tip-off must be investigated, and the temple officials should be alerted to the seriousness of the offence that they committed when they conducted the marriage ceremony. If they ignored such a warning, they should face the consequences. If the tip-off came whilst the ceremony was being performed, the ceremony should be allowed to proceed as the wedding will not be lawful in the eyes of the law in any case, and it becomes cogent evidence of violating the law. However, the fact that the bride was deliberately flouting the law (she was reportedly fed up with bureaucratic delays and anxious to start a family) will not excuse her from legal culpability. If this is the case, then she may have committed a legal offence—by going through the wedding ceremony according to Hindu rites, in order to bring disrepute upon Islam—under the Shari’ah Criminal Enactment (Selangor) 1995. Hers was not a genuine case of “apostasy” as she was not a practising Muslim at the time of her marriage.

Although JAIS is empowered under state enactments to make arrests without warrants based on “reasonable suspicion”, this does not allow it to exceed “the boundaries of what is decent”. Even if it was within its purview to investigate

offences against Islamic law, the department must explain its rationale for disrupting a non-Muslim wedding. There is also no need for the community to fan the flames of racial discontent and to inject racial overtones into this offence. The racial sensitivities of multicultural Malaysia need to be respected, and people of the same race (Indian Muslims in Zarina's case) should be allowed to handle the matter in a more tactful and cross-cultural way. Certainly JAIS could have handled this issue more tactfully. Heavy handed and rash responses encourage more "Islam-bashing", insinuations of "Malay supremacy" and the dangerous creation of divisive tensions between races and religions. These unhealthy manifestations can be exploited by subversive elements who seek to sow the seeds of disunity in Malaysia.

The zealousness of religious authorities responsible for conversion, marriage and divorce, to catch offenders should be matched by an enthusiasm to get to the root of the problem by weeding out inefficiencies—the infamous bureaucratic delays, the familiar run-arounds, the "watch-the-show-first and then nab offenders in order to humiliate" (which is clearly un-Islamic), for justice delayed is justice denied.

Taken as a whole, Zarina's case demonstrates the importance of obtaining both parents' consent to determine the religion of their children and proper upbringing in that particular faith which would impact their welfare and future life. This is especially so whenever a divorce occurs due to only one parent converting to Islam. In recognising the problems involved in the conversion of minors, the Malaysian Cabinet in 2009 questioned the presumed right of the converting father to unilaterally convert his children (as minors) to his chosen religion. It also declared that if both parents cannot come to an agreement on the religion of their children, then the children should be allowed to maintain the original faith of the parents at the time of the latter's civil marriage.

To conclude, if both parents were involved right from the beginning in determining their children's future religious identity and the religious upbringing they should receive, then a distressing situation like this could not surface.

Notes

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Halal Vaccine and the Ethical Dimension of Vaccination Programmes

*Ahmad Badri bin Abdullah**

By 2017, Malaysia plans to be the main global producer of halal vaccines as announced by its Minister of International Trade and Industry, Mustapa Mohamed, at the World Halal Forum 2014 in Kuala Lumpur. A Saudi corporation, he added, has already invested USD 100 million in the Halal Industry Development Corporation (HDC) to produce halal vaccines for meningitis, hepatitis, and meningococcal.¹

Despite such development, only less than a year ago, the Health Exco of Penang state government in a press statement denounced parental refusal to vaccinate their children primarily due to religious reasons. He pointed out that the government's immunisation requirement has met with scepticism from parents, especially middle class parents.² The Exco's concern is valid and legitimate given the risk associated with the lack of vaccination, such as a fatal case involving an unvaccinated four-year-old child due to diphtheria, as the child's parents were doubtful of the safety, efficacy, as well as the halal status of vaccines.³ These instances beg a question as to how the new halal vaccines industry in Malaysia would address the ethical predicaments in vaccination.

Recently, ethical considerations on vaccination are increasingly highlighted pertaining to the design of its implementation such as the proper role of governments in developing, promoting, and monitoring vaccination programmes, conducting research on human subjects, ensuring the long-term access to vaccines, as well as the identification of the risks and benefits of vaccines. The 'herd immunity', which indicates the protection against diseases due to the high vaccination rates in a community is also a related ethical issue. Therefore, the decision made by any individual either to decline or to accept vaccination will not only engender his own vulnerability to diseases, but also affect the community at large. Moreover, the other ethical objection to vaccination is the 'preventive problem', which elucidates the concern of inequitable distribution of benefit and harm from the preventive medicine's focus on population-based interventions. Dawson suggests that such measure is attributable to several key elements, whose ethical values are at stake:

- (a) This preventive measures are performed on healthy individuals.
- (b) Such public health intervention often carries some risk of harms.
- (c) The benefits of such measure are enjoined by the society at large, whereas the risk of harms are on the shoulders of individuals.⁴

From an Islamic point of view, medical action must fulfil any of the higher purposes of Shariah (*maqāṣid al-sharī'ah*) to be considered ethical. In this sense, Abul Fadl Mohsin Ebrahim explicates that vaccination satisfies all the five essentials of Shariah's objectives. Within the ambit of the preservation of religion (*hifẓ al-dīn*), he suggests that vaccinated Muslims are in better position to uphold the obligatory acts of worships due to their healthy body. The universal access to safe vaccines has portrayed the success stories of preserving the life (*hifẓ al-naḥs*) of millions of people across nations. Parents who vaccinated their child so as to safeguard them from the vaccine-preventable diseases have indeed fulfilled the objective of preserving the family unit (*hifẓ al-nasl*). By enjoying the peace of mind affirming that their family and community are protected from vaccine-preventable diseases, those who resort to vaccination have satisfied the objective of the preservation of intellect (*hifẓ al-'aql*). Finally, vaccination programmes may contribute to the preservation of national wealth (*hifẓ al-māl*), as it offers a cost effective measure to prevent disease rather than having to treat its symptoms.⁵

Nonetheless, ethical conformity of vaccination with the principles *maqāṣid al-sharī'ah* alone seems insufficient in dealing with such a complex and multidimensional issue. Therefore, it is suggested here that the main principles of medical ethics, along with their Islamic accounts, need to be employed so as to offer more tangible proposals. The said principles are three: autonomy, beneficence, and justice.⁶

In Western biomedical ethics, the notion of autonomy implies that the decision of a patient needs to be accepted by a physician even if it is wrong. By contrast, Islam views individual welfare as closely related to that of the family and community. Hence, the validity of an individual's autonomy is contingent upon its effects on the other two institutions. A physician may thus refuse to implement a patient's decision for a certain treatment or *vice versa* he may implement a certain treatment refused by the patient by referring to his own conscience. This however, does not mean that the patient's autonomy has been compromised in vaccination requirement, as it is strongly suggested that medical staffs must professionally explain to parents the need for such measure in public health programme as well as the related benefits and risks to their children. Nevertheless, some researchers has suggested that parents should be given the right to refuse for children to be vaccinated, where the risk to the child is small and the risk that an unvaccinated child poses to the vaccinated child is relatively small as well.⁷ Interestingly this preference for parental authority over state authority may be elucidated by an Islamic legal maxim, which asserts that:

*“Private authority is stronger than public authority”*⁸.

The principle of beneficence in which the idea of maximising benefits and minimising possible harms be found, is rather in conformity with Islamic concept of safeguarding benefits (*jalbu al-masālih*) and preventing harm (*dar'u al-mafāsīd*). Moreover, the execution of harm can only be justified with the aim to bring a greater benefit. This is somehow similar to one Islamic legal maxim regarding the weight of benefit and harm:

“Greater benefit is prioritised over the lesser harm”⁹.

It is suggested that the best interest of a child in vaccination is contingent upon the degree of vaccine coverage. If more than 95 per cent of children in a particular country are vaccinated, the chance of an unvaccinated child to contract a vaccine-prevented disease is relatively low. Therefore, to vaccinate such a child will imply an ethical cost due to the risk of its side effects. In the case that the average is less than 80 per cent where there is no herd-immunity, vaccination is a valid ethical choice as the risks of vaccine-preventable diseases become endemic. In this case, the benefit of the vaccinated children of having the protection from diseases outweighs the very risk of suffering the side effects. Nonetheless, by referring to current development of scientific research, the best interest of a child could be served through the course of vaccination and to live in the optimal vaccine coverage area.¹⁰

Justice here entails the right to equal treatment or vaccination regardless of differences in age, gender, ethnicity, nationality, ability to pay and so forth. With the majority of the vaccine supplies are from the limited numbers of multinational corporations, it is still obscure how this may suffice to meet the ascending demands in the future. This is where the attempt of Malaysia to embark on the halal vaccine manufacturing industry might provide a solution for the scarcity of vaccine in Muslim societies especially the underdeveloped Muslim endemics countries with high rates of unvaccinated children.

Malaysia's attempt to become the main halal vaccine producer is undoubtedly a commendable initiative. It may reduce the rising suspicion and distrust among the Muslim communities to the course of vaccination. In spite of that, it is also imperative that all stakeholders take into account several ethical drawbacks, which have been long associated with such public health preventive programme. Being provided with the principles of the higher objectives of Shariah and contemporary medical ethics as the guiding lights of its path, such initiative is expected to eventually bring about socio-economic benefits not only for Muslims, but also to all Malaysians.

Notes

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Synergy in Halal Supply Chains

Marco Tieman*

Introduction

Integrity of halal supply chains is becoming an increasing concern for government and industry. There are a number of reasons for this. First, halal integrity issues are more likely to occur than before due to the increasing complexity of supply chains. Second, the complexity of today's supply chain, with a high percentage of imported ingredients, is making integrity issues harder to detect. Third, halal integrity issues once detected go viral on the internet, exposing the integrity of a country's halal system and the brand owner concerned. The neglect of halal requirements throughout the entire supply chain is gradually weakening consumer confidence in halal certified products.

Evidence supports that halal goes through an evolution from a Muslim company (purely based on a system of trust), halal product (product is halal certified), halal supply chain (a supply chain approach towards halal), to a halal value chain (halal is addressed throughout the entire value chain).¹ In order to protect the halal integrity throughout the supply chain or value chain, a system of segregation and communication is required in order to provide a higher level of assurance to the Muslim consumer and protection for the brand owner. Segregation can be achieved by a system of physical segregation in transportation, storage and (sea/air/inland) terminals, to ensure that halal and non-halal goods flows are not combined on a load carrier and for (destination) Muslim countries not mixed in transport and storage.² Segregation can come at a high cost, in particular non-Muslim countries where halal goods flows are small and not always easy to recognise, as the halal status of cargo is not always identified as such and is not communicated along the supply chain. Under the international halal standard for logistics (IHIAS 0100:2010)³, the code 'halal supply chain' has been recommended to be marked on labels and freight documents, and communicated as handling instruction through logistics and customs systems. This allows an easy identification of halal flows along the supply chain from producer, logistics service provider, trade, to retail and restaurants. However, until today the halal industry has not widely implemented halal logistics standards, as halal certification bodies have not extended halal requirements towards the supply chain. This has resulted in a halal industry where food safety (*tayyib*) requirements receive a 'supply chain approach' and halal requirements in most cases only a 'product approach'.

As the Holy Qur'an (2:168) puts halal and *tayyib* on equal footing, it would be logical to extend halal assurance towards the supply chain. To strive for

excellence (*ihsān*) in halal supply chain management on the one hand and limit the impact in terms of cost as well as operational complexity for the halal industry on the other hand, the right balance (*mīzān*) could be achieved through vertical and horizontal collaboration.

Vertical Collaboration

A supply chain is a network of parties that link the source to the point of consumer purchase. The horizontal supply chain structure refers to the number of tiers across the supply chain. The supply chain may be long with many tiers (many fast moving consumer good supply chains), or short with only a few tiers (like bulk supply chains). The vertical supply chain structure refers to the number of suppliers/customers represented within each tier. A company can have a narrow (few suppliers and/or customers) or wide (many suppliers and/or customers) vertical structure.⁴ As managing the entire supply chain is a complex task, there is tremendous potential to improve the performance of halal supply chains through improved coordination along the supply chain.

Effective vertical collaboration of halal supply chains can be achieved through (1) halal clusters and (2) halal supply chain orchestrators. Halal clusters are spatial clustering of halal production chains (halal food, cosmetics or pharmaceutical manufacturing) in an industrial park or economic zone, whereby a significant part of the supply chain is geographically positioned in a halal cluster, providing evident (1) logistic advantages (by shorter transportation times); (2) optimal use of by-products, including waste and energy; (3) increase capacity of cluster participants and innovation growth; and (4) stimulate new business formation that support innovation and expand the halal cluster. A halal society or institute can be established in the halal cluster to promote halal innovation projects, promote new Islamic economic activities and to reinforce the halal brand. Next to a local collaboration in the cluster, there are advantages to collaborate with halal clusters in other countries to facilitate access to supply of raw materials and (consumer) markets. Today there are halal park initiatives in Brunei (Bio-Innovation Corridor), China (Qinzhou), Malaysia (21 parks), and the United Kingdom (Birmingham and Norfolk). The halal parks in China and the United Kingdom are private sector initiatives. In Brunei they are government initiatives. Malaysia has a mix of parks run by local governments, government linked companies, and private sector. Thailand (Pattani) and the Philippines (Mindanao) are currently planning to develop halal parks.

A halal supply chain orchestrator assists in managing global halal supply chains according to the specification of the destination market and ensures that the integrity is maintained throughout the halal network. This orchestrator makes use of common halal distribution centres in key gateways, consolidation of

transportation, and use of innovative logistics concepts (like a halal cargo box).⁵ This role can be fulfilled by a fourth-party logistics service provider: an integrator that assembles the resources, planning capabilities, and technology of its own organisation and other organisations to design, build, and run comprehensive supply chain solutions.

Vertical collaboration allows for:

1. effective halal supply chain assurance: reference to one international halal logistics standard (for example: IHIAS 0100:2010) and consistent communication of the halal status ('halal supply chain' code) throughout the supply chain;
2. standardisation of halal assets in a supply chain: from source to point of consumer purchase; and
3. supply chain optimisation: sharing demand data through the supply chain (facilitating a better customer response), reducing inventories, and better transportation planning.

Horizontal Collaboration

Collaboration between companies in the same industry, also known as horizontal collaboration, can take different forms in achieving synergy advantages in halal supply chains. Horizontal collaboration can be beneficial for manufacturers, retailers and restaurant chains. Collaboration can be facilitated through either (1) direct collaboration between different companies or through (2) an intermediary, such as a logistics service provider or trader. Direct collaboration among different companies can be achieved through four possible collaboration methods. First, there could be a dominant industry player, where smaller companies could use the halal assets or supplier contract (for example a contract with a transporter or logistics service provider) of the dominant player in the facilitation of the halal transportation and/or warehousing requirements of the other players. The dominant player has developed the halal assets or supplier contract based on his specifications only, whereas the others are using his assets or contract. It is a low cost method, but might lead to objections from the supplier. A second possibility is that transportation is facilitated by company A, warehousing facilitated by company B, and halal cargo boxes by company C. The choice of which company will be used to facilitate which activity is based on the expertise, resources or volume. A third way is collaboration between companies in the same industry on project basis. This could be relevant to facilitate for example a joint supply from one country to Saudi Arabia to meet the food, cosmetics and medical requirements during the Hajj season. Another application could be a temporary

collaboration between companies in the supply of humanitarian aid during a crisis situation, which requires an integrated supply chain management approach to effectively coordinate inter-agency performance, eliminate redundancies, and maximise efficiencies.⁶ A fourth method is an intensive collaboration on continuous basis between companies where many activities are done jointly. This could be applicable when companies are based in a halal cluster, in order to facilitate sourcing of halal raw materials (as well as other products and services) and distribution of halal goods.

An intermediary is able to consolidate halal goods flows for different companies that need domestic road transportation, cross border transport, air shipments, sea shipments, warehousing, and value added logistics (like repacking and customisation to certain Muslim markets). Here various companies can make use of the intermediary's expertise, global network and ability to consolidate halal flows for a more effective and efficient management of the various halal logistics requirements according to the destination market. Consolidation is one of the most important services offered by halal logistics service providers, where they really do add value to the halal industry.

Horizontal collaboration allows for:

1. sharing of information: 'halal supply chain' code, best practices in halal supply chain and value chain, and halal specifications [machine slaughter: yes/no; stunning: yes/no];
2. pooling of resources: outsourcing to a common (halal certified or compliant) logistics service provider, efforts, halal assets (for example a dedicated halal container); and
3. bundling of halal volumes: reducing transportation costs, improved segregation conditions.

Conclusion and Recommendations

Halal supply chain management is becoming important for consumer confidence in halal certified products. Halal requires a supply chain approach to provide a higher level of assurance to the Muslim consumer and better protection of halal brands. Halal supply chains are complex supply chains with vulnerabilities that need to be addressed through well organised, robust, effective and efficient halal supply chains.

New innovative solutions are needed for optimisation of halal supply chains that exploit collaboration, both vertically with supply chain partners and horizontally among companies in the same industry. Methods in vertical collaboration proposed are halal clusters and a halal supply chain orchestrator. Vertical

collaboration allows for effective halal supply chain assurance, standardisation of halal assets in a halal supply chain, and supply chain optimisation. Possible methods in horizontal collaboration are direct collaboration models and collaboration through an intermediary. Horizontal collaboration allows for sharing of information, pooling of resources and bundling of halal volumes.

The application of vertical and horizontal collaboration concepts provides better control of halal supply chains from source to point of consumer purchase and increases consumer confidence in halal certified products. These vertical and horizontal collaboration concepts require a more advanced halal certification system (beyond product certification), expanding halal regulations along the supply chain. The halal certification body, which often is accredited by the government, therefore further enhances the (indirect) control of halal supply chains by governments. This should reduce the exposure of a country's halal system and brand owners. Governments are recommended to stimulate vertical and horizontal collaboration initiatives in the halal industry and the development of a more advanced halal standard, incorporating international halal standards, which support a supply chain approach to halal.

Industry pilots and case study research are needed to test the various collaboration concepts and provide practical solutions for the halal industry to optimise international halal supply chains. This supports the development of customer-driven supply chains that are better able to meet the diverse Muslim market requirements and to conform to a common halal standard throughout the supply chain from source to point of consumer purchase.

Notes

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SIGNIFICANT EVENTS

Third Seminar on Understanding Islam (22 April 2014, Kuala Lumpur)

Elmira Akhmetova, IAIS Malaysia

On 22 April 2014, a group of twenty officers from the Association of Southeast Asian Nations (ASEAN) countries participated in a one-day seminar, entitled Understanding Islam, organized jointly by Prime Minister's Department of Malaysia (JPM) and the International Institute of Advanced Islamic Studies (IAIS) Malaysia at Sekolah Latihan JPM, Jalan Lengkok Bellamy, Kuala Lumpur.

This third intensive training programme for ASEAN member countries oriented toward two essential issues in the contemporary discourse on Islam, which are the Islamic principle of *waṣaṭiyyah* and the contemporary Sunni-Shi'ah tension. The delegates were welcomed by Datuk Hasanah Binti Abd Hamid, Director General of Research Division, Prime Minister's Department. The subject of *waṣaṭiyyah* or moderation and balance in Islam, and its relevance to contemporary calamities had been conferred by two prominent scholars, Professor Dr. Mohammad Hashim Kamali, CEO of IAIS Malaysia, and Professor Dr. Tan Sri M. Kamal Hassan, International Institute of Islamic Thought and Civilization (ISTAC).

Professor Kamali stated that *waṣaṭiyyah* or moderation is an aspect of the self-identity and worldview of the Muslim community, which is also valued in all major world religions and civilisations. It is a virtue that helps to develop social harmony and equilibrium in society and human relations. Therefore *waṣaṭiyyah* as avoidance of extremism, as Professor Kamali pointed out, has considerable moral import which can also constitute the basis of valuable legal guidelines for the conduct of individuals as well as societies and nations.

Professor Kamal Hassan in his lecture emphasized the urgent need to understand and apply the concept of *waṣaṭiyyah* in the current world situation. He asserted that the mission of Islam as a peaceful religion which advocates inter-religious tolerance is being distorted by non-Muslim states, media, NGOs and religious fundamentalists in the world. Therefore, understanding the holistic structure of *waṣaṭiyyah* and the organic unity of the qualities of justice, excellence and balance or moderation is important for Muslims to strive for comprehensive civilisational goodness and excellence as a divinely prescribed condition to carry the great status of "witness unto mankind".

Dr. Elmira Akhmetova, research fellow at IAIS Malaysia, spoke on Sunni-Shi'ah divide in Islam. Through highlighting the topic from historical background,

Dr. Akhmetova stated that Shi‘ism began as a political faction rather than a truly religious movement; and, in spite of the minor disagreements, Sunnis and Shi‘is have lived together side by side in peace and harmony, intermarrying and living in the same neighbourhoods up to the 21st century. Current tension between Sunni and Shi‘ah Muslims, according to her, is a product of very recent global events. To achieve regional and global stability, as Dr. Akhmetova suggested, the Islamic concepts of moderation and *ikhtilāf*, the recognition and tolerance of disagreement among the scholars, should be practiced to create a milieu of diversity and pluralism in religious and intellectual assessment. The seminar was well accepted by the delegates, who participated lively in each session through asking questions and sharing their experiences and practices related to the topics.

Seminar on Women’s Leadership in Islam (15 May 2014, Kuala Lumpur)

Tengku Ahmad Hazri, IAIS Malaysia

On 15 May 2014, IAIS Malaysia organised a seminar on Women’s Leadership in Islam in collaboration with Pertubuhan IKRAM Malaysia. The speakers were Professor Mohammad Hashim Kamali, CEO of IAIS Malaysia; Che Asmah Ibrahim, Deputy Chairman of the Women Committee, IKRAM; and Associate Professor Dr Raihanah Abdullah, associate professor at the Department of Shariah and Law, Academy of Islamic Studies, University of Malaya.

The first speaker, Professor Kamali defined leadership in a broad sense to include intellectual leadership, a domain which even historically has witnessed significant contributions by women, such as in the sciences of hadith. The renowned hadith scholar, Ibn Hajar al-Asqalani enlisted over 170 female hadith scholars, one of whom even mastered a number of other disciplines. A study by Jalal al-Din Suyuti reveals that no woman has been involved in hadith forgery.

Attempts to preclude women from leadership have invoked scriptural arguments—a strategy which Kamali deconstructed in detail. Verses that may have been misunderstood or misinterpreted include the one proclaiming that “men have a degree over women” (al-Baqarah 2:228) (which must actually be read in the light of another verse, al-Tawba 9:71 declaring that men and women are protectors (*awliyya*) of each other) and that “men are caretakers (*qawwamun*) of women” (al-Nisa’ 4:34) (which actually goes on to say that this is only because the men provide by way of maintenance (*nafaqa*)).

This recognition for female leadership must nonetheless confront cultural impediments. Towards this end, progress is being made, as seen in the case

of Afghanistan. The 2004 constitution of Afghanistan secures women's rights among others by imposing a quota for women in the representative assembly. Yet women themselves demand for higher quota, from one female representative to two representatives from each province.

The second speaker, Che Asmah Ibrahim, explored the concept and importance of leadership in Islam. Concurring with Kamali, Che Asmah added that throughout Islamic history, female participation in public life and decision-making has always been recognised. An example is when the second caliph, 'Umar al-Khattab decided to lower the rate of dowry (*mahr*) for marriages but swiftly retracted this policy following objections from the womenfolk. To be sure, classical scholars did exclude women from certain offices, but even then this has less to do with any innate qualities or traits of women than with the specific functions that these scholars assigned for the office, such as the caliph's duty to lead military expeditions and to lead the Friday prayer congregation. Asmah insisted on equity over equality, for the latter seeks to homogenize or uniformize male and female by means of a "one-size-fits-all" formula whereas the former takes into account the peculiar strengths and distinct qualities of each gender. In practical terms the latter often means imposing male standards upon female, when in fact men and women may exhibit different leadership styles, which itself calls for greater awareness, training and education to understand the different ways in which the different genders lead.

Imposing quota as with the case in Afghanistan may not necessarily be productive. While acknowledging the possible benefits of the quota system, she nevertheless questioned if this is not an affront to women i.e. they hold their positions, not because they are qualified leaders but because they are women (to fulfil the quota requirement).

Asmah also explored the challenges faced by women, such as the lack of role models, balancing home and work and challenging social stereotypes. Sometimes women themselves are privy to such stereotypes: for instance, based on their own testimonies, female workers are more comfortable with male subordinates and superiors than with female ones, perceiving female bosses in extreme terms, either too soft or too rigid, nowhere in the middle. By way of recommendation, Che Asmah proposed for the adoption of a national level Muslim Women's Charter.

The third speaker, Raihanah Abdullah, examined the contemporary trends, issues and challenges of Muslim women leadership in Malaysia. She stressed that, while female participation in the economy is clearly visible and encouraging, women nevertheless seemed to gravitate more towards "soft" professions, such as teaching, nursing and health care. Women are also less visible as leaders—except in some non-governmental organizations (NGOs) and even then as head of their "women committee". Still more worrying is the status of women

in Islamic institutions in Malaysia, none of which (she claimed) can boast of female leadership. However, in 2010, three women were appointed as Shariah court judges. Although an earlier state fatwa in Terengganu (1986) declared it impermissible, the National Fatwa Council (2006) allowed it. Women leadership faces further challenges such as cultural stereotypes, balancing work and home, and creating a work environment conducive to women's safety and growth.

**National Geoscience Conference 2014:
'Climate and Sea Level Change Through Geologic Time'
(13-14 June 2014, Kuala Terengganu, Malaysia)**

Daud AbdulFattah Batchelor, IAIS Malaysia

The 27th National Geoscience Conference held in Kuala Terengganu on 13-14 June, and co-organised by Universiti Malaysia Terengganu (UMT) and the Malaysian Minerals & Geoscience Department, was attended by 200 participants. The potential effects of ongoing climatic and sea level changes are of global concern, especially for countries with coastal populations. The most recent geologic period, the Quaternary (0 to 2.6 million years ago), is characterised by high frequency climate and sea level changes. The conference focussed on understanding these changes to facilitate prediction of future coastal trends. In addition to the conference theme there were sessions on geohazards, engineering geology, geochemistry, hydrogeology and economic geology. The conference was opened by Professor Datuk Ibrahim Komoo, UMT Vice Chancellor, who emphasised that geoscientists have a leading role in contributing towards understanding past environmental changes. The well-known geological truism that "The Present is the Key to the Past", needs to be joined with one that "The Past is the Key to the Future". Geologists understand past climatic changes well and so are ideally positioned to assist with future predictions.

Professor Fredolin Tangang, Vice Chair of Intergovernmental Panel on Climate Change (IPCC), Working Group I, highlighted recently published IPCC findings that human-induced impacts are without doubt the dominant factor for increased greenhouse gas concentrations, global warming of the atmosphere and ocean (0.1°C per decade since 1971), diminishing ice and snow, and rising sea levels (17 mm per decade since 1901). General predictions are for a more rapid rise of temperatures and sea levels unless more is done to cap anthropogenic carbon dioxide and methane emissions. Dr Daud Batchelor in his Keynote Address provided an overview of the stratigraphy, climates, sea levels and environments experienced over the past 3.0 million years in the (currently) drowned Sundaland

Continent and Peninsular Malaysia, and called for updated interpretations and revisions of the key stratigraphic units. The conference was an opportunity to meet old hands, Emeritus Professor H.D. Tjia, Dr John Kuna Raj and Tan Boon Kong. The healthy state of the geoscience fraternity was reflected in the large number of papers and posters delivered by young researchers. It was surprising to hear that Universiti Teknologi Petronas has arguably the largest Geosciences department in the world with over 400 students. The conference was closed by the newly appointed President of the Geological Society of Malaysia, Dr Mazlan Madon, who is also Chief Geoscientist of PETRONAS (Malaysia's national oil company) and Malaysia's representative to the UN Commission on Limits of the Continental Shelf.

CALL FOR PAPERS

Islam and Civilisational Renewal (ICR) invites scholarly contributions of articles, reviews, or viewpoints which offer pragmatic approaches and concrete policy guidelines for Malaysia, the OIC countries, civic non-governmental organisations, and the private corporate sector. The principal research focus of IAIS is to advance civilisational renewal through informed research and interdisciplinary reflection with a policy orientation for the wellbeing of Muslim communities, as well as reaching out to non-Muslims by dialogue over mutual needs and concerns.

Our enquiry and recommendations seek to be realistic and practical, yet simultaneously rooted in Islam's intellectual and spiritual resources, Muslim political and social thought, inter-faith exchanges, inter-civilisational studies, and global challenges of modernity.

ICR invites contributions on the following topics:

- issues of good governance and Islamic law reform in Muslim societies
- science, technology, development and the environment
- minorities and culture-specific studies
- ethical, religious or faith-based issues posed by modernity
- inter-faith, inter-civilisational, and Sunni–Shi‘ah dialogue and rapprochement.

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