

The Foundations Of Islamic Economics And Banking

The Islamic perception of the socio-economic process is dynamic and its insistence on social justice is uncompromising. To produce the best social structure, according to this view, man's economic endeavours should be motivated by a meaningful moral philosophy. In the face of the challenges presented by the modern world, the practice of Islamic economics raises many complex and profound issues. These are addressed in this highly important work, which must be considered essential reading for all those who live in the vision of the 'right'. First published in 1994.

'Islamic Finance is a welcome critical contribution to the growing body of literature on Islamic economics, banking and finance. As one would expect from an eminent and respected scholar, Visser has provided the reader with much food for thought. This stimulating book raises some serious questions which need to be addressed and provides valuable source material for researchers and students of Islamic finance.' – Abul Hassan, The Muslim World Bank Review

'Since its development, the study of Islamic finance has been enriched by the insights of Western scholars of banking and finance. Here, Hans Visser provides a comprehensive analysis of the principles of Islamic finance, the main instruments, and the operation of Islamic institutions and markets. This thoughtful and well written study confirms Professor Visser's place in the group of Western writers able to comprehend and evaluate the essence of Islamic finance, while reinforcing Edward Elgar's position as the leading Western publishing house in this field.' – Mervyn K. Lewis, University of South Australia and Academy of the Social Sciences in Australia

Hans Visser presents a fascinating study of both the foundations of Islamic finance and its recent developments. This highly topical book explores the products and practices of Islamic finance, specifically targeting the tensions that may arise between the ideology and the practices. The author describes the forms Islamic finance has taken, analyzes the problems that it faces, and confronts the practice of Islamic finance with the principles it is based upon. He presents a dispassionate discussion of the problems facing Islamic forms of finance, including the question of how to reconcile activities such as liquidity management, monetary policy and government finance with Islamic principles. Islamic finance is an especially momentous phenomenon, and this book will prove an essential read for students with an interest in money and banking, and particularly Islamic finance. It will also be highly influential for bankers and staff in financial institutions, as well as financial journalists, politicians and civil servants dealing with the financial industry.

After barely half a century of experience, Islamic banking has become established as a new niche industry across the world offering new and sophisticated financial products designed to be compliant with the principles of Islamic legal principles and common law. This comprehensive book explores the theory, principles and practices underpinning this rapidly expanding sector of banking. Expert contributors – including eminent scholars and senior practitioners in the field – examine the roots of the principles of ethical Islamic financial transactions, which have evolved over several millennia, on issues including usury, interest rates, financial contracting

for funding enterprises, for mortgages, for leasing and other financial transactions. Regulatory and governance issues are discussed, and the practice and operation of Islamic financial institutions are explained via three distinct case studies. Importantly, the final chapter looks at what steps are being taken to provide professional accreditation to Islamic banking professional personnel, and prescribes requirements for training in this growing industry.

A Philosophical Exploration of the Discipline

Principles and Practice

A Primer on Markets, Morality, and Justice

Contributions of Muslim Scholars to Economic Thought and Analysis

History of Islamic Economic Thought

The first part of this book is designed to display the sources and principles of economics and trade transactions in the Islamic community. It analyzes the judicial injunctions against riba and proves that riba including interest is prohibited. Basing the argument on theoretical (Quran and Sunna) as well as the customary practice during the life of the messenger of God in Mekka and Al-Madina. Notably, the Islamic teachings covers both the worldly and religious affairs. This is a very revealing indication that "Islam" does not only regulate the relations of the human beings with God, but also extends to regulating (i) the relationship of the ruler with the ruled through "al-shura", and (ii) economic and financial transactions in the market. Notable among these transactions: a) the abolition of riba and instigating interest-free economy, (b) providing the basic needs of society, (c) achieving social justice by applying zakat levy and other ordinances, and last but not least inheritance law and redistribution of State land for public benefits. the second and third part of the book explains and proves that prohibition of riba does not circumvent trade or paralyze the economy. On the contrary by eliminating injustice inherent in riba, the banking system will be liberated from discrepancies and the economy will perform more efficiently by mitigating the evils of riba.

This book is a comprehensive study, which provides informed knowledge within the field of Islamic economics. The authors lay down the principal philosophical foundation of a unique and universal theory of Islamic economics by contrasting it with the perspectives of mainstream economics. The methodological part of the theory of Islamic economics arises from the ethical foundations of the Qur'an and the Sunnah (tradition of the Prophet) along with learned exegeses in an epistemological derivation of the postulates and formalism of Islamic economics. This

foundational methodology will be contrasted with the contemporary approaches of the random use of mainstream economic theory in Islamic economics. The book establishes the methodological foundation as the primal and most fundamental premise of the study leading to scientific formalism and the prospect of its application. By way of its Islamic epistemological explanation (philosophical premise) in the form of logical formalism and the use of simple real-world examples, the authors show the reader that the scientific nature of economics in general and Islamic economics in particular rests on the conception of the scientific worldview. With its uniquely comparative approach to mainstream economics, this book facilitates a greater understanding of Islamic economic concepts. Senior undergraduate and graduate students will gain exposure to Islamic perspectives of micro- and macroeconomics, money, public finance, and development economics. Additionally, this book will be useful to practitioners seeking a greater comprehension of the nature of Islamic economics. It will also enable policymakers to better understand the mechanism of converting institutions, such as public and social policy perspectives.

This is the second book of the series Notes on Islamic Economics. Its subject is the charitable sector. The third sector has a special important role in the Islamic economic system because of the fundamental concern Islam gives to justice and how it is applied in a free-will private-ownership based economy.

Islamic Economy and Social Mobility: Cultural and Religious Considerations

Micro-economic Foundations of Islamic Economics

Cultural and Religious Considerations

First Principles of Islamic Economics

The Islamic World from the Seventh Century to the Present

This book examines the methodological development of the principles of Islamic political economy in its theoretical and applied aspects. This is carried out in a general equilibrium framework using the theory of social choice. Thus a comparative study is also undertaken here in these areas while developing the theory of Islamic political economy. In these respects this book appears to be the first one of its kind.

This unique book highlights the contributions made by Muslim scholars to economic thought throughout history, a topic that has received relatively little attention in mainstream economics. Abdul Azim Islahi discusses various ways in which Muslim ideas reached the European West, influencing scholars and helping to form the foundations of modern economic ideas and theories.

This rigorously written book on the areas of Islamic principle theory and application is expected to break new ground in modern economic analysis, both for the Islamically inclined and others. The main features of the book include analytical treatments of the essential axioms and instruments of

Islamic Political Economy, their expected application, and a comparative perspective both in respect to contemporary Islamic literature as well as comparative economic theory.

The Epistemological Foundations of Islamic Economic, Social, and Scientific Order: without special title

Islamic Economics, Banking and Finance

Islam and Economics

Islamic Finance

Foundations, Evaluation and Needed Direction

The contemporary economic systems have failed to solve the economic problems of mankind. The failure of socialism is too obvious to need any documentation. The track record of capitalism is far from being promising. Although a small minority has achieved unprecedently high material standards of living, a vast majority lives under conditions of abject poverty. The problems of unemployment, inflation, poverty amidst affluence, unequal distribution of wealth, frequent bouts of business recession, environmental pollution and ecological imbalance still bedevil man's present life and threaten his future. The present book contends that the Islamic economic order has the potential of ushering in an age of human bliss; and the resources to build a free, just and responsible world for everyone on the earth.

Drawing on received sources of 'maqasid' (Shari'ah's practical objectives), this book demonstrates how the principles of market economics affect how markets and financial institutions actually operate under Shari'ah law. It shows where Islamic economics converges with and differs from conventional economics through the banning of usury and other Shari'ah-prohibited trade practices. Students can check their progress with learning outcomes, chapter previews, chapter summaries and revision questions.

In its pursuit to equip the reader with a basic knowledge of Islamic economics, this book divulges the micro-foundations of the discipline, and highlights the predominant schools of thought that exist in the field. It explains, in simple terms, what Islamic economics entails and how it can be studied as a science in relation to the Holy Quran, the Sunnah and the Islamic intellectual tradition based on these two sources. The book familiarizes the reader with knowledge of the basic maxims of the discipline. It then establishes the arguments that are presented by the proponents of religion-based economics, specifically Islam, and appraises readers about the aforementioned schools as they exist. A number of chapters consider the dimension of the dilemmas the discipline is facing, and the chronological progress of the field is reviewed, hence providing a comprehensive overview of the topic. The book deals with the issues about the origins of Islamic economics, the basic methodological questions, the use of the opportunities offered by fiqh in the methodological discussions and the main problems arising from the encounter with other cultures and civilizations. It offers practical solutions, despite the differing schools of thought, not unlike the development of conventional Economics where radical differences between Keynesian, Classical and Monetarist approaches existed. It concludes by incorporating some of the finest works that explain to the reader how Islamic economics may progress as a discipline. This guide will provide both students and researchers in Comparative Economic Studies, Islamic Economics and Islamic Finance with an essential overview of the field.

A History of Philanthropic Foundations

The Foundations of Islamic Economics and Banking

New Issues in Islamic Finance and Economics

Theory and Practice
Islamic Economics

The first part of this book is designed to display the sources and principles of economics and trade transactions in the Islamic community. It analyzes the judicial injunctions against riba and proves that riba including interest is prohibited. Basing the argument on theoretical (Quran and Sunna) as well as the customary practice during the life of the messenger of God in Mekka and Al-Madina. Notably, the Islamic teachings covers both the worldly and religious affairs. This is a very revealing indication that “Islam” does not only regulate the relations of the human beings with God, but also extends to regulating (i) the relationship of the ruler with the ruled through “al-shura”, and (ii) economic and financial transactions in the market. Notable among these transactions: a) the abolition of riba and instigating interest-free economy, (b) providing the basic needs of society, (c) achieving social justice by applying zakat levy and other ordinances, and last but not least inheritance law and redistribution of State land for public benefits. The second and third part of the book explains and proves that prohibition of riba does not circumvent trade or paralyze the economy. On the contrary by eliminating injustice inherent in riba, the banking system will be liberated from discrepancies and the economy will perform more efficiently by mitigating the evils of riba. The American Journal of Islamic Social Sciences (AJISS), established in 1984, is a quarterly, double blind peer-reviewed and interdisciplinary journal, published by the International Institute of Islamic Thought (IIIT), and distributed worldwide. The journal showcases a wide variety of scholarly research on all facets of Islam and the Muslim world including subjects such as anthropology, history, philosophy and metaphysics, politics, psychology, religious law, and traditional Islam.

Abul A'la Mawdudi laid down the foundations of modern Islamic economics. Drawing upon Islamic sources, Mawdudi spelled out a new paradigm for economic analysis and policy, wherein economic pursuits take place in the context of moral values and are directed towards the achievement of personal and social objectives. Integral to this approach is the concept of an interest-free economy that attempts to make efficiency and equity inseparable and interdependent. The creation and distribution of wealth thus become instrumental in promoting individual and social wellbeing, opening up pathways to development, social justice, and human welfare. This comprehensive anthology collects all of his major writings and provides a historic as well as an essential introduction to Islamic economics. Abul A'la Mawdudi (1903-1979) was a leading Muslim intellectual and a chief architect of the Islamic revival in the twentieth century. In 1941 he founded Jama'at-i-Islami, a political party in Pakistan, which he led until 1972. He authored more than a hundred works on Islam, both popular and scholarly, and his writings have been translated into some forty languages.

*The Foundations of Islamic Political Economy
Problems and Solutions
Islamic Foundations of a Free Society*

The Epistemological Foundations of Islamic Economic, Social and Scientific Order

A collection of major writings on Islamic economics by Abu'l A'la Mawdudi (1903-79), one of the leading Muslim intellectuals of the

twentieth century

In an era of globalization and cross-cultural awareness, an interest in the relationship between economics and religion, politics, and social behavior is alive and well. In particular, the Islamic economy has become a focal point of interest for economists and government leaders around the world interested in understanding the relationship between religion and economics among primarily Islamic regions. **Islamic Economy and Social Mobility: Cultural and Religious Considerations** analyzes the social, cultural, religious, and political implications of the Islamic economy at the global level. Highlighting the foundations upon which Islamic ideology is formed and how it impacts socio-cultural and economic systems both within and outside of primarily Islamic regions, this publication is an ideal reference source for economists, sociologists, international relations professionals, researchers, academics, and graduate-level students.

The study explores aspects of the philosophical foundations of Islamic economics to determine if it qualifies to be called a scientific discipline. To qualify, it has to have a clear subject matter, a well-defined body of knowledge, methodology or methodologies to appraise theories and progress in its development. In almost four decades of its development, the study argues that the discourse on these foundations has been relatively limited and this has stunted its genuine and sustainable progress. Qualitative library research with discourse analysis representing the discursive tradition in Islamic scholarship is employed in this study. By observing the present state of affairs in the literature of Islamic economics and utilizing works on philosophy of science in both Islamic and Western traditions, the study attempts to develop the foundational core of Islamic economics as a scientific discipline that will serve as a platform from which further development can take place. The research first discusses the concept of worldview that acts as the unseen foundation of all bodies of knowledge and action; hence it has clear implications for the development of the discipline. The study approaches the subject matter under the specific branches of philosophy- the ontological, epistemological and axiological dimensions- to provide a more systematic reflection of those foundations of Islamic economics. Two chapters each discuss the three dimensions: one generally critically surveys the literature, while the second provides inputs for the 'Islamic perspective' in those dimensions. The ontological dimension of Islamic economics investigates the nature and fundamental elements of Islamic economics, including its definition, subject matter, nature and scope. The epistemological dimension analyses how the various sources of knowledge in Islam impact the methodology of Islamic economics and affects the criteria, principles and purpose of theory appraisal and evaluation. The axiological dimension examines the concept of values in an Islamic economic system and how these values can be incorporated in both theory and policy prescriptions. The study concludes that genuine Islamic economics must proceed from a sound foundation/philosophy of Islamic economics and that more serious research should be undertaken in this area of research.

Islamic Economics: Micro and macro foundations

The Foundations of Islamic Banking

Maqasid Foundations of Market Economics

Islamic Economics: Principles and Analysis

Explorations in Microeconomic Foundations of Islamic Economics

The last decade has seen an unprecedented growth in the practice of Islamic banking and finance which

has now been recognized as a viable alternative and hopefully it will be the only financial system needed to get out from the current crisis, with the expectation that it will play an increasingly more important role in the years to come; as such, the appeal of this type of finance stems mainly from its underlying fundamental concept of justice as well as from the sharing of risk and prohibition of interest. The Islamic finance has become an essential part of the global international financial system in the last decades which is predictable after the high recorded compound. Presenting state of the art information in the contexts of Islamic economics and finance research, Islamic Economics, Banking and Finance highlights the foundations of Islamic economics, which are in practice manifested in Islamic finance. This book is important in understanding the development of the discipline over the past decades, and the significant contributions of the discipline to the world. In this book, effect of interest rate on banking sector in general concept and effect of interest rate on banking profitability in specific concept will be explained in theoretically and empirically. There are some promising theoretical and empirical findings pointing to positive contributions of Islamic finance, there is still a need for Islamic finance to distinguish itself from the conventional finance and to further demonstrate its real effect.

Explains the exchange economics behind the Shari'ah compliance conditions of Islamic finance Drawing on received sources of 'maqasid' (Shari'ah's practical objectives), this book demonstrates how the principles of market economics affect how markets and financial institutions actually operate under Shari'ah law. It shows where Islamic economics converges with and differs from conventional economics through the banning of usury and other Shari'ah-prohibited trade practices. Islamic finance rests on the principles of free market exchange of Islamic economics. But the latter has failed to keep pace with the rapid developments of the former. Much work published about Islamic economics is at least idealistic if not radically ideological, with little relevance to the Islamic financial industry. This book provides the coherent body of economic theory that students and practitioners of Islamic finance need in order to understand how the maqasid gives a sense of direction to developments in the industry.

The Foundations of Islamic Economics and Banking LAP Lambert Academic Publishing

A Study in Social Economics

Theory, Practice and Education

American Journal of Islamic Social Sciences 2:1

Essays in Islamic Political and Moral Economy

The Principles of Islamic Political Economy

The book outlines origins of Islamic economics Principles in Shari'a, covering its characteristics, economic problem, and government intervention, public versus private property, work ethics, Al-Hisba and social justice. Theories of the demand

for money in western economies are presented followed by an analysis of the meaning, nature, characteristics, and role of money in Islam. Factors affecting the demand for money in an Islamic economy are emphasized. The meaning and features of Riba, its types and economic consequences are discussed. Thorough analyses of the objectives of Islamic banking in theory and practice, types and sources of deposits, and various forms of Riba-free financing operations are in order. Monetary and prudential control in both systems is considered emphasizing religious supervisory responsibility and the Central Bank of Kuwait instructions. Islamic money and capital market is acknowledged by dwelling on sukuk instruments. Transition in practice is analyzed shedding light on Kuwait experience and the macro and microeconomic efficiencies of Islamic model compared with conventional one.

Written by a contemporary pioneer in the area of the universal paradigm and Islamic world-systems, this book offers a fresh post-modernist outlook on new epistemological investigations in the universal paradigm. It addresses the problems of the unity of knowledge in learning systems, thereby invoking the foundations of Islamic epistemology. The author presents a phenomenological model of unity of knowledge in economics, ethics, science and society. Some critical areas where this model can be applied are also explored. As a foundational study on Islamic theory of knowledge covering the fields of Islamic economics, finance, science and society, the book will be valuable to researchers, practitioners and global academic institutions.

This primer is an introductory text to rediscover the principles of commerce and economics revealed in the Qur'an, espoused by the Sunnah (practices of the Prophet Muhammad), and understood by the jurists. Islam offers three moral principles of economic organization: ownership, wealth creation, and wealth circulation. Based on these principles, Islam and Economics derives a framework of operational institutional tenets for the economic organization of a society. It addresses all important business, policy, and equity issues that any economic system should resolve and broadens the discussion on the modern discipline of "Islamic economics."

An Introduction to Islamic Economics

Theoretical Foundations of Islamic Economics

Islam, Economics, and Society (RLE Politics of Islam)

Economy, Society, Ethics and Science

A Methodological Enquiry

This title provides a review of the main issues and challenges facing Islamic finance. It offers original thinking on issues pertaining on governance, institutions, public finance and economic development within an Islamic financial system.

With the impressive emergence of Islamic finance as a branch of Islamic economics, the need for a solid knowledge base that encompasses theories, thoughts and applications related to the subject increased in

importance. However, writing about Islamic economics is a great challenge due to the differences in opinion on many of its issues. This includes methodologies for determining the Islamic perspective on economic concepts and issues as well as applicable solutions for today's economic and social problems. It is further argued that Islamic economics topics are not as clear as those in conventional economics as they have their own religious, spiritual and social dimensions. The points of controversy have generated lengthy discussions. Moreover, Islamic economics encompasses a vast array of topics and approaches, from the purely theoretical, which may include philosophy or religious ideas, to mathematical and quantitative analyses. We tried our best throughout this textbook to simplify, clarify and summarise these concepts to make them accessible to all readers including students, practitioners, academics and even interested non-specialists. This textbook presents, discusses and analyses various topics and issues related to Islamic economics ranging from philosophical, epistemological and methodological to microeconomic and macroeconomic perspectives. In this endeavour, the social aspect of Islamic economics—an essential part of the discipline—is not neglected. The textbook compares Islamic ideas and concepts related to economics with those in conventional economics to highlight Islamic economics as a distinct field of knowledge with an emphasis on the ethical and social aspects. The authors have tried their level best to explain the theoretical concepts as simply as possible without ignoring today's realities and without compromising Shari'ah principles and objectives. One of the main objectives of the book is to provide the reader with Islamic economic ideas and solutions that are realistic and applicable within the current highly globalised economic and business environment, which is largely dominated by conventional interest-based systems and institutions. Despite being written for an elementary-level audience, this textbook can also be beneficial to a wide range of specialist and non-specialist readers and seekers of knowledge. For those specialising in Islamic economics, it is an appropriate source of reference to gain an overview on different topics relating to the foundations of Islamic economics. At this point, however, it must be mentioned that each topic deliberated upon, by its nature, would require a book on its own to cover all its aspects. Therefore, further exploration is required for Islamic economics specialists. A list of references and recommended readings is provided for that purpose at the end of each chapter. On the other hand, students of mainstream economics, finance and other academic majors will find this textbook an excellent resource for comprehensive knowledge of Islamic economics and its related issues. Universities may benefit from the different topics presented in this textbook in designing or preparing their economics courses at different levels based on their own curriculums and classes. This textbook could be used at the undergraduate level or even

for a master's level economics or Islamic economics course, especially in an Islamic banking and finance programme or for an MBA having a specialisation in Islamic banking and finance where an economics or Islamic economics course is offered. Furthermore, practitioners and interested readers who are seeking essential and simple knowledge about Islamic economics will also find this textbook to be a helpful guide. It is important to mention here that Islamic economics literature shows wide differences among the scholars in almost every subtopic. Presenting all opinions within a limited number of pages is almost impossible. However, with the great contribution of more than 60 scholars from a wide span of countries and from various economic schools, this book represents an important attempt to present the topics and issues from various perspectives with the maximum objectivity possible. Through comprehensive content editing, the editors have striven to improve the flow of arguments, remove inconsistencies and put the ideas together in as coherent a manner as possible. However, the editors acknowledge that some biases and overlaps may still persist.

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Islamic Economic Thought

The Universal Paradigm and the Islamic World-system

Contributions to Islamic Economic Theory

Methodology of Islamic Economics

Progress and Challenges