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Outline of an Islamic Economic System

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OUTLINE OF AN ISLAMIC ECONOMIC SYSTEM

I thank Allah S.W.T. for this honor of giving the annual Zahid Husain lecture. I am also grateful to Governor Yaqub and the State Bank of Pakistan for this invitation. Governor Yaqub has asked that I speak on the subject of an Islamic Economic System and its various components. This is a vast subject, and there are many different ways to approach it. For our purpose here, the simplest approach is to take an acceptable definition of an economic system and then see how it can be extended to what may be considered an Islamic economic system. The message that I hope to convey here is that an Islamic economic system is rule based. The rules are specified both for the individual and the society. The adherence to these rules of conduct, it will be argued, assures an Islamic society of economic growth and development. In what follows, a general definition of an economic system is presented (section-I) which is then used as a basis to define an Islamic economic system (section-II). The remainder of the discussion concentrates on the specific set of rules adherence to which ensures economic growth and development for an Islamic society. Based on *ayah 96, Surah الاعراف* it is argued that *ایمان* and *تقویٰ* —the necessary and sufficient conditions for a society to have economic growth and development—imply a set of rules of just conduct in the economic sphere. The concluding section contains a number of suggestions on how the present day Islamic societies can promote compliance with these rules.

I. Definition of an Economic System

An economic system is a collection of institutions set up by the society to deal with allocation of resources, production and exchange of goods

and services, and distribution of resulting income and wealth. In the most general sense, institutions are composed of formal and informal rules of conduct and their enforcement characteristics designed to achieve a set of objectives. The degree of effectiveness of enforcement of rules of conduct, therefore, that of institutions, is determined by the degree to which there is an identity between the objective(s) of institutions and the choices individuals make in that institutional setting.

(a) Rules of Conduct and the Social Order

The function of rules of conduct is to provide the means by which individuals can overcome the obstacles presented by their ignorance of particular facts that must exist to determine overall justice in the social order. Rules specify what kind of conduct are appropriate in certain circumstances. Rules are means to particular ends. They are restrictions on what the members may do without upsetting the social order on whose existence all members count in deciding on their individual choices and actions. Therefore, attachment to and observance of rules will guide the members of the society in their actions. If emotions and impulse tell them what they want, the rules tell them if they can have it and how they will be able and allowed to achieve it. Additionally and importantly, observance of rules of conduct integrates the individuals into the society. Rules serve to prevent conflicts, reconcile the different purpose of many individuals and facilitate cooperation among them. Compliance with them promotes social integration and unity and preserve the intended social order.

(b) Conditions for Preservation of the Social Order

To preserve the social order two conditions must exist; one is necessary and the other sufficient. The former requires that rule compliance is enforced, through persuasion if possible, coercion if necessary. The sufficient condition states that the social order will be preserved if it is generally accepted that the rules of conduct will be enforced in all cases irrespective of the particular consequences some may foresee. Only if applied universally, without regard to particular effects, will rules of conduct, therefore, the institutions, serve the permanent preservation of the social order.

(c) Contracts and Ideology

Not only individuals make choices for themselves, but they interact with other members of the society through transactions facilitated by implicit and explicit contracts entered into within the bounds specified by the institutional setting of the society. A contract is a time-bound instrument with an objective. The contract stipulates the obligations that each party is expected to fulfil in order to achieve the objective(s) of the contract.

The measurement and enforcement of contracts can be costly mainly because information is costly and is held asymmetrically by the parties to a contract. For this reason, ideology matters. Strength of enforcement of rules of conduct in general and of contracts in particular depend on ideology. Ideology consists of a "subjective" model that individuals possess to evaluate and explain the world around them. Ideology is important because it is a key to individual choices that affect the performance of an economic system. Economic performance is affected by institutions (rules) plus technology which together determine transformation (production) and transactions costs.

To summarize, the strength of ideology determines the strength of rule-compliance, therefore, the strength of institutions which together with technology determine the performance and efficiency of an economic system. Efficiency is measured by the cost of a given level of economic performance. The stronger the ideology, the lesser the divergence between the choices individuals make and those expected of them by the objective(s) of institutions, therefore, the lesser is the cost of enforcement of contracts and rules of conduct. By implication, in an ideal situation, with a strong ideology, in which all rules of conduct are complied with and are universally enforced, there will be no divergence between what institutions expect of individual choices and the actual choices. Therefore, in the ideal situation informational asymmetry and moral hazard are minimized since a large part of uncertainty will be eliminated with rule compliance. The remaining risks will become ensurable.

II. An Islamic Economic System

Nothing that has been said above is new. Most of it can be found in

textbooks on economics and in the economists' kit of tools. Moreover, what has been said can be directly applied to Islam with only a single exception, i.e., instead of the word "society" in the definition of an economic system, we insert the words "the Law Giver" to have a definition for an Islamic economic system as a collection of institution, i.e., formal and informal rules of conduct and their enforcement characteristics, designed by the Law Giver—i.e., Allah S.W.T. through the rules prescribed in the Quran, operationalized by the Sunnah of *الرسول (ص)*, and extended to new situations by Ijtihad—to deal with allocation of scarce resources, production and exchange of goods and services and distribution of resulting income and wealth.

It may be recalled that economic system is defined in terms of institutions, institutions in terms of rules of conduct and their enforcement characteristics and these in terms of the underlying ideology of the individuals in the society. Let's first deal with ideology.

(a) Islamic Ideology

The core and fundamental axioms of Islamic ideology are: (1) Tawhid, (2) Nubuwwa, (3) Maad (*معاد*).

These axioms require that one believes that the creation has only one omniscient and omnipresent creator who has placed man on this earth to pursue his own felicity and perfection. It is believing that the orbit of man's life is much longer, broader and deeper than the material dimension of life in this world. It is believing that at some point in this orbit, Allah S.W.T. will call forth all of mankind for a final, definite and complete judgement and at that point each person will see his/her actions and will receive the just reward or punishment due. It is believing that *محمد (ص)* is the last and final messenger of Allah S.W.T. bringing to mankind the most perfect set of rules of conduct required for the perfect life in this world and that he (*ص*) lived a life in which his own actions and words personified the state of human perfection and his (*ص*) actions and words are prototype model of the perfection man has to strive for.

Based on this ideology, the rules of conduct are structured and prescribed around the axis of Tawhid. These rules are comprehensive and govern all of man's actions and decisions, and constitute an integrated,

consistent and unified whole; compliance with these rules lead, in turn, to Tawhid itself. Now the objective of an economic system is to achieve economic growth and development; let us see how an Islamic economic system proposes to achieve growth and development. For this purpose, we will refer to only one ayah of the Quran, ayah 96, Surah الاعراف . In part the ayah says:

”ولو ان اهل القرى آمنوا واتقوا لفتحنا عليهم بركات من السماء والارض“

“And only if the people of townships were to believe and have تقوى we would have opened for them blessings from the heaven and the earth”.

While on the first reading of this ayah it may not appear so, this ayah contains the Islamic theory of economic growth and development. But like all abstract theories it must be explained. First, it is important to note that the ayah refers to اهل القرى , the people of townships. مفسرين generalize this to cover any human collectivity. This is an important element of the ayah because it has reference to the fact that Islam is a call to the collectivity and is the first religion that has given the collectivity an independent corporate personality and identity and which will be judged on its own merits or demerits. The final judgement of the individual actions will have two dimensions, one as the individual and the other as a member of the collectivity.

In a series of آيات, the Quran invites man to collective and unified social action as well as to the preservation of the purity of the collectivity from all elements of disunity:

”وان هذا صراطي مستقيماً فاتبعوه ولا تتبعوا السبل فتفرق بكم“ (انعام ١٥٣)

“And indeed this is my straight path therefore follow it and do not follow other ways because that will lead to disunity amongst you”

”واعتصموا بحبل الله جميعاً ولا تفرقوا“ (آل عمران ١٠٣)

“Grab hold of the rope of Allah collectively and do not disunite”

”واطيعوا الله واطيعوا رسوله ولا تنازعوا فتفشلوا وتذهب ريحكم واصبروا ان الله مع الصابرين“ (انفال)

“And obey Allah and His Messenger and do not dispute with one another, lest you falter and your strength will depart from you and be steadfast; indeed Allah is with the steadfast”

”تعاونوا على البر والتقوى ولا تعاونوا على الاثم والعدوان“ (معاودة ٢)

“Cooperate with one another unto righteousness and تقوى and do not cooperate with one another unto unrighteousness and enmity”

These and many other verses order human beings to work hard toward social unity and cohesion, construct their societies based on unity and preserve and defend that unity. Unity and social cohesion is so central among the objectives of the Quran for mankind that it can be argued that all conducts prohibited by Islam are those that ultimately will lead to social disintegration. And, conversely, all righteous conducts prescribed by Islam are those that lead to social integration, cohesiveness and unity.

The Quran calls attention to the fact that despite all apparent multiplicity, human beings are fundamentally of one kind, they were created as one نفس and will ultimately return to Allah S.W.T. as one نفس as well. The Quran says:

”ما خلقكم ولا بعثكم الا كنفس واحدة“ (لقمان)

“Neither your creation nor your resurrection is possible other than as one united نفس ”

The second part of the ayah 96, Surah الاعراف i.e. ولما امنوا واتقوا. lays down the necessary and sufficient condition for economic growth and development. The word آمنوا means a collectivity whose behavior corresponds to the underlying ideology and is operationalized when that collectivity complies with all rules of conduct codified by the Shariah. However, even when a collectivity believes in the underlying ideology and complies with the rules, there may be occasional lapses, that is why the Quran often addresses and admonishes the collectivity of مؤمنين e.g.

”يا ايها الذين آمنوا لم تقولون مالا تفعلون كبر مقتاً عند الله ان تقولوا مالا تفعلون“ (الصف ٣-٢)

That is why Allah S.W.T. has added that the sufficient condition تقوى to ايمان in ayah 96, Surah الاعراف because تقوى goes beyond ايمان to ensure the constancy of ايمان. Where having ايمان by itself does not mean that the person always and everywhere remains faithful and does not transgress, when combined with التقوى it will mean not transgressing against the rules at all. The more تقوى one has, the stronger is one's ايمان and the less likely that one will transgress against the rules of proper conduct.

It is a sufficient condition that ensures the constancy and permanency of rule compliance.

When **تقوى** is strengthened it leads to Ihsan. Ihsan is ordinarily translated as “doing good” but this definition trivializes the concept of Ihsan, for it is much deeper. To understand it at this level we refer to a hadith of **الرسول (ص)** It is reported that he **(ص)** was asked what does Ihsan mean. He is said to have replied that Ihsan is acting always as if one sees Allah S.W.T. and knowing that even if one does not see Allah S.W.T. one is fully aware that Allah S.W.T. sees him,

“**كانك تراه وان لم تراه فانك يراك**”

This concept intensifies **تقوى**, i.e. the constant and permanent awareness of Allah S.W.T., and elevates this awareness to a perception of the constancy of His presence, thus making it impossible to ever forget His omnipresence when one does anything. It is, therefore, a rule enforcement characteristic.

Now in the last part of the ayah 96, Surah **الاعراف** :

“**لفتحنا عليهم بركات من السماء والارض**”

The key word here is **بركات** a plural of the word **بركه** and it refers to the increasing return associated with just and righteous conduct. A just conduct is operationally defined as that conduct which corresponds with the rules established by the Law Giver and codified in the Shariah. The closer the identity between a conduct and the rules covering that conduct, the greater the presence of **بركه**.

Now clearly resources are available for use of all mankind regardless of whether they are Muslims or not or whether they follow Islamic rules of conduct. According to the ayah, however, the difference is that the returns from the actions involved in use of these resources will have an increasing rate if these actions are in full compliance with the rules of the Shariah covering them. Since the availability and use of these resources will determine the level of economic development and the rate of economic growth, the ayah can be understood to say that the closer the compliance of the conduct of the collectivity with the rules of shariah, the higher the level of economic development and the rate of economic growth.

To summarize, in a society in which the collectivity always and everywhere complies with the rules of Shariah covering all economic activity there will be high economic growth and rapid economic development.

(a) Rules of Conduct in an Islamic Economic System

Let us now briefly look at the rules of Shariah covering resource allocation, production and exchange, and the distribution of resulting income and wealth, full compliance with which not only ensures economic development and growth, it also ensures economic justice. The rules ensure that justice prevails before production takes place, during the exchange and in distribution of resulting income and wealth.

Justice before production is achieved by ensuring that all members of the society have equal opportunities with respect to access to and utilization of resources. This is done through the rules contained in Islam's property rights framework. The first axiom of this framework is that Allah S.W.T. is the creator and the ultimate owner of all property. The man has been given only the right of possession of property during his life time in this world. The second axiom of Islamic property rights is that this right of possession is a collective right and individuals can only earn a priority in the use of these resources.

The first axiom is established by a number of آيات, for example:

”هو الذى خلق لكم ما فى الارض جميعاً“ بقدر ٢٩

Both “كم” and “جميعاً” refer to collectivity for whom the plurality of resources have been created by Allah S.W.T. In another ayah, Allah S.W.T. says,

”ولا توهبوا السفهاء اموالكم التى جعل الله لكم قياماً“ (نساء ٥)

“Do not give your resources that Allah has made you its preservers on to the foolish”

Again, “اموالكم” and “جعل الله لكم قياماً” indicate the right of collectivity. While a part of these resources are reserved for the exclusive possession of the collectivity, the remaining part is allowed to become possession of individuals without the collectivity losing its initial right of possession to these resources.

Individuals are to use these resources with the full understanding that Allah's ultimate ownership and the collectivity's prior right of possession remain intact. This notion is referred to as "ثبات ملكية" or the premanence, constant, and invariant ownership of Allah S.W.T. of all the resources, and by implications, that of prior right of possession of these resources by the collectivity. This concept has at least two practical implications in that it creates a firm foundation for collectivity's right of legislative mandate requiring transfer from those more able to the less able. That is, the individual uses these resources being fully aware that other members of the society that are unable, for variety of reasons, to use these resources have a right in them and that he is using these resources in partnership with these other members. Therefore, the return from the use of these resources must be shared with these partners. All these rights must be redeemed from the results of their use. The second implication is that while individual's possession of these resources and his share in the outcome is allowed, sanctioned and protected by the Shariah, it is so as long as this does not come into conflict with society's interest and well being. If a conflict should arise, priority must be given to society's interest and well being. This proposition becomes a legislative basis for requiring preservation of society's well being and interests.

The Shariah recognizes two ways in which the individuals can have private property claim therefore private possession: (1) Through their own labor and/or (2) through transfers. Before any work is performed on natural resources, all members of the society have equal rights to the resources and must, therefore, have an equal opportunity to access these resources.

When an individual has the ability to combine his own creative labor with the resources, he gains a right of priority claim of equity in the resulting product while the right of those less able in the initial resources and, therefore, in the resulting product still remains intact.

Concomitant with these individual private property rights, the Shariah imposes property responsibilities, among which are the obligation to share, not to waste, squander or to use the property for purposes prohibited by the Shariah. Among other things, these obligations write the principle of sharing into the delineation of interests of property and consider private ownership as a trust, or a duty, in order to affect sharing.

Hence, private initiative and choice are recognized, but such recognition is not allowed to subvert the principle of sharing or lead to violation of the rights of the society.

It is also important to recognize that while access to resources is made available to all with equal liberty and opportunity, if due to some circumstances, natural or otherwise, some individuals are unable to access these resources, their original claim to resources remains inviolate. They must be enumerated for these rights by those members with greater ability and opportunity to exploit these resources.

Justice in exchange is ensured by the Shariah through a set of rules governing the conduct of market participants. These rules must be internalized and adhered to by all participants before entering the market. Compliance with these rules by all participants ensures that all prices prevailing in the market will be “fair” and “just”. These rules cover: Shariah-compatible sources of supply and demand for factors and products, just conducts by market participants; and a price-bargaining process free of factors prohibited by the Shariah.

In this sense, market imperfection refers to situations when one or more of these rules of just conduct are violated. Specifically, the rules of just conduct cover, *inter alia*, freedom of contract and the obligation to perform its stipulations; consent of parties to transactions; non-interference with supplies before entrance into the market; full access to the market by all buyers and sellers; provision of full information regarding the quality, quantity and prices of factors and products to all buyers and sellers before the start of the bargaining process; and finally, provision of full weights and measures.

The rules prohibit: fraud, cheating, monopoly practices, coalition and combination among buyers or among sellers, underselling of products to gain market power, dumping actions, speculative hoarding of products, and bidding-up of prices without the intention to purchase.

All in all, any form of behavior leading to creation of instantaneous property rights without commensurate equity created by the individual's own labor are prohibited by the Shariah. The type of market that complies with these rules produces “just” prices as a result of free, informed and

unconstrained bargaining.

Although provisions are made for full supervision (not control) of the market, as well as for corrective and, if necessary, coercive action by legitimate authorities, to ensure full compliance with and enforcement of the rules of just conduct, direct interference with the operations of the market, e.g. through price controls, is not permitted. In the market, coercion is limited to the enforcement of rules of just conduct which are applicable equally to all participants. Any interference with the conduct of the market beyond supervision of rule compliance, and if necessary coercion to that end, is considered unjust because such interferences create privileges, therefore, instantaneous property claims in the sense that it will secure benefits to some of the market participants at the expense of others.

At this point it is important to recognize that even if justice is obtained before and during exchange, there is no guarantee that there will be equal distribution of income and wealth, i.e., it is possible that quite equitable conduct both before and during the exchange may lead to inequality. This is so because:

1. Even if equal opportunity for access to resources for all is ensured, there is no reason to assume that all members of the society will be able to use these resources equally since individuals are created with different physical and mental abilities. Therefore, they will enter the market with different initial economic position, and;

2. Even if maximum compliance with rules of just conduct in the market is ensured, there is no logical reason to believe that market outcome, in and of itself, will guarantee equality of income distribution.

It should be noted that all the rules of just conduct governing the market are mostly negative in that they, generally, prohibit unjust conduct. They do so in order to protect ascertainable domains within which the individual is free to act as he chooses. They do not confer rights on a particular person other than assure his free participation in the market. They do, however, lay down conditions under which property rights may be acquired. Therefore, under the rules of just conduct governing the behavior of market participants, it is possible for one

individual through a single just transaction to gain much and for another through an equally just transaction to lose all.

In fact, full compliance with the rules of just conduct may often have unintended consequence which if they were deliberately brought about, would be regarded unjust. Moreover, inequalities are created because some members of the society may be unable, for various reasons, to participate in production or exchange. The resulting inequalities will have both inter and intragenerational consequences. To correct the first, the Shariah specifies rules covering post-exchange distribution. We have said earlier that the concept of invariant ownership leading to a permanent and immutable rights of individuals in resources, regardless of their ability to participate in production or exchange, requires that these rights be redeemed at the first post-production stage if possible, after the exchange if necessary.

Various levies are imposed on the resulting product or income to redeem these rights. What is extremely important to realize is that these levies can in no way be considered as charity. This is important because it is often misunderstood by laymen and scholars alike. The fact that the general Quranic terms for these levies, such as *زكاة* or *صدقات* are translated as "charity" is an indication of this general misunderstanding. In fact, *زكاة* indicates a cleansing of the resulting production or income from the rights of others in them, i.e. *زكاة* purifies the product or income resulting from an economic activity from the rights of others in the surplus; others being those that for one reason or another have been unable to partake in the acts of production or exchange. Consider, for example, the categories of the Zakah receivers named in the Quran, they are all those who have not been able to participate at all, or participate fully, in these processes, or if they have, for variety of reasons, they have been unable to generate enough surplus to satisfy a minimum level of living.

The payment of these levies is contractual obligations between the individual surplus producer and Allah S.W.T. as well as the collectivity, the instant the individual begins using resources created by Allah for all. Therefore, he is obligated to return to others what would have been rightly theirs had they been able to fully participate in use of resources, in production and in exchange. Therefore, these levies can not be considered as charity. Even when the rights of others are redeemed, i.e., all due

levies are paid, the individual is encouraged to still do more in spending of his remaining rightful surplus in the way of Allah. To motivate this kind of giving Allah S.W.T. has provided the incentive of promising multiple returns to these kind of expenditures and asserting that spending over and above the mandatory dues will not lead to diminution of the already cleansed surplus but in fact to its growth:

”يُحِقُّ اللَّهُ الرَّبْوَ وَيُرِي فِي الصَّدَقَاتِ“ (بقره ۲۷۶)

To correct the pattern of distribution to the next generation, the Shariah specifies rules of inheritance that break up and distribute the accumulated wealth of its owner at his/her death; i.e. the right of the owner to his wealth ceases at the point of his death. Before his/her death, however, a right is granted to the person to bequeath a maximum of 3 per cent of his wealth as he wishes. The remaining portion is to be distributed among the heirs in accordance with a precise formula. Considering the exhaustive and extensive manner and the minute detail in which the Quran prescribes how this inheritance is to be distributed, there is no doubt that the institution of inheritance breaks up the accumulated wealth of a person as it is being transferred to the next generation.

Now, there are many more rules that due to time constraint we have not mentioned. We have not said anything, for example, about rules covering consumption, saving and investment behavior, but even so we have covered enough to conclude that indeed a society whose members are مؤمن, i.e., they comply with the rules of conduct prescribed by the Shariah, and have تقوى — meaning they are so aware of Allah S.W.T that their compliance with the rules is imbued with constancy, permanence, and stability—would have an economic system that ensures a high level of development and rapid growth. In such a society, much of the malaise that plague other societies such as waste, corruption, maldistribution of income and wealth, massive poverty and social discord would not exist.

The question is how to get there and what are the practical steps that one can take?

First, let us go back to the ayah with which we began this discussion.

”ولو ان اهل القرى امنوا واتقوا لفتحنا عليهم بركات من السماء والارض
ولكن كذبوا فخذناهم بما كانوا يكسبون“ (اعراف ۹۶)

“And only if the people of townships had believed and were ever

conscious of Allah S.W.T surely we would have opened for them blessings from the heaven and earth, but they rejected and we seized them (gave them) of what they used to earn". The ayah is symmetrical. Rule compliance brings blessings in form of growth and development while non compliance with the rules of conduct laid down by the Law Giver brings the opposite.

In one sense it can be said that the entire Quran is about Islamic ideology and about the consequences of compliance and non-compliance with the rules of conduct prescribed by Allah S.W.T. Clearly, we are where we are because of non-compliance; to get where Allah has meant for us to be we have to increase our collective compliance with the rules prescribed by the Law Giver.

Let me, however, quickly add that while the power of government can be used to enforce rule compliance, it needs to be emphasized that an Islamic social order demands "proper and just" conduct by individuals more than it imposes a duty of justice on authorities with power to command people to do so. But in order to comply with the rules of just conduct prescribed by Islam, individuals must know what these rules are and how to conduct themselves according to these rules in a given circumstance. Therefore, mass education, starting at home, to familiarize the individuals with these rules is extremely important. If an individual knows the rules but then proceeds to abrogate them, coercion becomes necessary to enforce compliance, because it is the enforcement of the rules that preserves the Islamic social order. The social order will be preserved if the rules apply universally to all members of the society and if these rules are treated not as means to a particular end only, but as ultimate values, indeed as the only values common to all and distinct from the particular ends of the individuals.

(b) Enforcement Mechanism

The enforcement characteristic of Islamic rules are that each and every individual is made responsible for knowing the rules themselves and then ensuring that others know them as well. The enforcement mechanism in Islam is embodied in the most important of all social duties of Muslims, i.e., that of *امر بالمعروف ونهي عن المنكر*. This duty is the first, and by far, the most important mechanism for ensuring education, training and develop-

ment of all individuals to become familiar with the rules of just conduct prescribed by Islam. Secondly, this mechanism would ensure that individuals comply with the rules once they know them.

If the rules are not generally known or understood because both the individuals and collectivities have shirked in their duty of *امر بالمعروف ونهي عن المنكر* rule compliance will be lacking or fundamentally weak. In that case, imposition by fiat of an Islamic economic superstructure, whatever that may mean under the circumstances, will not produce the desired outcome. But once the rules are known and understood, the society at large, individuals and the government, have the duty and the responsibility to ensure enforcement and rule compliance. Formation of the type of economic system implied by the ayah 96, Surah *الاعراف* then is a gradual and organic process that allows economic growth, *pari passu*, with increasing overall awareness of, and compliance with, the rules of just conduct by all members of the society.

III. Summary and Conclusions

If there is any validity to what has been said above, it is not too difficult to observe that a major reason for lack of sufficient level of economic growth and prosperity in many Muslim societies is due to noncompliance with the rules of just conduct in the economic sphere as specified by Islam. It is also clear that this state of affairs, in turn, stems from a general lack of familiarity with these rules among the Muslims. There is a need to promote an understanding of and compliance with these rules.

Let me say that whatever steps are taken by anyone or a group, no matter how small or insignificant, to promote rule compliance is important but the most effective way is for the Ummah to act collectively. How? What practical steps can the Ummah take towards that end? First, it is necessary that a congress composed of fuqaha and economists from all parts of the Ummah be convened to compile the rules of conduct prescribed by Shariah covering property rights, resource allocation, production, exchange and distribution. The result, Inshallah, will be a uniform set of rules. Next, a constitutional convention, again representing all parts of the Ummah, would need to convene and draft the constitutional provisions covering these rules to be adopted in the constitution of every country within the Ummah. Third, and the most

difficult step, is universal education of all Muslims to ensure that all individual members of the Ummah know and understand these rules of conduct uniformly accepted and enshrined in the constitution of every country within the Ummah. Fourth, institution building process must begin that allows formation of institutions, such as a legal frame work, that ensures the protection of rights responsibilities of individuals in the economic processes in accordance with the rules of Shariah as well as the enforcement of rule compliance. Fifth, legislatures in every Islamic country begin drafting these rules in form of laws to be implemented.

آخر دعوانا ان الحمد لله رب العالمين والصلوة والسلام على المرسلين
وعلى آله من بعد وآله الطاهرين الطاهرين