Understanding the framework of business in Islam in an era of globalization: a review

Syed Jamal Uddin

Introduction

This paper examines the dimensions and status of business in Islam. Efforts have been made to see how far ethics and morality are expected to play a role in conducting the affairs of business in Islam. This is important for the following reasons:

a. Islam is believed to be a misunderstood religion (Qutb 1997);
b. The Islamic framework shapes the behavior of one-fifth of the world’s total population (1.215 billion) including those who are in business. Dealings in general, business dealings in particular, with these people warrant a thorough understanding of their way of life;
c. These people are in the majority in more than 50 countries, and some of these countries are in control of the world’s energy resources (crude oil);
d. There appears to be an increasing push towards greater ‘Islamization’ by some countries like Egypt, Sudan, Algeria, Iran and Indonesia (Saeed et al. 2001);
e. Recent events on American soil have brought the agenda of understanding the premises of this faith to the forefront; and finally,
f. The irresistible phenomenon of globalization makes it imperative to understand the diversity of all sorts, including religion and culture.

The world community is likely to be in conflict and would be running the risk of alienating the followers of this faith should they fail to understand the religious dynamics and the mindset of these people (Rogers et al. 1995). After September 11, such a trend seems to be already in the making. In light of the realities mentioned above, a topic like this is worth contemplating.

This paper has three parts. The first part provides a brief background to reflect how recent events have come to be associated with the Islamic faith; the second part considers the basics of this faith and the last part tackles the dimensions of doing business in Islam where issues like morality and ethics are paramount.

Recent events and Islamic faith

Throughout history, a majority of the followers of the world’s main religions appeared to have been less aware of the fact that Islam has also originated from the same roots as Christianity and Judaism (Armstrong 2000, Husain 1994, Qutb 1997), and that all these religions have a common theme to share. That is the theme of submission to the will of ‘One and only God’. This theme is so basic that any human being can enter into Islam by declaring faith in One God.

The impression of Islam to the outside world is in general somewhat shallow. Even world leaders have branded the war on terrorism as a ‘clash between civilizations’. There has been a quick discovery of links between Islamic faith and the ‘anti-globalization movement’ (Hooper and Connolly 2001). This link is unreal in the sense that
Islam envisaged the idea of globalization some fourteen hundred years ago when traders were encouraged to undertake long trips and conduct business with the inhabitants of foreign lands (Abeng 1997). Authors like Parry (2001) and Ford (2001) have objected to the ‘out of context’ use of the term ‘Crusades’ in this context.

It is hard to tell why such reactions have been surfacing. It may have been happening because of the gravity of the situation and/or the image of Islam that has been portrayed in the powerful media. The alleged indulgence of some people in activities of an utterly extreme nature in the name of religion, who neither represent the faith nor have been formed by it, has also been held responsible by many.

With the terrorist attack on American soil, the world claimed (TSMH 2001) to have ‘changed forever’. Whether it is changed for the better or for the worse is still a matter to be ascertained. The dreadful event of September 11, apparently has led the American leadership to believe that a complete destruction of the regime harboring, encouraging and supporting the terrorist activities would halt, if not completely uproot, the menace of terrorist activities from the face of earth. This stand claimed to have been for a ‘just and noble’ cause (Gordon 2001); a stand justified by the moral ground taken by the Western Democracies to ensure a world free from terrorism. Some believe (Monbiot 2001, Shashikumar 2001) that the undeclared economic and business interests have also been playing an important role in this war against terrorism.

After watching the sheer horror of destruction and huge loss of invaluable human lives and property, people rushed to gather as much information as they could to create a picture of Islam of their own to see for themselves, to examine first-hand the actual message or lesson of a religion, alleged to have been responsible for such a despicable crime. This has led many conscientious people to take a closer look at this religion. A whole raft of questions like, does the religion of Islam deserve to be treated in a different way? What is the position of Islam about the creation and consumption of wealth? Does Islam encourage economic pursuits like business? Can businesses be meddled with unethical practices of any nature for the pursuit of gains or profits? are now being asked by ordinary people, whose sense of a safe living has been seriously disturbed. Answers to these questions must be meticulously researched and discovered for the betterment of all concerned.

Islam: a brief introduction

Islam is the second biggest and the fastest growing religion in the world (Armstrong 2000, Suter 1997). The tenets of this faith believed to have been revealed to Prophet Muhammad (peace be upon him) in their comprehensive, complete and final form as a continuation and culmination of all the preceding divinely revealed religions. These revelations, in their entirety, have been meticulously compiled in a book called the QUR’AN. It deals with almost every aspect of life (Ati 1995). The Qur’an is supplemented by the reported authentic words (HADITHS) and actions (SUNNA) of the Prophet and by the SHARIA. Sharia has its root in the Qur’an, considers ‘details of required duties and outlines all types of human interactions. It essentially constitutes what elsewhere would be considered criminal, personal and commercial law’ (Jeannet & Hennessey 1992:81).

The literal meaning of the word ‘Islam’ is peace. It calls for complete and unconditional acceptance of the divine teachings and guidance. By accepting the supreme power of God, anyone can become a Muslim and lead a life full of virtue. In Islam, virtue does not imply abandoning the bounties of nature that are lawful. On the contrary, one is encouraged to lead a healthy, active and meaningful life with the qualities of kindness, chastity, honesty, moral courage, patience and politeness. Because of its divine nature, the message of Islam is immutable in the face of change in time and place. It may appear rigid to the casual eye, in actual fact it is most certainly an adaptable way of life.

Islam teaches a person not to be the slave of his/her desire. A person has been endowed with a free will to make his/her own decisions, thereby making his/her own way for achieving success in this life and salvation in the hereafter.
outcomes are not mutually exclusive. Islam teaches its followers to make such supplication to God: ‘Our Lord! Give us in this world that which is good and in the Hereafter that which is good...’ (Qur’an 2:201).

Muslims believe in man’s accountability to God. It gives them a sense of meaning to life. It differentiates human beings from animals and inanimate objects. By this way, a Muslim is reminded about crime, corruption and unjust dealings, which are against the teachings of Islam (WAMY 1984). ‘O, Ye who believe: Be steadfast witnesses for God in equity and let not hatred of any people seduce you that you deal not justly. Be just; that is nearer to piety’ (Qur’an 5:8).

It is incumbent upon every Muslim (male and female) to acquire knowledge (Rahim 1996) and thus there is no room for ignorance. Islam places great emphasis on systematic enquiry for the pursuit of knowledge. ‘...Science and technology should be used for moral ends and serve all legitimate needs of mankind’ (ISNA 1998:3). Islam discourages all sorts of prejudices, oppression and discrimination. The person, who was given the most honorable and great job to call people for prayer, for the first time in the newly established mosque in Medina in the presence of Muhammad (peace be upon him), was a black person who used to be a slave in the immediate past. That ‘all human beings are equal’ in the eyes of God is being demonstrated five times every day in prayer and also in the time of annual pilgrimage where nationality, race, color, status play no role – whatsoever. Prophet Muhammad’s (peace be upon him) last sermon is a living legacy where he declared ‘all mankind is from Adam and Eve, an Arab has no superiority over a non-Arab nor a non-Arab has any superiority over an Arab: also a white has no superiority over a black nor a black has any superiority over a white – except by piety and good action’ (MSA 1999). The Islamic human rights are from God, so they cannot be abrogated or withdrawn (ISOC 1997). The path to spiritual development in Islam is non-local and non-national. Any human being who searches the ‘One Creator’ can seek nearness to God through sincere and earnest worship; it is central to establishing a relationship with the Almighty (Sharma 2001).

There are some specific acts of worship providing the framework of Muslim spiritual life. These are as follows:

**The declaration of Faith:** A Muslim has to declare that ‘there is none worthy of worship except Allah (God), and that Muhammad (peace be upon him) is His Messenger’ to all human beings till the Day of Judgment (Qur’an 2:128–129). The prime message of Islam is thus the Unity of God, that the Creator of the whole universe is One and none but He alone is worthy of worship.

**Performance of daily Prayers:** Obligatory prayers are performed five times a day in accordance with the code set out in the Qur’an (2:3, 43, 45, 83) and the traditions of the Prophet. These prayers are the direct link between the worshipper and the God. They strengthen and enliven the belief in God and inspire the devotee to a higher morality. They purify the heart and prevent temptation towards evils.

**Observance of month long Fasting:** A mature and physically able Muslim is required to observe fasting during the month of Ramadhan (Qur’an 2: 183–185). It requires a total abstention from food, beverage, drink, sexual gratification and smoking from dawn to sunset, and also from evil intentions and desires. It teaches devotion, self-control, discipline, time consciousness and patience and reinforces will power.

**Payment of Zakah:** Zakah is a proportionately fixed contribution collected from the wealth and earnings of the well to do and rich (Qur’an 2:3, 43, 83). It is spent on the poor and needy and for the welfare of the society. The meaning of the word ‘Zakah’ is both ‘purification’ and ‘growth’. The wealth is held in ‘Trust’ with human beings from God. This wealth is purified by setting aside a portion and giving it to those who have less or no wealth. It is like pruning of plants, the cutting back balances and encourages new growth. This payment is compulsory – fulfilling certain conditions. The payment of Zakah creates in the mind of the giver the virtue of sharing wealth with others. It uplifts the giver from a life of material pursuits to a life endowed with moral purpose.

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The payer pays it as an act of worship while the destitute receive it as a matter of right.

**Pilgrimage (Hajj) to Makkah:** This is obligatory for those who are both physically and financially able to perform the job (Qur’an 2:196–203). It is to be done at least once during one’s life. Millions of Muslims from every corner of the globe go for Hajj every year providing a unique opportunity for people of different color, race, language, and nationality to meet with one another. All Pilgrims wear simple garments, which strip away distinction of class and culture, rich and poor so that all stand equal before God.

**Islamic faith and business dimensions**

The Qur’an provides guideline for almost every aspect of human life from highly spiritual to material, including business. Some fourteen hundred years ago, Islam not only considered business to be an acceptable pursuit, but also a dignified activity. Before becoming a Prophet, Muhammad (peace be upon him) himself was a merchant in Makkah. Khadija was a rich business lady in the region at the time she was married to Muhammad (peace be upon him). These signify the importance of the pursuit of business in Islam.

Religious ethical principles in Islam do influence the decision making process in a business situation where such decisions may not be in conformity with decisions made in the economic interests of the firm. The apparent conflict between profits and ethics has never been resolved. There has always been a tension between behavior that can be categorized as being ethical and the imperatives of a successful business (Parson 1995). This tension seems to have been increasing because of the competitive pressure and the dynamic nature of environment (Abeng 1997). An individual in business faces problems almost every day having something to do with ethical issues.

The term ‘ethics’ is ‘concerned with “right and wrong” or . . . with a person’s moral obligations to society’ (Stoner et al. 1994:81). This has much to do with what an individual considers to be ethical behavior. It is ‘an individual’s personal beliefs regarding what is right and wrong or good and bad’ (Davidson and Griffin 2000:114). This behavior goes with the generally accepted social norms. ‘It is a normative field because it prescribes what one should do or abstain from doing’ (Beekun 1996:5). ‘Morality is what the discipline of ethics is about’ (Goodpaster 1992). The terms ‘ethics’ and ‘morals’ have been used here as synonymous. What is ethically good or evil is also morally good or evil.

The impact of religion on different aspects of business is quite substantial as far as Islamic beliefs are concerned. Ethics governs all aspects of a Muslim’s life. ‘Islam is indeed a religion that stresses above all the collective enforcement of public morals’ (Ayubi 1991:35). Persons like Herbert Hoover (1924) used to believe that law could not build national cultures, but rather that cultures are the sum of the moral fiber of its individuals.

Islamic teachings cannot comprehend actions bringing real benefits for the individuals and the community where ethical dimensions have been either overlooked or are compromised. Islam teaches its followers to remain on guard and not to slip away into the indulgence of unethical or immoral activities in every affair of their lives including the affairs of business. Islamic ethical values are derived from the Qur’an and the Sunna. These values do not apparently serve the materialistic pursuits. Rather, their purpose is much wider and more fulfilling. Islam emphasizes overall human well being through socio-economic justice. It expects to strike a balance between the material and spiritual needs of all humans (Chapra 1992). The Islamic code of ethics is enforceable at all times because persons practicing these codes do believe that God is even closer than the jugular vein and that God is monitoring everything (Beekun 1996).

In a capitalist economy, market forces determine the price of a commodity; and in such a society the desire to maximize socio-economic gains may remain unfulfilled (Rice 1999). Islam is in favor of keeping the market system, but the operational realities of such a market would be different in an ideal Islamic society. In such a society the tendency would be to use a ‘Moral Filter’ to minimize unnecessary claims on re-
sources (Chapra 1992). Here people are expected to ‘pass their potential claims on resources’ before the resources reach the market. So, the pressure on price is already reduced in the market place. Islam expects both the buyer and the seller to have mercy towards each other. The social need is sufficiently fulfilled in such a system where the resources are not used for the luxuries while the necessities are yet to be taken care of (Siddiqi 1981).

‘Educate men without religion and all you make of them is clever devils’ (Sutherland 1992:123). Shaw and Barry (1998:10) are reluctant to accept that morality rests on religion. ‘Although a desire to avoid hell and to go to heaven may prompt some of us to act morally, this is not the only reason or even the most common reason that people behave morally. Often we act morally out of habit or simply because that is the kind of person we are’. They subsequently have agreed that religion influences the moral standards and values of most of us. Ethical behavior is a product of a number of factors like, family influences, life expectations, personal values and morals, situational factors, peer influences, legal requirements, social pressures, government regulations, etc. (Beekun 1996; Davidson & Griffin 2000, Mockler 1975). All these factors, in Islam, are likely to be influenced by the religious requirements. So, ethics and religion go hand in hand in Islam.

Ethical issues are generally seen as having two opposite choices, both simple and complex associated with an ethical decision at any given point in time. There are and can be contradictions between the economic performance of an organization, measured by revenues, costs and profits, and the social performance of that organization, stated in terms of obligations to others both within and outside the organization (Hosmer 1985). ‘There is one and only one social responsibility of business: to use its resources and energy in activities designed to increase its profits as long as it stays within the rules of the game’ (Friedman 1963:133). Islam expects the game to be played strictly in accordance with the rules laid down by the religion for the purpose of maximizing the ‘values’ instead of ‘profits’. The Matsushita Company’s operations are guided by seven principles (MAS 2002) having some striking similarities with what Islam has been propagating. The word ‘profit’ has not been mentioned in any of those principles, let alone ‘profit maximization’.

It is not at all difficult to comprehend that social obligations are expensive. A socially responsible organization is required to spend money which otherwise could have been saved. Islam looks at this issue from a different angle. An excessive accumulation of wealth should not be the ultimate objective for a Muslim. Wealth is, after all, held in trust with the human beings from God. And again, if society does not enjoy and does not approve, what is going on – businesses cannot do well. This is a win-win proposition.

The daily activities of a Muslim – ritualistic, general, business or otherwise are influenced by his/her faith. The extent of this influence varies with the level of conviction of the person. In some societies where societal norms are governed by the religious rules (Sharia) like Saudi Arabia, all business dealings in such a society would be influenced by the religious requirements. ‘There is no separation between you as a person and the business you represent or conduct in the Arabian world. Business is not only business’ (Al-Sabt 2000).

The Islamic socio-economic system can be better understood with the help of parameters provided by a number of basic tenets. Some of those tenets are mentioned below.

Unity

Islam requires the existence of an attitude where fellow humans are to be taken as brothers and sisters. It teaches that all life is essentially a unity because it provides the practical way to pattern all facets of human life in accordance with God’s will. So, there should be unity of ideas and actions in a person’s existence and consciousness (Asad 1993).

Justice

The necessity for the existence of commercial exchanges in societies is acknowledged in Islam. It has a clear prescription for the creation of a just society free from all traces of inequality, injustice, exploitation or oppression of any sort. The
creation of productive wealth through business or through any other activities, for that matter, is strongly encouraged. People should not lie or cheat; they must keep all their promises and honor all their contracts, while they are involved in business dealings leading to the creation of wealth. People are not expected to stop the circulation of wealth after they have acquired it, nor reduce the momentum of circulation (Chapra 1992). The fundamental mission of all the Prophets according to the Qur’an was to keep the balance straight and to uphold justice (Abeng 1997).

In an Islamic society individuals are encouraged to earn a living and the societies are required to take care of basic needs of the poor with the help of Zakah, should they fail to earn a living. The rich are required to spend their wealth for the benefits of the poor; wealth, after all, does not belong to them, they are only the trustees. A redistribution of wealth is thus an economic necessity as well as part of a spiritual journey (Naqvi 1981). This is how Islam integrates business and commerce with ethics. Prophet Muhammad (peace be upon him) urged Muslims to be moderate in their lives and said ‘work for your worldly life as if you were going to live forever, but work for the life to come as if you were going to die tomorrow’ (Rice and Mahmoud 1999:75). This balance in human endeavors is necessary to ensure social well being and continued development of human potential.

Islam encourages individual initiative, drive, efficiency and enterprising attitudes along with a right to make profits and own private properties; it condemns greed, unscrupulousness and an attitude of disregard for the rights and needs of others. The individual profit motive is not the chief propelling force (Siddiqi 1981). Hence an excessive personal gain in the form of profit without fulfilling the social obligations is discouraged.

**Productive work**

It is a religious duty for a Muslim to involve in good productive works. This has been mentioned in the Qur’an in more than 50 places in conjunction with Faith. So, faith is, in a way, incomplete without good productive works.

**Freedom**

Freedom has a special connotation. In matters of business transactions it envisages the right of owning property, the legality of trade, and the presence of mutual consent. This can exist only when there is volition, honesty and truthfulness instead of coercion, fraud and lying (Abeng 1997).

**Trusteeship**

People are the vicegerent of God on earth (Qur’an 2:30). They are encouraged to avail themselves of all economic opportunities available to fulfill the socio-economic requirements of their lives. They are required to work to the best of their abilities to build this world and to utilize its natural resources. Islam has no place for a lazy and idle brain and for unproductive work. A human being can gratify all the material requirements of life and can still enjoy a blissful moral life. According to the Prophet of Islam ‘the best earnings are from a blessed sale and the product of a man’s own hands’ (Rice and Mahmoud 1999:76). A sale would not be considered to be a ‘blessed one’ if it has an element of deception or cheating of any sort in it. All activities, economic or otherwise, conducted within the parameters given by Islam can surprisingly assume the character of ‘worship’. This is perhaps why it has been claimed in the Qur’an (51:56) that ‘human beings are not created for any other purpose except for worship’.

After paying the Zakah and other taxes, people are permitted to enjoy totally their remaining wealth although they are not expected to indulge in ‘show-offs’ and useless luxurious living. Islam has detestation for conspicuous consumption (Chapra 1992). No one is authorized to destroy or waste God-given resources. The modern concept of sustainable development has total agreement with this. Society is the primary institution in Islam. Society’s interests need to come first. Society’s interests would be better safeguarded if the individuals forming the society do perform all their duties in accordance with the frameworks given by Islam.
‘In Islam all people are created equal and have the right of life, the right of liberty, the right of ownership, the right of dignity, and the right of education... In their work, Muslims are required to uphold the Islamic virtues of truth, honesty, respect for the right of others, pursuit of moderation, sacrifice, and hard work... In their economic pursuits, true Muslims not only have their own material needs in mind but accept their social obligations and, thereby, improve their own position with God’ (Jeannet & Hennessey 1992:82).

The practical character of the teachings of Islam thus sanctifies life and all its pursuits including the so-called mundane affairs, provided they are performed with honesty, justice and pure intents. By definition, those who believe and do nothing cannot exist in Islam. Divine laws are the laws of effort and not of ideals. They chalk out for the human the path of eternal progress from knowledge to action and from action to satisfaction (Rao 1978). Qur’an is unequivocal in announcing the virtues of good deeds. ‘Who has created death and life that He may test which of you is best in deeds’, i.e., who amongst you do the good deeds in the most perfect manner (Qur’an 67:2). There are injunctions of explicit and graphic nature in the Qur’an (11:85) ‘And O my people! Give full measure and weight in justice and reduce not the things that are due to the people, and do not commit mischief in the land, causing corruption’.

Some Islamic principles relating to modern business practices have been summarized below.

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<tr>
<th>Islamic Principles based on Quranic verses</th>
<th>Corresponding modern business practices</th>
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<tr>
<td>1. ‘And follow not (O man i.e., say not or do not or witness not) that of which you have no knowledge’ (Qur’an 17:36).</td>
<td>Honesty &amp; truthfulness; Investigation and verification before action; right and ethical conduct, true witness</td>
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<td>2. ‘...the best of men for you to hire is the strong, the trustworthy’ (28:26).</td>
<td>Merit and competency should be the standard for selection and hiring</td>
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<td>3. ‘And observe the weight with equity and do not make the balance deficient’ (55:9, 83:1–3).</td>
<td>Truthfulness, sincerity and honesty in business dealings</td>
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<td>4. ‘And give full measure when you measure, and weigh with a balance that is straight’ (17:35); ‘Not withhold from the people the things that are their due and do not commit mischief in the land, causing corruption’ (11:85).</td>
<td>No deception in measure and weight. Mischief and corruption to be avoided.</td>
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<td>5. ‘And those who answer the call of their Lord and establish prayer and who conduct their affairs by mutual consultation’ (42:38).</td>
<td>Consultative decision making</td>
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<td>6. ‘...And whenever you give your word, say the truth even if a near relative is concerned. ...’ (6:152).</td>
<td>True and impartial witness</td>
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<td>7. ‘O you who believe! Fulfill your obligations’ (5:1).</td>
<td>Responsibility cannot be avoided</td>
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<td>8. ‘And we task not any person except according to his capacity, and with us is a record which speaks the truth, and they will not be wronged’ (23:62).</td>
<td>Authority and responsibility are to be co-extensive. A fair deal for everybody</td>
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<td>9. ‘...when you contract a debt for a fixed period, write it down... take witness whenever you make a commercial contract’ (2:282).</td>
<td>Written contract and keeping witness</td>
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<td>10. ‘And He has raised you in ranks, some above others: that he may try you in that which He has bestowed on you’ (6:165).</td>
<td>Status and prestige ranking and income inequalities are natural and allowed. The higher the position the greater the responsibilities</td>
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<tr>
<td>11. ‘...and We raise some of them above others in ranks, so that some may employ others in their work’ (43:32).</td>
<td>Managerial hierarchies are necessary and acceptable</td>
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</tbody>
</table>
12. ‘. . . and speak always the truth’ (33:70).
13. ‘O mankind! We have created you from a male and a female, and made you into nations and tribes, that you may know one other’ (49:13).
15. ‘. . . say, my Lord! Increase me in knowledge’ (20:114).
16. ‘. . . man can have nothing but what he does (good or bad)’ (53:39).
17. ‘. . . stand out firmly for justice, as witnesses to God, even though it be against yourselves, or your parents, or your kin, be he rich or poor’ (4:135).

18. ‘Verily! God commands that you should render back the trusts to those to whom they are due.’ (4:58).
19. ‘. . . if a wicked person brings you some news, inquire into it carefully lest you should harm people in ignorance. . . .’ (49:6).
20. ‘. . . wear your beautiful apparel . . . and eat and drink, but waste not by extravagance. . .’ (7:31).

Islamic principles based on Sayings of Prophet Muhammad (peace be upon him)

21. ‘He who cheats is not one of us’.
22. ‘Don't outbid one another in order to raise the price, . . . Don't enter into a transaction when others have already entered into that transaction’.
23. ‘God likes that when someone does anything, it must be done perfectly well’.
24. ‘No Arab has any superiority over a non-Arab and. . . over an Arab; no dark person has a superiority over a white person and no white . . . over a dark person. The criterion of honor in the sight of God is righteousness and honest living’.
25. ‘Nobody has ever eaten a better meal than that which one has earned by working with one's own hands’.
26. ‘Whoever takes money of the people with the intention of repaying it, God will repay it on his behalf (should he fail to do so); and whoever takes it in order to spoil it, then God will spoil him’.
27. ‘If I had gold equal to the mountain of Uhud, it would not please me that it should remain with me for more than three days, except an amount which I would keep for repaying debts’.
28. ‘One who employs a laborer and takes full work from him but does not pay him for his labor shall face God's wrath in the day of Judgment’.

Honesty and directness in all sorts of dealings
Globalization, multiculturalism, international trade and business, group and team working

Importance of searching knowledge, scientific inquiry, research and development, training and empowerment
Nothing is for free, rewards should be preceded by an efforts. Rewards must be earned (motivation)
Non-discriminatory treatment for everyone in the workplace, no scope for cover-up, encouragement and protection for 'whistle blowers'. Equal treatment for everyone (no special treatment for the rich and for the superiors)
Fulfilling obligations and trust in business relationships

Reliance on accurate information before making decisions and taking actions. Existence of powerful and reliable MIS
Acquiring wealth and enjoying life is allowed but wasting and unnecessary show-offs are not allowed

Defects of an item are to be disclosed
No artificial price increase, fairness in contract negotiation
Excellence and quality of work, no scope for negligent behavior
Equal opportunity and non-discriminatory treatment at all time

No scope for idleness. Productive works are better works.
Need for fair play. No deception or plundering with public money.

Hoardings of assets is discouraged.
Debts must be repaid.

A fair wage for a fair day's labor.
Conclusion

Islamic frameworks are all encompassing. They are supposed to regulate the affairs of human lives. These frameworks are to be understood by all concerned for a better outcome. Islam, like some other major religions, places a great deal of emphasis on morality and ethics in every sphere of life. It shares the common ground with other major faiths with regard to many ethical principles. The Qur'an, Hadiths, Sunna and the Sharia have elaborate frameworks and treatment for business. Business is a socially useful, morally justified and religiously encouraged economic activity. Islam has no problem with productive efforts, creative ideas, personal gains and satisfaction, creating surpluses provided that the given frameworks and guidelines have been adhered to. Islam expects individuals to remain ‘duty’ conscious all the time. The question of enjoying ‘rights’ is expected to take a back seat. In a society where everyone is duty conscious, the rights of an individual are unlikely to be transgressed. The Islamic frameworks are quite elaborate. If these frameworks are truly implemented, society’s well being is likely to be straight away enhanced. Islamic legal rulings regarding business dealings are applicable to everyone, regardless of their religious affiliations. All the parties in a business situation have to be treated in the same honest manner. Human needs are not only satisfied under the Islamic law, they are allowed to go even beyond. An effort to satisfy a need in a lawful manner raises an individual’s spiritual standing in the eyes of God in addition to its inherent capacity to gratify the physical demand. Islam does not mean an absence of economic liberalization; it rather encourages a kind of liberalization in which all private and public sector economic decisions are passed through the filter of ‘moral values’ before they are made subject to the discipline of the market (Rice 1999).

In Islamic faith a person’s first and foremost identity is that she/he is a Muslim and after that she/he can be whatever life brings. Islam provides general guidelines for almost everything and specific guidelines for so many things necessary for living a meaningful and caring human life on the face of earth leading to a blissful life in the Hereafter. So, an understanding of the Islamic philosophies and other relevant concepts is necessary for someone dealing with a Muslim counterpart in business or in any other situation, for that matter. The concept of Unity, Prayer, Justice, Lawful (Halal), Unlawful (Haram) and Obligatory duty play a very important role in shaping the life and activities of a true Muslim engaged in any endeavor.

Although, it is not easy to locate societies where the Islamic values, moral and ethical principles are truly implemented in every sphere of life, this does not nullify the validity of the model itself. The desire for such a model has always been, and will always be there. An empirical study to investigate how far the affairs of businesses in Muslim majority societies do fit with the prescribed model could be quite revealing and hence worth pursuing.

References


