

Islam Hadhari: The Quest of Commerce and Trades

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Abstract

The ethical values that have been stressed in the concept of Islam Hadhari are seen to be a motivating factor for man to work harder, have a sense of respect, self-discipline, honesty, justice, fairness and accountability, in order to ensure that the country would prosper and develop, as in line with the teachings of Islam. As far as trade and commerce is concerned, al-Qur'an has indeed pointed out that trade and commerce is made permissible in order to develop human being so that they will not suffer in poverty and difficulties. In Surah al-Baqarah verse 275 Allah SWT says: "But Allah hath permitted trade and forbidden usury...." Hence in the quest of trade man needs to adhere to the Islamic principles where the concept of lawfulness should be considered in the business activities. Whatever is permitted should be followed and whatever is forbidden should be restrained. This paper will discuss on some of quranic verses in terms of promoting economic growth and social development of the Muslim, and the nation, as a whole. Secondly, it will also highlight the challenges that the nation face in advocating development and growth in commerce and trades in Malaysia. Lastly, this paper will discuss on the approaches towards facing the competitive world of trade and commerce, caused by globalization and technological revolution. Consequently, Islam Hadhari could only be achieved, when the people only adhere to the principles and the regulations that have been underlined by Allah.

Introduction

The Muslim world today is facing greater challenges and confrontations, mainly due to the lack of knowledge, and the source of knowledge can

be found in the Book of Allah, that is the Qur'an. It imparts complete and eternal guidance concerning all aspects of human life (Ansari, 2001). Hence, we cannot deny the fact that the civilization of mankind depends on the intensity of knowledge that would bring the nation towards success and prosperity.

Allah has said in the Qur'an (16: 89)

“One day We shall raise from all Peoples a witness against them, from amongst themselves: And We shall bring thee as a witness against these (the people): and We have sent down to thee a Book explaining All things, a Guide, a Mercy, and Glad Tidings to Muslims.”

Allah has mentioned in (17: 9):

“Verily this Qur'an Doth guide to that which is most right (or stable), And give the glad tidings to the Believers who work Deeds of righteousness, That they shall have a magnificent reward.”

Al-Qur'an has indeed play an important role to provide guidance to mankind for the sake of the development in human thoughts and actions towards themselves, their family, the society, the country and the nation, for the betterment in this world and the Hereafter. The Prophet Muhammad (SAW) and the companions implemented and acted accordingly to all the rules and guidelines that has been underlined in the Qur'an in all aspects of life, including in the aspects of politics, economy and social welfare of the people. It is undeniable that the Qur'an is made available for the mankind as guidance for them to follow all the rules and regulations by Allah and to abstain from doing evil.

Allah has said in the Qur'an (16: 9):

“And unto Allah leads straight The Way, but there are ways That turn aside: if Allah Had willed. He could have guided all of you.”

Thus, this paper will be highlighting on the Islamic principles and concepts of human development, with respect to the search for the material wealth. It will then be looking at the challenges that Islam faces pertaining to promoting economic growth and social development. Lastly, it will be then discussing on the approaches of Islam Hadhari towards facing the competitive world of trade and commerce.

Quranic Principles and Concepts in Terms of Promoting Economic Growth and Social Development of the Muslims

This section will discuss on the doctrines of Al-Qur'an pertaining to the economy and they are (*iqtisad*), property (*al-mal*) and possession (*al-milk*).

Allah has said in the Holy Qur'an (16: 9):

“And unto Allah leads straight The Way, but there are always That turn aside : if Allah Had willed, He could have guided all of you.”

From the above verses, Allah has given to human being “resources and material things” to be utilized in a correct manner that lead to Allah, but some of them are so obsessed with material things that they forgot the spiritual means from the giving of those material things. Allah could have forced every human being to the true path, but he would want human being to think and to work for his or her own destiny, by utilizing their intellectual capabilities and to put their own effort in order to achieve success.

Islamic economics thus, provide broad guidelines for the economic behaviour and the social development of human beings, and its foundation is based on the Holy Qur'an. Consequently, man could only achieve them if they have the belief in Allah and the substances (*al-iman*), the knowledge (*al-'ilm*) and the implementation of those teachings of Allah (*al-'amal*).

Allah has said in the Holy Qur'an (7: 74):

“And remember how He made you inheritors After the 'Ad people and gave you habitations in the Land: ye build for yourselves places and castles In (open) plains, and carve out Homes in the mountains: So bring to remembrance The benefits (ye have received) From Allah, and refrain From evil and mischief on Earth.”

From the above verse, we are reminded that we have been created as vicegerents and eventually, Allah has asked us to utilize the resources that have been created upon us. Furthermore, Allah has also reminded us to be a good servant where piety or God-consciousness must be

observed in our daily life and abstain one-self from doing evil to other human beings or other creations of Allah.

Indeed, piety or to be faithful to Allah is the foundation in the religion of Islam. According to Chapra (1993) piety or moral development, implies closeness to Allah attained through the faithful implementation of all values and establishment of all institutions prescribed by Allah through al-Qur'an and the Sunnah, and it is very vital as it serves as a catalyst for all rightful actions, including the establishment of justice.

Allah has also mentioned in the Qur'an (65: 2-3)

“And He provides for him From (sources) he never Could imagine. And if Anyone puts his trust in Allah, sufficient is (Allah) for him. For Allah will surely accomplish His purpose. Verily, for all things Has Allah appointed A due proportion.”

The above verse clearly indicates that when one has the “fear for Allah”, Allah is always there to help them. Allah provides sources or *rizq* to whomever He wants and thus, we need to be patient at all times and pray always for our success in this world and Hereafter. Thus, in order to achieve success in this world and the Hereafter, men need to equip themselves with knowledge.

Allah has said in the Holy Qur'an (35: 32)

“Then We have given the Book for inheritance to such of Our servants as We have chosen: But there are among them, Some who wrong their own souls; some who follow a middle course; and some Who are, by Allah's leave, Foremost in good deeds; That is the highest Grace.”

To develop the nation's economy and society, men are therefore needed to develop themselves spiritually and mentally. This could only be achieved through education and legislation as mentioned by Syed Agil (1998). Education will act as a tool to develop one's soul so that he would know his Creator and practice what has been prescribed in the Qur'an and Sunnah. Thus, he will then implement the teachings in all aspects of life including in developing the economy and social condition of other human being. Legislation, on the other hand, is needed to check the activities that can hinder the growth of being a good Muslim which are promoting negative elements, that could jeopardize one's believe to Allah.

Khan (1994) has indicated that the concept of *Al-Falah* or success, is crucial in Islam, and it can only be accomplished through managing

proper resources that are available in this world, and through the implementation of what has been prescribed by Allah to his servant. Thus, *al-a'mal* consists of the teachings of enjoining the proper and forbidding the improper, and to follow the injunctions that have been stated by Allah and his messengers as Allah has mentioned in the Holy Qur'an (9: 71)

“The Believers, men and women, are protectors, one of another: they enjoin what is just, and forbid what is evil: they observe regular prayers, practice regular charity, and obey Allah and his messenger. On them will Allah pour his mercy: for Allah is exalted in power, and wise.”

Secondly, *al-mal*, and El-Enein (1998) said that man's desire for wealth and material possession is acknowledged in Islam and he further said that Islam stresses the need to maintain the proper perspective concerning their relative importance so that they do not become the sole object of his efforts.

Allah has mentioned in the Holy Qur'an (9: 24)

“Say: If it be that your fathers, Your sons, your brothers, your mates, or your kindred, the wealth that ye have gained, the commerce in which ye fear. A decline or the dwellings in which ye delight – are dearer to you than Allah, or his messenger, or the striving in his cause – then wait until Allah brings about his decision, and Allah guides not the rebellious.”

In (57: 7), Allah has said:

“Believe in Allah and his messenger, and spend (in charity) out of the (substance) whereof He has made you Heirs. For, those of you who believe and spend (in charity) – for them is a great Reward.”

Allah has said in the Qur'an (28: 77):

“But seek, with the (wealth) which Allah has bestowed on thee, The Home of the Hereafter, Nor forget thy portion in this World: but do thou good, As Allah has been good To Thee, and seek not (Occasions for) mischief in the land, for Allah loves not those who mischief.”

And He further says in the Qur'an (4: 32)

“And in nowise covet Those things in which Allah has bestowed his gifts more freely on some of you than on others: to man is allotted what they earn, and to women what they earn: But ask Allah of his bounty for Allah has full knowledge of all things.”

From the above verse, we can witness that Allah agrees to the human's being love of material things but he will surely give reward to those people who donate their material things for the sake of the religion or to help those who are poor. Allah also has mentioned that he gives unequal proportion of the wealth to the people, depending what they have earned. Thus, we should not envy other people who have more, but we need to pray to Allah as Allah knows everything and they are certain wisdom (*al-hikmah*) behind any incidents. Indeed Allah loves those who always remember him (piety) and not because of their material belongings as Allah has mentioned in (28: 60):

“The material things which ye are given are but the conveniences of this life and the glitter thereof, But that which is with Allah is better and more enduring: Will ye not then be wise?”

Thirdly, the concept of possession (*al-milk*) is also acknowledged by Allah as He has stated in (36: 71)

“See they not that it is We who have created for them among other things which our hands have fashioned – cattle, which are under their dominion?”

The Qur'an also says in (3: 14):

“Beautified for mankind is love of joys (that come) from women and offspring, and stored-up heaps of gold and silver, and horses branded (for blood and excellence); and (wealth of) cattle and well-tilled land. Such are the possessions of this world's life. But in nearness to Allah is the best of the goals (to return to).”

From the verses above, we have witnessed that there are a lot of things that have been created by Allah to human being as to cater to their need. For example, the cattle can be used for food, milk, for transportation and etc. However, it cannot be denied that justice is important to safeguard the interest of every Muslim. In the accumulation of wealth, an individual must not go against other's territory and claiming other people's property, as Allah has mentioned (5: 62)

“And thou shalt see many of them hastening toward sin and transgression and their devouring of ill-gotten wealth (obtained through the exploitation of others). Indeed is that they have been doing.”

From all the above verses mentioned, we can conclude that Islam permits mankind to search for bounty and prosperity in this world through material wealth, such as gold, silver, other resources and luxuries in life, to ensure a better living in this world as to raise the standard of living. However, it should be in accordance to rules and regulations that has been set up by Allah through, the Qur'an and Sunnah of the Prophet Muhammad (SAW).

In verse (49: 15), Allah has mentioned:

“Only those are Believers who have believed in Allah and His messenger, and have Never since doubted, but have striven with their Belongings and their persons in the Cause of Allah: Such are the sincere ones.”

It could not be argued that Islam promotes the total concept of development where a combination of material, moral and spiritual development is vital for a balance development of a Muslim. These concepts of development are important to ensure material and spiritual success in this world and the Hereafter. Hence, the material achievements can be meant for the development of the religion and ummah, as these can be channeled to the poor and the needy and also to develop the nation politically, socially and economically.

The Challenges Face in Promoting Development and Growth in Commerce and Trades in Malaysia

Now we come to the second part of the paper that deals with the challenges that the nation face in promoting development and growth in commerce and trades in Malaysia, as far the concept of Islam Hadhari is concerned. In our opinion, the challenges to be confronted are enormous. However, as far as the paper presentation is concerned, we are going to focus on two main issues only i.e. lacking of knowledge and understanding of Islamic teaching and its values and proper infrastructures.

Disseminating and instilling the good values of knowledge and education to the society, is very vital as to ensure that the people will

fully understand the true picture of how commerce should be practiced in Islamic perspective. To us, the failure occurs whenever people fail to understand the underlying principles as laid down in the Qur'an and Sunnah of the Prophet SAW. In other words, the rise or fall of any civilization lies on man. Man is the source of either blessing or misery, which depend on his upbringing, character, education and intellectual capacities. If his moral as well as mental qualities do not improve, he may not have the ability or the motivation to do the things as needed by the religion, hence it may deter the development and progress of his society and nation. As Ansari viewed that the Muslim world today is facing greater challenges and confrontations, mainly due to the lack of knowledge, where the civilization of mankind depends on the intensity of knowledge that could bring the nations towards success and prosperity (Ansari, 2001).

The importance of disseminating and instilling knowledge can be seen from what has been done by the Prophet SAW. The Prophet did everything possible to spread education by looking at the opportunity and avenues available for this purpose, such as teaching of Muslims by prisoners of war as ransom for their freedom (Chapra: 2000). This example was then followed by his companions, as pointed out by Berkey that there has been a "broad-based social and cultural support for education" in Muslim societies, and almost all dynasties vied with each other over the first few centuries to promote learning and research and to patronize private sectors effort directed towards this end (Berkey: 1992). Hence, during this period education and development went hand in hand, whilst education promoted improvement in the quality of human beings as well as technological advance, and led to accelerated development.

Now, we asked ourselves whether the government or any private bodies, or individuals have done enough to promote and spreading the knowledge to the people particularly on the teachings of Islam, which covers all aspects of man's life? How many Muslims fully understand the good values in teachings of Islam, as being stressed in Islam Hadhari? Have the medias played enough roles in disseminating these values?

What about our educational curricula – does it really geared and catered towards inculcating Islamic values and imparting the needed technical skills? What about those in the rural area – do they have fair access to education and training facilities? Do the Muslims particularly the Muslim traders really understand the Islamic business ethics, as what

has been shown by the Prophet SAW in his conduct of business where he had done it in cordial, mutually beneficial, and trustworthy manner?

What about a Muslim trader, can he balance himself between his self interest and public interest? To what extent he will be mindful of the many deviations and insatiable desires that one could be exposed to in the world of business especially with the era of globalization and liberalization? Will he be able to monitor, control and managing the resources and conduct business without any rancour or deceit? In other words, as a Muslim trader he must ensure that the covenants are being adhered to, the terms of agreement is being observed, debts must be honoured and settled, interest must be avoided, weights and measures must be calibrated, and proper business ethics must be the order of the day.

Chapra pointed out that the most challenging task to the Muslim state is to motivate the human factor to do all that is necessary in the interest of development with justice (Chapra: 1993). Individual Muslims must be willing to render their best by working hard and efficiently with integrity, conscientiousness and discipline, and to make the sacrifices necessary to overcome obstacles in the path of development. They must also be willing to change their consumption; saving and investment behavior, in conformity with what is required to raise the rate of growth with greater equity and lower imbalances.

In the Islamic Shari'ah, there are certain things that are ambiguous and come between what is obviously lawful and unlawful; things that are not expressly prohibited by it are permissible (*mubah*) and those things that are disliked or frowned upon (*makruh*). So in Muslim law, whatever is lawful is obvious, and whatever is unlawful is clear. It is in the areas of ambiguity that the true Muslim must wary of. The Sunnah tells us some of these ambiguous things and admonish us to be on guard concerning them. The practitioner who is alert about the ambiguous nature of activities keeps his integrity and honour intact, whereas one who hovers around the periphery of the ambiguous may eventually invite himself into committing the unlawful.

Muslims are required to behave Islamically and to be accountable in their dealings because Allah Himself is witness to their transactions:

“In whatever business you may be, whatever portion you may be reciting from the Qur’an – and whatever deed you (mankind) may be doing – We are thereof when you are deeply engrossed there in.” (10: 61)

Thus, in this respect, Muslim cautiously should refrain himself from *riba*, *gharar* and gambling. Islam allows trade and prohibits *riba*. There are many verses of the Qur'an and the sayings of the Prophet SAW concerning the prohibition and the condemnation of *riba*.

In the Qur'an, Surah al-Baqarah verse 278, Allah SWT says:

“O believers, fear Allah, and give up the *riba* that remains outstanding if you are believers.”

In one of the *hadith* of the Prophet SAW, it is recorded on the authority of Jabir R.A. that the Prophet SAW cursed the receiver and the payer of interest, the one who records it and the two witnesses to the transaction and said: “They are all alike (in sin)”

Therefore, the point here is how far Muslim traders really observe the issue of *riba* when he is dealing with financial activities? Sometimes people tend to ignore the religious values when it comes the loan taken for business activities. The worsen part whenever people perceive that conventional loan is the same as Islamic financing.

What is meant by *riba* or sometimes being translated as interest.? Literally it carries the meaning of an increase, an addition or growth. However, it should be noted that not every increase or growth is prohibited in Islam. The basis of the prohibition should be looking at the manner through which an addition is gained.

In this respect, the Islamic law has defined *riba* in two perspectives. i.e. *riba al-nasiah* and *riba al-fadl*. *Riba al-nasiah* occurs by virtue of deferment in the time of exchange, while *riba al-fadl* by virtue of excess in terms of the quantity of one of the counter-values. For instance, if wheat is exchanged for wheat, then the exchange must comply with these two factors, namely it must be of spot exchange and of equal quantity. If the first element is absent then it amounts to *riba al-nasiah*. And if it lacks of the second element, it falls under the category of *riba al-fadl*. If the exchange fulfill these two elements, then, it is said that the exchange involves both, *riba al-nasi'ah* and *riba al-fadl*.

It is worth to point out that disputes arose whenever some scholars have in the past asserted that the prohibition on *riba al-nasi'ah* relates only to high interest charges and not to all forms of interest. Tantawi, for instance, had argued that bank interest is a sharing of the bank's profit and is therefore permissible. However, such views have now been almost unanimously rejected (El-Diwany: 1997). To some extent some scholars did argue that *riba* is only prohibited in consumption loan hence it is allowable in productive loan (El-Gousi, 1982). As such, it is worth to

quote Nabil Salih's definition on *riba* because in reality *riba* will take place even if the rate is so minimal as there is inequality in one of the counter values. Nabil's said; "*Riba* in its Syari'ah context, can be defined, as generally agreed, as an unlawful gain derived from the quantitative inequality of the counter values in any transaction purporting to affect the exchange of two or more species which belong to the same genus and are governed by the same legal cause. Deferred completion of the exchange of such species, or even of species which belong to different genera but are governed by the same 'illah (legal cause), is also *riba*, whether or not the deferment is accompanied by an increase in any one of the exchanged counter values" (Nabil, 1992)

Another challenging task is to ensure that a Muslim trader will not involve himself with gambling. Gambling, like theft, is regarded in Islam as one form of injustice in the appropriation of others' wealth and therefore has much in common with the concept of *riba*. The act of gambling, *al-qimar* or *al-maisir*, sometimes referred to *al-murahanah* or betting on the occurrence of a future event, is prohibited and no reward accrues for the employment or spending of wealth that an individual may gain through means of gambling.

"They ask thee concerning intoxicants and gambling. Say, In them is great sin, and some profit for men: but the sin is greater than the profit." (2: 219)

The Prophet said "If a man earns by sinful acts and gives it in charity or kind action or spends it in the way of God, God will throw him into Hell after collecting everything." (al-Ghazali: The Revivification of the Religious Sciences)

With regards to *gharar*, Islamic law is clear that it should not be presented in any contractual agreement. One, cannot for example, sell what one does not own, the process of short-selling, because this is regarded as a form of deception. The word 'gharar' is sometimes interpreted as meaning 'uncertainty' rather than deception. One cannot sell an item of uncertain quality, an unborn calf for example, since the buyer and the seller do not know exactly what is that they are trading. The future is always unknown from man's point of view.

Concerning risk and uncertainty, few Muslim writers seem to differentiate between the two. But in conventional literature risk is sometimes regarded as that which applies when likely and unlikely outcomes can be forecast on the basis of past experience. Uncertainty

is sometimes said to exist where the likely outcome of a future process cannot be determined from an appraisal of past experience.

The Islamic literature often focuses upon protecting the buyer from deception and uncertainty in a sale contract since it is assumed that the seller is the one who is better informed of the item that is being sold. Hence Nabil Saleh in *Unlawful Gain and Legitimate Profit in Islamic Law* quotes Ibn Rushd in *Bidayat al-Mujtahid*:

“*Gharar* in sale transactions causes the buyer to suffer damage and is the result of a want of knowledge which affects either the price of the subject matter.”

Besides being mindful to the above things, Muslim traders also be reminded to practice and develop honesty and truthfulness in himself. Truth, for example, has a self-reinforcing effect. In a hadith reported in *Sahih Bukhari*,

The Prophet said:

“Truthfulness leads to righteousness, and righteousness leads to Paradise. A man continued to tell the truth until he becomes a truthful person. Falsehood leads to *fujur* (i.e wickedness, evil-doing), and *al-fujur* (wickedness) leads to the (Hell) Fire, and a man may continue to tell lies till he is written before Allah, a liar.”

In other hadith, the Prophet SAW said:

“The merchants will be raised on the Day of Resurrection as evil-doers, except those who fear Allah, are honest and speak the truth.”

As an honest Muslim trader, he should also observed weights and measures. As mentioned by Allah SWT,

“Give just measure, and cause no loss (to others by fraud). And weigh with scales true and upright. And withhold not things justly due to men...” (26: 181-183)

In the case of hoarding, Islam does not tolerate interference in the market system by hoarding or other forms of price manipulation. If there is a case, Islam allows price controls in order to meet the needs of society and to provide protection against greed.

Another challenges that confronted a man in dealing with businesses is bribery. Businessmen may sometimes be tempted to offer bribes in

order to persuade another party to give them special favours or to allow them to get away with dishonest practices. The practice of bribery is forbidden in Islam.

“The Prophet SAW cursed the one who bribes and the one who takes bribes.”

The question now is what should we do in order to ensure that the ethical values in dealing businesses being followed by the people? Good values are indeed can be inculcated based on the principle of habit and exposure given. Habit is often formed by repetitive actions. If the Muslim traders repeatedly behave according to what being laid in the Qur'an and Sunnah, thus they are bound to form that behaviour into a habit; hence, they will feel accountable on the deeds.

Thus, it is worth to point out that for a country to develop and prosper, it is not enough just to have a laws to regulate the market, but it should be stressed that the country should have the people with higher ethical values. Thus they would be able to perform their duties and responsibilities as entrusted by Allah. Without the higher ethical values the country would not be able to progress efficiently and effectively.

The other challenging task that the nation faced is in terms of providing better and efficient infrastructures that can meet the needs and demand of Muslim traders. In this respect, we are focusing more on the financial infrastructure i.e feasibility for financing the small and medium scale industry, based on interest free banking system.

The small medium scale enterprises(SMEs) are the industries that can contribute more to the country's growth in terms of employability and income. They create new jobs not only directly but also indirectly by expanding incomes as well demand for goods and services, tools and raw materials, and exports. They invent products, revive lost skills and help economies move into new kinds of work (Liedholm, Mead, 1988, as quoted by Chapra, 1993). The problem is, these people do not have much access to the financial resources.

The Select Committee on Hunger as quoted by Chapra had found that “the provision of small amounts of credit to micro enterprises in the informal sector economy of developing countries can significantly raise the living standards of the poor, increase food security and bring about sustainable improvements in local economies. The Committee also stressed that if credit is available to the level of micro entrepreneurs; it will help to end the cycle of poverty and hunger among urban and rural landless poor in developing countries. The Committee further indicates,

“formal financial institutions in these countries do not recognize the viability of income generating enterprises owned by the poor.” (Report of the Select Committee of Hunger, 1986, as quoted by Chapra)

In this regards, the government is hoped to provide more avenues to the Muslims for financing their industry by using Islamic way of financing, especially by providing more funds for micro credit financing based on interest-free.

Besides, the government or the state itself, can give more attention on the financing based on profit loss sharing such as *mudarabah* and *musyarakah*. The government in this case can also play a role as capital provider to the people especially the jobless to participate in the agricultural sector or in doing business. They are those who have the skills, but have nothing in terms of the capital.

Islam Hadhari – The Approach Towards Facing The Competitive World of Trade and Commerce, Caused by Globalization and Technological Revolution

Malaysia, as a developing nation, needs to face the challenges due to the advent of technology, by positioning ourselves in this global environment. This can only be done through certain processes that involved all individuals in terms of strengthening human development, and it relates to the technology, economy, politics and social condition that could be hastened in realizing Islam Hadhari.

Strengthening Human Development

The success or failure of any organizations depends highly on the individuals, and therefore, employees need to really work hard to achieve what he desires in this life. Indeed, Islam propagates the concept of *al-falah* and therefore, all human beings need to strive in order to achieve the goals.

There are four basic working principles that could be applied to an individuals in order to achieve success and they are: endurance and competence (*al-itqan*), accomplishment (*ihsan*), honesty (*amanah*) and a balance between *‘ibadah* and working for material wealth (Tuskan, 2003).

Ethical conduct is another area that is very vital for the success of a human being. The concept of *Tawhid* collaborates the material and

spiritual development, where one needs to recognize that there is no other authority and no other guidance except Allah (Al-Habshi, 1998). The other aspect of Islamic ethics is to acknowledge other creations of Allah and to implement what Allah and the prophets, have propagated, for the betterment of all people. Man needs to look upon life in this world as to prepare one's soul for the hereafter. Consequently, *Shariah* has underlined the principles of virtues or vices that has prescribed by Allah to his fellow human being that could never be changed.

Allah has mentioned in the Holy Qur'an (28: 30)

“O ye who believe! If ye fear God, He will grant you a Criterion (to judge between right and wrong), remove from you (all) evil (that may afflict) you, and forgive you: for God is the Lord of grace unbounded.”

Research and Development and Technology Enhancement

Indeed, knowledge is pertinent for the development of the nation. In an Islamic legal maxim, it is stated that:

“a thing is a duty if another duty cannot be performed without it.”

The call to acquire new knowledge and skills is also stated in Islamic maxim:

“Wisdom is the right of the Muslims. Wherever it is found, they have more right over it.”

Syed Agil (1998), has also mentioned that Islam values the quest for knowledge and the knowledge can then be utilized for the benefit of all mankind. However, there are certain principles that are imposed in the process of modernization in order to ensure that the spiritual and material gains are balanced and continuously enhance the economic and social condition of our society.

The enhancement of research and development is very crucial in order to ensure that the nation will also progress towards betterment and improvement in all areas, including agriculture, military, telecommunications, biotechnology, banking and investment, engineering, the small-medium enterprises (SMEs), science and technology, information technology, education and health, trade and investment and other fields that would contribute towards a developed nation.

Eventually, in the industrialized organizations, employees are needed to deliver what the customer wants, and consequently, companies need to understand the employees from all levels of the organization. This includes training, where employees need to be knowledgeable and efficient in delivering products and services to customers. Communication skills between the employees and the higher authority are important so that the employees can deliver what is being expected from them. Empowerment is also another area that is needed for finding and solving problems, as to improve certain conditions. Consequently, teamwork is needed between the employees and the top level of management in order to ensure that the objective of the organizations can be accomplished, and at the same time, the employees fulfill their need of *rizq*.

Eventually, Islam provides certain guidelines pertaining to modernization in order to ensure that peace and tranquility can be achieved. The Holy Prophet (SAW) has reported to have said:

“There should be neither harming nor reciprocating harm”.

Thus, the act of corruption, bribery, being unjust to other fellow human beings, fraud, exploitation, dishonest dealings, interest-based transactions and dealing with uncertainties are forbidden in Islam. Consequently, the ends and means of acquiring wealth and developing towards economic growth and social development must conform to the teachings of Syari’ah.

Political, Economic and Social Development

Political stability plays a very crucial role in determining the future of a society. Syed Agil (1998) has mentioned that the politico-economic aspect of Umar’s administration was very significant in Islamic political leadership, as it combines a high level of intellectualism, unshakeable faith, and political authority. In fact, he was capable of merging the highest potential of his intellectual capacity with the commitment of his soul, or his inner self.

Oskar Lange defines political economy, or what he termed as social economy as the study of the social laws, governing the production and distribution of the material means of satisfying human needs (Syed Agil, 1998). According to Syed Agil (1998) Lindblom’s defined “political-economic” refers as a particular mix of politics and economics that generates crucial decisions concerning the functioning of systems. He

then classified the particular mix into three control mechanisms and they are authority, which characterized by socialist regimes; market, that characterized capitalism, and, perceptual mechanism that aims at shaping individuals towards proper conduct. However, the authority needs to educate, inform, and instruct the public towards this direction.

The Prophet Muhammad (SAW) has propagated Islam where it is a complete religion; it embedded all aspects of human life including politics, social and economic development of all human being. During his prophethood, he managed to unite the Madinah and the Makkah people under one banner i.e. Islam, where they strive together in all aspects of all life regardless of races, tribes, colors and so on.

The strong and solid foundation that was established by the Prophet had enabled the Companions to foster the Islamic state, in terms of its development, socially, economically and politically. During the reign of Umar (r.a.), a more proper administration has been set up. He has established a complete network of public administration, as this plays a very vital role that contributes to the economic development. He also managed to implement custom duties, *zakat*, *kharaj* (land tax), *'ushr*, custom studies, which would then be of assistance to the economy in maintaining economic justice and public interest, regardless of the people's religion or race.

Inevitably, one needs to rule in accordance to the Shari'ah, through which consensus (*syura*) is applied to the ruling of the nation, in order to attain justice. The political authority, therefore, needs to carry their responsibilities effectively and efficiently, by ensuring that the needs of the people are well taken care of, and the enactment the rulings are in accordance to the public interest, with highly reference to the Holy Book of Allah.

Consequently, the ruling authority plays a very important function in order to ensure that they govern the country according to the nation's interest based upon Shari'ah. Clear mission and vision is needed to ensure that it is fulfilling the interest of all citizens, the Muslim and the non-Muslim.

Conclusion

Islam Hadhari is not a new concept. The ethical values that are being emphasised serves as motivating factor for man to work harder, have a sense of respect, self-discipline, honesty, justice, fairness and

accountability, in order to ensure that the country would prosper and develop, in line with the teachings of Islam. Indeed, we can then agree that a total balance of development, socially and economically, is concerned with the total development of man in all dimensions as mentioned by Mannan (1989), a balanced, material development with moral and spiritual development.

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