

ICM



Improving Social Welfare and Justice
through Islamic Social Financing
instruments in Islamic Societies



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Developing Islamic Capital Markets to Converge the Ummah

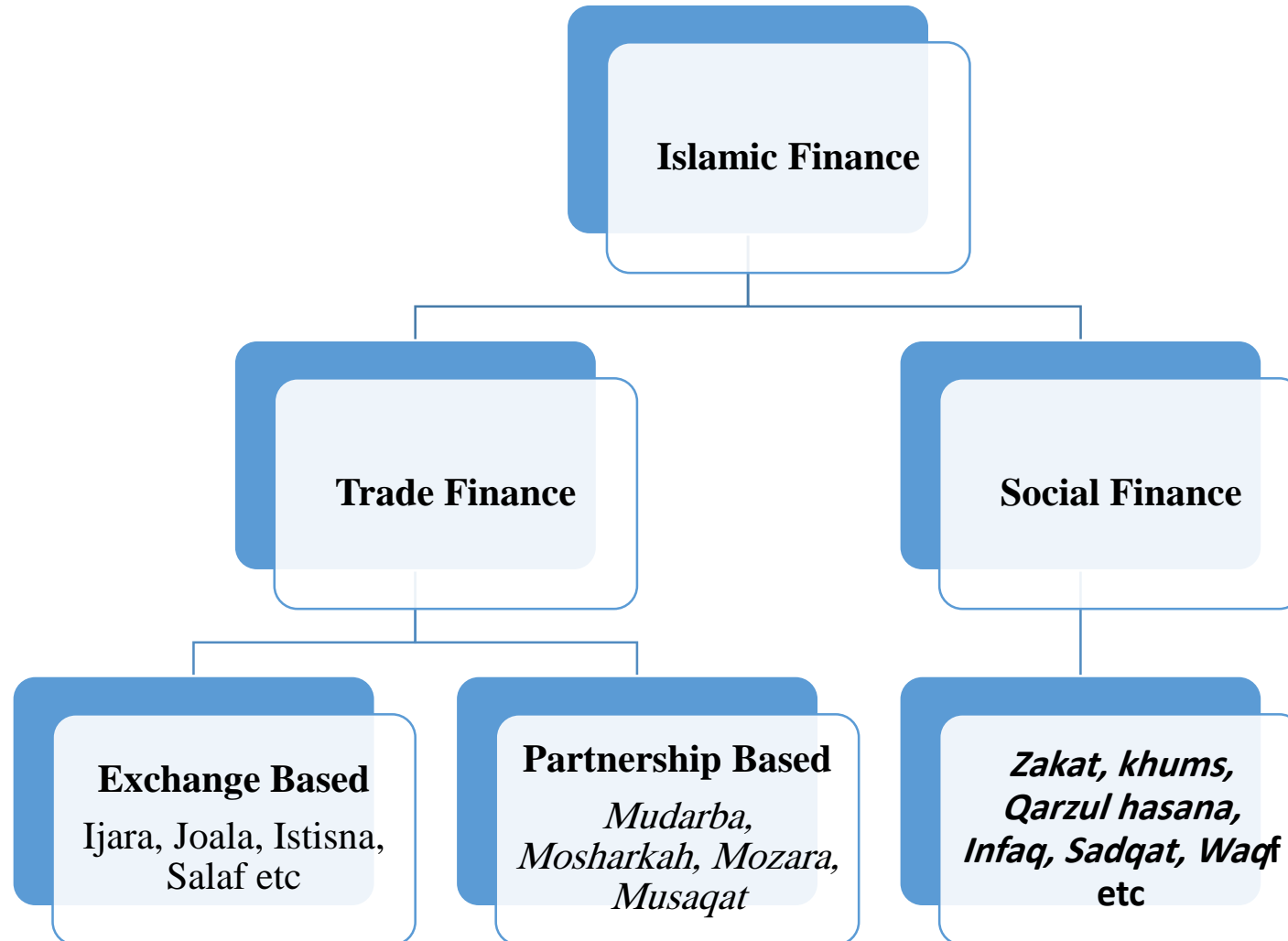
Introduction

- Unjust economic development that is based on toxic views of materialism, has indulged humanity in serious spiritual diseases like Avarice, Greed, Seflishness, cruelty etc.
- In contemporary world, with the rise in population poverty has become gigantic problem. World has divided into many religious, geographical, political and racial groups, but one thing that is common in all the groups is poverty
- That,s why in contemporary world improving social welfare and justice has become final goal of economies.

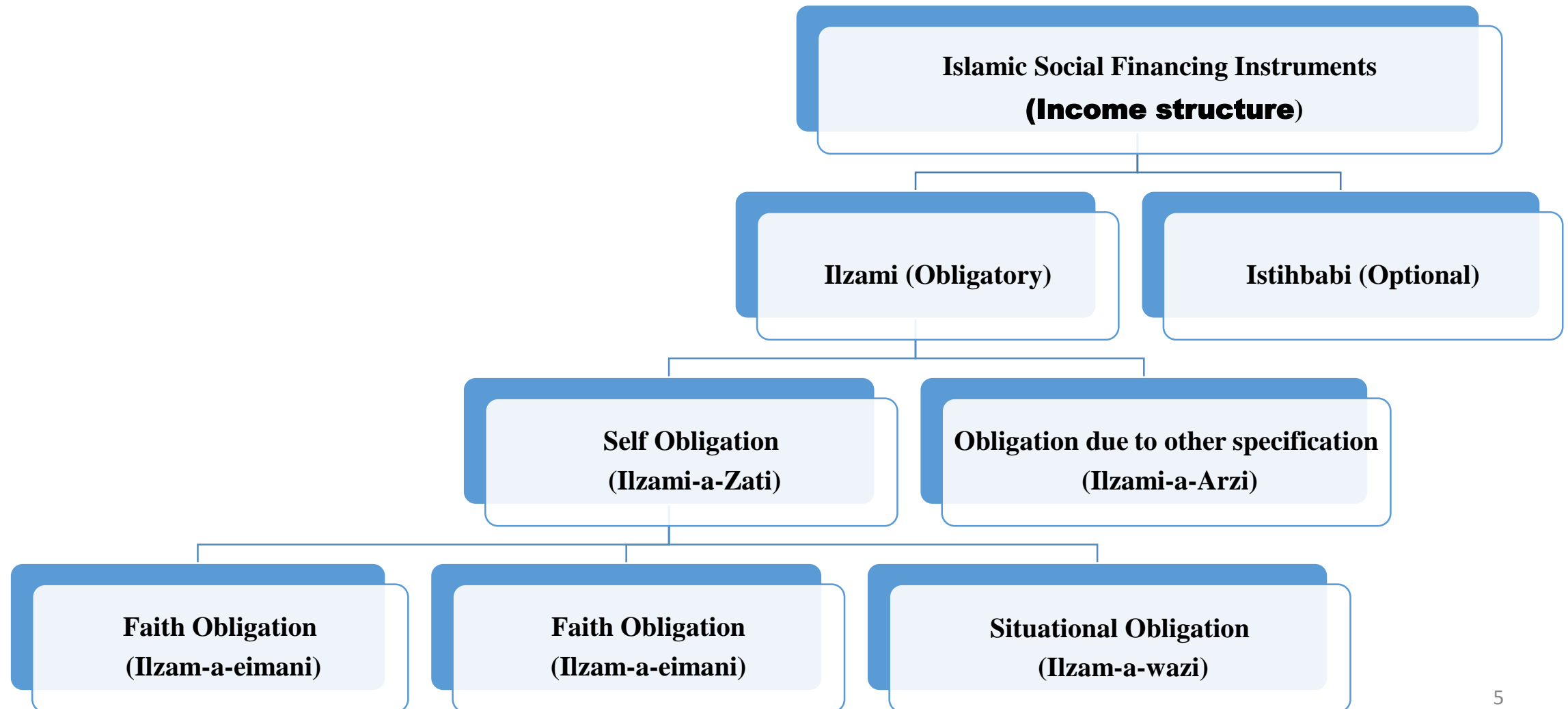
Concept of Welfare and Justice in Islamic Context

- Basic source of Islamic concept of justice and welfare is revelation and in modernist concept is rationalism
- Equality is the main and highest principle for social welfare in Islam
- Objective of justice is also to strengthen equality in Islamic Society
- concept of equality in Islam never means the equality of monetary income of society members, but this disuniformity in economic, political, social and all other fields of life is in instinct of all humen and forces them to compete others on ability, knowledge and technical grounds, remaining in the limits of eternal teachings of Islam.
- In Islamic viewpoint welfare is not a mere betterment in material life but assimilates in itself the concepts of justice, peace, and health

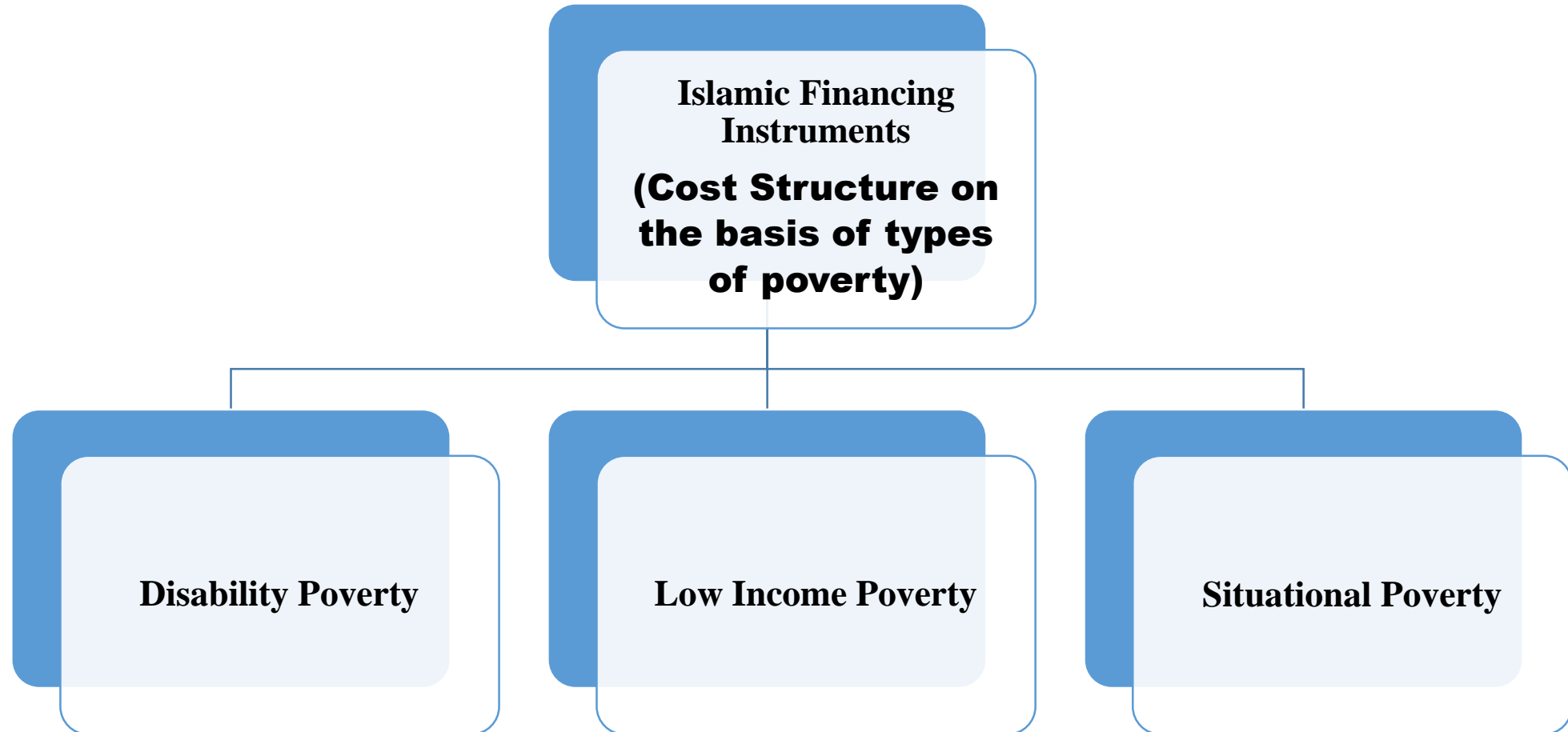
Islamic Finance and its Types



Structure of Islamic Social Finance (ISF)



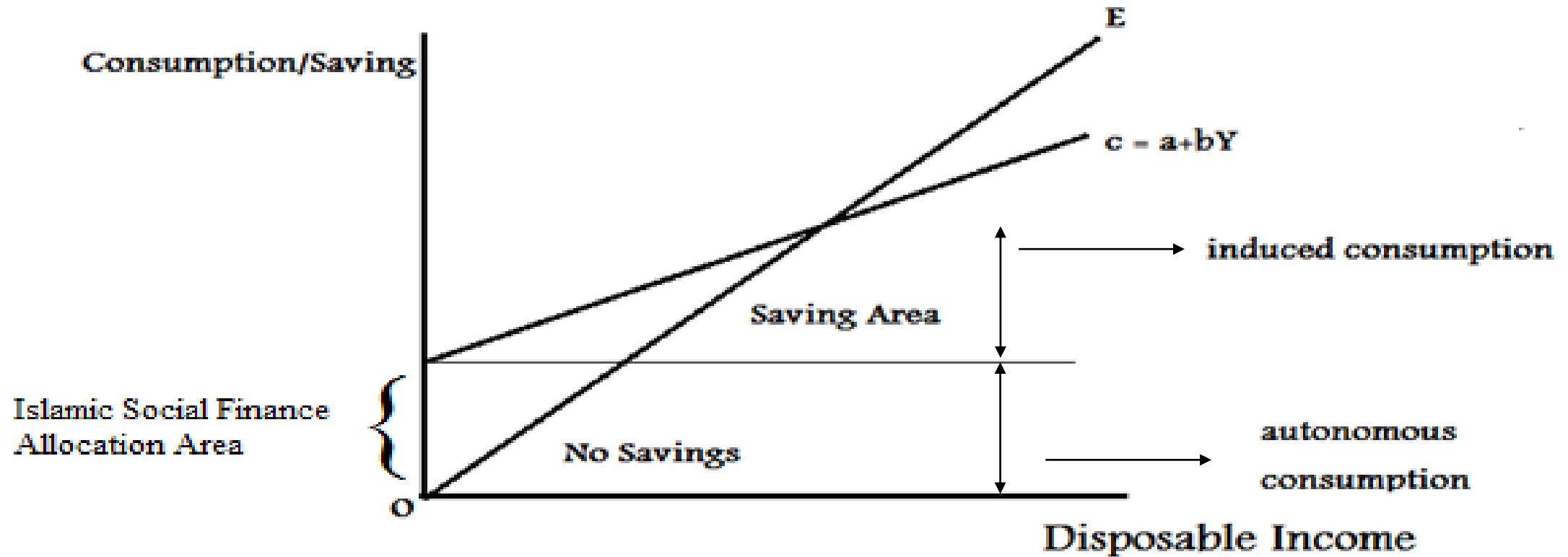
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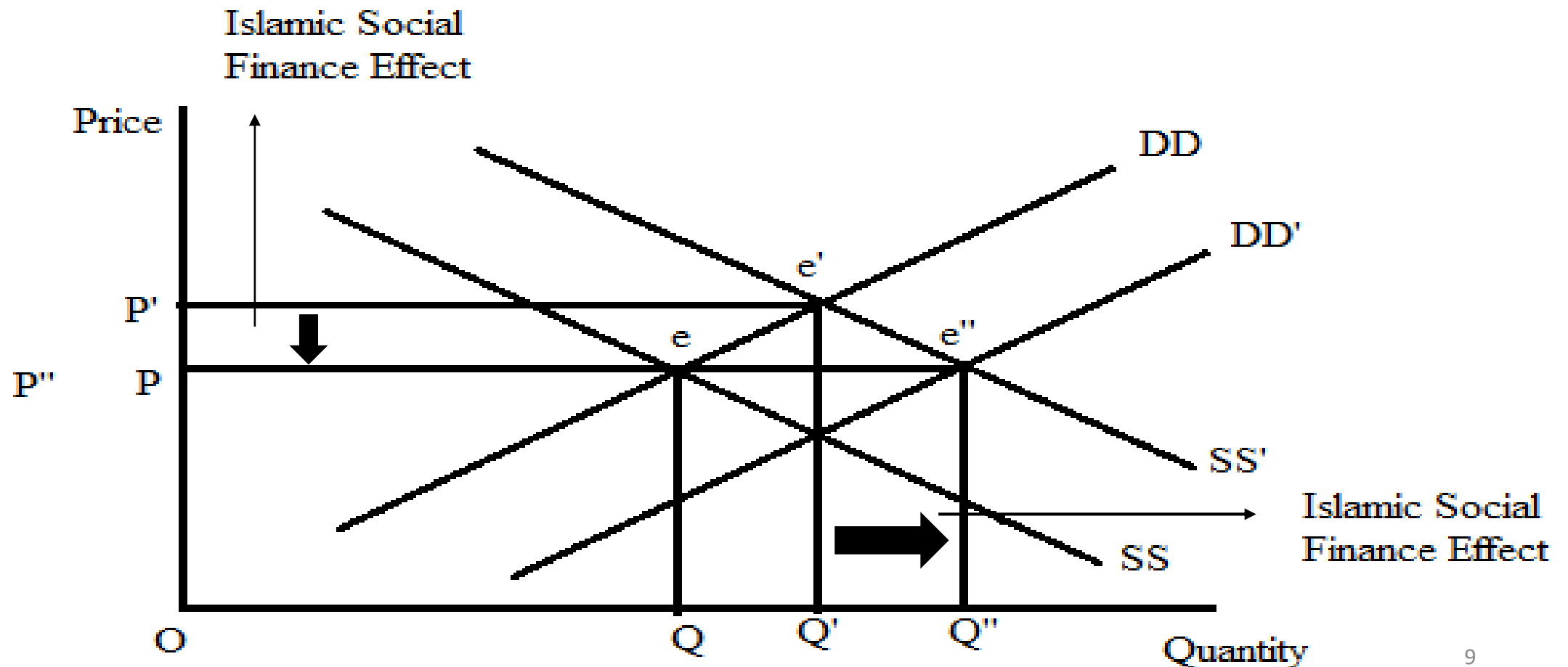
Allocation of ISF for Economic Activities from the Perspective of the Quran, Hadith and Jurists

- In holy Quran Allah has described the obligation of Zakat without mentioning its items, and according to necessities of contemporary world it's a duty of Islamic ruler to determine the obligatory items of Zakat
- Prophet (PBUH) said *“Whoever wakes up in the morning and do not worry about the affairs of Muslims, he is not one of them, and whoever hears a man shouts “help me” and don’t answers, he is not a Muslim.*
- According to jurists Islamic funds like Zakat and Khums cannot be used in economic activity because transfer of these amounts to receivers or beneficiaries is necessary in order to transfer ownership of these amounts. But this can be done in two cases first, with the permission of *“Mujtahid”* and second in case of a *“wakala”*.

Allocation of ISF for Economic Activities from Economic Perspective (Distribution, Consumption, Production)



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Results and Discussion

- Islamic social financing instruments can play a major role not only in achieving economic development but also in realizing the social justice and welfare.
- Systematic collection and distribution of ISF will surely result in welfare and justice along with development.
- In this case Ummah will have a determination to converge in response of common material benefits along with religious brotherhood and equality.
- It is suggested that Muslim Ummah should establish international fund for collection and distribution of Islamic social financing instruments in order to bring self-sufficiency not only in economic field but also in political and defence grounds.



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on Islamic Capital Markets

Thanks for your
Attention