

# Doing Business – The Islamic Perspective

Through this article I will attempt to draw the attention to certain key aspects of doing business in the Islamic perspective, through a few pointers experienced by myself in my Business Career

Since the subject is very vast and diverse I will limit myself to the two basic ingredients required to be successful in the present competitive business environment.

1. Ethics
2. Financial Competence

Both of these issues are very Islamic in nature, or in my opinion they are absolute Deen. Unfortunately we have grave misconceptions about Deen in our minds, and thereby have a very limited view of what exactly construes as to what is true Deen. This is because we have compartmentalized the whole concept of Deen into illusory blocks.

So what is Deen? “Deen consists of five basic segments,”

1. Imaneeyat, Faith
2. Ibadat, - Salat, Hajj, Fasting, Zakat, physical Appearance
3. Ahklak, - Character & Conduct between two human beings
4. Masharat, - Environment, Building of society, equality and justice for all
5. Mumulaat, Dealings, More particularly Business ethics and Financial Dealings

Since Islam had identified the ills of an unjust Interest-based Economic system, the Quran came out very clearly against its prevalent use. The Quran did not just stop with an injunction on Interest but in the same sentence encouraged enterprise and trade. That Ayat in Surah Al-Imraan spell out

***Allah has permitted Trade and forbidden Interest***

Furthermore in another Ayat Allah glorifies a true Businessman by saying that:

***“Their doing business does not stop them from the remembrance of Allah”***

Similarly according to one Hadith a Truthful Businessman has been giving glad tidings of being together with the Shuddah and Salaheen on the day of judgement. In a number of places the Quran and Hadith spell out the virtues of Business. Doing Business per say is not Fardh, or Wajib but if one is in that profession, then doing it exactly in accordance with **Islamic ethics and Shariah is absolutely Fardh**

Let me make it very clear Shariah has never and will never contravene any Law of any country on the contrary it is complimentary to it. A huge number of Law makers have referred to the Quran, for construction of their legislature. Where are these laws derived from? There are four main classically accepted sources of Islamic Law:

- Quran
- Sunnah
- Ijmah-Consensus
- Qiyas-Analogy

In addition to these there are some other minor sources as well, from these roots of Law is derived the “Shariah” which means “the way or the path”

There are approximately 500 verses in the Quran which contains legal injunctions, out of which

- ❖ 70 deal with Family Law
- ❖ 70 deal with Civil Law
- ❖ 30 deal with Penal Law
- ❖ 13 on Jurisdiction and Procedures
- ❖ 10 verses on Constitutional Law
- ❖ 25 verses on International Law
- ❖ 20 on the Economic and Financial Order
- ❖ 50 on the source of Law in general

As a result an entire Science of these interpretations developed into a full set of codes of Conduct in doing Business, which is known as Fiqh-ul-Mumalat.

I have dwelled upon these issues, so as to impress upon ourselves and to help us understand the importance of trade and business within the Overall Islamic Fiduciary System

Today this Ummah, which gave to the world the earliest and the most enlightened concept of banking, where the lender and borrower were considered as partners in Business (Mudharabah) has totally gone into oblivion from the international business scene

What happened to the followers of those pious Arab traders who were known for their Entrepreneurial skills and who were pioneers of international trade when the world had not even mastered navigation and astronomy.

Yet today, we are not even considered a community of Business Repute. Why? What has reversed the course of our journey? We have badly faltered in our Islamic Trade Ethical practices.

What are they?

Certain key practices are:

- I. To accept sold goods back with Ikhlaas
- II. Clearly mark any fault, blemish or distortion in the product.
- III. Not to make any false claims or praise too much about one's product
- IV. Transparency and standardization of the product

What an enigma?

This present day Western Business has just replicated the Islamic ethical practice and the result is in front of us. Any of us can just ponder into these businesses either through a Supermarket, Airline or any other service industry, we are more comfortable buying their product than any other.

We need to apply the Mamulaat side of Deen immediately! Another key issue we need to address is long term financial planning and management, how important long-term perspective is can be gauged from the following quote of one Sahabi RA who says “live in this world as if you are to stay a thousand years and prepare for the hereafter as if you are going to die now.”

Financial discipline is the basic requirement, best of entrepreneurs have fail due to financial mismanagement, and we need to capitalize all our resources onto our books, so that we can project strong Net-worth. We need to evaluate our performance all the time using different financial models and various financial ratios such as:

- Return on capital employed
- Return on networth
- Replacement costs

With the development of the Islamic Banking, taking hold around the world, even though it may still be in a very nascent stage, we can utilize many innovative Islamically acceptable financial instruments to leap for further growth.

We need to identify our core competency, constantly upgrading our facilities and systems, always applying innovative new ideas, backed by a strong research and development arm and having a very long term commitment to planning. I think with these qualities inculcated into us we will always grow and never stagnate

I will conclude with a hadith of RASULLULAH SAW, which says to the near meaning

*“That if you are planting a sapling and you here the trumpet being called out for the Day of Judgement, Rasullah SAW says do not be disturbed by the call but continue in your work and finish the job in hand”*

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