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ASSESSING THE INTERFACE LINKING THE ISLAMIC ECONOMIC SYSTEM (IES) WITH THE GLOBAL ECONOMIC PARADIGM

Muhammad Ilyas[1]

Dr. Muhammad Saeed Tayyab[2]

ABSTRACT:

Islamic economics, guided by Sharia and the Quran, emphasises the prohibition of speculative transactions, a key factor contributing to economic stability. However, concerns have been raised about the practical implementation of Islamic economic principles and their compatibility with modern economic structures. The Islamic Economic System (IES) prioritises stability and fairness, avoiding usury, monopoly, hoarding, and speculation, leading to a current account deficit. A self-sufficient model characterises its industrial policy, reluctance to rely heavily on Foreign Direct Investment (FDI), and a commitment to economic justice and equitable distribution of resources. The IES's primary objective is to provide a robust system focusing on balanced, moderate and sustainable economic development and appreciating state involvement in heavy sectors to balance private ownership. IES encourages limitless liability in shareholding, creating accountability, such as the prohibition of bankruptcy with monopoly, which could lead to wealth concentration and economic inequities in society. The IES's guiding principle of "Itedal" emphasises fiscal prudence, where spending should be less than earnings, and plays a pivotal role in controlling fiscal deficits that could undermine the overall economic well-being of society.

Keywords: *Sharia, Itedal, IES, FDI, Current account deficit, Fiscal deficits*

Introduction

Islamic economics is defined within Islamic jurisprudence's boundaries. It emphasises the prohibition of speculative transactions in Islamic finance, which contributes to economic stability and prevents financial crises. However, concerns have been raised about the practical implementation of Islamic economic principles and their compatibility with modern economic structures, as some Western economists conclude that the Islamic Economic System (IES) is regarded as a just and humane social order, combining all the good features of a healthy and balanced society. Scepticism about the viability of an IES stems from the confusion between the terms "rate of interest" and "rate of return."

The fundamental differences in the basic principles of different economic models, such as property rights, wealth reservation, and the state's role, present significant obstacles to compliance with the Islamic economic philosophy. Some scholars oppose the boundaries legalised by *Sharia* for the prosperity of all human beings, as God's ultimate ownership implies that His ownership supersedes the right of the individual to property. The IES recognises the legitimacy of private ownership, albeit within the bounds set by Islamic ethics and legal principles. State intervention is essential to ensure social justice, regulate markets, and address

[1] MS Scholar, Bahria University Islamabad

[2] Assistant Professor, Department of Islamic Thought & Culture, National University of Modern Languages Islamabad

economic disparities. The moral dimension of the IES is a recurring theme in the "Framework of Economic Activity in Islam."

The IES is a unique economic system that prioritises stability and fairness, avoiding hyperinflation and usury, monopoly, hoarding, and speculation. This approach protects financial markets from imbalances and deviations in economic activity, which could lead to crises and global economic and human disasters. A self-sufficient model characterises the IES's industrial policy, reluctance to rely heavily on Foreign Direct Investment (FDI), and a commitment to economic justice and equitable distribution of resources.

The IES's primary objective is to provide a system devoid of issues encountered in alternative economic systems. Its focus is on exemplifying the viability and efficacy of an Islamic economic model rather than engaging to solve the problems created by other economic systems. The IES's preference for moderate growth over an overheated economy is deeply embedded in its foundational principles, focusing on balanced and sustainable economic development. The IES's stance on moderate growth reflects a nuanced understanding of economic stability and the ethical imperative to safeguard the well-being of all individuals over the long term, distinguishing it from alternative economic paradigms. The Islamic state may legislate new restrictions on economic activities in addition to what the Sharia prescribes to maintain social balance, stability and fairness.

In the IES, society is responsible for providing basic necessities to both present and future generations, reducing feelings of self-generation, self-preservation, and self-aggression. The IES recognises private ownership within Islamic ethics and emphasises state intervention in strategic sectors to prevent monopolies and ensure equitable resource distribution. It also promotes a distinctive approach to shareholding and financial responsibilities. The "Itedal" guiding principle in IES emphasises fiscal prudence, where spending should be less than earnings, and plays a pivotal role in controlling fiscal deficits. This principle is deeply rooted in Islamic economic philosophy and helps curb fiscal deficits, foster financial stability, and promote equitable resource distribution.

I undertook this research project involving students from Bahria Business School to gain diverse insights into the interface between the Islamic Economic System (IES) and the global economic paradigm. The students participated in a series of surveys and questionnaires designed to assess the practical implementation, compatibility, and unique attributes of IES. This collaborative effort aimed to provide a comprehensive understanding of how IES principles can be integrated within modern economic structures while maintaining its emphasis on stability, fairness, and sustainable development. The survey revealed a range of perspectives from students regarding the true nature of the Islamic Economic System (IES). These insights highlighted their understanding, misunderstandings, and appreciation of the principles and potential of IES in addressing contemporary economic challenges.

Islamic Economic Framework

Islamic economic framework is inherently distinct, guided by the principles of Sharia and the Quran.[1] Islamic economics is defined within the boundaries of Islamic jurisprudence.[2] The prohibition of interest (riba) and speculative transactions in Islamic finance contribute to economic stability and prevent financial crises.[3] Timur Kuran has raised concerns about the practical implementation of Islamic economic principles and their compatibility with modern economic structures. However, other economic systems, like capitalism, have shown remarkable inner resilience (capacity for resilience) and a capacity to change, adapt, adjust, and create new forms, instruments, and structures.[4] Historical divergence from interest-free transactions in Islamic societies has implications for the feasibility of a purely IES in the contemporary global context.[5] Proponents regard an IES as a just and humane social order according to Islam's teachings. This social order is "neither capitalist nor communist, but it stands on its own and combines all the good features of a healthy and balanced society."[6] Scepticism about the viability of an IES stems from confusion about the terms "rate of interest" and "rate of return."[7] Islam allows (only) trade and, therefore, profit.[8] The difference between profit and interest is that profit profit is not a pre-determined rate of return, and it also has a probability of loss. This means further that Capital in the form of 'Borrowed Funds' may not be used, but 'Risk Capital' is permissible, which entails the possibility of either profit or loss of a non-predetermined value. If Risk Capital is permissible, it means that 'Enterprise' is not only permissible but is recognised as a valid factor of production because 'Entrepreneur' shares the possibility of either profit or loss and is satisfied with a non-predetermined remuneration.

This is not true of ordinary finance capital as it is in modern-day economic activities and systems other than the Islamic economic system. Thus, finance Capital is only an 'instrument' or 'physical manifestation' of the factor of production known as Enterprise. In this way, the principle that we derive from the Islamic tenets is that capital as a separate or independent factor of production is not permissible. Still, as a part of the Enterprise, it is acceptable and feasible in the Islamic economic system.[9]

Does the Islamic Economic System (IES) operate effectively under another economic system?

Most students (60%) believe the Islamic Economic System (IES) can function effectively within another economic system. In contrast, 40% doubt this compatibility, reflecting concerns similar to those of scholars like Timur Kuran about the practical integration of IES principles with

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[1] Muhammad Akram Khan. *An Introduction to Islamic Economics:* Institute of Policy Studies Publication, Islamabad, 1994, p. 78.
[2] Farhad Nomani and Ali Rahnema. *IESs, (Studies in Islamic Society):* Review by Sohrab Behdad, Middle East Studies Association Bulletin, Vol. 29, No. 2, 1995, p. 186.
[3] Monzer Kahf. *Islamic Economic Development, Policy & Public Finance & Sustainable Development (Notes on Islamic Economics):* Islamic Research and Training Institute, 2015, p. 42
[4] Khurshid Ahmad. *The challenge of Global Capitalism: An Islamic perspective:* Policy Perspectives, Vol. 1, No. 1 p. 4 also 9.
[5] Timur Kuran. *Islam and Mammon: The Economic Predicaments of Islamism:* Princeton University Press, 2004, p. 115
[6] Muhammad Abdul, Mannan. *Islamic Economics: Theory and Practice (Foundations of Islamic Economics):* Hodder and Stoughton, UK, 1986, p. 346-347.
[7] Khan, Mohsin. *Islamic Interest Free Banking: A Theoretical Analysis:* IMF Staff Papers 33, 1986, p. 27
[8] Mohammad Afzal. *Theory and Practice of Islamic Banking:* Pakistan Economic and Social Review, Vol. 31, No. 2, 1993, p. 108.
[9] Muhammad Moinuddin Khan, Dr M. H. Syed. *Ownership and Partnership in Islam:* Pentagon press, Dehli, 2010. p. 297-98.

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modern economic frameworks. While the IES emphasises distinct principles like the prohibition of interest and speculative transactions, making full integration challenging, the students' differing views highlight a need for deeper exploration of how Islamic principles can coexist with or adapt to other economic systems.

Clashing Theories and Different Viewpoints

The fundamental differences in the basic principles of different economic models, specifically regarding property rights, wealth reservation, and the role of state engagement, present significant obstacles to compliance with Islamic economic philosophy.[1] Divergent views on ownership and wealth accumulation are fundamental differences between Islamic economic principles and capitalism based on private ownership and maximising profits.[2] Conversely, eminent scholars like Sayyid Abul Ala Maududi contend that Socialism's emphasis on collective ownership contradicts the Islamic principle of private property.[3] These perspectives underscore the incompatibilities. However, Muhammad Akram Khan acknowledges the challenges of reconciling these systems but also asserts the potential for a harmonious synthesis that draws on the strengths of each system while adhering to Islamic ethical principles.[4]

If so, which economic system is more compatible with the IES?
Many students (44%) believe that a mixed economy is the most compatible with the Islamic Economic System (IES), suggesting that blending elements from various economic models might best align with Islamic principles. This view reflects an understanding that combining different systems could practically accommodate Islamic values. In contrast, fewer students favour socialism (24%) or capitalism (13%), highlighting the challenges of fully integrating IES principles with these systems. The preference for a mixed economy indicates the need for more comprehensive details about Islamic economic principles with contemporary economic frameworks to the students that IES is operating well, not with other systems. Still, it has its principles, and by compromising that principle, the IES will not be as beneficial as it is.

Components of the IES

IES recognises the legitimacy of private ownership, albeit within the bounds set by Islamic ethics and legal principles.[5] Some scholars oppose these boundaries (restrictions) legalised by Sharia for the prosperity of all human beings, as God's ultimate ownership implies that His ownership supersedes the individual's right to property. Thus, a state representing the will of God, i.e., an Islamic state, may impose limits on individual property rights. The restrictiveness of these limits will depend upon the extent of interference of individual property rights with the realisation of God's will in the society of Muslims.[6] The prohibition of interest (riba) in economic transactions

[1] Muhammad Nejatullah Siddiqi. *Economic Enterprise in Islam:* Islamic Foundation, 1972, p. 38.
[2] Monzer Kahf. *Islamic Economic Development*: p. 56
[3] Sayyid Abul Ala Maududi. *Islamic Law and Constitution:* Islamic Publications, 1960, p. 158
[4] Muhammad Akram Khan. *An Introduction to Islamic Economics:* p. 82
[5] Muhammad Akram Khan. An *Introduction to Islamic Economics*: p. 124
[6] Sohrab Behdad. *Property rights in contemporary Islamic economic thought: A critical perspective*: Review of Social Economy, Vol. 47, No. 2 1989, p. 188.

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is a cornerstone of the IES, emphasising eliminating exploitative financial practices.[1] The state intervention is essential to ensure social justice, regulate markets, and address economic disparities.[2] The moral dimension of the IES is a recurrent theme in the "Framework of Economic Activity in Islam" by Khurshid Ahmad, wherein he underscores the integral role of morality in economic decision-making and conduct.[3] Counterargument by Naqvi: The paramount question is, then, to what extent can the ethical or social responsibility of entrepreneurs be left to their own conscience, and how and to what extent can the state interfere in the market? In more realistic terms, the issue will centre on the forms and extent of the state's intervention in a market economy.[4]

The components of the IES encompass:
Most students (43%) view the Islamic Economic System (IES) as a combination of private ownership, interest-free practices, state control, and morality, aligning closely with its core principles. A smaller segment (28%) interprets it as a blend of capitalism and Islamic values, while 29% see it as a fusion of socialism and Islamic principles. This indicates a gap in knowledge about how IES uniquely operates independently of these other economic systems. To foster a firmer grasp of IES, it is crucial to educate students on its distinct principles and how they can be applied effectively in contemporary economic contexts without compromising the system's integrity. Such education would emphasise that the success and benefits of IES are rooted in its adherence to Islamic values and practices, distinct from the frameworks of capitalism or socialism.

IES, Current Account Deficit

The prohibition of hyperinflation, marked by extensive money printing without asset backing, led to a current account deficit. Prohibition of usury, monopoly, hoarding and speculation are the commonly accepted Islamic restrictions on business practices.[5] Nejatullah Siddiqi underscores the importance of sound monetary policies in Islam, emphasising the detrimental effects of hyperinflation on the stability of the economic system.[6] The noble and realistic approach of the IES in this regard is exemplified because these principles protect financial markets from sources of imbalance and deviation in economic activity that could lead them to fall into crisis and subsequently create global economic and human disasters. If we avoid these imbalances, the market will function more transparently and foster economic stability.[7] This stands in stark contrast to other economic systems; Timur Kuran argues that the pursuit of short-term gains and lack of ethical considerations may lead to lax monetary policies and unchecked money supply.[8]

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[1] Kamal Khir, Lokesh Gupta & Bala Shanmugam. *Islamic Banking: A Practical Perspective*: Pearson Malaysia, 2008, p. 42
[2] Muhammad Nejatullah Siddiqi. *Economic Enterprise in Islam:* p. 85
[3] Khurshid Ahmad. *Framework of Economic Activity in Islam:* Islamic Foundation, 1979, p. 112
[4] Syed Nawab Haider Naqvi. *Ethics and Economics: An Islamic Synthesis:* Islamic Foundation, Leicester, UK, 1981 p. 88-90.
[5] Masudul Alam Choudhury. *Contributions to Islamic Economy Theory: A Study in Social Economics:* Martin's Press, New York, 1986, p. 118-24. 24.
[6] Muhammad Nejatullah Siddiqi. *Issues in Islamic Banking: Selected Papers:* Islamic Research and Training Institute, 2002, p. 117
[7] Saad A. Aljloud. *Ijtihād and Ikhtilāf: Re-interpreting Islamic Principles in Contemporary Times*: Arab Law Quarterly, Vol. 28, No. 1 2014, p. 97.
[8] Timur Kuran. *Islam and Mammon: The Economic Predicaments of Islamism:* p. 132

By prioritising stability and fairness, the IES exhibits a distinctive stance on financial issues that aligns with its broader ethical framework. This discerning approach reflects Islamic economic philosophy's commitment to preventing economic imbalances and ensuring sustainable economic growth.

Hyperinflation, characterised by excessive money printing not backed by assets, leading to a current account deficit, is not permitted in the IES. This noble and realistic approach is also evident in the following:

A notable portion of students (34%) associate the IES's approach to avoiding hyperinflation and promoting stability with capitalism, while 25% see parallels with socialism. The 41% who did not specify a response indicated some uncertainty or difficulty in directly aligning the IES's distinctive principles with other economic systems. This suggests that while elements of stability are recognised in both capitalism and socialism, the unique ethical framework of the IES may not be fully captured by these systems, reflecting the complexity of integrating Islamic economic principles with broader economic contexts.

The IES's Industrial Policy

The self-sufficient model inherent in the IES industrial policy, characterised by a reluctance to rely heavily on foreign direct investment (FDI), reflects a deliberate economic strategy rooted in Islamic principles. IES is committed to economic self-sufficiency and independence.[1] Monzer Kahf expounded on the scepticism towards FDI in the IES, highlighting concerns related to economic sovereignty, potential exploitation, and the adherence to Islamic ethical standards in foreign investments.[2] The self-sufficiency model is intricately tied to the broader concept of economic justice and equitable distribution of resources.[3] Thus, the IES's industrial policy prioritises the development of domestic industries and encourages local entrepreneurship to foster economic resilience.

The industrial policy of IES is:
The majority of students (63%) align with this view, recognizing the importance of economic independence and local entrepreneurship. A smaller portion (20%) sees it as an FDI model, indicating some recognition of the potential role of foreign investment. The 17% who did not specify a response suggest varying or unclear views on integrating foreign investments within the IES framework. This indicates a need for a clearer understanding and education on how foreign direct investment (FDI) can be integrated within the IES framework without compromising its core principles. This underscores the importance of reinforcing the self-sufficiency model while addressing contemporary economic challenges within the ethical boundaries of Islam.

[1] Muhammad Akram Khan. *An Introduction to Islamic Economics:* p. 169
[2] Monzer Kahf. *Islamic Economic Development:* p. 92
[3] Muhammad Nejatullah Siddiqi. *Islamic Banking and Finance in Theory and Practice: A Survey of State of the Art:* Social Science Research Network, SSRN, 2018., p. 64

Balanced and Moderate Growth

The preference of the IES for moderate growth over an overheated economy is deeply embedded in its foundational principles, IES's commitment to balanced and sustainable economic development. The Islamic State may legislate new restrictions on economic activities in addition to what the Sharia prescribes to maintain social balance in the face of historical changes in production conditions.[1] Moderation in economic growth aligns with the broader Islamic principles of justice, social equity, and avoidance of excesses.[2] Islam emphasises a more need-oriented approach and is committed to establishing a society in which the basic necessities of life are ensured for all members of the human race primarily through personal effort;[3] this means growth would be appreciated but should not compromise the basic needs of all members of the society. IES's emphasis is on avoiding speculative bubbles and economic imbalances that can result from excessive growth.[4] Western economists also highlighted the need for active regulation in other economic systems to manage growth and ensure long-term prosperity.[5] The IES's stance on moderate growth reflects a nuanced understanding of economic stability and the ethical imperative to safeguard the well-being of all individuals over the long term, distinguishing it from alternative economic paradigms.

In a capitalistic system, society does not care for the development of the people and is interested only in the collection of dues or taxes. But in the IES, society is responsible for providing necessities not only to the present but also to the future generation. The money gathered in the form of dues is consumed in such a way that nobody goes hungry in the country. Above all, man is relieved of the feelings of self-generation, self-preservation, and self-aggression. He exerts to develop his personality, and society progresses by leaps and bounds.[6] Accelerated economic growth may become fiscal policy's primary objective in a developing Islamic economy. Since growth is a function of the savings rate, fiscal policy should aim to achieve the maximum savings mobilisation in these economies. Also, increased government expenditures may be needed to build the necessary infrastructure and invest in projects that are not attractive to the private sector.[7]

The IES does not favour an overheated economy and values moderate growth. In contrast, do other economic systems need to regulate economic growth for the long-term prosperity of all human beings?

Most students (54%) believe that other economic systems need to regulate economic growth for long-term prosperity, reflecting an understanding of the importance of moderation, similar to the IES's emphasis on balanced growth. However, 46% are unsure, indicating most students

[1] Muhammad Baqir, Sadr. *Eqtesad-e ma, a Persian translation of Iqtisaduna (1961), Tehran:* Entesharat-e Eslami, Volume I, 1971, Volume II, 1978, p. 344-50.
[2] Muhammad Nejatullah. *Islamic Economics:* International Centre for Research in Islamic Economics, 1980, p. 112
[3] Khurshid Ahmad. *The challenge of Global Capitalism: An Islamic perspective*: p. 14.
[4] Monzer Kahf. *Islamic Economic Development:* p. 78
[5] Robert Skidelsky. *John Maynard Keynes: Hopes Betrayed, 1883-1920:* Penguin Books, 1983, p. 276
[6] Muhammad Iqbal Chawla. *Pakistan, Islamic welfare state:* Economic and Social Review, Vol. 55, No. 2, 2017, p. 349
[7] Muhammad Moinuddin Khan, Dr M. H. Syed. *Economic Perciption in Islam*: Pentagon press, Dehli 2010, p. 41.

recognise that other economic systems also need to regulate growth for sustainability, highlighting these principles' broader relevance. However, some uncertainty remains about their efficacy in managing growth and stability. This underscores the importance of educating individuals on the unique and holistic approach of the IES, which can provide valuable insights for managing contemporary economic challenges.

Regulation of Large-scale Manufacturing

IES concerning the relationship between private ownership and state control, particularly in heavy industries. IES's recognition of private ownership within the bounds of Islamic ethics while emphasising the importance of state intervention in strategic sectors.[1] Monzer Kahf underscores the need for state control in heavy industries to prevent monopolies and ensure equitable distribution of resources.[2] The preference for direct investments over state loans to industrialists is echoed by scholars such as Muhammad Nejatullah Siddiqi, emphasising the IES's commitment to risk-sharing and fostering actual economic activity.[3] The IES's approach to to private ownership and state control reflects a carefully calibrated economic model that balances individual enterprise with societal welfare.

The IES permits private ownership but advocates for state control over heavy industries, highlighting the preference for not providing state loans to industrialists and instead favouring direct investments. Why do other systems lack this capacity?
Students largely attribute the inability of other economic systems to regulate large-scale manufacturing, like the IES, to different approaches (32%) and self-interest (23%). A smaller segment (18%) cites a lack of positive intention, while 27% remain unclear. The diverse student perspectives on this issue underscore the complexity of achieving such a balance in different economic frameworks, highlighting the unique and thoughtful design of the IES in fostering a just and resilient economy and the other economic systems that may lack the capacity to regulate large-scale manufacturing effectively due to self-interest and varying intentions.

Shareholding with Unlimited Liability

The IES promotes a distinctive approach to shareholding and financial responsibility. The (Islamic Economic) system encourages the concept of unlimited liability in shareholding.[4] Individuals who invest in a business venture are personally responsible for its financial obligations, ensuring a greater sense of accountability and risk-sharing within the community. However, this commendable ethos also brings about certain challenges. Notably, the prohibition of declaring bankruptcy leads to a scenario where individuals are compelled to fulfil their loan obligations regardless of their financial hardships.[5] As those with the financial means navigate economic challenges without the option of declaring bankruptcy, they are better positioned to

[1] Asad, Zaman. *Islamic Economics: A Survey of the Literature:* Religions and Development Research Programme, United Kingdom, 2008, p. 92
[2] Monzer Kahf. *Islamic Economic Development*: p. 105
[3] Muhammad Nejatullah Siddiqi. *Issues in Islamic Banking*: p. 88
[4] Zamir Iqbal, Abbas Mirakhor. *An Introduction to Islamic Finance: Theory and Practice:* Wiley Publisher 2011, p. 92
[5] Muhammad Taqi Usmani. *An Introduction to Islamic Finance:* Idaratul Ma'arif, 1998, 115

preserve and accumulate wealth, potentially leading to an economic imbalance. The concentration of wealth is bad for any economic order.

The circulation of money is beneficial for the development of the state. However, money earned from wealth, not by labour, is 'Riba', which is proscribed in Islam. 'Riba' makes an individual richer but not the economy. Two opposite classes emerge, one that collects all the resources and the other that is deprived of these resources.[1] The nuanced interplay between these principles highlights the IES's multifaceted nature and its impact on wealth distribution within society.

How does the IES's encouragement of unlimited liability in shareholding, along with the prohibition of declaring bankruptcy to evade loan repayment, influence the concentration of wealth within a select group of individuals?
The survey reveals that 50% of students believe the inherent financial risks associated with loans under this system primarily drive wealth concentration. In contrast, 33% see unlimited liability as a solution to economic disparity, and 17% attribute the impact to the bankruptcy prohibition. This nuanced perspective suggests that while the IES aims to promote fairness and accountability, the substantial financial risks can lead to an economic imbalance where wealth becomes concentrated among those better positioned to navigate these risks, thereby potentially undermining the broader objective of equitable wealth distribution.

Controlling Fiscal Deficits

In IES, the guiding principle of "Itedal," emphasising fiscal prudence, where spending should be less than earnings, is pivotal in controlling budgetary deficits. The concept of Itedal is deeply rooted in Islamic economic philosophy.[2] The principle underscores the importance of maintaining a balanced budget and aligning expenditures with revenues to prevent a fiscal deficit. This approach follows the broader Islamic ethical framework that advocates responsible financial behaviour and discourages extravagance. In practical terms, adhering to the principle of Itedal helps curb fiscal deficits, foster economic stability, and promote equitable distribution of resources. In the Islamic economic theory of social welfare, the consumption variable is important because of the social constraint of Israf (wasteful consumption). Output is essential for indicating the pattern and pace of growth and productivity.[3] As individuals and entities within the Islamic economic framework are encouraged to live within their means, the principle of Itedal contributes to a sustainable and just economic system, mitigating the risks associated with fiscal imbalances that could otherwise undermine society's overall economic well-being.

The IES, guided by the principle of "Itedal" (where spending should be less than earnings) to control fiscal deficit, mentions methods to control fiscal deficit in other economic systems.
The survey reveals that 62% of students believe cutting expenditures is the primary method other economic systems use to control fiscal deficits, foster high growth (25%), or manage debt (13%). The IES's focus on living within means and avoiding extravagance aligns closely with the

[1] Maryam Jameela. *Islam and Modernism:* Qazi Publication, Chicago, 1966, p. 67.
[2] Monzer Kahf. *Islamic finance contracts:* Al Manhal, Qatar, 2013, p. 75.
[3] S. behdad & T. Kuran. *Theory of Islamic Economics:* Global vision Puublishingh house, Dehli, 2006, p. 81.

predominant strategy of expenditure reduction in other systems, reflecting a shared emphasis on fiscal discipline. However, the IES's holistic and ethical approach to financial management distinguishes it.

Discourse to Responsibilities

It is not the responsibility of IES to address and resolve issues generated by other economic systems, but rather its commitment to provide a robust system devoid of the issues encountered in alternative economic systems. The primary objective of the IES is to offer an alternative economic paradigm based on Islamic ethical principles rather than engaging in a direct confrontation with other systems.[1] In Islamic Economics and Finance, Muhammad Akram Khan discusses the notion that the IES should exemplify a system free from the issues encountered in other economic models.[2] This perspective aligns with the Islamic economic philosophy's focus on justice, equity, and ethical conduct.[3] In "What Is Wrong with Islamic Economics?" Muhammad Akram Khan discusses the limitations of attempting to rectify issues in other economic systems, suggesting that the IES should focus on exemplifying the viability and efficacy of an Islamic economic model.[4] This perspective aligns with the foundational principles of Islamic economics, which state that the IES is a self-contained approach showcasing the distinct nature of Islamic economic philosophy.

Is it the responsibility of the IES to address and resolve issues generated by other economic systems?
Most students (44%) believe that the IES should focus on showcasing its principles rather than fixing issues generated by other systems. However, 29% think it is the IES's responsibility to tackle these issues, while 27% see it as possible. This shows a general consensus that the IES should primarily showcase its model rather than resolve problems in other systems.

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[1] Muhammad Nejatullah Siddiqi. *Dialogue in Islamic Economics:* The Islamic Foundation & Institute of Policy Studies Publication, Islamabad, 2002, p. 72.
[2] Muhammad Akram Khan. *Islamic Economics and Finance: A Glossary:* Routledge, 2007, p. 124.
[3] Khurshid Ahmad. *Framework of Economic Activity in Islam:* p. 92.
[4] Muhammad Akram Khan. *What Is Wrong with Islamic Economics?:* Islamic Foundation, United Kingdom: Edward Elgar Publishing, 2013, p. 89.

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