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The Principles of Islamic Marketing

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Islamic Business Ideals

When Muslim merchants travelled to distant lands, the inhabitants of those lands were impressed by the traders' social and business conduct and so became curious about their beliefs. Many of these inhabitants subsequently became Muslims.

Rice, 1999

Learning Objectives

After reading this chapter, you should be able to understand:

- The Islamic law, Shariah
- The three categories of Muslims' practices and acts
- The four sources of the Islamic ethical system
- The principles governing Islamic ethics
- Islamic values in business
- Implications for business.

Introduction

In an era when there is an increased and renewed emphasis on teaching and learning business ethics, the highly pertinent question being raised is the role of faith and religious beliefs on business practices. Do religious beliefs help produce more ethical organizations and consumers? As a major world religion with clearly defined rules, restrictions and behavioural guidelines, what are Islam's teachings regarding ethical practices in commerce and what are their implications? This chapter aims to answer some of these questions by casting light on the Islamic teachings on business conduct, or what has been known since the early Islamic periods fourteen centuries ago as the 'rules of sales and commerce'. It identifies the Islamic business ideals and their practical implications which organizations dealing with Muslim consumers need to adopt.

The Islamic perspective on commerce is increasingly gaining momentum and importance in today's global economy for many reasons. First, Islam, being a practical religion with clear daily procedures to follow, shapes the attitudes and behaviours of its adherents, the Muslim consumers, who represent more than a fifth of the world population. Second, the financial crises of 2008/9 shattered the world markets which had followed conventional financial wisdom, while allowing those practising Islamic finance to prosper and make significant gains. In the September 2008 quarter, when share markets in London and New York were a third of their peaks, Dow Jones's Islamic financials index, in contrast, rose 4.75 per cent. Third, as a result of the oil boom, as well as other factors, many Muslim countries are becoming the most affluent consumers in the world. Fourth, the level of foreign investment in Muslim countries is increasing. Fifth, there is a movement towards forming a Muslim trading bloc, although such a bloc might take some time to materialize. Finally, sixth, there is a strong push towards the Islamization of countries where Muslims are a majority through laying down clear Islamic codes of conduct in all walks of life, and commerce is no exception to this (Saeed et al. 2001).

Moreover, the globalization of the world economy makes it a requirement for world businesses to be familiar with the Islamic perspective on commerce in order to understand the factors shaping the behaviours of Muslim consumers. Businesses that neglect the acquisition and utilization of such knowledge risk alienating a large proportion of their Muslim target market (Saeed et al. 2001). The Islamic religion has a finely tuned set of rules concerning all aspects of life. By recognizing these rules, the knowledgeable firm can not only serve

the spiritual needs of the Muslim community but also capture a truly unique position in the Islamic marketplace (Sacharow 1995).

The Islamic Law, Shariah

Islam possesses a religious law called Shariah which governs the life of Muslims and which Muslims consider to be the embodiment of the will of God. This law, which caters to the needs of Islamic society, is essentially preventative and is not based on harsh punishment except as a last measure. The faith of the Muslim causes him or her to have respect for the rights of all others; it aims at preventing transgression against the universe as a whole (the living, the land, the sea and the heavens).

Islam consists of five pillars: affirmation of the faith (*Shahadah*), that is, witnessing that there is no divinity but Allah and that Mohammad is the messenger of Allah; the five daily prayers which Muslims perform facing Makkah (Mecca); fasting from dawn to sunset during the lunar month of Ramadan; making the pilgrimage to Makkah once in a lifetime; and paying an obligatory charity of 2.5 per cent tax on one's capital. Muslims are also commanded to encourage others to perform good acts and to abstain from evil.

The term Islam itself is an Arabic word meaning 'submission to God – Allah,' with its roots in the Arabic word 'Salam' which literally means peace. That may come as a surprise to many non-Muslims, whose perceptions of the belief have been distorted by terrorists, many from the Middle East, whose acts in the name of Islam have been condemned by Muslim leaders everywhere.

Belt 2002

Submission to God's will (accepting the Muslim faith) implies that all actions undertaken by Muslims are acts of worship. Thus eating, drinking, socializing, buying, selling, promoting, manufacturing, education and so on have to comply with God's rules. These rules are stated in the Shariah law. According to Islam, God's rules are stated explicitly or implicitly in the Muslims' holy book, the Quran, or in the teachings of Islam's prophet, Mohammad, and it is the responsibility of Muslim scholars to identify these rules and live according to them. These rules apply to commerce as much as they apply to personal purification and cleanliness.

Islam provides either general or detailed instructions about what is permissible and what is not. Detailed instructions are provided on the acts of pure worship such as prayer, pilgrimage, fasting and charity, as well as a multitude of other aspects of life. However, general guidelines are provided in what is referred to by Prophet Mohammad as 'the affairs of your worldly life'. For example, some rules, like forbidding the use of interest rates as a method of making money, represent a general guideline. The responsibility of Muslim scholars throughout the ages is to identify which trade practices fall under this category and to advise Muslims against them or, in addition, provide alternative Shariah-compliant practices.

Companies seeking to engage in business with Muslim consumers need to know these underlying beliefs that drive the Muslim consumers' behaviour. Multinational corporations should be multicultural as well and not simply impose their own culture; they need to adapt their operations to make their Muslim customers, employees, and suppliers comfortable with their practices (Pomeranz 2004). These companies can constructively use the power of religion through accommodating and harnessing Muslim values more effectively when conducting their businesses in the Muslim marketplace (Rice 1999).

In general, all Muslim practices and acts are classified under the following categories.

1. *Halal*, or permissible. It has three levels:
 - *Wajib*, or duty; obligatory acts. Failure to perform them is a sin. Duty can be described as the *Core Halal*, without which a firm can't be seen as Shariah-compliant. Implications: firms must perform *Wajib*. Examples include being honest and transparent.
 - *Mandoob*, or likeable; preferable but not obligatory. Not performing Mandoob is not a sin. Likeable can be described as the *Supplementary Halal*. Implications: do if possible. Examples include being helpful and going the extra mile.
 - *Makrooh*, or despised; not preferable, discouraged by religion and usually seen as a last resort. Engaging in *Makrooh* doesn't result in a sin unless it leads to one. The most obvious example of *Makrooh* in Islam is divorce! Although it is Shariah-

compliant, it represents the border between compliance and non-compliance. It is loathed by society. Implications: avoid if possible.

2. *Mushtabeh*, or doubted; acts that a Muslim should refrain from because they might be *Haram* themselves or they might lead to *Haram*. Businesses should refrain as much as they can from engaging in doubted activities for the fear of being perceived to be unscrupulous by Muslim consumers. Firms engaging in these activities risk a Fatwa being issued against them.
3. *Haram*, or not permissible; all acts condemned explicitly or implicitly by the Islamic religion. Engaging in them or in activities leading to them is a sin.

These categories have obvious implications on what companies planning to engage the Muslim marketplace should and shouldn't do. It is of no relevance whether these companies are Muslim or not, what is of relevance is what they should do, i.e., value maximization, and how they do it – by fair play and just dealing. To illustrate, the duty *Wajib* of a company in Islam is to maximize the good of the society as a whole, not profit maximization. Therefore, a company (its personnel) will be committing a sin if it doesn't actively seek societal value maximization. A company however is at ease in choosing the means to do that, as long as those means are not *Haram* (as long as they are permissible or not a sin).

Although profit maximization is not the ultimate goal of trade in Islam, Islam accepts profits and trade and does not aim to remove all differences in income and wealth that may result in various social and economic classes (Beekun 1996). In fact Islam acknowledges that people will differ and that this difference is for a purpose 'It is We Who portion out between them their livelihood in this world, and We raised some of them above others in ranks, so that some may employ others in their work. But the Mercy of your Lord is better than the (wealth of this world) which they amass.' (Quran 43:32).

The implications of these categories on the marketing aspect of business are very thorough and encompass the entire marketing mix for both services and goods. The first component of the conventional marketing mix, e.g., is the product. In Islamic marketing, however, it is the *Halal* product, and the difference between the two is huge. From an Islamic marketing perspective

the product that a company sells must be entirely *Halal*. This means that all inputs, processes and outputs must be Shariah-compliant, i.e., the product and all that has been involved in its creation, delivery, and consumption must be environmentally friendly and totally harmless, as Islam clearly prohibits causing harm to anything that God created (all-embracing harmony in the universe). An un-*Halal* or *Haram* product will be very difficult to sell to the Muslim consumer because the Muslim consumer's behaviour is mostly dictated by the common understanding of what is permissible and what is prohibited under the Shariah law. Being Shariah-compliant is the quickest way to promote the company and its products.

Products and acts that might be seen or interpreted as *Makrooh* (despised) or *Mushtabeh* (doubted) will be immensely difficult to sell to Muslims. The same is true for companies producing these products or engaging in such acts. The Muslim consumer is ultra sensitive and the Muslim masses are easily swayed against anything that can be classified as un-Islamic – be it a country, a company, a product, a process and so on. It doesn't matter that most of a certain company's business is legitimate according to the Islamic law, what this law and its adherents take into consideration are all the small business streams that a company is engaged in as part of the business entirety. Just as a drop of oil ruins the taste of an entire tank of pure water, it is enough for one insignificant stream to be not Shariah-compliant for the image of the remaining fully legitimate business streams to be ruined. The bright side of this is that a company will need to purify all of its actions, resources and operations in order to be able to brand itself as Islamic and position itself favourably in the mind of the Muslim consumer. Such purification of the entire company can't be anything but good since it results in value maximization for the community as a whole, including the company itself. For example, a company that produces pork products will find it difficult to sell anything else it produces to Muslims because pork and all that is associated with it is forbidden in Islam. Muslim consumers will not look at how good its other products are but will see only that it manufactures pork products. This image reflection is applicable worldwide, and more so in the Muslim societies, because the numerous religious self-appointed private and public dogwatches operating in these societies relentlessly scan for non-compliance. Any company found to be engaged in anything other than *Halal* will be stamped as un-Islamic, a very costly stigma indeed! It took Coca-Cola 14 years to be removed from the Arab boycott list; engaging in business with Coca-Cola was shunned religiously almost entirely over the Arab and Muslim world. Between the years 1977 and 1991 and prior to the signing of the various Arab-Israeli peace agreements Coca-Cola was banned from trading in the Arab

world because the company refused to abide by the Arab League economic boycott of Israel. For decades, this cost Coca-Cola the opportunity to sell its products in Arab countries. By contrast, prior to 1992, Pepsi had abided by the boycott and enjoyed the bounties of the lucrative Coke-less Arab markets in the boycott days. The image of the company was severely hurt that it took Coca-Cola many years after the peace agreements of 1991 to build its brand in the Arab market.

Finally, although achieving the status of Shariah-compliant might seem hard at first sight, it is essential for success in the Muslim market. A compliant company will get a distinctive competitive advantage over the less compliant competitors. Failure to observe these rules means that the company and its brands will be stamped as Shariah non-compliant and thus un-Islamic; an image that no company can afford to have in the biggest unified market in the history of mankind.

Islamic Ethical System

The Muslim ethical system has four sources: the Quran, the sayings and behaviour of Prophet Mohammad, the example set by his companions, and the interpretations of Muslim scholars of these sources. These provide an entire socioeconomic system that guides the behaviour of Muslims. The system stresses the importance of human well-being and good life, religious brotherhood and sisterhood, socioeconomic justice, and a balanced satisfaction of both the material and the spiritual (Chapra 1992).

In economics, Islam supplies a practical programme that includes detailed coverage of specific economic variables such as interest, taxation, circulation of wealth, fair trading and consumption. Islamic law, which is obtained from the sources listed above, covers business relationships between buyers and sellers, employers and employees and lenders and borrowers (Rice 1999).

The Quran provides a balanced view of human motivation; desire for wealth and propensity for greed and selfishness in humans are recognized. However, since business has to be conducted within a social context, Islam introduces rules to control these desires, as well as guide the behaviour of all parties involved. Accordingly, business success is judged not in material terms, but rather by the degree to which the Muslim is able to comply with God's rules.

Muslims prove their worth to God by behaving ethically in the midst of the tests of this worldly life. These tests could take two forms:

1. *Temptations*, such as making profit through ungodly ways like lending money with interest, or promoting a product that doesn't fulfil as much as possible of the condition of total purity – all that is involved in the production, delivery and consumption of that product must not cause harm to God's creation. By not surrendering to the temptation of making gains at the expense of the larger community the company will be fulfilling one of the most important guidelines in Islam: 'There should be neither harming nor reciprocating harm' (Prophet Mohammed), 'all harm, whether affecting an individual or a group of people, must be removed' (Rashid Rida cited in Leaman 1995, p. 255). In reference to intoxicating drinks and gambling, God says: 'There is great harm in both although they have some benefit for people, but their harm is far greater than their benefit' (Quran 2:219). These two temptations, although beneficial in part, fail the test of total purity and as such become forbidden.
2. *Hardships*, such as lack of Shariah-compliant funds to support one's business. A business owner in this case must abstain from resorting to the use of conventional interest-based finance and resort, instead, to more hard work or to more innovative ways such as the possibility of pooling resources within the community or with other shareholders to run and support the business.

Principles Governing Islamic Ethics

In general, Islamic ethics are governed by the following principles, each of which has significant business implications:

1. *Unity*. God is the sole creator of the universe, and his people should cooperate in carrying out His will (Rice 1999). The implication for businesses is: *one God, then one constitution, the divine constitution*. This constitution is detailed in the Quran, the teachings of Prophet Mohammad and the example set by his companions. The constitution, e.g., prohibits all forms of discrimination among employees, suppliers, buyers or any other stakeholder on the basis

of race, colour, sex or religion. More specifically, since we all are part of the same human-hood and spiritually equal before God, even if not materially equal on earth (Bassiouni 1993), honesty, trust and a relationship between employers and employees that reflects this human-hood need to be developed and encouraged (Wilson 2006). In other words, people are equal partners and each person is a brother or sister to the other (Rice 1999).

2. *Iman* (faith). In Islam, faith, or *iman*, is the basic motivating factor for believers, and it is this that determines conscience. Hence, business decisions are guided by *iman*, which in practice means following Shariah law, and engaging in what is *Halal*, or permitted, and avoiding that which is *Haram*, or forbidden (Alawneh 1998). The business decision-maker has free choice, but religious principles provide a framework for the appropriate exercise of that choice (Ali and Gibbs 1998).
3. *Khilafah* (trusteeship). People are God's trustees on the earth. Although this does not mean denial of private property, it does have important implications. For instance, resources, which are God-given and for the benefit of all, must be acquired lawfully and redistributed in the best interest of everyone (A-Faruqi 1976). No one is authorized to harm (destroy or waste) these resources. When Abu Bakr, the first ruler of the Islamic state after Prophet Mohammad, sent an army on an expedition, he ordered the leader of that army not to kill indiscriminately or to destroy vegetation or animal life, even in war and on enemy territory. These God-given resources (everything in creation is God-given) are not seen as a free good, to be plundered at the free will of any nation, any generation or any individual (Rice 1999). The rich and the powerful are not the real owners of wealth; they are only trustees. They must spend it in accordance with the terms of the trust, one of the most important of which is fulfilling the needs of the poor.
4. *Balance*. Islam teaches Muslims to be moderate in all of their affairs. Chapra (1992) notes that Islam recognizes the contribution of individual self-interest through profit and private property to individual initiative, drive, efficiency and enterprise. However, profit is not the chief motive (Siddiqi 1981). Since Islam places a greater emphasis on duties than on rights, social good or the

benefit of the society as a whole, not profit, should guide Muslim entrepreneurs in their decisions. The argument underlying this stand is that if duties are fulfilled by everyone, then the individual self-interest is automatically controlled and the rights of all are protected (Chapra 1992).

5. *Justice or Adl.* Justice is a central theme in Islam and is required from all parties in all cases. 'O ye who believe! Stand out firmly for justice, as witnesses to Allah, even as against yourselves, or your parents, or your kin, and whether it be (against) rich or poor: for Allah can best protect both. Follow not the lusts (of your hearts), lest ye swerve, and if ye distort (justice) or decline to do justice, verily Allah is well-acquainted with all that ye do' (Quran 4:135). Exploiting employees, abusing power or using a monopoly to overcharge consumers are all condemned (Wilson 2006). However, businesses cannot be forced to sell at a loss or without a profit under the accusation that they are monopolies. On the other hand, employees are responsible for their own actions and cannot simply blame management indiscriminately or claim that which is not rightfully theirs: 'man can have nothing but what he strives for ...' (Quran 53:39). In addition to its clear objective of eradicating injustice, inequity, exploitation and oppression from society, Islam instructs people not to lie or cheat, to uphold promises and to fulfil contracts. Usurious dealings are prohibited, all wealth should be productive and people may not stop the circulation of wealth after they have acquired it, nor reduce the momentum of circulation (Chapra 1992). The commitment of Islam to justice and brotherhood demands that the Muslim society takes care of the basic needs of the poor. Individuals are religiously obliged and encouraged to earn a living and only when this is impossible does the state intervene; Islam greatly values work and clearly discourages dependence on state or on others.
6. *Free will* (people have the free will to guide their own lives as God's trustees on earth). This free will though is directly linked to accountability; the more freedom a person has the more accountable a person becomes. According to Islam, although people can fully exercise this free will in making decisions, including business decisions, it is a religious imperative to exercise responsibility to those they deal with and, ultimately, to God by observing His rules

on earth (Naqvi 1994). By implementing God's rules Muslims do not lose their individuality, but they become less selfish and more motivated to serve the wider public.

Islamic Values in Business

Islam is an entire way of life, and its guidance extends into all areas of life. It has given detailed principles to guide and control the various economic aspects in the society. Muslims are to recognize that wealth, earnings and material goods are the property of God, and humans are merely His trustees. These principles, which aim at establishing a just society wherein everyone will behave responsibly and honestly, include the following.

Prohibition of bribery or rashwa. According to the teachings of Islam, bribery is a form of corruption and is strongly condemned. The burden is on both those demanding and accepting the bribe and those offering it. All, givers, takers, and facilitators are strongly warned against engaging in this practice. 'Allah's curse be on those who give and those who take bribes' (Prophet Mohammad).

Prohibition of fraud and cheating. Islam stresses the importance of honesty and warns sellers against exaggerating or lying about their products or services. It is forbidden to gain property or wealth by fraud, deceit, theft or other falsehoods. Sellers involved in fraud are committing a sin. Chapter 83 in the Quran (The Dealers in Fraud) contains the following verses:

1. 'Woe to those who deal in fraud.'
2. 'Those who, when they have to receive by measure from men, exact full measure.'
3. 'But when they have to give by measure or weight to men, give less than due.'

Other clear Islamic teachings in this regard include:

1. 'God permits selling but forbids usurious gain' (Quran 2:275).
2. 'O my people! Give full measure and full weight in justice, and wrong not people in respect of their goods' (Quran 11:85).

3. 'Oh ye who believe! Eat not up each other's property by unfair and dishonest means' (Quran 4:29).
4. 'On the day of judgment, the honest Muslim merchant will stand side by side with the martyrs' (Prophet Mohammad).
5. 'Sell the good and bad separately. He who deceives is not of us' (Prophet Mohammad).
6. 'Swearing produces ready sale but blots out blessing' (Prophet Mohammad).

Yusuf Ali (1991, p. 1616, fn. 6011, 6012), cited in Quddus et al. (2009, p. 328), states that:

Fraud must be taken in a widely general sense ... it is the spirit of injustice that is condemned – giving too little and asking too much. This may be shown in commercial dealings, where a man exacts a higher standard in his own favor than he is willing to concede as against him ... legal and social sanctions against fraud depend for their efficacy on whether there is a chance of being found out. Moral and religious sanctions are of a different kind ... Whether other people know anything about your wrong or not, you are guilty before God.

Prohibition of discrimination. Islam considers all forms of discrimination unjust and opposes it in all aspects of life. 'No Arab has superiority over any non-Arab and no non-Arab has any superiority over an Arab; no black person has superiority over a white person and no white person has superiority over a black person. The criterion for honour in the sight of God is righteousness and honest living' (Prophet Mohammad).

Greater social responsibility. The importance given to community welfare in Islam breathes new life into the concept of corporate social responsibility, and relates it much more closely to the business than what is usual in world business today. An organization's social responsibility in Islam emphasizes its responsibility in three domains: towards its stakeholders, the natural environment and the community. Where stakeholders are involved, e.g., Islam stresses the importance of putting contractual obligations with employees, partners, suppliers or clients in writing in order to protect the rights of all those involved and affected by the dealing, 'And fulfil (every) covenant. Verily, the

covenant will be questioned about' (Quran 17:34), 'Give a labourer his wages before his sweat dries' (Prophet Mohammad). The longest verse in the Quran is dedicated to specifically explaining the importance of documentation as a means of reducing conflict and insuring compliance.

Similarly, specific guidelines exist to direct the organization in fulfilling its obligations and responsibilities towards the natural environment. A business engaging the Muslim market is not just a profit-making machine; it is an institution of the Muslim community and thus must abide by its rules or guidelines. These guidelines relate to, among others, the treatment of animals, such as prohibiting animal-based pharmaceutical research and prohibiting causing all kinds of environmental pollution (Beekun 1996). The Quran states: 'Mischief has appeared on land and sea because of (the meed) that the hands of men have earned. That (Allah) may give them a taste of some of their deeds: in order that they may turn back (from Evil)' (Quran 30:41).

In fact, the punishment in Islam for causing ruination could amount to death: 'he who kills a soul without that soul being convicted of killing another, or without being convicted of causing ruination in the earth' (Quran 5:32).

Prohibition of interest. Islam prohibits all interest-based transactions, whether giving or receiving, and whether dealing with Muslims or non-Muslims. Prophet Mohammad says that Allah curses those who pay interest, those who receive it, those who write a contract based on it and those who witness such a contract, 'Allah will deprive usury of all blessing, but will give increase for deeds of charity' (Quran 2:277).

Prohibition of certain earnings. Islam prohibits making earnings from gambling, lotteries and the production, sale and distribution of alcohol.

Prohibition of hoarding. Both money hoarding and goods hoarding are impermissible, 'and there are those who bury gold and silver and spend it not in the Way of Allah: announce unto them a most grievous penalty' (Quran 43:33). People should take only what they need, no more. Moreover, Islam encourages reasonable spending. The word 'spend' is repeated in the Quran 53 times, 'Those who spend (freely), whether in prosperity, or in adversity; who restrain anger, and pardon (all) men; for Allah loves those who do good' (Quran 4:38).

Prohibition of extravagance and waste. A Muslim should be responsible in spending money. Extravagance and waste are strongly discouraged. '[The Servants of Allah are] Those who, when they spend, are not extravagant and not stingy, but hold a just balance between those extremes' (Quran 25:67). 'O Children of Adam! Wear your beautiful apparel at every time and place of prayer. Eat and drink, but waste not by excess, for Allah loves not the wasters' (Quran 7:31).

Payment of Zakat (alms). Every Muslim who owns wealth, more than a certain amount to meet his or her needs, must pay a fixed rate (2.5 per cent) of *Zakat* to those in need. Alms are a method of narrowing the gap between the rich and the poor, and of making sure that the needs of the needy in the society are met.

Payment of charity. Muslims are encouraged to give constantly in charity. Prophet Mohammad said that 'Nobody's assets are reduced by charity.'

Cleanliness. Prophet Mohammad says 'Cleanliness invites towards faith (*Iman*) and faith leads its possessor to paradise.' Cleanliness does not just apply to those areas of a business a customer sees; it includes backstage operations, equipment and storage areas as well.

The Biggest Unified Market in History

In the modern world, Muslims – those who embrace Islam and its laws – account for approximately 21.01 per cent or 1,409,139,261 of the entire world population. Muslims also represent a majority in more than 50 countries. This means that more than one person in five heeds Islam's call, embracing the religion at a rate that makes it the fastest growing of all religions on earth. For these people Islam is an intimate personal connection to the same God worshipped by the Jews and the Christians, a source of strength and hope in our troubled world (Belt 2002).

The values that this one fifth of the world's population share are very strong. Islam is equated with identity and defines behaviour in a way that makes 'how' things are done as important as the 'things' themselves, so the gap between belief and behaviour is almost non-existent. A strong sense of community and welfare underpins all activity in the Islamic world, and informs its business ethics (Beekun 1996).

The impressive number of the Muslim population translates into real economic figures, with some Muslim countries today being, by far, among the richest in the world. Moreover, those 1.4 billion Muslims live in economically feasible numbers in almost all countries in the world, with very few countries reporting small Muslim minorities that are hard to capitalize on commercially.

The overwhelming majority of Muslims live in countries that are predominantly Muslim, or in close Muslim communities in non-Muslim countries as minorities, where Islamic laws dominate. Individual and organizational members of these societies have to practise their life in accordance with the rules of the Muslim society in which they live. These rules are necessarily Islamic or being increasingly Islamized as more and more people resort to religion as an identity and as a way of salvation. As the influence of Shariah-compliant supporters increases, the whole society is being driven towards Shariah-compliant laws and regulations. For example, more and more TV advertisements in the Arab world are being produced using animations and cartoons or women wearing head scarves. The traditional reliance on the look of beautiful Arab women wearing non-Islamic outfits to sell, although still having many advocates, is being gradually replaced by more Islamic substitutes under the powerful influence of the more conservative trends in these societies.

The largest Islamic body, the Organization of the Islamic Conference (OIC), is composed of the economies of 57 member states, 50 of which are overtly Muslim. The remaining members have large Muslim populations, although Muslims are not a majority in them. The percentage of Muslims in Russia, e.g., stands at approximately 15 per cent, yet Russia is a member state. India, on the other hand, has a Muslim population of 150 million but its membership into the OIC is blocked by some countries, mainly Pakistan, due to geopolitical reasons.

Those 57 countries have a combined GDP of nearly USD 8 trillion (before the oil boom of 2008). The richest country on the basis of GDP per capita is United Arab Emirates. On the basis of per capita GDP, Qatar is the richest country with incomes exceeding USD 62,299. The recent boom in oil prices has significantly increased these figures in all oil-producing Muslim countries. In 2008, Abu Dhabi, a member emirate in the United Arab Emirates, had a per capita income of USD 75,000, double that of most European countries, and almost double the US figure.

These countries currently import USD 1 trillion worth of products and export USD 1.4 trillion, creating a growing combined market of USD 2.4 trillion.

Although a significant percentage of exports are oil related, both exports and imports span all types of industrial and consumer goods and services.

Implications for Business

Business people should try to conduct their business dealings with practising Muslims whenever possible. This is so for the following reasons:

1. Practising people seek 'blessing' before 'profit'.
2. You are less likely to be cheated. Prophet Mohammad says: 'He who cheats is not of us [the Muslims].'
3. You are more likely to get a better deal. Prophet Mohammad says: 'May Allah have mercy on those who are easy when they sell, easy when they buy ... God loves kindness when you deal with any matter.'
4. In case of dispute you are likely to get off with less harm. Prophet Mohammad says: 'May Allah have mercy on those who are easy when they judge, easy when they sue.'
5. You are more likely to be treated better. Muslim scholars accept the rule that 'Religion is treatment' which means that how people deals with all others, how they conduct their affairs, how they performs their duties and so on are what makes people religious.
6. If you receive a present from Muslims or if they invite you to a meal or a social activity, nothing will be expected in return. Bribery is totally forbidden in Islam and therefore practising Muslims will neither give it nor take it.

Practising Muslims are those who strive to comply with the teachings of Islam, such as perform the Muslim daily five prayers, fast the month of Ramadan, give a yearly charity of 2.5 per cent from their wealth and perform pilgrimage to Mecca once in their life time.

How to identify practising Muslims? Look for the following:

1. Long well-maintained beards.
2. If you are dealing with Arabs from the Arabian Peninsula, the long white dress men wear will not touch the ground since men are forbidden from wearing very long dresses, it is considered a sign of pride. Pride is for Allah alone. Prophet Mohammad says: 'Shall not enter paradise anyone who has an atom of pride in his heart.'
3. Oil-based essences instead of alcohol-based perfumes.
4. The words *Allah* (God), *Ma Sha Alla* (what Allah had willed) and *In Sha Alla* (if Allah wills) are repeated very often during greetings and conversations. Even if you don't understand the language of the people you are dealing with, train your ear to recognize these words because they are good indicators of religious commitment. It doesn't matter that these words are in Arabic, Muslims all over the world use Arabic as their language of religion.
5. Practising older Asian and South Asian Muslims in general dye their long beards red or ginger.
6. Don't confuse the short beard of an older man that has been dyed black with a long beard indicating religious commitment; the former indicates longing for a long-gone youth!
7. During meetings, practising Muslims will take breaks to perform their prescribed five daily prayers. They are very strict about performing these prayers at the exact prescribed time (dawn, noon, afternoon, sunset, early night) and they are unforgiving about the timing. A prayer break will be taken no matter how important the issue being discussed or the stage of the discussions.

Conclusion

Islam encourages work in general, and trade and commerce in particular. The Quran states: 'God has made business lawful for you' (Quran 2:275), and Prophet Mohammad says: 'Nine tenths of sustenance is in commerce'. Prophet Mohammad was himself engaged in commerce before prophet-hood. He was a successful businessman known for integrity and he bore the title, 'the trustworthy' (Kattih n.d.).

Islamic business practices and perspectives represent an alternative to the way business is conducted today. Islam requires that traders, both organizations and individuals, achieve a balance between commercialism and humanitarianism, and between profit and social responsibility. Not only does this approach to business conduct provide a solution to the problems of profiteering, customer exploitation, irresponsible corporate governance and environment destruction, it seeks to promote positive aspects of business such as honest conduct, reasonable profit, fair competition, high standard of service culture, business partnership, cooperation, minimum wage for employees and basic consumerism principles such as the right of buyers to return purchased goods (Yusoff 2002).

Glossary

Allah

Allah is the standard Arabic word for 'God'. While the term is best known in the West for its use by Muslims as a reference to God, it is used by Arabic-speakers of all Abrahamic faiths, including Christians and Jews.

Bribery

According to Black's *Law Dictionary*, bribery constitutes a crime and is defined as the offering, giving, receiving or soliciting of any item of value to influence the actions of an official or other person in discharge of a public or legal duty. The bribe is the gift bestowed to influence the recipient's conduct. It may be money, goods, property, preferment, privilege, an emolument, an object of value, advantage or merely a promise or undertaking to induce or influence an action, vote or person in an official or public capacity.

Commercialism

The term is mainly used today as a critical term and refers to the tendency within capitalism to try to turn everything in life into objects and services that are sold for the purpose of generating profit; commercialization, where the value of everything, including such intangible things as happiness, health and beauty become measured in purely commercial, and materialistic terms.

Consumerism

The equation of personal happiness with consumption and the purchase of material possessions. In economics, consumerism refers to economic policies placing emphasis on consumption. In an abstract sense, it is the belief that the free choice of consumers should dictate the economic structure of a society.

Halal

An Arabic term designating any object or an action which is permissible to use or engage in, according to Islamic law. The term is used to describe anything permissible under Islamic law, in contrast to *Haram*, that which is forbidden. This includes human behaviour, speech, communication, clothing, conduct, manners and dietary laws.

Haram

Opposite of *Halal*. Forbidden, or impermissible.

Hoarding

The excess accumulation of commodities, goods or currency in anticipation of scarcity and/or higher prices. Hoarding can be a business strategy similar to monopolization, where an individual or organization attempts to temporarily control available supplies of a given good in order to artificially increase the price. This strategy is also known as 'cornering the market'.

Hoarding of money

The accumulation of money (in the form of gold at the origin) by people who avoid spending it or investing it in economic projects.

Islam

Islam is a monotheistic, Abrahamic religion originating with the teachings of the Islamic prophet Mohammad in seventh-century Arabia. The word *Islam* means 'submission', or the total surrender of oneself to God (Allah).

Islamic business ethics

Rules governing business practices, based on the Islamic principles of jurisprudence.

Mohammad

The central human figure of the religion of Islam, who is regarded by Muslims as a messenger and prophet of God, the last and the greatest law-bearer in a series of prophets starting with Adam. Muslims consider him the restorer of the uncorrupted original monotheistic faith (*Islam*) of Adam, Abraham, Moses, Noah, Jesus, and other prophets. He was also active as a diplomat, merchant, philosopher, legislator, reformer, military general and, for Muslims and followers of several other religions, an agent of divine action.

Muslim

An adherent of Islam is known as a Muslim, one who submits to God. The word *Muslim* is the participle of the same verb of which *Islam* is the infinitive.

OIC

The Organization of the Islamic Conference, the largest Islamic body. The OIC is an international organization with a permanent delegation to the United Nations. It groups 57 member states, from the Middle East, Africa, Central Asia, the Caucasus, the Balkans, Southeast Asia, South Asia and

South America. The official languages of the organization are Arabic, English and French.

Profiteering

Is a negative term for the act of making a profit by methods considered unethical. Business owners may be accused of profiteering when they raise prices during an emergency for example. The term is also applied to businesses that play on political corruption to obtain government contracts. Some types of profiteering are illegal, such as price-fixing syndicates and other anti-competitive behaviour.

Quran

Also sometimes transliterated as Qur'an, Koran, Alcoran or Al-Qur'an, it is the central religious text of Islam. Muslims believe the Quran to be the book of divine guidance and direction for mankind, and consider the original Arabic text to be the final revelation of God. Muslims regard the Quran as the culmination of a series of divine messages that started with those revealed to Adam, regarded in Islam as the first prophet, and continued with the Scrolls of Abraham, the Torah, the Psalms and the Gospel. The Quran itself expresses that it is the book of guidance. Therefore it rarely offers detailed accounts of historical events; the text instead typically placing emphasis on the moral significance of an event rather than its narrative sequence.

Shariah

This is the body of Islamic religious law. It is the legal framework within which the public and private aspects of life are regulated for those living in a legal system based on Islamic principles of jurisprudence. Shariah deals with many aspects of day-to-day life, including politics, economics, banking, business, contracts, family, sexuality, hygiene and social issues.

Social responsibility

An ethical theory that an entity, whether it is a government, corporation, organization or individual, has a responsibility to society. In business, it means that businesses should function morally and contribute to the welfare of their communities.

Zakat

Almsgiving as an act of worship, the third of the five Pillars of Islam, *Zakat* is an obligatory payment of 2.5 percent of wealth made once a year under Islamic law and is used for charitable and religious purposes.

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