



The Ummah & THE ECONOMIC CHALLENGE

Strategic Vision and Recommended Course Of Action

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Strategic Vision and Recommended Course Of Action



The Strategy Used By Prophet Muhammad (S)

- Start from The Possible to Achieve The Impossible
- Capture The Imagination Of People Of The World By The Concepts Of Islam
- Build The Morally & Ethically Qualified Team Players & Leaders Of The Future.

All Else, Including The Economy, Will Fall In Place

The Islamic Economic System



JUSTICE:

Al-Nisaa (4) vs. 58, Al-Ma'ida (5) vs. 8,
Al-An'aam (6) vs. 152, Al-Nahl (16) vs. 90

THE FOUNDATION:

1. Prepare the Individual Through Firm Belief in God and Emulation of Prophet Muhammad's Example
2. Instilling the Values of Halal & Haram in the Individual

The Islamic Economic System



Self Policing by Applying the Teachings of the Holy Quraan and The Sunnah:

1. The Qur'aan:

Qaf Chapter (50) vs. 16 to 18, Taha Chapter (20) vs. 7

2. The Sayings & Example of The Prophet (s):

Faith is What is Entrenched Deeply in one's heart and is Manifested by one's deeds.

The Islamic Economic System



The Five Pillars of Islam

1. Shahada – Pronouncement of One God and the Prophet Muhammad is His Final Prophet.
2. Salah - Prayers
3. Siyam – Fasting
4. THE ECONOMIC SYSTEM that Includes: Zakah, Miraath (inheritance) & The Riba-Free System of Transactions
5. Hajj – Pilgrimage to Makkah for those Who Can Afford To.

The Islamic Economic System



New Trends That Captured The Imagination of The People of Madinah

- Protection of Property Rights & Title of Ownership
- Originators of the Free Market System, later popularized by Adam Smith.
- Originators of the Concept of Insurance (Takaful or Mutual Benefit & Protection.)
- Originators of Labor Rights – Payment Before Worker’s Sweat Dries (Prophet Muhammad S)
- Prohibition of Hoarding (Ihtikar), Misrepresentation of Facts About Products & Services (Fraud, Cheating and Forgery) and Transparency.

The Islamic Economic System

CONCEPTS



1. Money Is Not a Commodity. It Also Does Not Reproduce. It Only Grows When Used in an Economic Activity. Money Is Measuring Device.
2. Wealth Should Be Circulated Within the Community by Investing It to Help Develop the Community in Order to Create Jobs, Economic Growth and Prosperity.
3. The Islamic System of Economics, Finance and Monetary Theory Is Based on Three Important Pillars :
 - Wealth and property (Assets) are God's properties. Man (male/female) are appointed as its trustees and custodians.
 - The system of "Zakah" or "alms" giving.
 - The system of "Miraath" or inheritance.

The Islamic Economic System



Behavior & Life Style

■ Live Below / Within Your Means:

- Wasting, Extravagance and Overspending is the Work of satan – Al-Araf Ch. 7 vs. 31
- Greed, Miserly and Love of Money is Also Not Accepted. Al-Furqan Ch. 25 vs. 67
- Signs of God's Gifts & Blessings to Man (M/F) Should be Expressed and Enjoyed Within Reason

The Islamic Economic System



Pillars of The Economic System:

1. Miraath – Inheritance

- **Trickle-Down Economics. Al-Hashr, Chap. 59 vs. 7**
- **Detailed Distribution Rates Among Heirs
Al-Nis'aa Chap. 4**
- **Restriction on Changes in The Will Limited to 1/3 But Without Interfering With The Established Ratios**
- **Every Muslim Should Have A Will/Living Trust. (Prophet Muhammad – S)**

The Islamic Economic System



Pillars of The Economic System:

2. Zakah – The Purification of One's Assets:

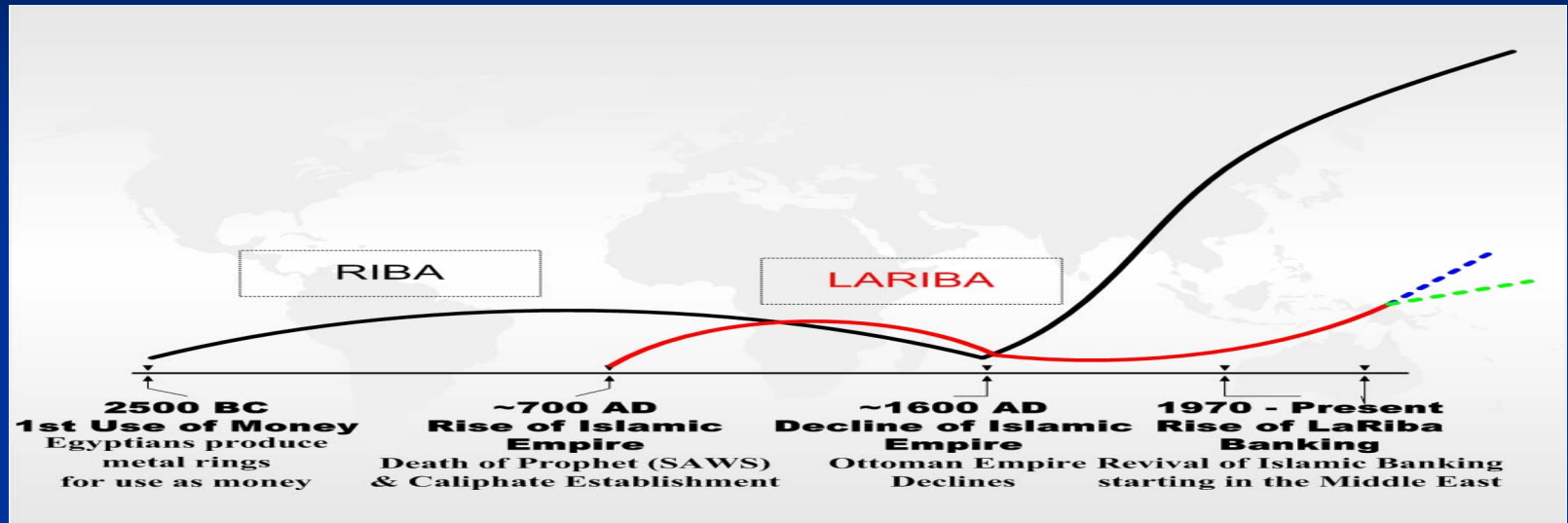
Sources: Designed to Encourage Investing

1. Savings
2. Investments
3. Assets Outside What is Necessary

Applications: 8 Outlets (12.5% Each) Al-Taubah Ch. 9 vs. 60

1. The Poor (Fuquaraa)
2. The Needy (Miskeen)
3. The Collectors & Administrators
4. New Reverts to Islam &/or Candidates for Revert
5. The slaves to Gain Their Freedom
6. The Heavily Indebted.
7. The Way of God
8. Wayfarer – Refugees & Travelers

The Fall and Rise of The LARIBA Banking & Finance



1. Proto-Types 1950's – 1970's – Tabung Hajj in Malaysia
2. Oil Boom & Islamic Banking 70's & 80's
3. Focus on The Mechanics 80's & 90's
4. The Focus on Equities 90's
5. The Popularization of Home Financing 21st Century
6. The Dinar / Silver Movement, 21st Century



Riba-Free Banking

WHAT IS “Riba”?

“Riba”= Renting Money (Interest)

One CANNOT Take The Interest Rate of The Day
and Call It Rent!!! Or Profit!!
Regardless Who Says So!!!

The Ingredients of The Faith-Based LARIBA (Islamic) Banking



1. People of All Faiths

All Abrahamic Faiths Prohibited Riba

2. The Mechanics

Financing, Banking & Investing Without Riba in a World Run by Riba

3. The Money

The Monetary System of the World & The Islamic Monetary System

WHAT IS RIBA-FREE BANKING?

CREDIT IS A BASIC HUMAN RIGHT



- Socially Responsible Ethical Banking
- Asset-Based Financing
- A Commodity, Tangible Asset &/or Service Must Change Hands
- Discrimination Is A Sin
- Money Should Be Invested Back in Community For Development
- A Vision of A Riba-Free Financing/Banking Unit Next to Each Place of Worship of All Faiths.
- Ideally 100% Reserve Requirement.
- Ideally Operates Using The Gold (Dinar) System

The Islamic Economic System



MONEY

Paper Money & The Islamic Currency

The US Dollar

The Euro

The British Pound

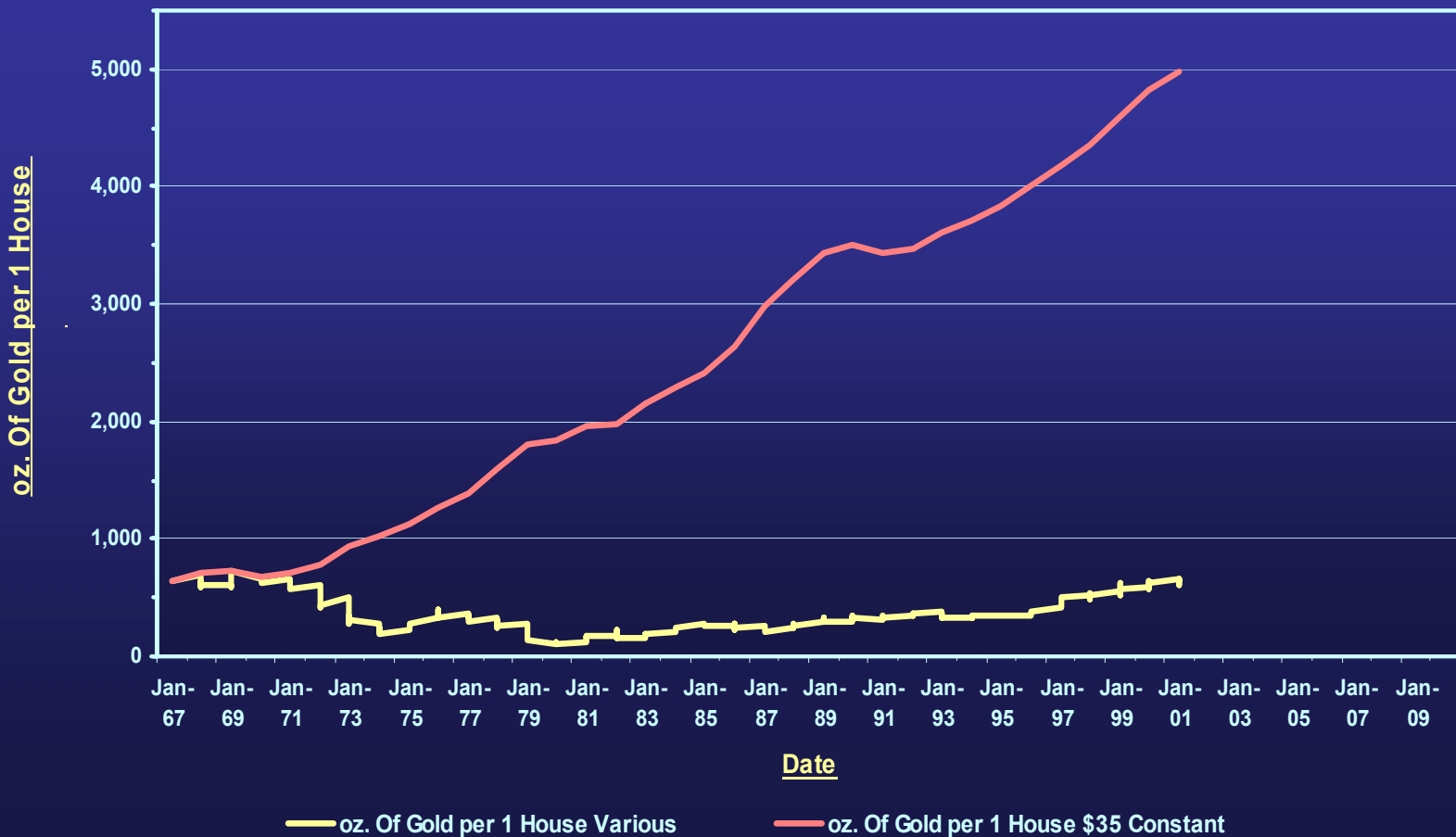
The Japanese Yen

THE GOLD DINAR

How Much Gold Needed To Buy A House in America?

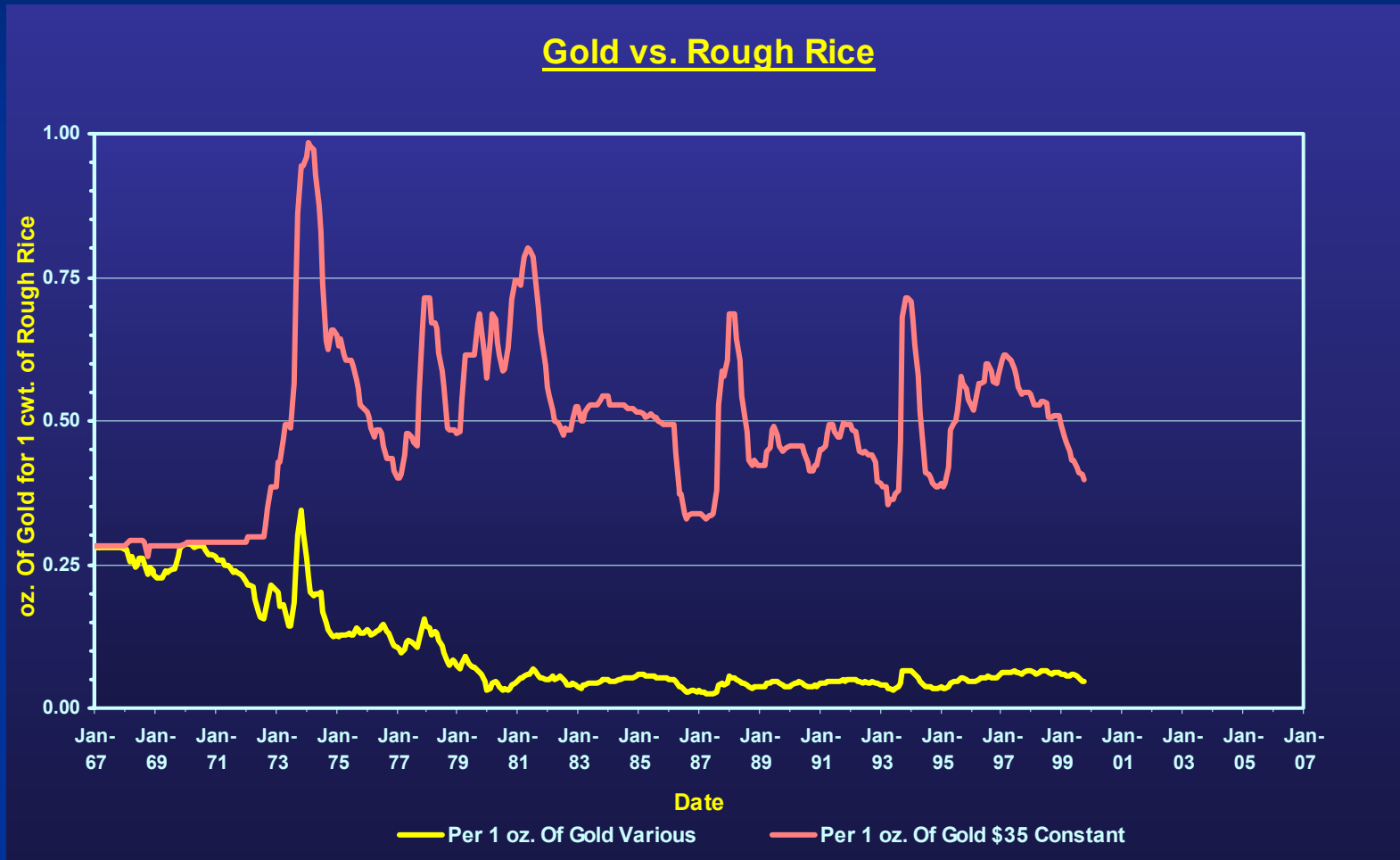


Gold vs. US Median Housing Prices



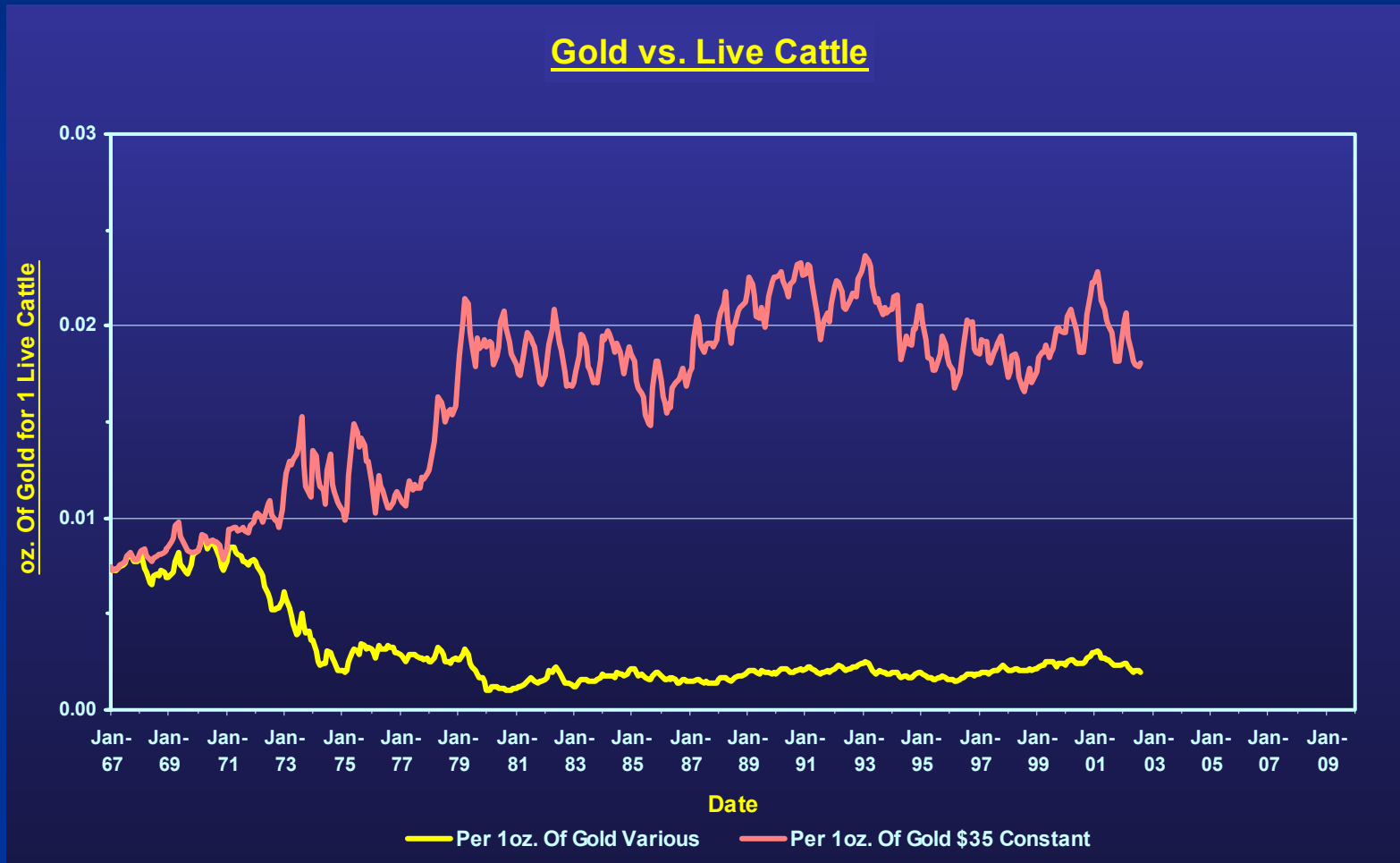


How Much Gold Needed To Buy Rough Rice (CWT – Hundred Wts.)?

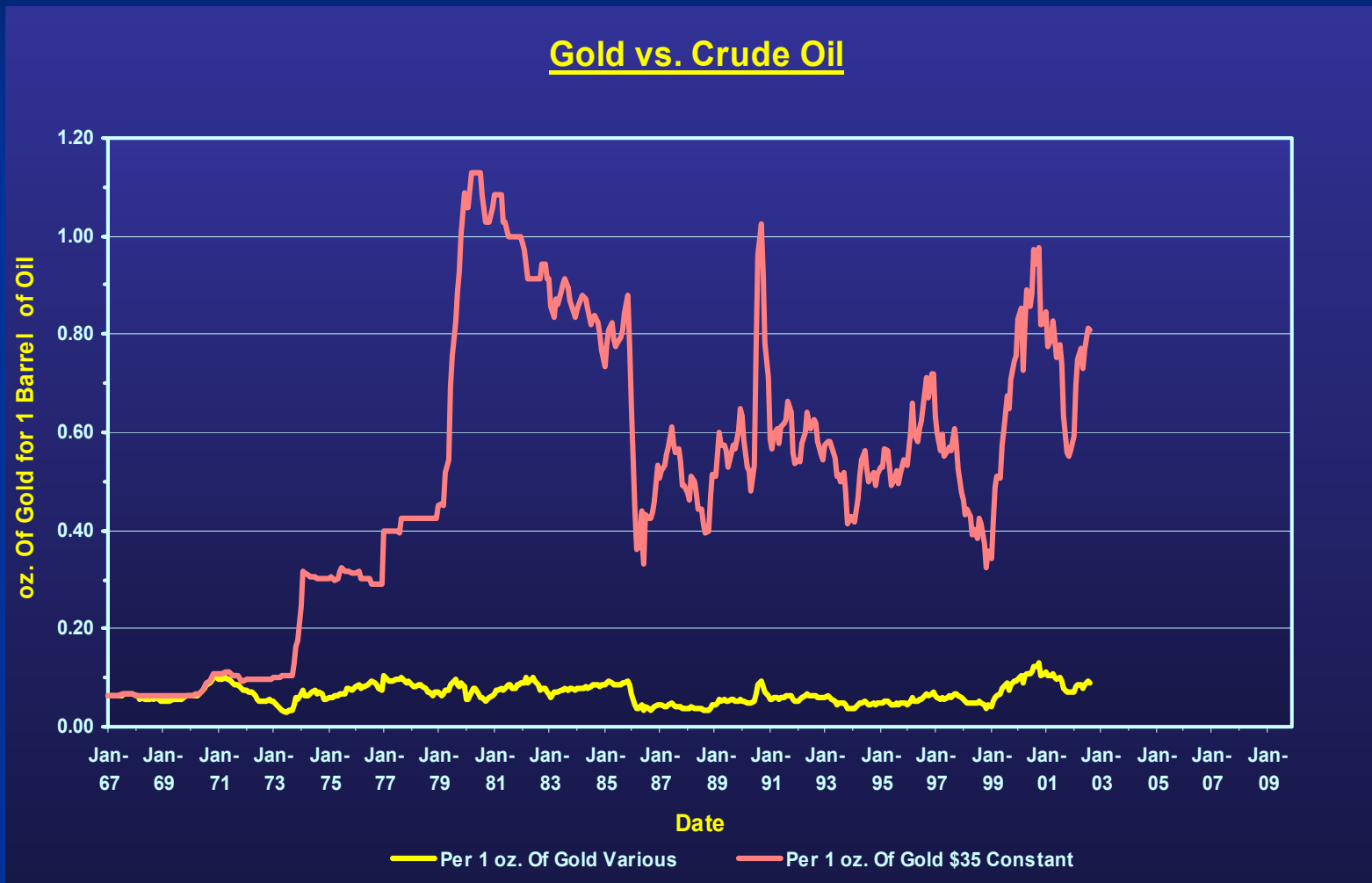




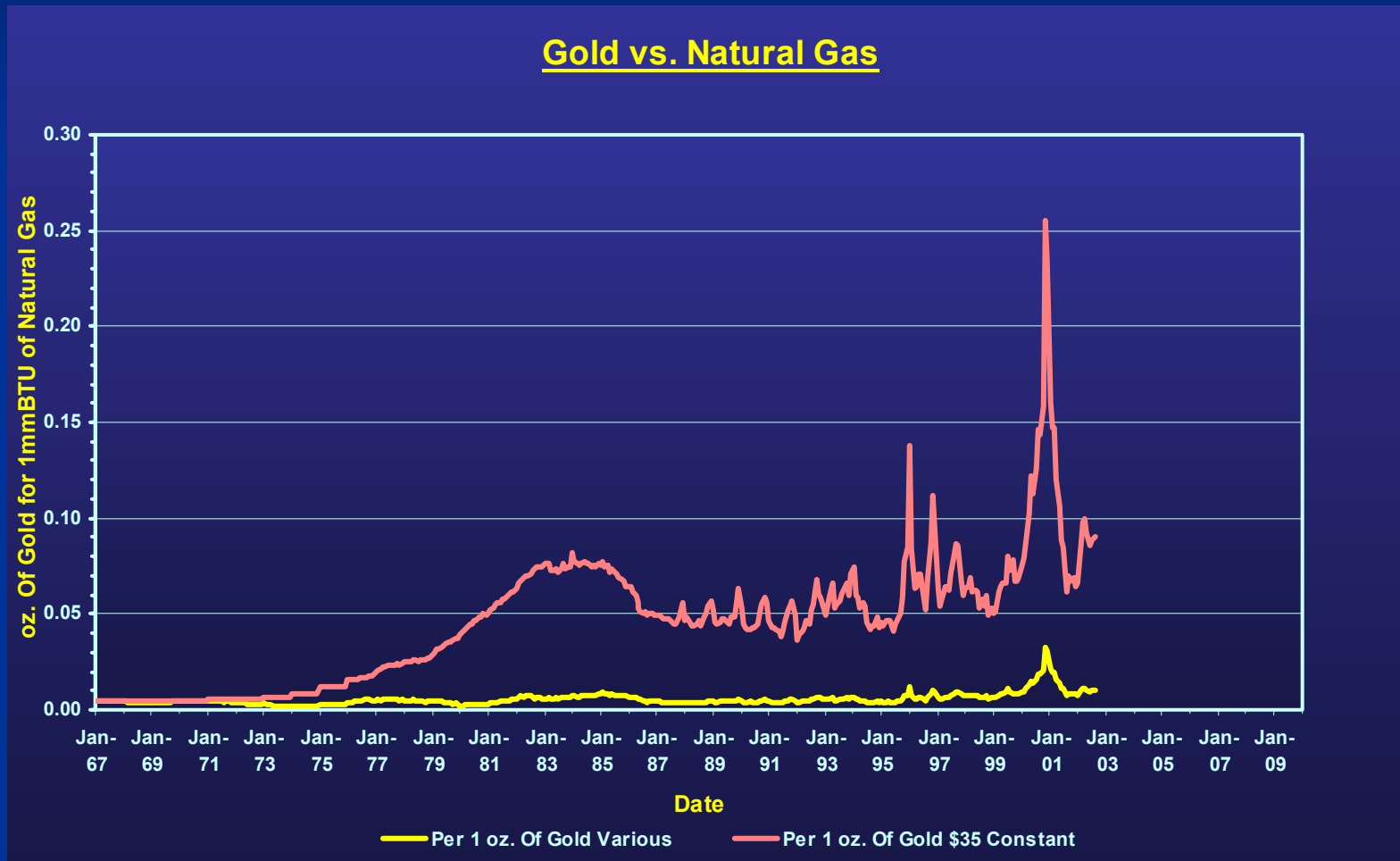
How Much Gold Needed to Buy One Pound of Live Cattle



How Much Gold Needed To Buy A Barrel of Oil ?



How Much Gold Needed To Buy Natural Gas (1 Mill BTU)?



THE ECONOMIC CHALLENGE

Vision & Recommended Course of Action



The State of The Ummah

- **Uneducated – Over 80% Illiterate – Need A Sound Education System – The Boarding Schools Pioneered By Muslims & Then Used Later On By The Catholic Church and the British.**
- **Muslims Do Not Read.**
- **The Educated Professionals Left the Masajid – Creating A Vacuum that was Filled by the Partially Educated.**
- **Lack of Training to Work in A Team and to Follow Instructions. Severe Lack of Communication Skills.**
- **Uneven Distribution of Wealth – Poverty.**
- **Easily Moved by Emotions – Lack of Deliberate Analysis and Training on Intellectual Debate.**
- **Vast Natural Resources - But Lack of Expertise to Produce It &/or Use It.**
- **Tribalism and Class System.**
- **Severe Lack of Voluntarism and Channels that Can Organize It & Use It.**
- **NO VISION!!! NO DREAMS!!! EXCEPT TO LEAVE.**

THE ECONOMIC CHALLENGE



Vision & Recommended Course of Action

HISTORIC FACTS ABOUT THE SPREAD OF ISLAM:

- **Islam and The Economy of The Ummah Grew. Through Travel, Trading, Intermarriage & Immigration.**
- **Islam was Spread By Working on the Grassroots in a Retail Fashion One Person at a Time.**
- **Islam Contained and Integrated Other Cultures and Did NOT Destroy and Segregate.**
- **Islam Teaches Its Believers To Respect and Earn the Trust of All People of All Faiths and National Origins Through Personal Behavior and Excellence in Service & Relations.**
- **Islam was Spread By Muslims Who Expressed Sincere Love for All People.**
- **Muslims Are Taught NOT to Generalize by Cursing a Nation or a People. Muslims Stand Up Against Policies of Kufr and Injustice.**
- **Muslims are NOT out to destroy but to offer alternatives to the way people live, cooperate, work together and express their real feelings.**



Vision & Recommended Course of Action

The Planning Horizon is at Least 60 Years

Specific Tasks to Be Resolved by OIC or Even Two Member Nations:

1. **Promote Tourism inside the Country and within the OIC – Summer Jobs, Training Camps, etc.**
2. **Encourage Inter-marriage Between Muslims of Different Nations**
3. **Grant Right to Permanent Residency and Work in any of the Member Countries**
4. **Grant Right to Citizenship by Birth.**

Vision & Recommended Course of Action

The Planning Horizon is at Least 60 Years



Specific Tasks to Be Resolved by OIC or Even Two Member Nations:

Develop Non-Political & Service Oriented Volunteer Corps In The Fields of:

- Education,
- Health,
- Communications,
- History and
- Development.

Vision & Recommended Course of Action



ENHANCE THE DEVELOPMENT OF A HAPPY FAMILY

- Teach the Fundamentals of How To Enjoy Life with Pleasure & Happiness, and
- Train Boys, Girls, Young Men, Young Ladies and even older Couples on how to live and enjoy life as a happy family.

The Center of Worship

The Masjid



- **Bring Back the Masjid ownership to the Community.**
- Expand the Role of the Masjid in Society by transforming it into a Center run by a Board of Directors representing the community and regulated and supervised by the government. The Center will be run by a responsible, highly qualified, independent and highly credible men and women who live in the community. Their most important tasks would be to Recruit, Interview and Qualify the Imam of the Center,
- **Develop Center strategy for growth and to fulfill its responsibility to develop the community.**
- The ultimate Goal of the Center would be to Help Produce Future Generations of Morally and Ethically viable Men and Women to Serve the Community in their Roles as Government employees, Professional or Business Owners and Entrepreneurs.

The Imam



Bring back the Respect to the Imam and develop him as a wise and responsible Community Figurehead & Statesman through:

Figurehead & Statesman through:

1. **Required Continuing Education,**
2. **Required Training, Board not**
3. **Providing Sufficient Income,**
4. **Participation in Local Boards and Accountability to a Masjid to a Ministry Official**

Need To Learn from the Experience of Others Religious Organizations

Vision & Recommended Course of Action



Deepen the sense of ownership in the minds and the psyche of the citizen.

History Has Shown That No one washes a rented car.

This can be done by making it easy to Own:

- A Car,
- A Home; a piece of the rock and
- A Small Business.
- The Masjid / The Center.



TERIMA KASIH!

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THANK YOU

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