
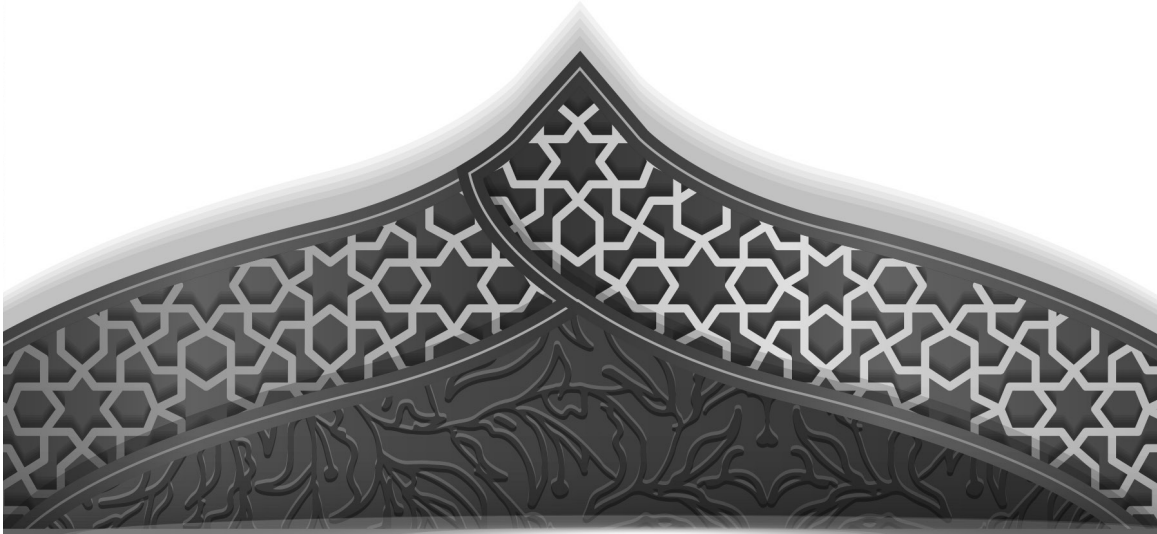


Readings in
ISLAMIC
SOCIAL
FINANCES
AND **ECONOMICS**








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AND ECONOMICS**



Editors
Mohd Zulkifli Muhammad
Hazriah Hasan
Nur Farahiah Azmi

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PREFACE

Chapra (2000) in his book *The Future of Economics- An Islamic Perspective* argues that economics, via its management of the economy, is the key towards the realization of a society's vision. Hence, Islam has its own vision and the purpose of Islamic civilization was aimed at the realization of social, political and economic system that support the developing of Islamic society. Until the era of colonization that distorted the beautiful system and thereby disrupting the progress of the social sciences. The history of Islamic was back to be free once again whilst regained the independence and Islamic economics rejuvenating back. The emerging Islamic social finance and economics fields has catered most attention and interest of many people.

In deliberating contemporary issues in social finance and economics, this book provides various chapters that covers essential readings on Islamic social finance and economics. This is a compilation of numerous empirical studies conducted by lecturers and students emphasized on the notion of Islamic social finance and economics. It has changing rapidly on a global scale and surely needs an extensive guideline from the know-how experts. We would like to use this occasion to express our sincere gratitude to the UMK's lecturers and students who contributed articles to making it possible for this edited book to be released.

Chapter 2 discussing the connection of *Maqasid Shariah* and Green Technology Financing Scheme (GTFS) via Gap Analysis. Then, Chapter 3 presents on *Baitulmal* as heirs in *Baitulmal* Kelantan. Furthermore, the discussion about ar-Rahnu exists in Chapter 4 as to incorporate the Islamic pawn-broking with women entrepreneurs in Kelantan. The next topic is on the Muslimpreneurs' understanding and practice on *hibah* in the Chapter

5, while the Chapter 6 exhibits on the successful *asnaf* entrepreneurs in Kelantan. Meanwhile, Chapter 7 elaborates on factors influencing *wasiyyah* preparations among women micropreneurs in Kota Bharu.

Adding to the list, the Chapter 8 investigates on the factors influencing students of Islamic Banking and Finance in UMK to consume Halal products. Later, the Chapter 9 writes on *hibah* giving behavior as in academicians in UMK. Chapter 10 examines on the selection within ar-Rahnu and conventional pawn-broking in Kelantan. Whereas, Chapter 11 and Chapter 12 interestingly study on the choice for Takaful among non-Muslims at Islamic banks and the awareness on cash Waqf among Muslims in Kota Bharu. In a nutshell, this book covers a vast scope in Islamic social finance and economics range from banking, ar-Rahnu, waqf, zakat and many others.

Mohd Zulkifli Muhammad

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CHAPTER 1

INTRODUCTION TO ISLAMIC SOCIAL FINANCE AND ECONOMICS

Mohd Zulkifli Muhammad, Hazriah Hasan and Nur Farahiah Azmi

Islamic social finance is a framework within Islamic social finance that promotes financial activities aimed at achieving social and humanitarian objectives while adhering to Islamic principles. It combines the principles of Islamic social finance, which are rooted in Shariah law, with a focus on addressing social welfare and community development. Islamic social finance encompasses various financial instruments and mechanisms designed to foster economic justice, alleviate poverty, promote social cohesion, and support sustainable development. Some key components of Islamic social finance include several components. First, *zakat* is an obligatory form of charitable giving in Islam. It involves the redistribution of wealth from the affluent to people in need. Muslims who meet specific criteria of wealth must give a portion of their wealth (usually 2.5%) to specified categories of recipients, such as the poor, the needy, debtors, and those working to collect and distribute *zakat*.

Second, *sadaqah* refers to voluntary acts of charity in Islam. It can be given at any time and in any amount and is considered a means of purifying wealth and earning blessings. *Sadaqah* can be used for various social welfare purposes, such as supporting education, healthcare, disaster relief, and community development projects. Third, *waqf* is a form of endowment where a person dedicates a specific asset, such as land or property, for a charitable purpose. The income generated from the endowment is used to support designated beneficiaries or specific social