

Conference Communiqué

Thanks to Allah Almighty, the First International Conference on Islamic Economics was held in Holy Makka, Safar 21–26, 1396H. (February 21–26, 1976) at the invitation of King Abdul Aziz University and under the auspices of the faculty of Economics and Business Administration.

The Conference discussed all the papers and studies submitted to it on the following issues:

- (1) Concept and Methodology of Islamic Economics.
- (2) Survey and Examination of Contemporary Literature on Islamic Economics.
- (3) Theories of Production and Consumption in an Islamic Community.
- (4) The Role of the State in an Islamic Economy.
- (5) Insurance within the Framework of the Islamic *Shari'ah*.
- (6) Interest-Free Banks.
- (7) *Zakāt* and Financial Policy.
- (8) Economic Development within the Framework of Islam.
- (9) Economic Co-operation among Muslim Countries.

The Conference expressed its satisfaction at the general standard of these papers and the positive and constructive tone of deliberations, which together contributed to a clarification of the issues and an enrichment of the science of Islamic Economics.

The participants stressed the need for continuing research on various aspects of Islamic Economics, to add to its depth and proper organisation, and to create planned co-operation among scholars from all corners of the world to achieve this objective.

Contemporary civilisation, whether Capitalist or Marxist, despite its material achievements, has led both individuals and societies into conflict, division, anxiety and loss of purpose. Technology has been given preference over man's peace, security and stability.

The Muslim nation has suffered from imperialism and backwardness for generations and its peoples have been forced into an attitude of subservience and imitation. But now this nation has clearly realised the need for originality in thought and practice of true Islam, to realise the reason for its existence, to release its energies and to motivate it for action. It has to concentrate all its positive and constructive efforts in clarifying its course of action and surmounting the attitude of subservience and imita-

tion. This needs to be done if this nation is to save itself from backwardness and humility and to play a leading role in the guidance of humanity.

The participants agreed that the Islamic faith does not merely define the relation of man to Allah, but also provides the *Shari'ah* that safeguards human interests, harmonises all aspects of life and pays as much attention to economic affairs as to all other aspects of human welfare.

They agreed that the norms and values of Islam constitute the foundation of the economic system of Islam.

The participants confirmed that this economic system would be ineffective if it is not accompanied by the practise of all aspects of the comprehensive Islamic system.

The participants stated their belief that the Islamic economic system is a unique system based on a well-defined economic philosophy. The basic principles of the system are founded on *tawhid* and are derived from the Qur'an and *Sunnah*.

The participants confirmed that Muslims ought to be the first in adopting this system. They should do their utmost to expound it, rather than waste their energies in forcing it into the mould of alien systems that have led them to false and confused solutions.

Islam is the only means of saving humanity from its present spiritual and material crises and of replacing the civilisation of matter with a civilisation for man. It is the moral obligation of Muslims to convey the message of this civilisation to humanity.

“Verily this is My Way, heading straight; follow it; follow not other paths. They will scatter you away from this (great) path” (6: 153).

To realise these objectives, the Conference approved the following recommendations:

- (1) Universities should carefully attend to the teaching of Islamic Economics, supporting research in this area and providing basic facilities for this purpose, whether through specialised libraries, research units, full time research scholarships, publication of periodicals, exchange programmes and the establishment of scientific associations.
- (2) It is the duty of all universities and educational institutions of the Muslim world to develop their economics curricula along Islamic lines. This will help create an Islamic outlook in the new generation and leadership and help bring about conformity between the faith and practice of the Muslims.
- (3) The King Abdul Aziz University should, as part of its constructive efforts in the academic field for the service of Islam and the *Ummah*, establish an international centre for the study of Islamic economics.

This centre should operate under the guidance of a Supreme Council composed of Muslim scholars in *Shari'ah* and Economics from various countries. This centre should endeavour also to co-ordinate and support international research at the highest level of scholarship. The centre should direct its efforts to:

- (a) the establishment of a specialised library that would collect scholarly works in the field of Islamic Economics in various languages and issue catalogues to research scholars everywhere;
 - (b) conduct and support theoretical and applied research in various fields of Islamic Economics, publish textbooks in this field for the use of Muslim universities, and organise training courses for Muslim economic establishments;
 - (c) provide research facilities and scholarships for visiting Muslim scholars to undertake research in their fields of interest;
 - (d) promote co-operation in the field of Islamic economic research among various universities and institutions;
 - (e) publish research papers and periodicals in Islamic Economics;
 - (f) help establish chairs for the teaching of Islamic Economics, provide scholarships for research in this field, and promote lectures with conferences and regional symposia.
- (4) The International Conference on Islamic Economics should be reconvened every two years, with specialised seminars being held more often.

It was recommended that the theme of the next Conference should be "Development in the Framework of Islamic Economics" and that the first seminar be convened within nine months to discuss the subject of "Monetary Policy and Institutions within an Islamic Framework".

- (5) A permanent secretariat should be established for the Conference on Islamic Economics with headquarters at the King Abdul Aziz University under the direction of the Chairman of the Conference or his Deputy.

The Secretariat should immediately begin preparations for the following conferences and seminars, implementing the recommendations of the Conference, drafting a charter and rules and regulations for this conference and the Secretariat, which may be presented to the next Conference.

To replace commercial insurance, it was recommended that a specialised committee of Muslim "*Ulamā*" and Economists should work on developing a system of insurance which is free from *ribā* and speculation, which would promote co-operation in the Islamic spirit and would conform to the conditions of the *Shari'ah*.

- (6) It was recommended that all Muslim countries should make their laws as well as social and economic institutions conform to the principles of the *Shari'ah*.

The Conference felt that Commercial Insurance as presently practised does not realise the *Shari'ah* aims of co-operation and solidarity because it does not satisfy the Islamic conditions for it to become acceptable.

- (7) The King Abdul Aziz and other Muslim universities should develop an interim one-year graduate course of study in Islamic *Shari'ah* specially designed for social scientists to help them in reformulating social sciences including economics to conform with Islamic Laws.
- (8) The Conference Secretariat should prepare and publish the reports and recommendations of various committees on the proceedings of this Conference.
- (9) The Chairman of the Conference was requested to submit to His Majesty King Khalid Bin Abdul Aziz and His Royal Highness Crown Prince Fahd Bin Abdul Aziz the participants' sincere thanks for the support and encouragement as well as heart-felt appreciation for the sincere efforts and generous support to the Muslim *Ummah* and *Da'wah*.

The Conference expressed its sincere gratitude to H.R.H. Prince Fawwaz Bin Abdul Aziz the Governor of the Province of Makka.

The Conference expressed its deep gratitude to H.E. the Minister of Higher Education, and Head of the World Association of Muslim Youth, Shaikh Husain Bin Abdullah Al-Shaikh for his great help and hospitality.

The Conference expressed its heart-felt gratitude to the Muslim people of Saudi Arabia for their hospitality and warm reception.

The Conference greatly appreciated the very extensive efforts of King Abdul Aziz University and its Acting President, the Steering Committee, the Executive Committee, the various Committees in the Conference, the Faculty of Economics and Administration and the Faculty of *Shari'ah* at King Abdul Aziz University, and their staff.

*In the Name of Allah, The Most Gracious, the Most Merciful
First International Conference on Islamic Economics*

Suggestions and Recommendations of the Committees

1. Committee on the Concept and Methodology of Islamic Economics:
 - Development of the Islamic Economic concept is based on the following:
 - (i) The belief that the universe belongs to Allah and that all wealth belongs to Allah.
 - (ii) That Man is a trustee of what he possesses of the bounties of God.
 - (iii) That private ownership approved by Islam is within the framework of the proper means of earning and spending and satisfaction of the obligations on wealth.
 - (iv) The economic system of Islam achieves social equilibrium and solidarity.
2. Committee on the Survey of Contemporary Literature on Islamic Economics:
 - (i) Formation of a Committee to compile a dictionary of Islamic Economics terminology in different languages.
 - (ii) Survey and development of references and *Ijtihād* throughout the history of the Muslim nation to promote Islamic Economics.
3. Committee on a Study of the Theories of Production and Consumption in the Islamic Community:
 - Making use of mathematical analyses in the study of Islamic Economics.
4. Committee on the Teaching of Islamic Economics:
 - The need for teaching Islamic jurisprudence pertaining to human relations in transactions and its principles in the Faculties of Commerce, Economics and Administration in the universities of Muslim countries.
5. Committee on Interest-Free Banks:
 - (i) Calling on Muslim Governments to bolster the existing Islamic banks and propagate and extend the scope of interest-free banking.

- (ii) Arranging for the training of personnel in Islamic banks so as to achieve higher standards and greater efficiency.

6. Committee on *Zakāt* and Fiscal Policy:

- Stressing the obligation of *Zakāt* with a view to ensure social justice in Muslim countries.

7. Committee on Economic development in an Islamic Framework:

- Conduct a Comprehensive Survey of experiences in the field of Islamic Economics and encourage participation in scientific research in Muslim countries.

Our final call is:

Praise be to Allah
The Cherisher and
Sustainer of the Worlds.

STEERING COMMITTEE OF THE CONFERENCE

1. Dr. Muhammad Omar Zubeir (Chairman)
Acting President, King Abdul Aziz University, Jeddah.
2. Dr. Hasan Abou Roukba
Dean, Faculty of Economics and Administration, King Abdul Aziz University, Jeddah.
3. Dr. Muhammad A. Sakr
Professor of Economics, King Abdul Aziz University.
4. Professor Khurshid Ahmad
Director General, The Islamic Foundation, U.K.
5. Dr. Muhammad Nejatullah Siddiqi
Reader in Economics, Aligarh Muslim University, Aligarh – India.
6. Dr. Muhammad Umar Chapra
Economic Adviser, Saudi Arabian Monetary Agency.
7. Dr. Abdul Hamid Abu-Sulaiman
Riyadh University.

8. Dr. Ahmad Totonji
Riyadh University.
9. Dr. Bakor O. Al-Amri
Assistant Professor of Political Science, King Abdul Aziz University.
10. Dr. Muhiadin R. Tarabzune
Assistant Professor of Accounting, King Abdul Aziz University.
11. Dr. Hasan Balkhi
Assistant Professor of Economics, King Abdul Aziz University.

EXECUTIVE COMMITTEE OF THE CONFERENCE

1. Dr. Hasan Abou Roukba
Dean, Faculty of Economics & Administration, King Abdul Aziz University, Jeddah.
2. Dr. Bakor O. Al-Amri
Assistant Professor of Political Science, King Abdul Aziz University.
3. Dr. Ahmed El-Naggar
Professor, Head of Islamic Economics Research Unit.
4. Dr. Muhammad A. Sakr
Professor of Economics, King Abdul Aziz University.
5. Dr. Muhiadin R. Tarabzune
Assistant Professor of Accounting, King Abdul Aziz University.
6. Dr. Hasan Balkhi
Assistant Professor of Economics, King Abdul Aziz University.

OFFICERS OF THE CONFERENCE

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| 1. Dr. Muhammad Omar Zubeir | Chairman |
| 2. Dr. Hasan Abou Roukba | Vice Chairman |
| 3. Professor Khurshid Ahmad | Vice Chairman |
| 4. Professor Sabahuddin Zaim | Vice Chairman |
| 5. Dr. Monzer Kahf | Rapporteur |