



Abojeib, M., Hannef, M. A. M., and Mohammed, M.O. (Eds.), *Islamic Economics: Principles & Analysis* (1st ed.), Kuala Lumpur: International Shari'ah Research Academy for Islamic Finance (ISRA), 2018, 813 pages

Reviewer: Osama A. Hazzi

With dozens of scholarly contributors, *Islamic Economics: Principles & Analysis* presents various perspectives on Islamic economics, neglecting no conventional economic issues. Twenty-eight authors with doctorates (PhDs) from eight countries and from various economics schools synthesize philosophies on Islamic economics in that work. Contributors also include three editors with doctorates and 38 reviewers from a wide range of countries, some of which are non-Muslim. As noted in the book, the emergence of Islamic finance, as a branch of Islamic economics, requires knowledge related to and consistent with the religious, spiritual, and social dimensions at the theoretical and practical levels.

The book is structured in five parts. Part 1 (Chapters 1–5) presents a theoretical framework of Islamic economics, discusses the relationship between religion and economics, and explains the Islamic worldview. It examines the definition, characteristics, scope, objectives, and methodology of Islamic economics and presents approaches to and processes of theory building in Islamic economics. Moreover, the book reports that the topic of Chapter 3, “Theory Building in Islamic Economics,” may not be covered in other elementary textbooks. Furthermore, the section presents ethics in Islamic economics while emphasizing the importance of other systems; the authors note that “[a]ny system that embeds ethical humanitarian values and philosophies and environment-conscious practices will positively impact societies and sustainable growth” (p. 102).

@ Dr., Postdoc at the University of Vienna, osama.hazzi@hotmail.com,  0000-0001-5503-8418

 Osama A. Hazzi, O. A. (2022). Book review (Review of the book Islamic economics: Principles & analysis). *Turkish Journal of Islamic Economics*, 9(2), 149-152.



Lastly, the section reviews various economic systems, including capitalism, socialism, and the Islamic economic system. The book also reports that the content discussed in Part 1 would have received peripheral coverage in most contemporary economics textbooks, and if addressed, it would be discussed in one or two chapters at most in the belief that there is a general consensus on the foundations of neoclassical economics. By contrast, the book's authors have allocated Part 1 to this topic. They provide an alternative approach to and understanding of the teaching of economics, making it critical to scrutinize, critically evaluate, and compare the worldviews and ideological underpinnings of conventional and Islamic economics. Doing so enables them to clearly show readers why the approach to mainstream economics and its foundations are not necessarily in line with an Islamic economic perspective.

While Part 1 can give readers a sense that the book is well written and suited for a lay audience, it fails to abide by conventional principles for citations. The holy references (e.g., the Qur'an and Hadiths) should be cited in full, presented in the text, and listed in the references. This can help the reader to avoid misunderstanding the meaning of those not cited in full (e.g., the second Hadith in the second paragraph on p. 111). Moreover, this supplies the reader the full reference so that the meaning of the text is not lost in translation. Full citations of Qur'anic verses can provide readers with information about the translations used.

Part 2 (Chapters 6–10) engages with concepts in Islamic microeconomics first by introducing microeconomics from the Islamic perspective. Next, it discusses consumer behavior and producer behavior from the Islamic perspective. The authors argue that practice does not always reflect the predictions of the theory and note that “the discussion on consumer behavior, whether in an Islamic or conventional economy, is from a theoretical point of view” (p. 214). The last three chapters of this section discuss income distribution and distributive justice from the Islamic perspective, elaborate on market structure, and differentiate the market in the Islamic economic system from that in the capitalist (conventional) system.

Although it is written for an elementary-level audience (Preface, p. xiv), the textbook (Part 2) might not appear clear for such audience (e.g., the first paragraph on p. 196), and some clarification (e.g., Cobb-Douglas production function on p. 251) and further explanation might be required (e.g., Gini coefficient on pp. 284–285). This applies on page 287, where the values in columns six and eight in the last line of Table 9.3 are unfathomable, and on page 288, where readers may have difficulty understanding the meaning.

Part 3 (Chapters 11–16) introduces macroeconomics from the Islamic perspective and discusses the national output concept, measures of well-being, and the validity of these measures. Subsequently, it discusses aggregate demand and supply and the relevance of economics schools, classical and Keynesian, for developing an Islamic macroeconomic model. These chapters also outline fiscal policy, money, and monetary policy followed by a focus on Islamic perspectives on international trade theories. On that score, Chapter 14 (“Fiscal Policy”) introduces a paragraph (pp. 498–506) on the social pillar of Islamic economics (*Zakāh*) Chapter 19 has well discussed in detail; however, Chapter 15 (“Money and Monetary Policy”) is the longest chapter (pp. 513–568); readers are advised to read it slowly (e.g., in two sessions).

Although the textbook is professionally formatted and written, some points appear to be inadvertently omitted in Part 3 but defined later (e.g., the letter *C* in the fourth equation on p. 399 and p. 406 and the numbering on p. 539: Box 15.4 not Box 15.3). As in Part 2, Part 3 also includes a value that may be unclear: the last value in column eight and line seven in Table 12.6 on page 413, that also appeared on page 414.

Part 4 (Chapters 17–19) discusses both financial systems: conventional and mainly Islamic. These chapters present philosophy, features, instruments, structure, and components of the Islamic financial system and its linkage with the real economy. The last chapter of this section analyses the social aspect of Islamic economics and shows how Islamic economics protects, improves, and promotes well-being at the individual and collective levels. In Chapter 19 (particularly pp. 699–719), readers are introduced to two social aspects of Islamic economics (*Zakāh* and *Waqf* institutions), the former of which is a crucial social pillar of Islamic economics; however, the book’s authors make a strong argument, which the current author agrees with, that the *Zakāh* institution is ineffective in reducing inequality and poverty. Islamic economics faces such critiques nowadays.

Part 5 (Chapters 20–21) encapsulates pertinent issues surrounding contemporary Islamic economics. It explores economic development in conventional economics and from the Islamic perspective as well as the development of Muslim countries and the poverty challenge. It also deliberates on the issues and key challenges confronting Islamic economics, showing critiques of Islamic economics, progress in the discipline of Islamic economics, and the future direction of Islamic economics.

One could argue that the benefit readers could obtain outweighs the price paid for such a textbook although the benefit is not quantifiable. The textbook

could also inspire those with expertise in corporate social responsibility (CSR) and sustainability to employ relevant points in their research (pp. 98, 102, 123, 246, 302, 423, 629, 694, 734, and 739).

In general, the book critiques conventional economics as a materialistic system based on usury, in which one is driven by self-interest. The book alternatively recommends usury-free Islamic economics as a solution, in which one's behavior is governed by divine values aimed at both the individual's well-being and public interest (the general welfare). The book argues that excessive interest-based credit and the failure of ethical conduct are among the main factors that contributed to the 2007–2008 financial crisis.

However, the book not only discusses the challenges and way forward concerning the Islamic financial system but also critiques Islamic economics as a whole. For example, a theory–practice divide in Islamic economics, the absence of practical Islamic economic system, a replication of conventional economics, a lack of critical thinking, and a segmented focus in literature are among other criticisms the book argues about in a holistic manner. According to the book, the 3Ps (political will, people, and policies) are among the factors for a successful reform practice and also useful for reforming Islamic economics.

In summary, the book is useful not only for those interested in acquiring a general understanding of Islamic economics but also for academic scholars seeking to understand the intersection of economics and Islamic studies.