

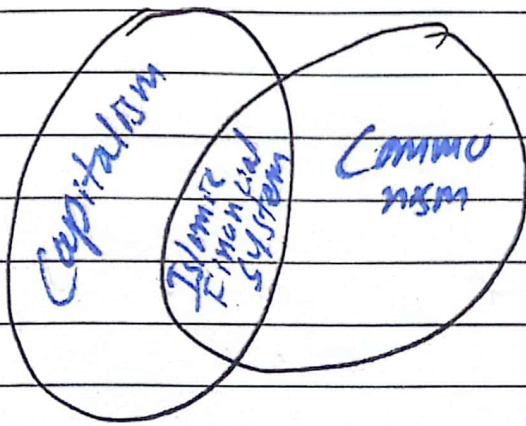
Q. 21. Introduction:

Several varieties of economies have been practiced throughout the world from agrarian economy to capitalism and from communism to mixed economy. All of them have been confronted with some challenges. However, the financial system of Islam is much effective one, which is by origin a 'mixed economy.' It has made its own guiding principles to follow, such as ownership belongs to Allah, earning of unlawful is prohibited, state's interference is viable in some specific situations, and hoarding and other unethical means of earning are discouraged in Islam. Similarly, it also talks about interest-free economy. Although, ~~interest based~~ interest free economy is much difficult, it is not impossible to achieve the goal. As it is being practiced in some countries as well.

2. Islamic Financial system:

Islamic financial system is a mix of capitalism

and socialism. It has followed some rules of both the prevalent economic systems. For instance it talks about private ownership without state's interference like capitalism. And it favours a classless society by providing basic needs to every destitute person.



3. Main principles of Islamic financial system:

Following are the main guiding principles of Islamic financial system.

(i) Real ownership belongs to Allah.

Islam, although, gives the ~~red~~ right to every individual to own his own private business, the real ownership belongs to Allah and the man acts like a custodian.

(ii) Earning as a worship:-

Allah (SWT) has declared the earning as worship. As Allah Almighty

Says in holy Quran,

“الصابغ حبیب اللہ”

“

Hardworker is the friend
of Allah.”

(Al-Quran)

(iii) prohibition of unlawful

Islam permits everyone to earn and own its own property. However, these should be through lawful means. As being unlawful, bribery, Theft, gambling, income from pornography, are all prohibited.

(iv) interest-free economy:

Islam stresses on interest-free economy as it leads to a classless society. Prophet Muhammad (P.B.U.H) has condemned the interest in following words.

“~~THE~~ Interest is announcement of war against Allah and His prophet.”
(Al-Hadith)

(v) Abolishment of slavery:

One of main principles of Islamic financial systems is to

says in holy Quran,

“الصاب جسد الله”

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Hardworker is the friend
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(v) Abolishment of slavery:

One of main principles of Islamic financial systems is to

utilize the Islamic financial system in such a manner so that slavery can be abolished.

As the quote of Hazrat Abu goes as follows

“

Who am I to enslave the people who were birthed free by their mothers.”

(vi) Prohibits Un-healthy Competitions

Islam prohibits un-healthy competitions which are favored by capitalism. As the later results in establishment of monopolies. Hence, Islam destroys the concept of monopolies.

(vii) Circulation of Wealth

Islam stresses on circulation of wealth through Zakat, Sadqah and other means. It helps in justly distribution of resources. Allah Almighty states in Holy Quran.

” خذ من اموالهم صدقة، تكفر بهم
و ترسيهم بها ”

“ Take from their wealth a charity, so that they may be purified.”

4. Possibility of interest free economy in 21st century

More likely, there are possibilities of interest-free economy to establish and flourish in 21st century. As many countries are practicing it.

(A) Interest-free economy in Malaysia:

The majority of the banking sectors in Malaysia have been converted to Islamic banking system. They are functioning well in all its forms. It means that interest-free economy is doable also in 21st century.

(B) Banking systems in Iran:

Some of the banks in Islamic Republic of Iran are also practicing interest-free banking system. It has also grown much, and accepted by other banks.

(C) Islamic banking in Pakistan:

Islamic banking is, although, limited to Bank Islami and other Islamic banking systems, it

is being stressed by the government to shift all banking systems to Islamic banking system. As Federal Shariat Court has given a deadline of 2030 for shifting all banking systems to Islamic one. In other cases, actions will be taken.

5. Conclusion

To conclude, Islamic ~~banking~~ ^{financial} system is the most effective financial and economic system. As it embodies the main characteristics of modern economic systems. It has its own principles of economic system which distinguish it from the rest of economic systems. Apart from the other main principles, one is establishment of interest-free economic system. It is also viable to practice in modern world, as several countries are bearing the brunt of interest from International Monetary Fund (IMF) and the World Bank (WB).

Q. 1

1. Introduction:

When a culture is practiced for a longer time it becomes civilization. There are several civilizations in modern world. However, Western Civilization, for the time being, is dominating all. Islamic civilization, like other civilizations, has its own features. It is unique from the rest in a sense that it is eternal and universal. It has left its unerasable impact on Western civilization. Similarly, Western civilization has also impacted it through various ways. These impacts are of both positive and negative nature. Main impacts of Western civilization can be witnessed on Islamic cultures, education, moral values, governance, and art and architecture.

2. Western Civilization:

According to 'Will Durant' - a well-known writer and author - civilization comprises the following things.

- (i) Political organization (system)

- (ii) Better economic system.
- (iii) Norms, values, and traditions.
- (iv) Art and architecture.

3. Islamic Civilization:-

Islamic civilization is based on monotheism, five pillars of Islam, sovereignty of Allah, Islamic values and laws, and art and science. Similarly, its universality makes it different from the rest of the ~~the~~ civilizations.

4. Impacts of Western Civilization on Islam:-

Western civilization has impacted the Islamic civilization both positively and negatively. Here are some of these impacts.

(A) Impact on Islamic culture

Western civilization has, little bit, modified the Islamic culture. For instance Western dressing, spoon feeding, and nuclear family system are all the examples of Western culture, which has been incorporated in Islamic society.

(B) Impact on religions:-

The menaces of liberalism and communism has been incorporated in Islamic civilization, which are the key properties of western world.

(C) Impact on Education:

It was the Islam which introduced the education to the European countries — As they were in the age of darkness but, after Muslims left their Islamic culture, The west followed it and emerged as most educated countries. Now their Western education, for example, Cambridge system, English learning culture, and Co education are pervaded in Islamic society as well.

(D) Morality

After following the suit of western countries, Islam is losing its own moral values. Theft, deceitfulness, disrespect of elderly, dishonesty and back-biting are now rampant owing to leaving Islamic civilization and following the west.

(E) Impact on governance:-

Governance in Islam was exemplarily

in the days of prophet (PBUH), orthodox Caliphs, and Hazrat Umar bin Abdul Aziz. However, now different form of governments are being used in Islamic countries. For instance democracy, dictatorship, monarchy etc.

(F) Impact on Islamic art:

Muslims were quite famous in art and architecture. Their pottery, Carpets, even construction were unmatched by any of the contemporary regions or nations. However, now Westernization can be observed every where in the form of constructions, language and writings.

(G) Impact on food

Muslims were habitual to eat meat, rice, and organic food. However, owing to cultural war of the west, KFC, McDonalds, Nestle, and fast foods emerged in food habits of Muslims. All these are fatal and injurious to human health.

5. Conclusion:

Islamic Civilization is the unique one among the rest of

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the world civilizations. However, Western Civilization has left its imprints on Islamic Civilization. It has impacted the Islamic Civilization in the following major fields: Education, Governance, Morality, Art and Architecture, and Religion as well. However, by following Islamic teachings the lost glory of Islamic Civilization can easily be achieved in letter and spirit.