

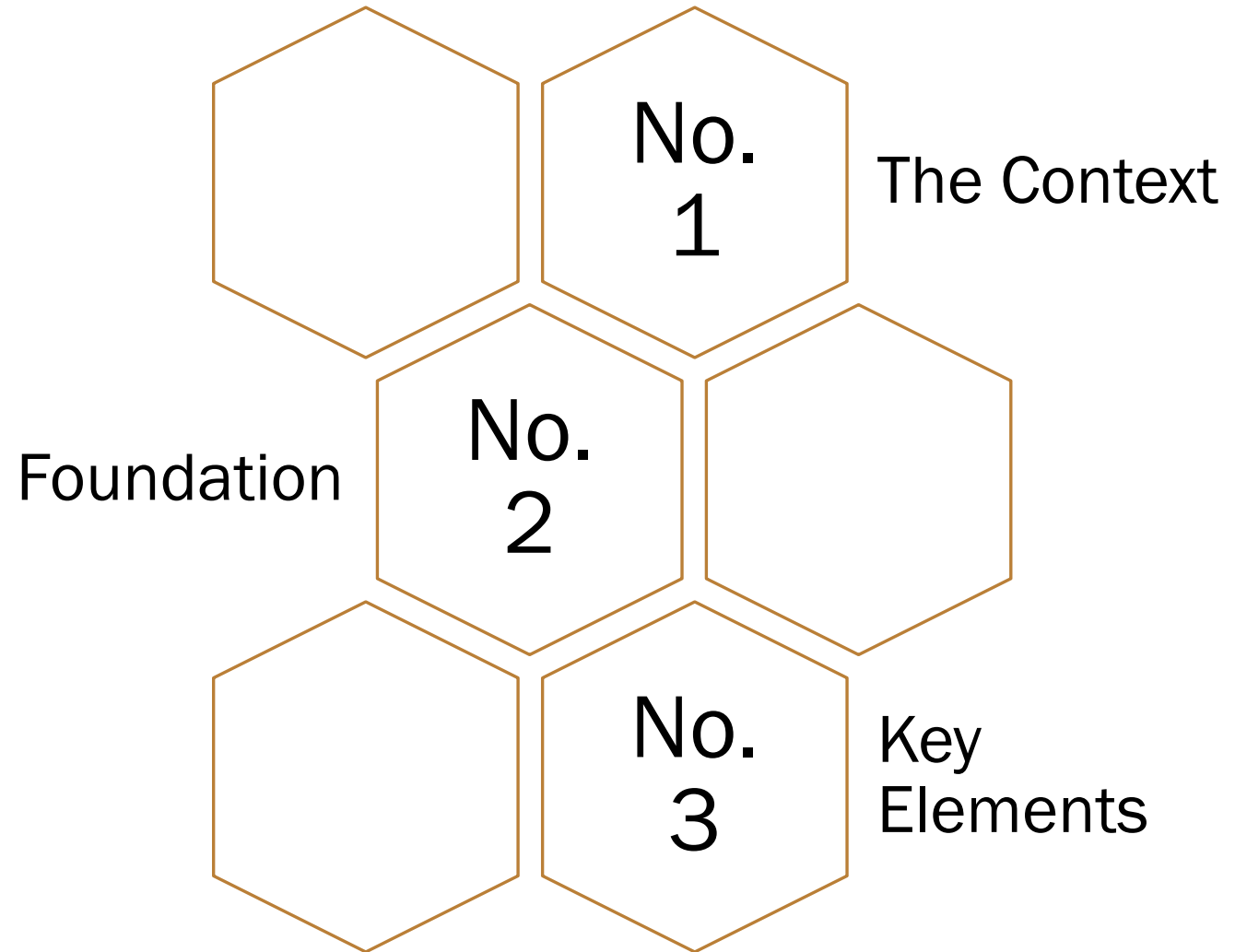


Values & Sustainable Development with Islamic Finance

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CONTENT



CONTEXT



- The key issue is climate change and climate risk
 - Average surface temperature has already increased by 1.1 C compared with preindustrial average (1850-1900)
 - It is expected to increase by as much as 4 C by the next century
 - Far-reaching consequences: growth, financial stability, social problems
- Cevik and Jalles (2023)



- Many countries have witnessed rising income inequality especially after the Global Financial Crisis
- Countries with developed financial markets are no exception
- COVID-19 has reversed the progress in poverty reduction (higher by 2 percentage point from the projected poverty rate in the absence of COVID)
- Geopolitical tensions – life and livelihood are at risk



- Governance and institutional quality in many (developing) countries are still an issue
- Lack of reforms perpetuate the prevailing governance and institutional structure in many countries
- Highly crucial in this era of heightened uncertainties

CONTEXT

GLOBAL ANSWER



ISLAMIC FINANCE RESPONSES

- Receptive with SDGs, calling for integration of SDG within IF
- Enthusiastic with “convergence” of objectives where (most of) SDGs align with Maqasid
- Optimistic that Islamic Finance has a big role to play

THE QUESTION IS:

How can Islamic Finance play a role in Sustainable Development?

PROTECTION OF AD-DIN (RELIGION)

Adherence to faith and observance the teachings (Ibadah, permissible, prohibited) of Islam.

PROTECTION OF AL-NAFS (LIFE)

Prohibition of taking life (of oneself and others) and imposition of Qisas

PROTECTION OF AL-NASL (LINEAGE)

Validation of Marriage and Prohibition of Adultery and those that would lead to Adultery

Maqasid As-Shariáh

PROTECTION OF AL-MAL (WEALTH)

Validation of Trade/Investment and Prohibition of riba, expropriation of property and others

PROTECTION OF AL-AQL (INTELLECT)

Validation of Education & Seeking knowledge and prohibition of intoxicants

MAQASID – FURTHER ENHANCEMENT BY CONTEMPORARY SCHOLARS



Ash-Shubail, 2015

REDUCE
POVERTY

Al-Qura Daghi, 2011

ENHANCE
SOCIAL
CONDITIONS

Al-Qaradhwai, 2008

WEALTH
CIRCULATION

Al-Qura Daghi, 2011

ENHANCE
ECONOMY

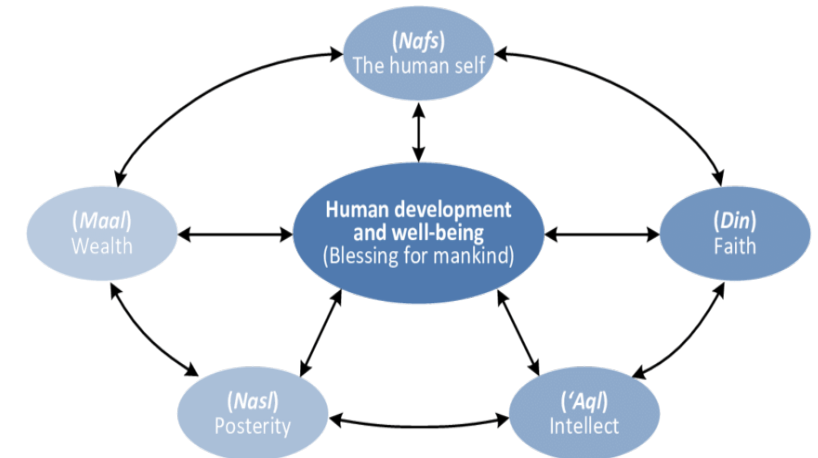
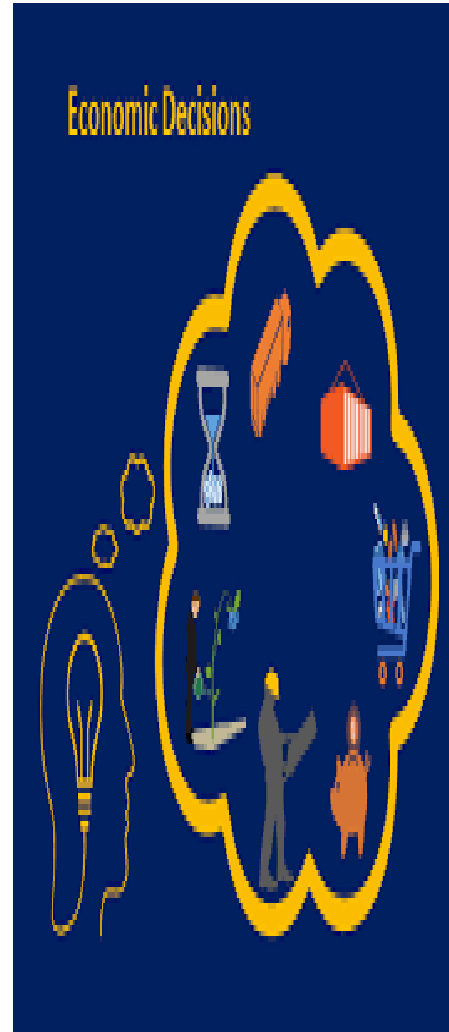
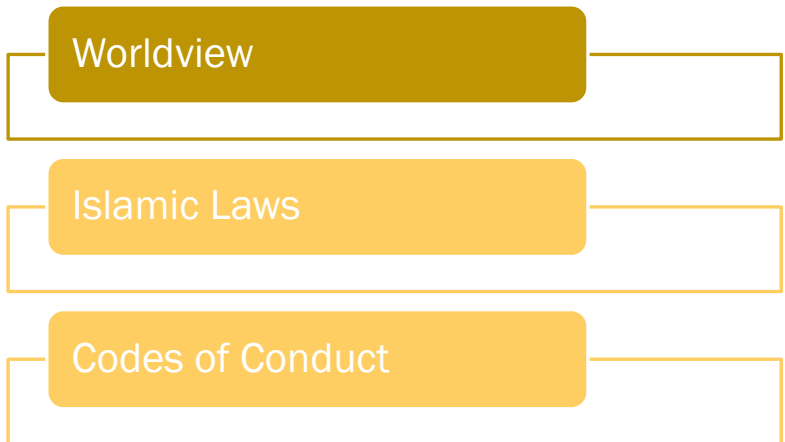
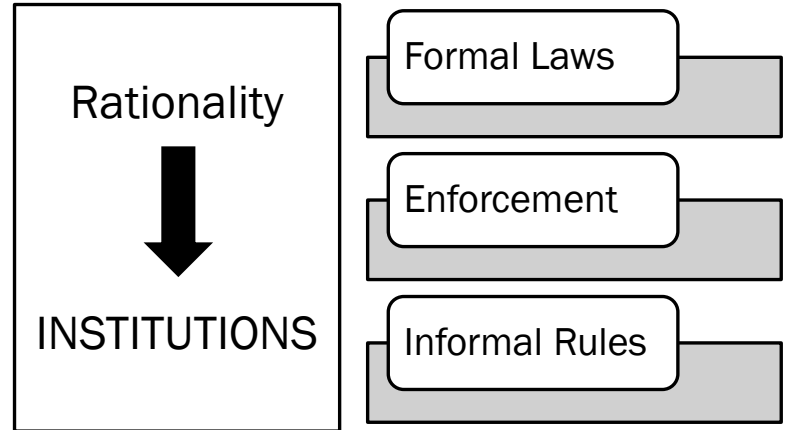
Al-Qaradhwai, 2008

WEALTH
DISTRIBUTION

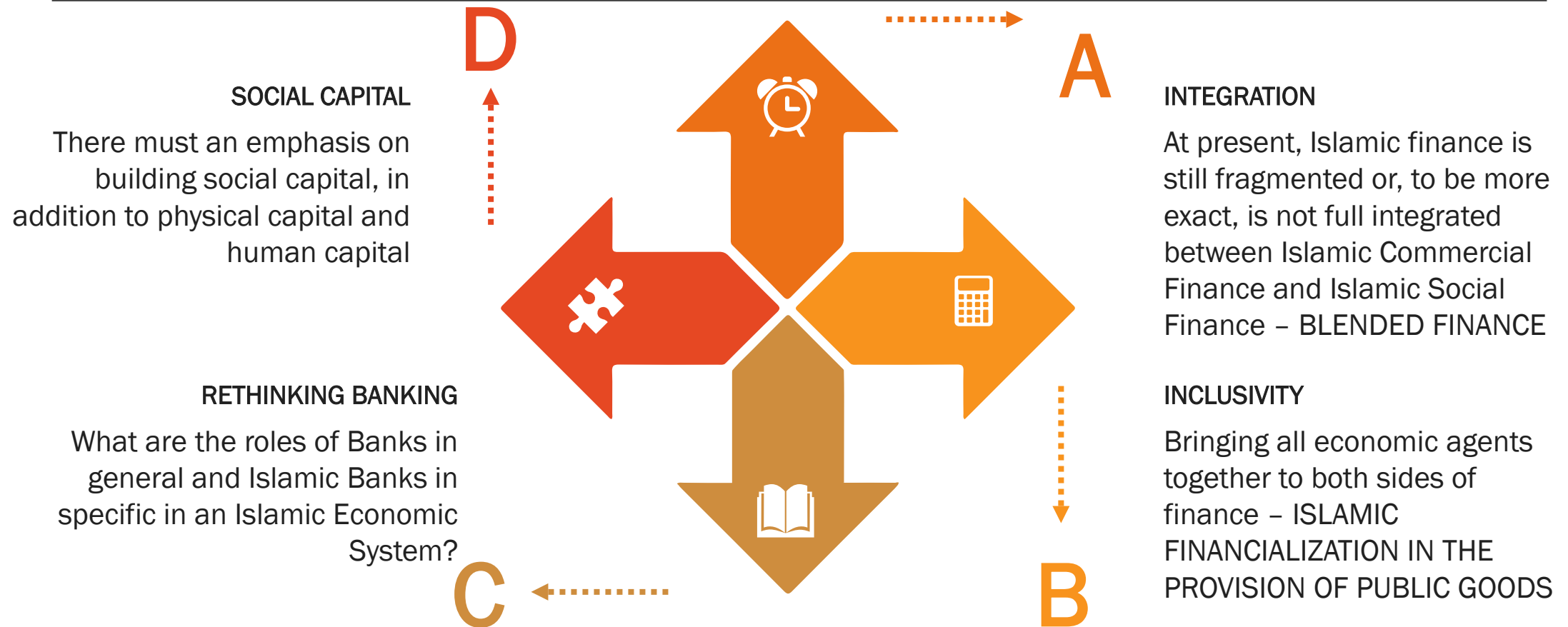
Al-Qura Daghi, 2011

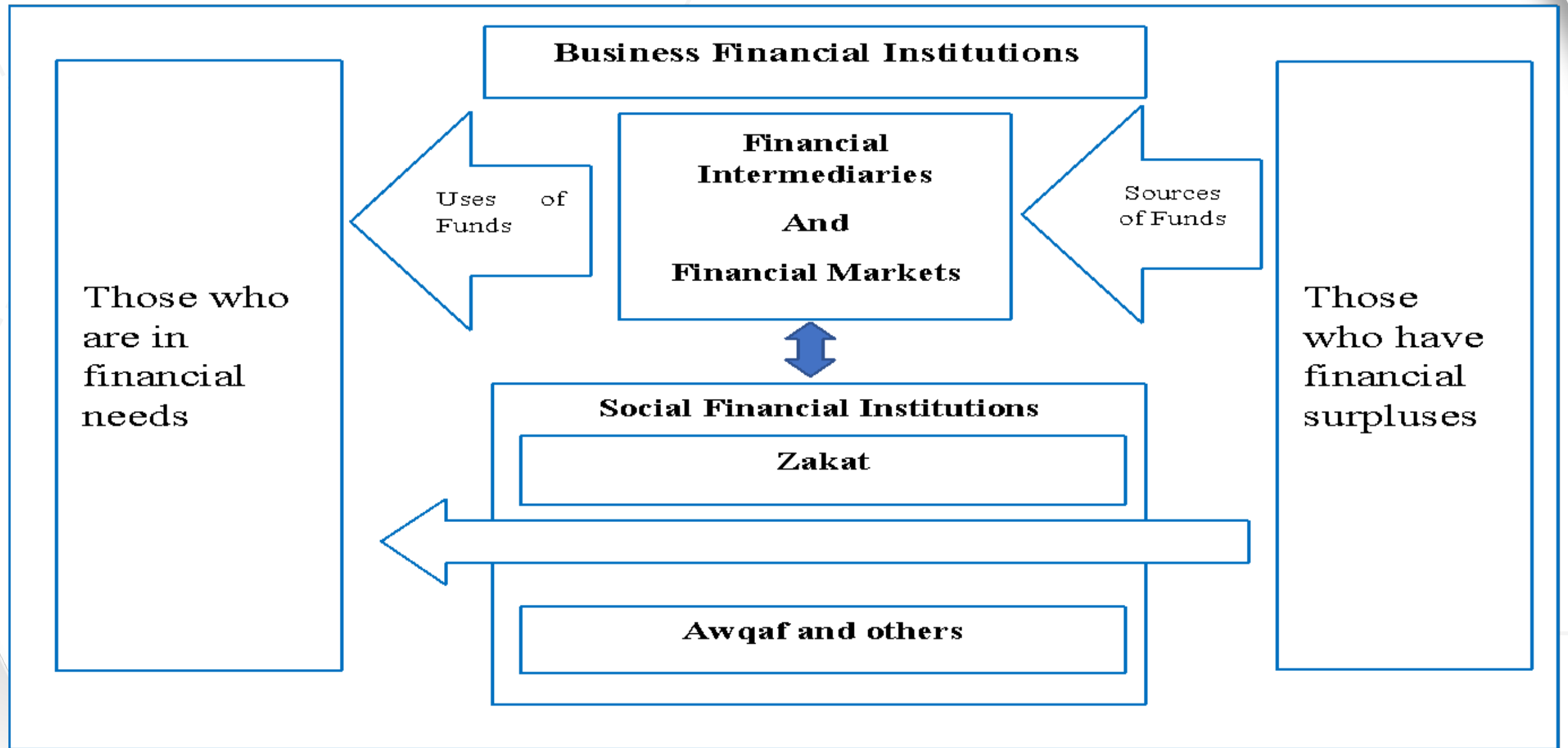
ENHANCE
INTELLECTUAL
LEVELS

FOUNDATION



Key elements...





THANK YOU