

Entrepreneurship: A Culture Embedded in The Religion of Islam

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Abstract:

Islam as a complete way of life has always given emphasis on business entrepreneurship. Islam encourages earning through permissible means. The strong foundation on which Islamic way of life is built up ensures social balance in all spheres of life. Business in Islam has the highest status as a method of earning livelihood. . The early Muslim generation has proved that a Muslim can be a very successful entrepreneur if he/she practices Islam in its entirety. This study analyses the importance of entrepreneurship in Islam based on Quran and sunnah and by looking back to the past practice of renowned Muslims. The research nullifies the misconception that Islam is backdated and discourages innovation.

Keywords: *Entrepreneurship, Islam, Business.*

1. Introduction

Nowadays, Business and innovation are among widely discussed topics. Its reason can be found in the present state of economy of various Muslim and non-Muslim countries. Every economy is striving towards reduction of poverty and ensuring full employment, the expected outcome of which will be a prosperous economy. The real picture shows that no country has been able to solve all economic problems or achieve sustainable development. If we look at the so called developed countries we see social unrest, degradation of moral values and injustice prevailing there. If we look at most of the Muslim countries we see poverty and unemployment along with other social problem. The situation seems to be getting worse with globalization.

When ALLAH (SWT) sent human beings on the earth He also sent guidance. The main purpose set for them was to act as ALLAH's khalifa on earth, worship ALLAH and establish His law. To make life and Ibadah easy, Allah made everything on the earth to serve humans. The Qur'an says "It was He who created all that is on earth for you" (Al-Qur'an, 2:29). He sent clear directions through prophets and equipped us with all necessary means of livelihood. It is mentioned in the Qur'an "And certainly we have established you in the earth and appointed thereon means of livelihood for you" (Al-Qur'an,7:10). Those who obey Him are called Muslims. Every action as per Allah's guidance is Ibadah.

Today there is no country which follows the laws of Allah (shariah) completely. All manmade systems are destined to fail as humans are created beings. They are short sighted and it's not possible for them to know completely what will benefit and what will harm. Allah is the knower of all things. As the Qur'an mentions "But perhaps you hate a thing and it is good for you; and perhaps you love a thing and it is bad for you. And Allah Knows, while you know not." (Al-Qur'an, 2: 216).

Broadly there are two categories of Muslims- in the world- one group resists innovations and changes and the other group is so much engrossed with changes that people belonging to this group forget Allah and undermine His rules. This is due to lack of proper Islamic knowledge.

Muslims are directed not to be extremist but moderate (ummatan wasatan). Allah (SWT) mentioned in the Qur'an, "Thus, have We made of you an Ummah (Community) justly balanced (wasatan), so that you might bear witnesses to the truth over all mankind, and the Messenger might bear witness over yourselves..." (Al-Qur'an, 2: 143). These ideals of total balance and equilibrium are to be promulgated and practiced at each and every tier of Muslim existence – including the environment - without compromising on honesty, integrity and truth. (Omer n.d) Allah promised victory and leadership to those who follow His path. Allah (SWT) sent the complete solution 1400 years ago for peace and harmony. The guidance through the Qur'an and Sunnah was sent to a society afflicted with all kinds of social diseases which are observed today. The result was remarkable, all their problems were solved and they became innovative and constructive leaders on the earth. It's time for Muslims to go back to guidance sent by Allah and to acquire proper knowledge to become entrepreneurial leaders once again.

2. Literature Review

Culture may be defined as a set of shared values, beliefs and norms of a group or community. The influence of culture on entrepreneurship was first emphasized by Max Weber at the beginning of this century. As Weber famously argued, Protestantism encouraged a culture that emphasized individualism, achievement motivation, entrepreneurial vocations, rationality, asceticism, and self - reliance (Weber,1976 cited by Basu & Eser 2002). Culture is greatly influenced by religion since religion determines a person's basic values and beliefs (Basu & Eser 2002).

Islam is more supportive towards innovation and entrepreneurship than any other religion. In a study Muslims were found to be 7.9 percent and Christians 2.9 percent more likely to be self-employed than Hindus. (Audretsch and Nancy 2009). A good understanding and correct implementation of principles and rules of Islam offer real possibilities of enhancing various types of businesses. Moreover, that can also be possible in a well-balanced way, i.e., making business profit and at the same time targeting spiritual rewards. Specifically, this practice of doing business could help Muslim entrepreneurs avoid deviations from generally agreed business ethics and spirituality, as based on the lastly sent Holy Scriptures (Oukil 2013). While the Western system employs material incentives to motivate individuals to undertake entrepreneurial activities, Islam mainly uses moral incentives without failing to account for the material stimulus (Kayed and M. Kabir 2010)

As a matter of fact, Entrepreneurship is a social duty in Islam . Ensuring essential supplies specially food ,clothing and dwelling is a collective duty of Muslims (farde kifaya) otherwise it becomes individual duty(farde Ayn) on those who are capable of performing it. (Ibn Taymiah 1985). So it is essential for some individuals to be engaged in supplying essential goods and services by recognizing needs of the people i.e. applying entrepreneurial capabilities. Islamic law scholars from the Shafi'ite school, Imam Ahmad bin Hanbal, Abu Hamid al-Ghazali and Abu al-Farj Ibn al-Jawzi in chorus stated that entrepreneurial activities is a responsibility that must be performed social - wise. This is due to the fact that life will not prosper without committing this responsibility (Abd al-Halim, 1992 cited by Abdul Hamid and Che 2011)

Entrepreneurship is the pulse to social system and is not only an effort to gain profit through expanding capital or means to successful exchange of necessities. It is seen a form of social service in building the civilization and future of the society (Abdul Hamid and Che 2011). According to Amjad (2012), the existence of entrepreneurial culture in the society could encourage and support entrepreneurs to be more successful. This thus implies that, the existence of entrepreneurial culture in a particular area could potentially boost the aspiration of the entrepreneurs in achieving success in their activities (cited by Oukil 2013).

3. The Methodology of the study

This study was done through an extensive desk research. The primary sources of information are the Qur'an and Sunnah. The available literature related to entrepreneurship in Islam were collected from all possible sources which are mainly books and articles available online and those published in various issues of journals in International Islamic University Chittagong- a prominent educational institution committed to providing education with morality. Some renowned Islamic personalities who have knowledge about this topic were

consulted. Then different dimensions of Islamic entrepreneurship discussed in those articles were identified and finally an analysis of those findings was made.

4. Findings

4.1. Importance of Entrepreneurship in the Quran

Entrepreneurship is a source of livelihood and also a way of Ibadah. Allah has instructed man to earn his livelihood by utilizing the resources that are provided by him on this earth subject to guidance sent by Him. This will ensure success of the individual as well as the whole society in this world and the Akhirah (hereafter). Only an innovative and conscious person can utilize resources as per Allah's command without, corruption and transgression. In fact, business in Islam is a system of proper distribution of scarce resources. The following verses of the Qur'an are worth mentioning in this regard. "Allah has made trade lawful and prohibited interest..." (Al-Qur'an, 2:275) "But seek instead by the means of what Allah has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as Allah has been good to thee, and seek not (occasions for) corruption in the land: for Allah loves not those who do corruption." (Al-Qur'an, 28:77)

The Qur'an contains complete guidance for entrepreneurial activity. The scope is defined clearly considering the nature of human beings. Allah says:

"O you who have attained faith! When the call to prayer is sounded on the Day of congregation, hasten to the remembrance of Allah and leave all worldly commerce. That is better for you if you only knew. Then when the prayer is finished disperse freely on earth and seek Allah's bounty and remember Allah much so that hopefully you might attain a happy state." (Al-Qur'an, 62: 9-10)

The instruction to "abandon trade" during call for prayer emphasizes the need for engagement in trade but after being conscious about the prayer. This helps them to be cautious and on guard by remembering that Allah knows all that they do. This is training for Muslim entrepreneurs to achieve success of both lives. As dunya (this world) is a place to test piety, there will be negative elements so that those who are careful can attain the highest status in jannah (paradise). Allah says: "O you who have attained faith, do not devour one another's property by unlawful means, but do business with mutual consent" Al-Qur'an, (4:29).

4.2. Importance of Entrepreneurship in Sunnah

Acquiring knowledge and wealth is encouraged in Islam. As narrated by Abdullah Ibn Masud, the Prophet Muhammad (pbuh) said: "Only these two people should be envied: One is the person who spends all the wealth Allah gave him on the path of righteousness, and the other is the person who judges with the knowledge Allah gave him and teaches it to others." (Bukhari, *Ilm* 15)

There is also highest recognition by Shariah upon the sincere and honest entrepreneurs. Abu Sayeed narrated that Rasulullah (p.b.u.h) said: "An honest and sincere businessman will be placed with the prophets, siddiqin and al-syuhada"(Hadith mkl Hasan,al-Tirmidhi, 1987, no. 1209, p. 515) (Cited by Abdul Hamid and Che 2011). However, to be able to reach this level (truthful and honest) proves to be difficult for businessmen because their activities are often mixed with lies, fabrications and other negative elements. Thus, if they are able to hinder the negative elements and become honest, truthful and sincere entrepreneurs, their honor will be raised to those of prophets, siddiqin, shuhada and salihin (Cited by Abdul Hamid and Che 2011).

4.3. Strong Religious Foundation

Innovation in religion is completely prohibited, Muslims have to follow shariah, which refers to sum total of Islamic laws which was revealed to prophet Muhammad (pbuh). Shariah / Islamic laws are recorded in the Qur'an as well as deducible from the prophet's divinely-guided life style (called the sunnah)(Philips 2006). Allah (SWT) says: "Then we put you on a straight path (shari'ah) in your affairs, so follow it and do not follow the desires of those who have no knowledge." (Al-Qur'an, 45-18) (Cited by Philips 2006). Thus moral foundation of Islam always remains strong on which the whole system is built up. This ensures clarity and understanding as well as accountability.

The actions of a Muslim are governed by five ethical axioms: (a) Unity of Allah, which is related to concept of Tawhid. Tawhid indicates that the creator ALLAH (SWT) is unique and one. He is want-less, omniscient, omnipotent, almighty, all powerful, all knowing and above all creation. Nothing is above Him. The concept of

Tawhid is very significant in that it combines all aspects of Muslims' life (economic, political, religious and social) according to the will of the creator. So there is a consistency and order which has ever lasting effects on Muslims' life. (b) Equilibrium or 'adl, which means Insaf or justice, balance and harmony. In Islam, justice is equal for all irrespective of races, colours and creed. It relates to embracing harmony in the whole universe. (c)Free will: It indicates human's capacity to follow freely rules and regulations set by Allah. (d)Responsibility: it denotes that man is accountable for his each and every action. (e) Benevolence: it means ihsan that is doing good without expectation of return or benefit. Unlike other ethical systems Islam encourages mankind to attain piety through active participation in life (Ather 2007).

In Islam, the imposed limitations are wanted essentially for the benefit of the concerned people or parties. Naturally, absence of laws and boundaries could easily lead people or organizations to behave in abnormal ways, which will create excesses, abuses and conflicts (Oukil 2013).

4.4. Permission of innovation in all aspects of life (flexibility), except in religion

In the case of laws where the benefit or harm is not changed over time Allah (SWT) spelled out the details very clearly. Examples are religious rites, marriage and inheritance, laws against crimes (murder, theft, adultery, fornication, slander etc). As for matters whose harm or benefit may vary from place to place Allah (SWT) has legislated general laws of universal benefit which may be implemented by those in authority according to human need. This rules applies in case of business transactions and structuring the society. Allah says: "O you who believe, obey Allah and obey the messenger and those in authority among you.."(Al-Qur'an, 4:59)(cited by Philips 2006 page 28)

Sunnah is also limited to confirmed religious ruling and excludes personal habit or opinion of the prophet (pbuh) which he did not instruct his followers to follow. Rafi ibn Khadeej reported that Allah's messenger (pbuh) came to Madeenah and found people grafting their palm trees. He asked them what they were doing and they informed him that they were artificially pollinating the trees. He then said "Perhaps it would be better if you did not do that." When they abandoned the practice the yield of date-palms became less. So they informed him and he said "I am a human being. So when I tell you to do something pertaining to religion, accept it, but when I tell you something from my personal opinion, keep in mind that I am a human being." Anas (ra) reported that he added , "You have better knowledge in (the technical skills) in the affairs of this world" (Muslim, English translation, Vol.4, Page 259, Hadith nos. 5831-5832) (Philips 2006 page 49).

4.5. Inspiration from Allah (SWT)

Allah (SWT) encourages Muslims to strive towards their own wellbeing. Allah mentions in the Qur'an: ".....Allah does not change the condition of a people until they change their inner selves." (Al-Qur'an, 13:11)

4.5.1 *Freedom of enterprise:* Islam gives complete freedom to economic enterprise. An individual can start, manage and organize any kind of business enterprise within the limits set by shariah and having a strong sense of responsibility. By encouraging pursuance of economic activities Islam opens up avenues for innovation and entrepreneurship. (Azmi n.d)

4.5.2 *Enjoining good:* Allah (SWT) encourages Muslims to do good deeds and establish justice by confirming that the pious and evil doers will not be treated same in akhirah (hereafter) . This is a warning for wrong doers and glad tidings for the believers that their good deeds will not go in vein. Qur'an asserts: "We sent Our Messengers with the Clear Signs and sent down the Book and the Balance with them so that mankind might establish justice." (Al-Qur'an, 57: 25). "Shall We treat those who believe and work deeds of righteousness, the same as those who do mischief on earth? Shall We treat those who guard against evil, the same as those who turn aside from the right?" (Al-Qur'an, 38:28)

4.5.3 *Promise of paradise:* There is promise of paradise for those Muslims who are conscious about Allah (SWT) and perform their activities according to boundaries set by Islam. Allah says:

"And as for him who fears to stand in the presence of his Lord and forbids his own soul from its whims and caprices then surely Paradise is the abode." (Al-Qur'an, 79:40 & 41)

4.5.4 *Tawakkul (Reliance and trust on Allah):* Tawakkul has four dimensions. These are, a) knowing Allah (SWT) by His qualities and attributes such that He is all capable and sufficient to rely on. He is the

Sustainer and that He is All-Knowing and that things can only happen with His Will and Decree. b) To believe that every matter has a cause or a means. Muslims should do everything that's available to them to reach their goals. It is mentioned in the Qur'an: "worship Him and put your trust in Him alone. And your Lord is not unaware of what you do" (Al-Qur'an, 11:123). c) To rely only on Allah (SWT). Indeed, a person's reliance on Allah cannot be fulfilled until one relies on Him alone. Support for this level can be found in the verse, "If Allah helps you, none can ever overcome you; and if He should forsakes you, who is there after Him that can help you? And in Allah (Alone) let the believers put their trust" (3:160). d) It is important to depend on Allah wholeheartedly and feel tranquillity when doing so, to the extent that one does not feel anxious or confused about their provision. Some people do not feel secure until they utilize these means, and if Allah decrees that these means are not available they feel overwrought. Such people's reliance on Allah is incomplete, because true reliance is when a person does not care if means are available or not, because they know that all matters are in the Hands of Allah. It is mentioned in the Qur'an "And He will provide for him in a manner beyond all expectations. And whoever puts their trust in Allah, then He (alon) will suffice him. Verily, Allah will accomplish His purpose. Indeed, Allah has set a measure for all things."(Al-Qur'an, 65:3).(Aslom Ullah 2012)

4.5.5 *Promise of help from Allah:* Allah encourages believers to ask for wellbeing in both dunya and akhirah. "Our Lord give us in this world [that which is] good and in the hereafter [that which is] good and protect us from punishment of fire."(Al-Qur'an, 2:201) There is a strong promise of assistance from Allah for those who are righteous. It is mentioned in the Qur'an: "Allah is suffice as a helper."(Al-Qur'an, 4:45) "...He grants victory to whom He wills. He is the Almighty, the Most Merciful. That is Allah's promise. Allah does not break His promise...." (Al-Qur'an, 30:5-6)

4.5.6 *Removing Difficulty:* Allah doesn't burden people more than they can bear. Allah has made our life easy by outlining a clear cut system. A Muslim entrepreneur knows from the beginning that there will be obstacles and hardship in his path which will be removed by the grace of Allah. So he has mental peace and can strive harder to achieve his goal and his chance of success will increase. Allah consoles the Muslims in the Qur'an: "...After a difficulty, Allah will soon grant relief." [Al-Qur'an, 65:7] "Surely , with hardship (will be) ease" (Al-Qur'an, 94:6)

4.6 Purpose of entrepreneurship in Islam

Allah (SWT) created humans and Jinns only for His Ibadah that is to act as His servants. Human beings are Allah's caliphas on the earth to establish the rules of ALLAH.

Islam endorses entrepreneurship regardless of its being opportunity or necessity driven as long as it stands on moral and ethical grounds and conforms to the Islamic code of conduct. Stimulating entrepreneurship in Western societies is mainly driven by the prospect of material rewards. Islam stimulates the muslim by making them realise that every business undertaking is a form of ibadah and intended firstly to please the Almighty Allah. Accordingly, business activities are meant to strengthen the Muslims' faith (iman) by committing them to the remembrance of Allah and attending to His religious duties. "(There are) men whom neither traffic nor merchandise can divert from the remembrance of Allah, nor from regular prayer, nor from the practice of regular charity" (Al-Qur'an, 24:37).(Cited by Kayed and Kabir 2010).

4.7 Established set of Islamic guidelines for entrepreneurs

The Business dealings through which people are distressed or deceived are forbidden in Islam. Such dealings are of two types: one relates to people in general and the other is related with specific persons. One of the examples of the first type is hoarding. Prophet (pbuh) said: "A person who during price hikes, stocks food crops up to forty days with the intention of earning more profit, he is no pleased with Allah (SWT) and Allah is also displeased with him." It is notable here that this principle is applicable only in case of essential goods for livelihood. Second type: involves individuals involved in doing business (Ather 2007). The general guidelines in this connection are:

- Not engaging in haram (forbidden) activity: The businesses which harm the society are completely prohibited in Islam. examples of such businesses are: sale of alcohol and intoxicants, opening casino, prostitution and night club etc. It is mentioned in the Quran: "They ask you about wine and gambling, say:

- in them is great sin..."(2:219). A Muslim entrepreneur cannot engage in such activity or earn income from these. He also cannot spend his income in any haram goods or services. Surprisingly such activities are permitted in conventional business ethics, as long as the businesses are done in line with the local laws.
- Not praising too much of the product: Praising too much of the product and giving misleading information is a sign of hypocrite as Rasul (SAW) stated: "There are three signs of a hypocrite; when he speaks he lies, when he makes a promise he breaks it, and when he is entrusted he betrays his trust." (Bukhari and Muslim cited by Ibn Abdul Wahhab, 1999)
 - Not concealing any defect of the product: Allah (SWT) condemns the liars in the Qur'an: "Woe to every sinful liar?"(Al-Qur'an, 45:7)
 - Weights and measures should be properly maintained: It is mentioned in the Qur'an: "Woe to those who give less [than due]. Who when take a measure from people take in full. But if they give measure or by weight to them, they cause loss." (Al-Qur'an, 83:1-3)
 - Not deceiving about the price of the product or any other kind of deception: "Both parties in a business transaction have a right to annul it so long as they have not separated, and if they tell the truth and make everything clear they will be blessed in their transactions but if they conceal anything and lie then the blessing on their transaction will be wiped away." [(Muslim) cited by Ibn Abdul Wahhab 1999]
 - Spending in charity: Allah (SWT) says: " And in their wealth there is a due share for the beggar and the deprived"(Al-Qur'an, 51:19)
 - Seeking to please Allah (SWT): Allah says: "Only those are the believers who have believed in Allah and His Massanger , and have never since doubted..."(Al-Qur'an, 49:15)
 - Not forgetting akhirah while doing business: Allah says: "[there are] men whom neither commerce, nor sale distract from the remembrance of Allah and performance of prayer and giving of zakah. They fear a day in which the hearts and eyes will [fearfully] turn about"(Al-Qur'an, 24:37)
 - No deception in business: It is mentioned in the Quran: "O you who believe! Be afraid of Allâh, and be with those who are true (in words and deeds). "(Al-Qur'an, 9:119)
 - No dealings in interest: Dealings involving interest was forbidden as it's a kind of social oppression. Allah commands believers in the Qur'an: "O you who believe! Devour not usury, doubled and multiplied; but fear Allah. that you may (really) prosper."(3:130)
"Allah will deprive usury of all blessing, but will give increase for deeds of charity: For He loves not creatures ungrateful and wicked."(Al-Qur'an, 2:276)
 - Contract must be in writing: Allah says in the Qur'an: "O you who have believed, when you contract a debt for a specified time, write it down." (Al-Qur'an, 2:282)

4.8 Islam helps in nurturing entrepreneurial characteristics

Promoting qualities of an entrepreneur: Qualities of entrepreneurs are encouraged to be a good Muslim.

A study showed that the characteristics of muslim entrepreneurs have a positive influence on success. The results also showed that the interaction of characteristics of entrepreneurs with the Islamic values have positive correlation with success. (Ahmed and Suhaila 2013).

4.8.1 *Self-confidence*: Islam directs its followers to carry out a task with confidence, courage, and with diligence. A Muslim entrepreneur should have high courage and confidence to move forward in the business. This has been reiterated in the Qur'an: "And be not infirm, and be not grieving, and you shall have the upper hand if you are believers" (Al-Qur'an, 3:139). (cited by Ahmed and Suhaila 2013). The higher the entrepreneurs' ability to build self-confidence, the greater their willingness to try something that is seen by others as a risk. Those who have high self-confidence have the ability to take the right decision. This can be helpful to the success of their business (Meredith in Shuhairimi & Ku Halim, 2010- cited by Ahmed and Suhaila 2013).

4.8.2 *Patience and Perseverance*: Allah says: "O ye who believe! Seek help with patient perseverance and prayer; for Allah is with those who patiently persevere." (Al-Qur'an, 2:153) Allah also says: "Be sure we shall test you with something of fear and hunger, some loss in goods or lives or the fruits (of your toil), but give glad tidings to those who patiently persevere." (Al-Qur'an, 2-155)

4.8.3 *Leadership*: Leadership is a promise from Allah for true believers who strive with full determination in His path. The Holy Qur'an says to those who follow the guidance sent from Allah: "I will make You an Imam (Leader) to the nations." (Al-Qur'an, 2:124)

In another verse it says, "And We made them leaders guiding (men) by Our Command and We send them Inspiration." (Al-Qur'an, 21:73)

4.8.4 *Humility*: There is a positive significant relationship between Islamic management dimension "humility" and organizational entrepreneurship. (Kazemian and Bahram 2011)

The Qur'an reminds us: "And the servants of the Merciful are those who walk on the earth in humility...." (Qur'an Al-Qur'an, 25:63)

"If the people of the society had but believed and maintained a consciousness of Allah, We should indeed have opened out to them (All kinds of) blessings from heaven and earth...." (Al-Qur'an, 7:96).

The correct path is one of cultivating and maintaining a steadfast consciousness of Allah, one which directs towards humility, and a careful guarding of that humility - a humility that manifests in outlook, attitude, philosophy, actions, and relations - one that manifests in individual behaviour and in the organs and institutions and principles which regulate and shape society. (Shomali n.d)

4.8.5 *Innovative/ Creative*: In fact, Allah (SWT) has awarded a variety of resources for human survival. However, on a more general scale it cannot accommodate the needs of a man perfectly if the result is not optimal manipulated. Thus, entrepreneurs need to apply the value of creativity and innovation available to them to help solve some of the requirements needed by the community. Islam even recognizes that innovative and creative act is the inherent quality of the entrepreneur. This claim can be seen from Allah says in Qur'an:

"He it is Who made the earth smooth for you, therefore go about in the spacious sides thereof, and eat of His sustenance, and to Him is the return after death" (Al-Qur'an, 67:15). Creativity and innovativeness are the important values for every entrepreneur because they are the key to success in business. This innovative nature is encouraged by Islam as Allah SWT created all things is to be used by humans. This is expressed through the verse that says: "He it is (Allah) who created for you all that is in the earth" (Al-Qur'an, 2:29) (Cited by Ahmed and Suhaila 2013)

4.8.6 *Sincerity*: Sincerity means honest belief in things. Sincerity is shown in the way one performs a given task to the best of one's ability because such an attitude is the best way to show one's loyalty and gratitude to, and love for the organization. In serving the organization well, one serves Allah (al-Quran, 39:14)(cited by kazemian and Bahram 2011)

4.8.7 *Piety*: Piety means consciousness about Allah (SWT). It is a tool that can be used to foster good and prevent evil in the lives of Muslims (Ali, 2011). In fact, it can be seen that Piety has become a new symbol of elitism (Hasan, 2009 cited by kazemian and Bahram 2011).

4.8.7 *Honesty and Truthfulness*: Consumer goodwill building. Honesty and truthfulness are qualities which a Muslim businessman should develop and practise himself. Truth, for example, has a self-reinforcing effect. In a hadith reported in Sahih al Bukhari, The Prophet (peace be upon him) said, "Truthfulness leads to righteousness, and righteousness leads to Paradise. A man continues to tell the truth until he becomes a truthful person. Falsehood leads to al fujur (i.e., wickedness, evil-doing), and al fujur (wickedness) leads to the Hell Fire, and a man may continue to tell lies till he is written before Allah, a liar."

Honesty is especially important for Muslim business persons. The need to make a profit and the temptations to enhance the attributes of their product or service during a sales pitch may distract them to exaggerate. This is why the Prophet said: "The merchants will be raised on the Day of Resurrection as evil-doers, except those who fear Allah, are honest and speak the truth." Truthfulness is as in demand today as it was in the 7th century. (Cited by Beekun, n.d)

4.8.8 *Trustworthy*: Allah commands in the Qur'an: "O you who believe, fulfil your contracts...." (Al-Qur'an, 5:1). Being trustworthy is essential for an entrepreneur for building goodwill and achieving strong customer loyalty.

"O you believers! Do not betray Allah and the Messenger, nor knowingly, betray your trusts." (Al-Qur'an, 8:27)

4.9 Existence of perfect role models

Rasul (s) was engaged in business and he was best example of an entrepreneur. He was trustworthy, honest truthful in his dealings. He had become known for being the most honest (named Al Sidiq) and the most trustworthy (Al Amin) businessman in all of Arabia. He was a true innovative leader. In building up the economic and social system in Madinah he adopted a method which was never seen before. The strong concept of brotherhood in Islam which started from Madinah was completely a new idea and no other economic system has been able to motivate people to work together in such a harmony in building up the society. The Qur'an promotes the idea of brotherhood amongst believers as a tool to reduce the social and economic inequalities in society: "Surely all believers are brothers. So make peace between brothers and fear Allah that mercy may be shown to you." (Al-Qur'an, 49:11)

The concept of brotherhood is further defined in the following verse: "...And help one another in righteousness and piety, but help not one another in sin and transgression..." (Al-Qur'an, 5:3)

More than 1400 years later the world still acknowledges this fact. History bears witness to Prophet's excellent character. "The Story of Civilization" by Will Durant is one such account. (Ayad n.d).

Rasul's (SAS) wife Khadiza (ra) was a marchant, she inherited the business of her father. She was a successful businesswoman whose vast wealth and business talents were well known by people of Makkah at that time (cited by Maruf Ullah 2013). Zynab Bint Jahsh, another wife of the prophet was also a skilled craftswoman. She used to sell her handiwork and donate the proceeds. (Qutb 2011).

Osman Ibne Affan and Abdurrahman Ibn Aowf were among the notable companions of the Prophet (Sallallahu Alaihi Wa Sallam) who were successful entrepreneurs. Abdurrahman Ibn Aowf had nothing when he made hijrah (migrated) to Madinah. But he had enourmas barakah (blessing) in his trade to the extent that arouse his amazement. He said "If I lift up a stone, I will find silver and gold under it." He was very enthusiastic in nature and if he was not engaged in prayer in the mosque or striving in the battle, he was working in his trade. (Khaalid 2003)

Suhail Ibn Sinaan, a former slave in Makkah, was a very sincere, energetic and intelligent person such that his master freed him and made him a busieness partner. Suhail became a wealthy man through successful trade during the long years he lived in Makkah. However he gave up all his property to kuffar of Quraish to be able to migrate to Madinah. When prophet (PBUH) saw Suhail in Madinah cheered and said "O Abu Yahia! A profitable sale! A profitable sale!". He was a generous and pious donor helping the needy and spending his money in the way of ALLAH. (Khaalid 2003)

Another companion of the messenger was Talhah Ibn Ubaid Allah whom ALLAH blessed with great fortune through trade.He spent without measure in the path of ALLAH, so He increased for him without measure (Khaalid 2003)

The emergence and spread of Islam in the early seventh century CE, involved entrepreneurial acts of immense ingenuity. Thus Historically, and besides many irrefutable intellectual and scientific contributions, Muslims and Arabs have been also known for their largest pursued working activity in local and international commerce and trade, to the extent that these were in fact central in their thinking (Abbas, 2005 cited by Oukil 2013).

4.10 Superiority of Islamic Entrepreneurship over Conventional Entrepreneurship

A Muslim entrepreneur is accountable towards ALLAH and has responsibility towards himself, Society and environment. Islam vividly sets the parameters for maintaining equity and justice which will ensure sustainable socio-cultural and economic development.

Entrepreneurs from a modern perspective measure external success in terms of profits obtained in the world, but entrepreneurs from the Islamic perspective not only measure success in terms of profitability in the world but emphasizing the consideration obtained in the afterlife. This difference can be seen in the modern and Islamic perspective of business.(Ahmed and Suhaila 2013) .

- 4.10.1 *Based on concept of Tawheed*: It means maintaining the unity of Allah in all of human action which directly or indirectly relate to Him. It is the belief that Allah is one without partner, without any similitude to His attributes and without any rival in His divinity and worship. A Muslim entrepreneur serves only Allah (SWT) and obeys His rules and depends on Him. Laws of Allah have been proved to be scientific, understandable, most beneficial and applicable to all times. There is no change in the laws of Allah. On the other hand conventional entrepreneurship is based on economic rationality which is based on human judgement and always has been proved to have some flaws and serve a specific group of people.
- 4.10.2 *Based on Devine guideline*: Islamic laws are derived from Qur'an and sunnah, Thus Muslims are divinely guided. The laws are all encompassing and have not left out any aspect of human life. These laws consider ethical aspects, human rights, social welfare, social co-operation, profit and loss sharing, and justice in doing business. The general ethical guidelines such as prohibition of haram goods and interest, rulings regarding theft, deception, robbery, oppression etc. is same for all professions. There are also specific rulings for business and trade. In conventional system however ethical aspects vary from time to time as it's based on human judgement. So concepts of business ethics, corporate social responsibility, environment protection etc are addressed separately.
- 4.10.3 *Clear accountability and responsibility*: The laws of governance (such as Administration of Judiciary, The administration of Zakah, Grants and concession, the rulings regarding trade, Ruling regarding criminal action, public treade) are clear in Islam. The administration is well organized and encompasses every social aspect which ensures accountability performance of social responsibility (collective or individual) . Social responsibility is connected with achieving pleasure of Allah and attainment of success of two worlds. It makes performance of duties easy. (Al- Mawardi 1996).
- 4.10.4 *Final judgement in akhirah*: In Islam life of dunya is considered a test and the result will be obtained in hereafter, the reward will be jannah and punishment jahannam. The success of a Muslim depends on how justly he can live his life. He believes that he cannot avoid any accountability by concealing it. This makes a great difference with conventional believe where people believe that life on this earth ends with death. So they try to maximize their benefit based on the concept of "survival of the fittest". But a Muslim entrepreneur knows that Allah (SWT) has the knowledge of whatever he is doing and he must perform his duties properly. So perfection and responsibility are indispensable part of lives of believers.

4.11 Women Entrepreneurship

Women are part of society not a segregated segment and are honoured just like men. A women's personality, intellect, capabilities are respected in Islam. It is mentioned in the Qur'an:

"Men shall have a benefit from what they earn, and women shall have a benefit from what they earn." (4: 32)

It is important to note that Islam protects the woman. Islam liberated woman over 1400 years ago. Al-Sheha (1997) stated that Islamic law does not deprive a woman from the right to work within the limits that protect her honour and dignity. Islam permits the woman to personally conduct her business contracts and financial transactions. All such contracts and transactions are sound and valid in the view of Islamic jurisprudence. The work that the women engage outside the home must not conflict with responsibilities to her husband and children. Her work must be with other women and free of intermingling in a male environment. During early

Islam Some women were very skilled in the art of penmanship and calligraphy. Aunt of Prophet (Sallallahu alaihi wa sallam) Shifa Binte Abdullah was celebrated for her skill at this art (Ghadanfar, 2006 -cited by Ullah 2013).

4.12 Social entrepreneurship

Social entrepreneurs are regarded as value adding people to the society as a result of their own initiatives through which jobs are created in the society and redistribution of wealth is ensured. Social enterprises have valuable roles to play in creating and sustaining civil society, the benefits of which are consumed by the whole of society (Sarif 2013)

Thus A practicing Muslim entrepreneur is also a social entrepreneur as he or she is guided to observe social benefits while making livelihood. Pleasure of Allah (SWT) has been linked to doing good to other people and not transgressing on earth. Allah says in the Qur'an "And preserve in doing good: behold, Allah loves the doers of good" (Al Quran 2:195)

4.13 Reasons for lagging behind

- 4.13.1 *Lack of religious knowledge:* The Islamic world should lay more emphasis on the teaching of the Holy Quran; the Islamic Ummah should base its movement towards the development in the rudiments of the Holy Quran since the Holy book includes some highly-valued guidelines on job, labour and entrepreneurship. The recommendation of the divine book should be taken as benchmarks for productive employment, creativity, innovation and new way of thinking, the Islamic instructions to set values in our societies towards entrepreneurship. (Sadri 2010)
- 4.13.2 *Lack of technical Knowledge:* In Islam innovation (introducing anything new) in religion is prohibited. Some Muslims have the misconception that all kind of innovation is prohibited and this demotivate them to acquire proper technical knowledge. Another factor is that due to political unrest the governments are not so keen to properly address this aspect.
- 4.13.3 *Inactive Media:* Media is very inactive in encouraging entrepreneurial motivation, its occupied with generating secular views and ideas instead of constructive one. Media must focus on social and constructive programs to encourage entrepreneurship among Muslims.
- 4.13.4 *Disunity among Muslims:* The unity of Muslim Ummah was based on Qur'an and Sunnah. The more the Ummah drifted away from divine guidelines the more they were subject to deviation and division. Allah has commanded Muslims: " And be not like those who have drawn apart from one another and have taken to conflicting views after all evidence of truth has come unto them: for these it for whom tremendous suffering is in store." (Al-Qur'an, 3:105). But disunity is strong among Muslims which is a big obstacle in case of progress.
- 4.13.5 *Not protecting intellectual property by copy rights:* Muslim scientists were very generous in sharing their knowledge. Sadri (2010) viewed that all leading Muslim Scientists should have been more conscious and committed to commercializing their scientific and technological productions. This could have had two critically important results: First, they, and also world of Islam, could have a source of indisputable income; and second, maybe as a result, they would not be dependent on other great sovereignties.
- 4.13.6 *Separating religion from other aspects of life:* Secular Governments has segregated religion from other aspects of life. As a result morality and ethics which was a part of Muslim life and a guideline has now become a "subject" to be taught in institutions. Religion has been confined to performance of specific ritual obligations without having any practical implication. The separation of ideological and economic system has weakened both as most of the people perform rites without understanding and do not act

morally while engaged in worldly affairs. So dedicated Muslims do not want to engage in worldly affairs. However the truth is Islam spread to far corners of the world, through the establishment of firm religious values. And pious merchants were among the major groups who spread Islam by attracting the heart of non-Muslims through their fair dealings and just behaviour.

4.13.7 *Predatory governance and colonialism:* As the centuries passed, many Muslim regions fell badly behind the West, but the most immediate explanation involves not Islam but predatory governance and colonialism. More recent history provides examples of Muslim countries seeking to engage in the global economy and of some of them succeeding. The fact is evident from recent economic gains made by Indonesia, Malaysia, and Turkey. (Cassidy 2011)

4.15 International Islamic University: an example of innovative Islamic entrepreneurship

International Islamic University Chittagong (IIUC) is one of the top graded Government approved private universities in Bangladesh. It was founded under Islamic University Chittagong Trust (IUCT), a non-political and non-profit oriented voluntary organization, registered with the Government of the People's Republic of Bangladesh under the Societies Act XXI of 1860. The aim of establishing the university was to provide higher education based on Islamic vision of life. The mission statement of the university is "to provide education with morality". In the year 2000 Islamic University Chittagong (IUC) was upgraded into International Islamic University Chittagong (IIUC), thus it got a scope to extend its services to the Ummah at large. This university has some unique characteristics:

1. It is one of the most prestigious Islamic institution at university level in Bangladesh.
2. Campuses for male and female students are separate.
3. Both male and female students must follow Islamic dress code.
4. Code of conduct is based on Islamic moral and ethical values.
5. The residential facility is provided by the university so that the students will be subject to Islamic environment constantly which will serve as a training to be decent and moral.
6. To educate students about Islam, the university has introduced URIS (University Required Islamic courses). These courses are introduced in each semester and cover a wide range of Islamic knowledge such as the method of reading Qur'an, Bases of Islamic faith, life of the prophet, history of Islam, analysing contemporary issues etc.

In spite of operating in a country operated by secular Government, IIUC is a successful institution by the Grace of Almighty Allah. In 2004 IIUC was recognized as one of the 9 top-graded Private Universities by a Government-appointed High Powered Team led by the UGC Chairman. At present, it is the largest private university with 370 (Full time: 270 & Adjunct: 100) teachers and 14000 students from home and abroad. Besides providing higher education facility and employment opportunity this university is promoting and enhancing social welfare and peace by motivating its employees and students to practice Islam.

4.14 A Model of Islamic Entrepreneurship

This model is created by combining and modifying models proposed by (Abdul Hamid and Chy 2013, Maruf Ullah 2013). A muslim entrepreneur starts business considering it as a form of Ibadah (worship) by obtaining halal earnings through business and innovation i.e. entrepreneurial activity. The main objective is to please Allah (SWT). There are other motivational factors such as Personality Traits of the entrepreneur, Background (family, education etc.), Social norms and culture of the country. Education and training facility and Govt. and political support that also act as motivation for engaging in self-employment. In the course of business he / she always act responsibly towards Allah (SWT), other creations, himself and society.

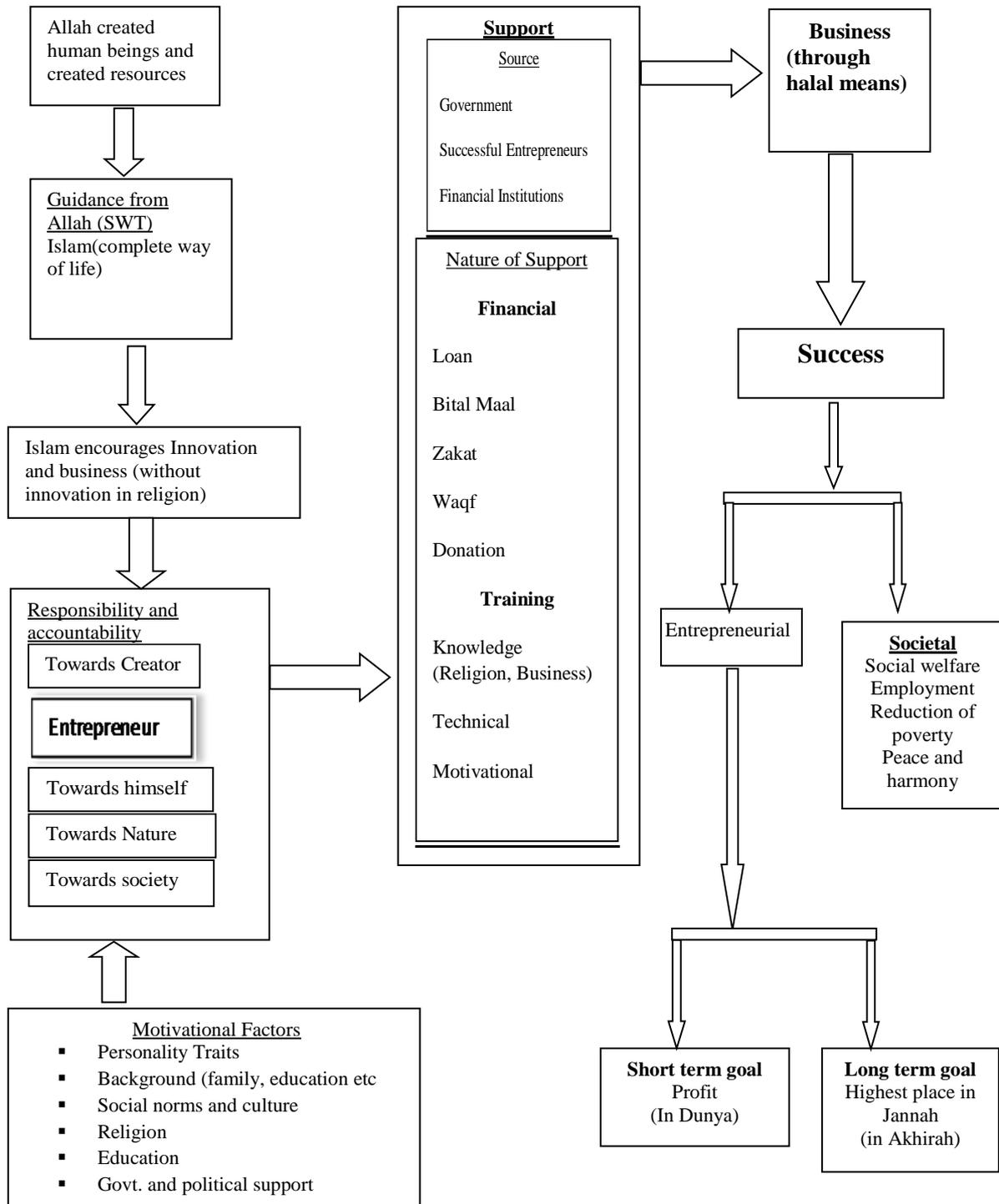


Fig 1: Model of Islamic Entrepreneurship

The motivating factors prompt an entrepreneur to action. He/she starts business by obtaining support (financial and training). The process is not necessarily a consecutive one. The entrepreneur may have already some talent or financial support which is actualized by starting a business/ venture. The path may not be smooth but the

entrepreneur has full trust in Allah (SWT) and strives. Thus a Muslim entrepreneur is successful by making profit in this world through halal means and contributes towards social welfare, employment creation, and reduction of poverty, peace and harmony in society. His /her long term success will be obtaining pleasure of Allah (SWT) and being able to secure a place in Jannah as promised by the creator.

5. Summary and Conclusions

Entrepreneurship culture is rooted in Islam. Islam encourages reform and progress more than any other religion. Islam did not come to abolish previous norms but to abolish harmful aspects in those norms and reform and reconstruct what was known to be good and beneficial.(Philips 2006). However the entrepreneurial nature of Islam in itself will not benefit Muslims if they don't practice Islam in its entirety. Today Muslim youth are suffering from loss of identity being unaware of the fact that they are part of a strong civilization and modern Islamic culture. Propaganda of anti-Islamic powers and their supporting governments depicts a distorting picture of Islam where all progress is inhibited. Islam is shown as a religion which discourages women education, violates human rights, instigates terrorist activities, despises science and avoids anything innovative. Islamic countries must remodel their education system to teach correct religious knowledge and remove misconceptions about Islam. This education process must start from early childhood to provide a strong base for Muslim generation to be able to make balance in moral and ethical aspects of life. There should be more emphasis on religious (especially concept of Tawhid/unity of Allah), scientific and technological education as well as on training programs that will expose the Muslim entrepreneurs to the principles, rules and guidance of Islam. As for trade the concern of a Muslim entrepreneur will not only be the "Halalness" of the product but also helping himself and others to live a religious and peaceful life (Rice 2012). Thus a Muslim entrepreneur must exercise more innovative capabilities to perform trade by balancing among all his responsibilities. This will help the Muslims to utilize their worldly scarce recourses in most essential sectors and in most desirable way.

Much reform is needed to make people get out of mental slavery imposed by colonial powers and understand the power of Islamic values and its everlasting benefits. Muslims must utilize social Medias to spread the message of Islam and create supportive environment for exercising religious values in business and entrepreneurship. Media must concentrate on scientific, social and constructive programs. Muslims must protect their intellectual properties by copyright. This will remove their dependency on other sovereignties and also it will be a source of income for them. The most important fact is that Governments in Muslim countries should implement laws of Shariah instead of man-made laws. Manmade laws serve the interest of specified group but Islamic law ensures balance in every aspect of life. Muslim countries must unite together-especially against the obstacles set by anti-Islamic powers to share knowledge and technical and structural support. Allah commands Muslims to be united and hold fast to Al-Qur'an so that Allah will join their hearts and increase love and compassion among them and save them from disgrace in this world and Akhirah. "In this way Allâh makes His Ayât (massage, proofs, evidences, verses, lessons, signs, revelations, etc..) clear to you, that you might find guidance." (Al-Qur'an, 3:103).

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