



“Surely, whatever is in the heavens and on the earth belongs to God. God knows well what condition you are in. On the Day when they return to Him, He will declare to them all that they have done. God has full knowledge of all things.”

**[Al-Qur'an, Al-Nur: 64]**



Allah's Messenger (pbuh) said, “The son of Adam (i.e. man) grows old and so also two (desires) grow old with him, i.e., love for wealth and (a wish for) a long life.”

**[Sahih Bukhari: 6421]**

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“Mankind does not reflect upon questions of economic and social organization until compelled to do so by the sharp pressure of some practical emergency.”

**R.H. Tawney**

**Religion and the Rise of Capitalism**

## **IIUM's Vision 2077: Toward a Just and Balanced Economy (Al-Iqtisad Al-Wasati)**

**Key Takeaways & Roundup of IIUM Symposium on December 5, 2025**

**Department of Economics**

**Kulliyah of Economics and Management Sciences**

**International Islamic University Malaysia**

### **IIUM's Vision 2077: Toward a Just and Balanced Economy (Al-Iqtisad Al-Wasati)**

Vision 2077 represents a paradigmatic shift in socioeconomic planning, moving away from traditional linear forecasting toward a robust Futures research framework. Initiated by the late Professor Emeritus Tan Sri Dr. Mohd. Kamal Hassan on October 1, 2019, the project seeks to conceptualize a 'New Hijrah' for the Muslim Ummah. This presentation specifically delineates the Economics and Finance Cluster, proposing

the 'Al-Iqtisad Al-Wasati' (School of Moderation and Balance) as a counter-narrative to the prevailing neoclassical economic models that have resulted in systemic inequality, financial instability, and environmental degradation.

### **The Crisis of Mainstream Economic Paradigms**

The impetus for Vision 2077 is rooted in a profound critique of the current global and local economic reality. The IIUM Vision

2077 report identifies several ‘foundational challenges’ that necessitate a radical departure from the status quo:

- ❖ **Systemic Failure of Wealth Distribution:** The prevailing system is characterized by rising inequality and market-feudalism, where the economy serves a narrow elite rather than the collective good.
- ❖ **Decoupling of Finance and Reality:** A critical instability arises from the financial sector's disproportionate growth relative to the real sector, leading to frequent economic volatility.
- ❖ **Value Mismatch:** Mainstream economics prioritizes satiation and growth over purposefulness, justice, and ethics.
- ❖ **Neo-colonial Trappings:** The current frameworks perpetuate institutionalized dependence and lack moral or spiritual dimensions in their incentive structures.

These failures necessitate not just minor reforms (*Islah*) but a comprehensive renewal (*Tajdid*) of the economic philosophy guiding the nation.



## Methodological Framework: Traditional vs. Futures Research

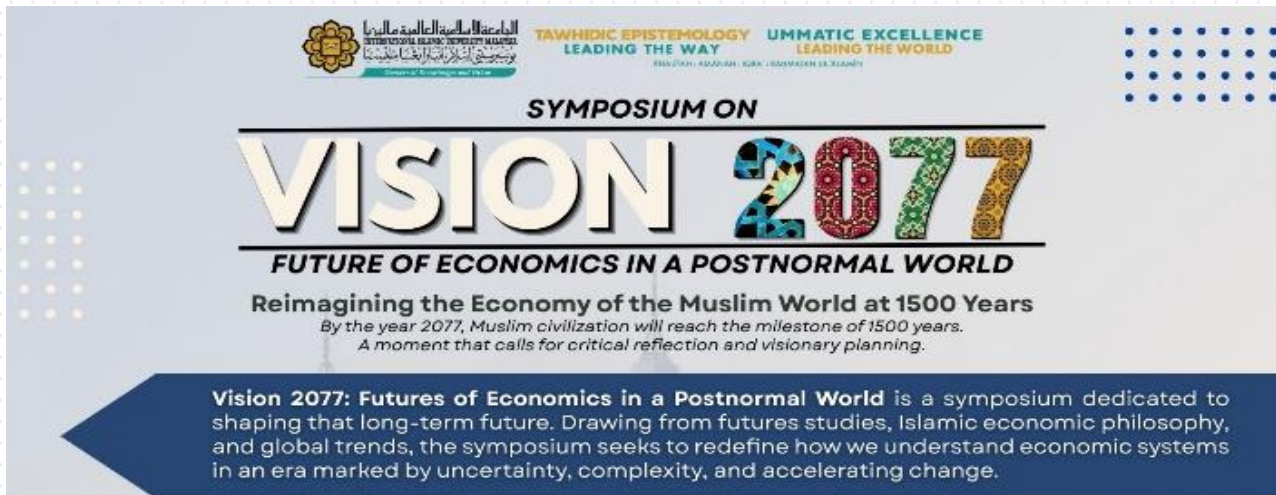
A core contribution of IIUM’s Vision 2077 is its methodological transparency. It contrasts *Traditional Research*, which is often constrained by disciplinary boundaries and focused on explaining how reality works through variable modelling, with the *Futures Approach*. Unlike traditional research that merely explains how reality works through identifying variables, the Futures approach focuses on an ‘Open Narrative’. It moves from ‘Forecasting’ (predicting trajectories) to ‘Scenario Planning’, where the goal is to actively choose and create an ideal future through policy.

## The Futures Research Outlook

The discourse in the symposium adopted an open narrative to understand how past and present realities were constructed. It analyses ‘push-pull factors’, such as financialization, ethnic polarity, and high national debt. It recognizes that variations in these factors induce different potential realities. It emphasizes the need to choose a preferred future rather than passively accepting a forecasted trajectory.

## Al-Iqtisad Al-Wasati (The Preferred Future)

The ‘Preferred Future’ is defined by the *Al-Iqtisad Al-Wasati* model, which seeks moderation, balance, and ‘Justice for All’ across economic, social, and spiritual dimensions. It requires a bottom-up organic development of Islamic economic values and theories. These values must be integrated into production, finance, environment, governance, and distribution. The ultimate goal is a harmony between economic, social, and



spiritual dimensions. This vision is operationalized through five key economic domains:

### 1. Production and Trade

The objective is to break free from the low-cost labour model. The strategy to achieve this objective aims at transitioning to technology-augmented, circular, and sharing economies that incorporate social and ecological values. Furthermore, it is vital to ensure food security and sustainable production systems.

### 2. Integrated Financial System

The objective is to reintegrate the financial sector with the real economy. To make it happen, it is important to move towards equity-based financing (risk and profit-sharing) and establishing the government as the sole money-creating authority. As a result, what is to be achieved eventually is elimination of financial fraud and high debt components in aggregate finance.

### 3. Equitable Distribution

The objective is to eliminate intra-ethnic and spatial inequalities. To realize achieving that objective, it is pertinent to implement a progressive tax system and

enhance the role and penetration of 'Third Sector', i.e. Waqf and Zakat institutions. Through committed, sustained and institutionalized efforts, it is possible to achieve zero extreme poverty and 'dignified living' for all citizens. This will help in achieving the often cherished goal of need fulfilment in Islamic economics discourse.

### 4. Resilient Environment

In this dimension, the objective is to overcome the reliance on fossil fuels and halting habitat destruction. It rests on internalizing environmental costs where economic agents view the environment as sacred and willingly incur higher costs for greener trade-offs. Concrete and time-bound targets are important, such as reducing Greenhouse Gases (GHG) by 25%-40% through green quotas and restoration.

### 5. Just Governance

In this aspect, the objective is to eradicate systemic corruption and race-based politics. It depends on transitioning to value-based politics supported by full transparency and technological accountability.

## Alternative Scenarios: The Risks of Inaction

The symposium warned against ‘Less Preferred Alternatives’ through the lens of *Ifrat & Tafrit* (Extremes) manifested in:

- ❖ **Liberal Markets:** Entrenched corporatization, extreme wealth concentration, and crony capitalism.
- ❖ **Authoritarian State:** A totalitarian regime that restricts freedoms to serve a small clique.
- ❖ **Doting Government:** A pseudo-welfare state that creates overreliance on

social insurance and destroys the work ethic.

- ❖ **Doing Nothing:** Persistence of ethnic divisions leading to social unrest and regional obsolescence.

## Implementation Strategy: Back-casting and Road-mapping

The transition to Vision 2077 is not viewed as a linear progression but as a ‘Back-casting’ exercise—defining the ideal 2077 state and working backward to the present.

Phase	Timeline	Key Strategic Actions
Foundation	2023-2029	Overcoming neoclassical challenges; initiating the IIUM School of Economics; adopting new social narratives.
Transition	2030-2050	Internalizing Islamic values and frameworks; economic agents begin causing systemic change.
Realization	2051-2077	Full integration of Islamic value systems with social values; achieving socioeconomic justice.

## Conclusion

Vision 2077 is an ambitious intellectual project that successfully identifies the ontological and epistemological shortcomings of modern economic policy. By utilizing Futures Thinking, it avoids the trap of forecasting the past and instead empowers policymakers to design a future rooted in the Maqasid al-Shariah (objectives of Islamic law). However, the path forward requires significant institutional buy-in. The symposium outlined several immediate next steps:

- ❖ Engaging external stakeholders, including government ministers and policymakers.

- ❖ Collaborating with global partners like the Maqasid Institute (USA) for deeper financial perspectives.
- ❖ Developing formal position papers and a comprehensive roadmap.

The ultimate success of Vision 2077 depends on its ability to move from an academic ‘Educational Curriculum Development Strategy’ into a functional national policy framework that can withstand the push-pull factors of a globalized economy.



# Measuring What Truly Matters: A Maqasid al Shariah Approach to Reforming Gross Domestic Product

## Davi John J Simundo Palo

### Introduction

The use of Gross Domestic Product as the central indicator of economic progress has become an unquestioned convention in global economic governance. Since its development in the mid twentieth century, GDP has anchored national income accounting, policy design, international comparison, and development planning.

Despite its widespread influence, GDP is conceptually narrow, measuring only the monetary value of goods and services produced within a national boundary. It aggregates market transactions without distinguishing between desirable and harmful economic activities, thereby treating all production as inherently positive.

Activities that degrade the environment, harm families, undermine public health, or erode social trust contribute positively to GDP if they involve market expenditures. Conversely, activities that generate substantial social value, such as caregiving, religious service, ethical restraint, community building, and informal mutual aid, are excluded because they are not monetized.

This reductionist approach reflects the philosophical foundations of GDP, which rest on secular utilitarian assumptions and methodological individualism. The metric was never designed to measure welfare, justice, or moral well-being.

Simon Kuznets, one of the architects of national income accounting, explicitly warned that GDP should not be treated as a proxy for societal welfare. Nevertheless,

economic policymakers, global institutions, and mainstream economists adopted GDP as the central measure of progress, resulting in a technocratic system that prioritizes material expansion over holistic well-being.

Within the Islamic intellectual tradition, GDP poses profound conceptual problems. Islam does not view human welfare solely through the lens of material consumption or monetary exchange. Instead, Islamic thought conceptualizes human flourishing (Falah) as a multidimensional state encompassing ethical, spiritual, psychological, social, familial, and economic well-being.

Economic activity is not morally neutral but is embedded within a normative framework governed by divine guidance. The ultimate objective of economic systems is not merely to expand production but to support the pursuit of a virtuous life, uphold justice, protect human dignity, and ensure balanced societal development.

The core normative framework of Islamic law is found in Maqasid al Shariah, which identifies the essential objectives that law and public policy must preserve. These objectives include the protection of religion, life, intellect, lineage, and property. They represent universal necessities for human flourishing and provide clear ethical criteria for evaluating the legitimacy and desirability of economic activity.

When economic policy is guided solely by GDP, these ethical imperatives may be undermined. For example, a country may pursue industrial expansion that increases

GDP but harms public health, violating hifz al nafs. Liberalization of entertainment sectors may boost GDP but erode moral and family values, violating hifz al din and hifz al nasl. Financial expansion through interest-based lending may raise GDP but undermine fairness and risk sharing, violating hifz al mal.

The fundamental misalignment between GDP and Islamic values necessitates the development of an alternative macroeconomic indicator rooted in Maqasid al Shariah. The proposed Maqasid Oriented GDP seeks not merely to supplement GDP with additional metrics but to reconceptualise national income accounting based on a teleological framework. Instead of measuring economic activity as an end in itself, M-GDP evaluates economic performance based on the degree to which it promotes the essential objectives of Shariah.

To develop this indicator, we engage in a multi-step analytical process. We reconstruct Maqasid al Shariah as an applied economic framework, analysing how each objective can be translated into measurable indicators. Then, we design a composite index that integrates the five Maqasid into a unified mathematical structure capable of empirical implementation. Finally, we analyse how adopting M-GDP would reshape fiscal policy, regulatory frameworks, investment strategies, and social welfare systems.

By embedding Maqasid al Shariah into macroeconomic measurement, we create an index that captures the full complexity of human well-being. This approach aligns economic governance with ethical imperatives and ensures that material progress does not come at the expense of spiritual, social, or moral degradation. The resulting framework represents not only an

analytical innovation but also a normative transformation in the way Islamic societies understand and measure economic success.

### **Toward a Maqasid Oriented GDP Model**

This section develops the core conceptual and methodological framework for the Maqasid Oriented GDP (M-GDP). Unlike GDP, which measures economic output without reference to ethical or social value, M-GDP seeks to evaluate national performance based on the degree to which economic systems promote the five essential objectives of Maqasid al Shariah. The model is designed as a multidimensional composite index that incorporates religious, moral, social, environmental, and economic indicators into a unified framework.

The M-GDP index is constructed using five primary dimension scores corresponding to each Maqasid:

$$M-GDP = w1 * D1 + w2 * D2 + w3 * D3 + w4 * D4 + w5 * D5$$

Where:

- ❖ D1 = Hifz al din
- ❖ D2 = Hifz al nafs
- ❖ D3 = Hifz al aql
- ❖ D4 = Hifz al nasl
- ❖ D5 = Hifz al mal
- ❖ w1 ... w5 are weights summing to 1

Weights may be determined through:

- ❖ Expert consensus (shura-based deliberation),
- ❖ Public preference surveys in Muslim societies,
- ❖ Ethical priority rankings derived from classical jurisprudence.

Each dimension includes several sub-indicators:

**Religion (D1):**

- ❖ Availability of religious institutions
- ❖ Protection of religious freedom
- ❖ Ethical media environment
- ❖ Prevalence of harmful industries (inverse)

**Life (D2):**

- ❖ Health care access
- ❖ Mortality and morbidity rates
- ❖ Food security
- ❖ Environmental safety
- ❖ Pollution indices (inverse)

**Intellect (D3):**

- ❖ Education quality
- ❖ Research expenditure
- ❖ Literacy rates
- ❖ Prevalence of addiction or harmful content (inverse)

**Family and lineage (D4):**

- ❖ Marriage stability
- ❖ Divorce rates (inverse)
- ❖ Child welfare
- ❖ Social cohesion
- ❖ Crime rates (inverse)

**Wealth (D5):**

- ❖ Income equality
- ❖ Employment quality
- ❖ Access to finance
- ❖ Corruption levels (inverse)

Indicators will be normalized to a 0-1 scale using min max or z score methods. The dimension scores can be computed by averaging sub indicators, and the overall M-GDP is computed using the weighted linear aggregation formula. In cases where a Maqasid is severely violated (for example, widespread loss of life), a penalty function may be applied to ensure that violations reduce the overall score drastically.

The M-GDP framework captures both material and non-material welfare, embeds ethical considerations into economic measurement, ensures that harmful economic activity is not rewarded, provides a comprehensive basis for policy evaluation and aligns national planning with Islamic moral imperatives.

M-GDP can be integrated into budgeting, development plans, social welfare systems, and regulatory frameworks. Governments may allocate funds based on Maqasid priorities, shifting focus toward education, health, family support, environmental protection, and religious welfare.

### **Policy Implications of the Maqasid Oriented GDP Model**

The adoption of the Maqasid Oriented GDP (M-GDP) framework has far reaching implications for economic governance, public finance, regulatory design, and national development strategies. Because M-GDP restructures the normative foundation of macroeconomic evaluation, it does not merely supplement existing metrics but transforms the priorities and incentives that shape state behaviour. This section explores how the integration of M-GDP into official statistical systems would alter fiscal policy, development planning, financial regulation, human capital strategy, and environmental management. The analysis demonstrates that M-GDP functions both as an alternative measurement tool and as a comprehensive blueprint for values-based governance.

Traditional GDP incentivizes states to prioritize industrial expansion, consumption, and short-term economic output. In contrast, the M-GDP framework encourages prioritization of:

- ❖ Human development
- ❖ Ethical financial systems
- ❖ Family integrity
- ❖ Public health
- ❖ Religious and moral safeguards
- ❖ Environmental sustainability
- ❖ Equitable wealth distribution

Under M-GDP, the success of a government is measured not by the pace of economic

expansion alone but by its ability to uphold the five Maqasid. This implies a structural shift away from growth-based policymaking toward welfare-based governance. Thus, adoption of M-GDP would overhaul national governance, ensuring that public policy aligns with ethical goals and producing a more balanced, just, and sustainable society.

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## Highlights of World Health Statistics 2025

### Muhammad Hammad

#### 1. CHANGE AND INEQUALITY IN HEALTHY LONGEVITY

Globally, the 5.4-year increase in Healthy Life Expectancy (HALE) between 2000 and 2019 was driven mainly by declining mortality (96%) rather than reduced morbidity (4%). Key contributors included reductions in communicable diseases like HIV/AIDS, tuberculosis, and lower respiratory infections, especially in Africa and South-East Asia, and NCDs like stroke and ischaemic heart disease in regions like the Americas and Europe. However, rising diabetes morbidity and dementia mortality partially offset gains, highlighting ongoing health challenges

#### Change in HALE during the COVID-19 Pandemic in 2019-2021

The COVID-19 pandemic led to a 1.54-year global drop in Healthy Life Expectancy (HALE) between 2019 and 2021, with mortality and pandemic-related outcomes causing 1.29-year and 0.28-year losses, respectively. The impact was most severe among adults aged 30+ years. Regions like the Americas and Southeast Asia saw significant HALE losses (2.72 years and 2.5

years, respectively), mainly due to COVID-19 mortality. Increased morbidity from COVID-19, anxiety disorders, and depressive disorders also contributed to HALE declines, offsetting pre-pandemic gains.

#### Gap in HALE between Males and Females in 2019 and 2021

Globally, women live about 5.1 years longer than men, but when accounting for disability, the gap narrows to 2.3 years due to higher female morbidity. Key contributors to female HALE advantage include lower mortality from NCDs like ischaemic heart disease and stroke, and injuries like road incidents. However, female morbidity from conditions like back pain, gynaecological diseases, and depression offsets some of this advantage. The COVID-19 pandemic slightly widened the female HALE lead, with lower female mortality from COVID-19 contributing 0.72 years to the gap.



## Gap in HALE between High-income and Other Income Groups in 2019 and 2021

High-income countries faced setbacks in health outcomes despite overall advantages. Factors like higher mortality from lung cancers, drug use disorders, and morbidity from injuries/NCDs (e.g., falls, back pain) reduced their Healthy Life Expectancy (HALE) lead. However, lower COVID-19 impacts boosted HALE in high-income countries vs. others (e.g., +0.25 years vs. low-income, +1.39 years vs. lower-middle-income countries)

## Progress in Premature Mortality Reduction

Global premature mortality (deaths under 70 years) declined pre-pandemic but slowed post-2015, with a 1.1% annual reduction rate (ARR) in 2015-2019 vs 1.7% in 2000-2015. COVID-19 increased premature mortality by 15% in 2019-2021, hitting the Americas and South-East Asia hardest. By 2050, a 24.2% decline in premature mortality is projected, indicating a slowdown vs 2000-2019. To halve premature mortality by 2050, a 1.4x acceleration is needed; regions like Africa and low-income countries require 2.5-3x acceleration

## 2. HEALTH-RELATED SUSTAINABLE DEVELOPMENT GOALS

### Mortality-related Sustainable Development Goal Indicators

Global maternal mortality declined 40% from 2000 to 2023, with 260,000 deaths in 2023 (MMR: 197/100,000 live births). Progress slowed post-2016 (1.6% ARR), and achieving the SDG target (MMR <70) by 2030 requires a 14.8% ARR. Under-five mortality dropped 52% (2000-2023), but 60 countries won't meet SDG targets without

acceleration. Neonatal deaths declined more slowly (45%), with 2.3 million deaths in 2023.

Globally, 18 million people under 70 died from non-communicable diseases (NCDs) in 2021, accounting for over half of deaths in this age group. The risk of premature NCD death (30-70 years) declined from 22.5% in 2000 to 18% in 2019, but progress slowed (0.5% ARR in 2015-2019 vs 1.3% in 2000-2015), falling short of the 2.7% ARR needed to meet SDG targets. The Eastern Mediterranean and South-East Asia Regions had the highest risks in 2019.

Mortality due to injuries remains significant: 1.18 million died from road injuries (2021), 727,000 from suicide, and 484,000 from homicide. Males face higher risks for road injuries (3x female rate), suicide (2x), and homicide (4x). Air pollution caused 6.7 million deaths in 2019, disproportionately affecting low-income countries.

## Infectious Diseases

Global infectious disease progress is mixed: HIV incidence dropped 48% (2010-2023), but new infections remain 3 times the 2025 target; TB cases rose to 10.8 million (2023), missing End TB targets; malaria cases increased to 263 million (2023), with 94% in Africa. Hepatitis B caused 1.1 million deaths (2022), with 63% of new infections in Africa. NTDs affected 1.495 billion (2023), 32% down from 2010. Antimicrobial resistance is rising, with E. coli and MRSA resistance at 45.5% and 32.2% (2022).

## Risk Factors for Health

Global risk factors for health show mixed progress: child stunting prevalence remains high at 23.2% (2024), wasting

affects 6.6% of children under 5, and anaemia impacts 30.7% of women (2023).

Tobacco use declined 21% (2010-2022) but misses 2025 targets; alcohol consumption dropped 12% (2010-2022). Access to safe water/sanitation rose but progress is slow.

Air pollution remains severe, with 2.1 billion using polluting cooking fuels (2023). Adolescent birth rates fell 17% (2015-2024).

### Universal Health Coverage and Health Systems

Universal Health Coverage (UHC) progress is uneven, with slowed gains in service coverage. NCD treatment lags (hypertension 42%, diabetes 40%), and vaccination rates stagnate. Health workforce shortages persist, especially in Africa. Financial protection is weak, with 13.5% of people facing catastrophic health spending (2019). Domestic funding prioritization declined in 2022, but international aid supports low-income countries.

### 3. PROGRESS IN ACHIEVING THE TRIPLE BILLION TARGETS

The Triple Billion targets show uneven progress: 500 million more people will have affordable health care by 2025 (half the target), 697 million will be better protected from health emergencies (30% short), and 1.5 billion will experience healthier lives (surpassing the target). Progress is driven by reduced tobacco use, improved air quality, and better water/sanitation access.

Current trends fall short of 2030 goals. Meeting SDG targets could add 5.6 billion healthier people, 2.1 billion with UHC, and 1 billion protected from emergencies. Reducing regional disparities could boost progress dramatically, e.g., +30.6% emergency protection in the Americas and +28% in Africa.

### 4. INEQUALITY IN IMMUNIZATION

Vaccines save 3.5-5 million lives annually, but global inequalities persist. Low-income countries struggle with vaccine access due to limited resources, logistics, and inequities. Within countries, gaps exist based on economic status, education, and urban/rural location.

Diphtheria, Tetanus, and Pertussis coverage shows economic (10.4% gap) and education-related (18.7% gap) inequalities. Zero-dose children rose to 14.5 million (2023) due to COVID-19 disruptions.

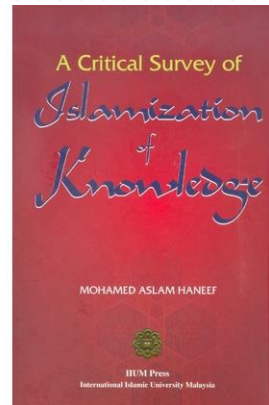
Targeted efforts and data strengthening are crucial to address barriers in poor urban areas, conflict zones, and gender-related inequities.

## Book Review

**Title:** A Critical Survey of Islamization of Knowledge

**Author:** Prof. Mohamed Aslam Haneef

**Publisher:** IIUM Press



The concept of Islamization of Knowledge (IoK) emerged in the late 20th century as a response to the perceived intellectual malaise of the Muslim Ummah. While unified by the goal of reconciling modern secular sciences with Islamic revelation, scholars differ significantly in their methodologies and philosophical starting points.

Al-Faruqi is perhaps the most famous proponent, having founded the International Institute of Islamic Thought (IIIT). He identified the dualism of education (secular vs. religious) as the root of Muslim decline. He proposed a 12-step work plan that involves mastering modern disciplines, mastering the Islamic legacy, and then recasting modern knowledge within an Islamic framework based on the principle of Tawhid (the oneness of God). Faruqi's 12-point work plan is as follows:

- ✓ **Mastery of modern disciplines:** Muslim scholars must first achieve a thorough understanding of the contemporary Western academic disciplines.
- ✓ **A detailed survey of the disciplines:** This involves a comprehensive analysis of the existing body of knowledge within each discipline, identifying its history, methods, principles, and assumptions.
- ✓ **Mastery of the Islamic legacy:** The Anthology: This requires an extensive
- survey and categorization of the classical Islamic intellectual heritage relevant to all fields of knowledge.
- ✓ **Mastery of the Islamic legacy:** The Analysis: An in-depth, critical study of the collected Islamic legacy to understand its strengths and weaknesses in the modern context.
- ✓ **Establishment of the specific relevance of Islam to the modern disciplines:** Determining how Islamic principles and values apply specifically to the subject matter of each modern discipline.
- ✓ **Critical assessment of the modern disciplines:** Evaluating the modern Western disciplines from an Islamic perspective, identifying elements that contradict Islamic teachings (such as secularism or materialism).
- ✓ **Critical assessment of the Islamic legacy:** Critically examining the traditional Islamic knowledge body and identifying areas where it may have fallen short in addressing modern challenges.
- ✓ **Survey of the major problems of the Muslim Ummah:** Identifying the social, economic, political, and cultural challenges facing the global Muslim community.
- ✓ **Survey of the problems of humankind:** Assessing the general problems confronting all of humanity.
- ✓ **Creative analysis and synthesis:** Bridging the gap between the Islamic legacy and

modern knowledge to find solutions for the identified problems of the Ummah and humanity.

- ✓ **Recasting the disciplines under the framework of Islam:** Reformulating the entire academic discipline, rewriting textbooks and curricula to reflect the newly integrated Islamic worldview.
- ✓ **Dissemination of Islamized knowledge:** Publishing books, papers, and articles to share and implement this newly structured, Islamized knowledge globally.

However, critics like Dr. Ziauddin Sardar argue that his approach is too 'reconstructionist' and bureaucratic, sometimes resulting in a superficial labelling of secular subjects with Islamic terminology rather than a deep epistemological overhaul.

Dr. Ziauddin Sardar maintains that knowledge is a social construct and that 'Islamic Science' must be built on the ethical parameters of Islam (e.g., Khilafah, Adl, Istislah). He argues for a total paradigm shift rather than just integrating Western subjects. He views Islamization as a contemporary project to solve current global problems using Islamic values.

He argues that modern Western disciplines are not neutral vessels into which one can simply pour Islamic values. Instead, they are built on specific Western perceptions, ideologies, and historical experiences (such as capitalism or secularism).

Dr. Sardar posits that knowledge is not a universal entity but is deeply rooted in culture and civilization. He argues that different civilizations will—and should—produce different sciences. In his view, Western science is just one 'way of being human' and one 'way of knowing'.

Unlike traditionalists who may look solely to the past, Dr. Ziauddin Sardar is a futurist. He views Islamization as a continuous process of moving towards a moving target. It is not a one-time academic task but a dynamic effort to solve contemporary global crises—such as environmental degradation and social inequality—using an Islamic ethical lens. For Dr. Sardar, the validity of knowledge is measured by its benefit to the community (Ummah) and its alignment with ethical objectives (Maqasid).

On the other hand, Al-Attas provided the earliest philosophical framework for IoK, predating Faruqi's formalization. He views the problem as the 'de-Westernization' of knowledge. For him, knowledge is not value-neutral; Western knowledge is infused with secularism and dualism. He emphasizes the Islamization of language and the concept of Adab (right action/knowledge). He argues for removing foreign Western elements from the core of knowledge and replacing them with Islamic metaphysics. Nonetheless, his approach is deeply philosophical and mystical (Sufi-oriented), which some find difficult to translate into a practical curriculum for natural sciences.

According to Al-Attas, the first step towards Islamization involves critically examining modern Western knowledge to identify, separate, and remove its inherent non-Islamic, secular elements and key concepts. These foreign elements include the concept of dualism (separation of mind/body, intellect/reason, etc.), secular ideology, the doctrine of humanism and interpretations of origins and theories that deny divine intervention.

Al-Attas contends that after the purification process, the knowledge that is 'freed' from the Western biases is then



imbued with fundamental Islamic principles and key concepts, such as the concept of God (Tawhīd), the concepts of knowledge ('ilm and ma'rifah), wisdom (hikmah), and justice ('adl), the concept of right action ('amal as adab - correct conduct) and the purpose of human life as a servant and vicegerent of Allah.

In contrast, Prof. Syed Hossein Nasr approaches Islamization through the lens of 'Sacred Science'. He argues that modern science is fundamentally flawed because it is devoid of the sacred and purely quantitative, leading to ecological and spiritual crises. He advocates for an approach to science as a way of contemplating the 'signs' (ayat) of God in nature.

Taha Jabir al-Alwani shifted the focus toward a new methodology of thinking. He proposed combining of the two readings, i.e. the reading of revelation (the Qur'an) and the reading of the universe (Nature/Humanity). He moved away from al-Faruqi's rigid 12-step plan toward a more fluid reform of the Muslim mind (Islah al-Fikr), emphasizing Ijtihad (independent reasoning) and the higher objectives of Shari'ah (Maqasid).

Among the Islamic modernists, Dr. Fazlur Rahman Malik Rahman was critical of the

formal Islamization movement, considering it a defensive reaction. He argued that the Qur'an provides a general moral-social direction, not a detailed scientific manual.

He proposed a 'double movement' theory. First, understand the Qur'anic message in its historical context; second, apply its essential ethical principles to the modern situation. He believed in mastering modern tools without necessarily Islamizing the data itself.

The book is a succinct summary of the major thoughts in Islamization of knowledge and the noted author provides a clear demonstration of ideas and how they contrast with each other.

An equally useful contribution of the book is the illustration of the different views in flowchart diagram to ease understanding through illustrations. Finally, the book also contains abstracts of seminal works together with a useful and relevant bibliography for interested readers.

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### **Research Paper in Focus**

**Paper Title:** Environmental Sustainability in the Prophetic Sunnah: A Foresight Perspective

**Author:** Usama Abdul Majid Alani

**Publisher:** Journal of Islamic Economics, JKAU, 38(3), 19 - 36.

The paper explains that the teachings of the Prophet Muhammad (pbuh) provide a comprehensive and forward-looking framework for sustainability that predates

and aligns with modern ecological goals. The main narratives and arguments are structured around conceptual foundations, practical historical examples, and the potential for these to inform future environmental policy.

The author argues that the Sunnah presented a forward-thinking model long before the modern concept of sustainability emerged. This model emphasizes resource preservation, responsible consumption, and the protection of future generations' rights. Unlike modern secular models, the Sunnah is argued to provide a holistic framework that integrates spiritual, moral, and practical dimensions into environmental care.

The author argues that environmental protection is an inherent part of the higher objectives of Islamic law (Maqasid al-Shariah), specifically the preservation of the five essentials: religion, life, intellect, progeny, and wealth. For example:

- ❖ **Preserving Life:** Accomplished through clean air, water, and food.
- ❖ **Preserving Wealth:** Linked to preventing the depletion of natural resources.
- ❖ **Preserving Progeny:** Ensuring future generations have a healthy environment.

The paper cites several specific historical practices and directives from the Prophetic era as concrete evidence of this sustainability model:

**The Medina Protected Sanctuary (Hima):** The Prophet declared Medina a protected sanctuary (Haram), prohibiting the hunting of its animals and the cutting of its trees, except for necessary camel feed. This is

framed as an early model for modern nature reserves.

**Urban Environmental Reform:** Upon arriving in Medina, the Prophet initiated a public project for environmental reform.

**Waste Management:** He ordered the cleaning of stagnant water sources (Wadi Buthan and Al-Aqiq) and moved the city's waste dump from the east to the west (Al-Juhfa) to prevent odors from reaching the city via prevailing winds.

**Water Infrastructure:** He tasked Sahaba like Talha bin Ubaidullah with digging wells (54 in total) and creating a system of irrigation canals and reservoirs.

**Reforestation and Land Reclamation:** The Prophet encouraged the planting of trees and the 'revival of dead lands' (Ihya' al-Mawat), stating that anyone who revives barren land earns a right to it. He famously urged planting a sapling even if the Day of Judgment were imminent.

**Animal Welfare and Biodiversity:** The paper highlights prohibitions against killing animals for sport or neglecting their needs. It also notes the Prophet's desire to preserve animal species from extinction, citing his reluctance to order the killing of dogs because they are 'a nation among nations'.

**Resource Efficiency and the Circular Economy:** The author highlights the Prophet's instruction to utilize the skin of a dead animal rather than wasting it, framing this as an early principle of a 'circular economy' that minimizes waste. Prophet Muhammad (pbuh) advised moderation and avoiding waste. He instead encouraged sharing the plentiful resources to improve access to essential resources for all, such as water.

**Hygiene as Sustainable Practice:** Ritual purity and the prohibition of polluting public spaces (like roads or shade) are presented as a 'daily practice' that makes environmental cleanliness a mandatory and frequent act of worship.

Overall, the paper is a succinct summary of Islamic environmental ethics and showcases the holistic and comprehensive nature of Islamic environmental ethics that aims for not only preventive actions, but also affirmative actions. Nonetheless, the author relies almost exclusively on a descriptive-analytical approach and textual induction. In future researches, methodologies such as STEEPLE analysis, Scenario Planning, or Delphi Method could be used.

Furthermore, it will be even more beneficial if empirical support is also provided and documented both in the past as well as in the present. Empirical approach will allay the apprehensions by some quarters that it is not just a

retrospective reinterpretation of historical texts to fit modern definitions. A 'Foresight Perspective' requires more than 'Historical Re-contextualization'.

The author recommends establishing an endowment fund and increasing scientific research. However, there is need for more specificity and concrete details in the recommendations about the sources of funding and operationalizing these instruments at the policy and implementation level.

There are Waqf-based environment programs that aim at food security, disaster management, water filtration, sanitation, health infrastructure and green technologies. More specific and concrete recommendations will further enrich the discourse and generate attention of policymakers and practitioners. While the paper emphasizes the role of Waqf, it does not put as much attention on Sukuk, some of which are designed with Waqf as well.

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### Reflections on Meaning of Life and Worldview

The theistic concepts of Tawheed, Khilafah and Akhirah govern the Islamic way of life. Belief in the single source of creation defies racial, ethnic or gender basis of biases. According to Islam, all creations belong to Allah.

Tawheed also implies interrelatedness of all things in nature due to common status as creatures originating from a single source, i.e. the will of a Supreme Being. Animals and plants are partners to humans in the universe.

Simultaneously, the concept of Khilafah raises the stature of human beings as moral beings with an inbuilt and active conscience, which provides the ability to differentiate moral from immoral acts.

The concept of Khilafah inculcates the responsibility of custodianship, trusteeship and stewardship in human beings with regards to the use and ownership of physical property and environmental resources. The two worldly view of life in Islam extends the decision horizon of economic agents, be they firms or consumers.

While the concept of Tawheed creates an equal basis for humans to use what is bestowed in nature, the concept of Khilafah instils stewardship towards the responsible use of natural and environmental resources without pushing planetary boundaries and causing precious loss of biodiversity.

Some research studies investigated the link between faith and attitudes to environmental issues. As per the findings, the Muslim participants argued that the continued burning of fossil fuels would be immoral because it could disrupt the balance of nature, leave a dubious inheritance for future generations, and would constitute poor stewardship of Allah's creation, for which humans would be judged.

In some cases, it is found that religious motives in practice prove to be strong motivators for environment friendly actions like conservation and tree plantation than just the laws of the land.

Environmental stewardship requires that we use natural resources ethically so as to equally improve the welfare of society,

other living organisms, and future generations.

In the Islamic worldview, the relationship between humans and nature is one of custodianship or guardianship, and not of dominance. The earth's resources are available for humanity's use, but these gifts come from God with certain ethical restraints. We may use the resources to meet our needs, but only in a way that does not upset ecological balance and that does not compromise the ability of future generations to meet their needs.

The Islamic moral injunctions influence preferences through moral filtering of the consumption set by identifying the moral 'bads'. The moral philosophy imbued with socio-ethical spirit extends the decision horizon of consumers. It encourages the transformation of self-centric self-interest into self-cum-social centric self-interest.

The moral injunctions explicitly encourage virtuous philanthropy. Finally, by flattening all other basis of distinction except on piety, Islamic values garner contentment whereby, the consumer is asked to avoid envious and conspicuous consumption of luxuries.

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### Market News

- ❖ Islamic Finance asset value nearly doubles to Tk 58 crore after revaluation (The Business Standard, Dec 22).
- ❖ Uzbekistan's ANOR BANK expands Islamic Finance cooperation with ICD (Trend News Agency, Dec 25).
- ❖ Engro secures \$475 million Islamic financing for telecom infrastructure expansion (Profit by Pakistan, Dec 20).
- ❖ Sharia Banking tops Rp 1,000 trillion in assets, marking historic milestone (Jakarta Globe, Dec 12).



- ❖ Islamic Finance posts double-digit growth in 2025 (Islamabad Post, Dec 31).
- ❖ Historic feat in Islamic Finance: Pakistan issues over Rs 2 trillion Sukuk (Business Recorder, Dec 30).
- ❖ Mabanee signs Islamic financing agreement of KWD 104.9 million (marketscreener.com, Dec 29).
- ❖ VEON's Mobilink Microfinance Bank launches Islamic banking operations in Pakistan (Telecom TV, Dec 22).
- ❖ Sindh Bank to convert 60 branches to Islamic banking in 2025, with full transition by 2027 (Profit by Pakistan, Dec 24).
- ❖ Islamic banks register deposit, remittance growth in Oct 25 (The Financial Express, Dec 24).
- ❖ Oman's Islamic banking assets rise to \$24 billion on credit growth (Arab News PK, Dec 21).
- ❖ Anorbank secures US\$10 million credit line from Islamic corporation for development (UzDaily.uz, Dec 30).
- ❖ Bank Asia celebrates 17th anniversary of its Islamic banking services (The Financial Express, Dec 29).
- ❖ Oman raises RO 200 million via new sovereign Sukuk (Muscat Daily, Dec 24).
- ❖ SECP allows money market funds to invest in one-year GIS Sukuk (Mettis Global, Dec 20).
- ❖ Saudi Arabia raises \$1.8 billion in December Sukuk issuance: NDMC (Arab News PK, Dec 17).
- ❖ NDMC closes December issuance of SAR-denominated Sukuk program at SAR 7.02 billion (Aurqam, Dec 16).
- ❖ Saudi Arabia opens December 'Sah' Sukuk sale at 4.68% return (Arab News, Dec 07).
- ❖ Oman launches RO 150 million Sukuk issuance (Zawya, 18).
- ❖ Egypt: Tamweel Mortgage Finance issues Middle East's first Mudaraba Sukuk (Zawya, Dec 22).
- ❖ Oman announces 10th issuance of local sovereign Sukuk (Arab News, Dec 17).

- ❖ Nasdaq Dubai welcomes USD 500 million Sukuk by Majid Al Futtaim amid strong momentum in Islamic Debt Markets (Zawya, Dec 15).
- ❖ Bondholders may have to wait until 2032 for Beximco Sukuk principal (The Financial Express, Dec 07).
- ❖ Record Rs 2 trillion raised via Sukuk in 2025 (The Express Tribune, Dec 30).
- ❖ Pakistan's Sukuk market transitions from growth to green in 2025 (Mettis Global, Dec 30).
- ❖ Central Bank of Bahrain's Ijara Murabaha Sukuk oversubscribed (Zawya, Dec 31).
- ❖ Bank Nizwa closes \$519 million Omani sovereign Sukuk issue (Zawya, Dec 31).
- ❖ Daewoo Express raises Rs 2 billion in first Sukuk (Mettis Global, Dec 31).
- ❖ Egypt relaunches its Sukuk with a \$105 million issuance (Financial Afrik, Dec 30).
- ❖ Bank Muscat successfully manages OMR 200 million Sovereign Sukuk Issuance (Times of Oman, Dec 31).
- ❖ Cypark fully redeems RM 235 million Tranche 1 of perpetual Sukuk (The Edge Malaysia, Dec 30).
- ❖ Pak-Qatar Family Takaful raises Rs 901 million through IPO at PSX (Business Recorder, Dec 12).
- ❖ Zain Partners with Boubyan Takaful to Launch Kuwait's First Digital Motor Insurance Platform (Tec Africa News, Dec 08).
- ❖ AIA PUBLIC Takaful launches RM 1.6 million scholarship to empower purpose-driven youth (NST Online, Dec 22).
- ❖ Dhamar Zakat Authority launches cash, in-kind projects worth 1.195 billion Riyals (Arab News, Dec 30).
- ❖ RM 171.53 Million Zakat distributed to Asnaf in Penang as of Nov 30 (Bernama, Dec 21).



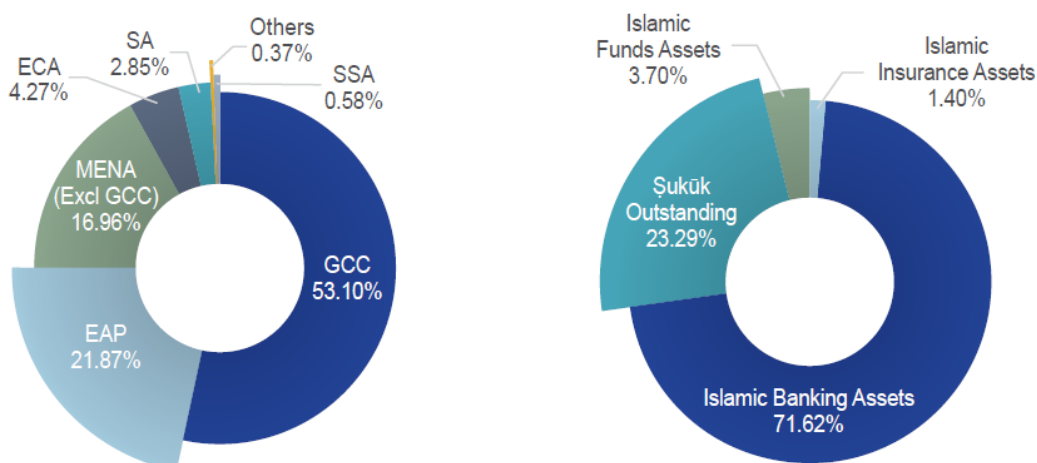
## Economic and Financial Indicators

### Islamic Banking Statistics 2025

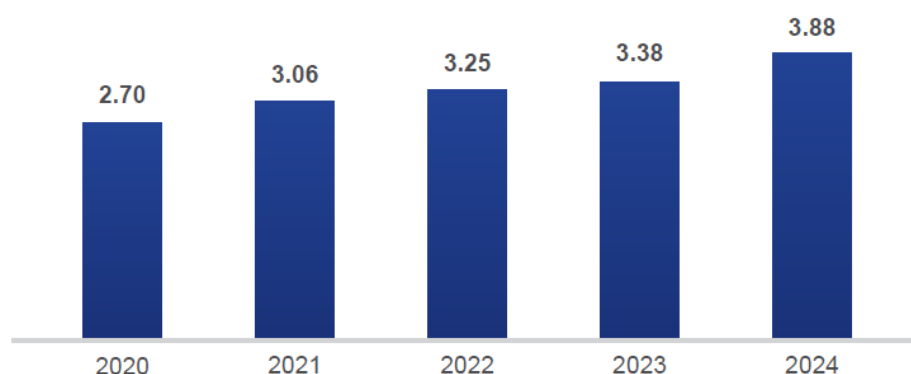
Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	19.5	0.8	0.8	10.2	37.3	54.1
Bangladesh	21.2	1.2	0.5	11.1	34.4	54.8
Brunei	19.1	1.8	2.0	15.3	69.7	30.3
Egypt	18.62	2.98	3.50	40.58	63.70	18.56
Indonesia	25.51	2.14	2.65	19.25	36.34	63.66
Jordan	19.4	2.0	1.5	16.9	51.4	48.6
Kuwait	17.7	1.9	1.6	11.9	56.3	41.3
Malaysia	17.7	1.5	1.1	14.3	38.9	41.2
Morocco	20.0	0.3	-1.5	-17.3	-63.3	159.6
Nigeria	10.26	5.11	2.54	88.57	32.11	62.8
Oman	15.6	3.2	1.2	8.8	36.4	56.8
Pakistan	24.9	4.6	5.3	78.4	62.9	36.1
Palestine	15.2	6.3	-0.1	-0.7	-1.4	68.4
Qatar	20.7	3.8	1.5	13.6	26.2	8.8
Saudi Arabia	19.6	0.9	2.39	18.0	62.6	37.4
Sudan	8.60	4.68	3.01	34.1	37.5	50.0
Turkey	18.5	9.8	3.4	42.9	41.6	42.6
UAE	18.3	4.9	2.4	18.7	39.7	56.8

Source: IFSB Data

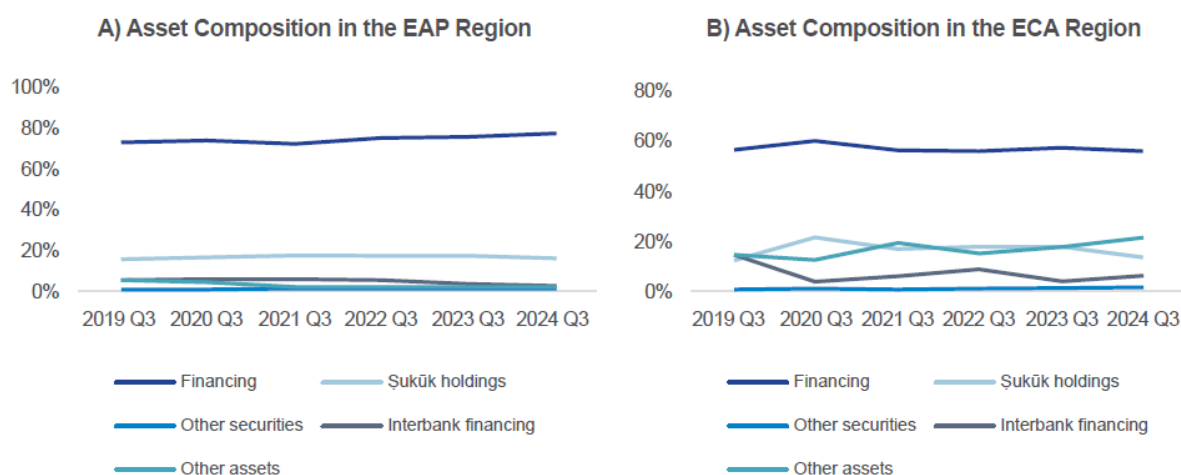
**Chart 1.2: Regional and Sectoral Distribution of Global IFSI Assets**



**Chart 1.1: Global IFSI Total Asset Size (USD in Trillion) (2020 - 2024)**

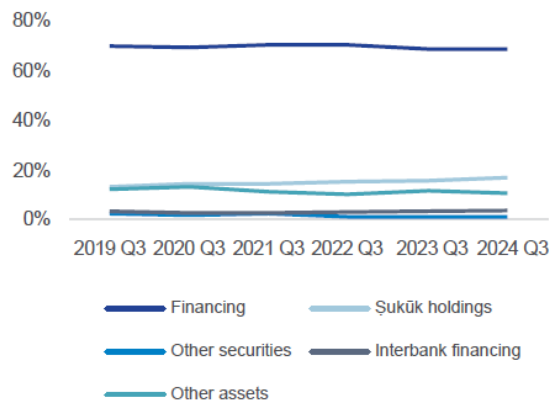


**Chart 1.1.2: Regional Islamic Banks' Asset Composition**

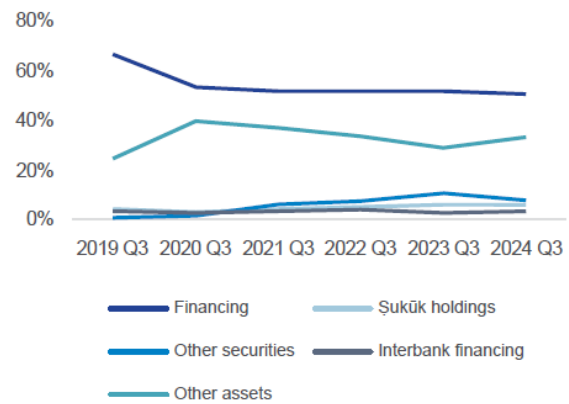




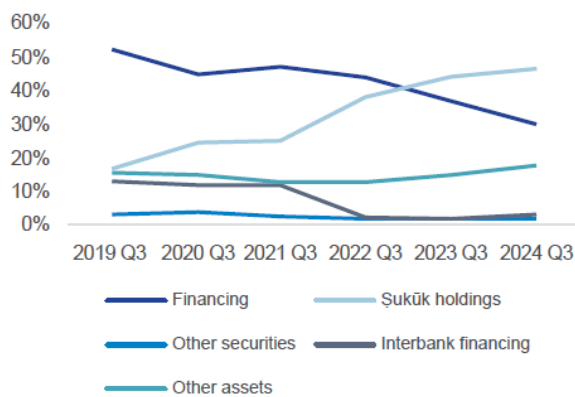
**C) Asset Composition in the GCC Region**



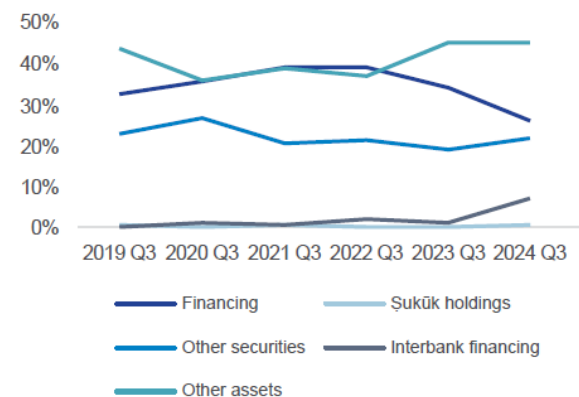
**D) Asset Composition in the MENA (Excl. GCC) Region**

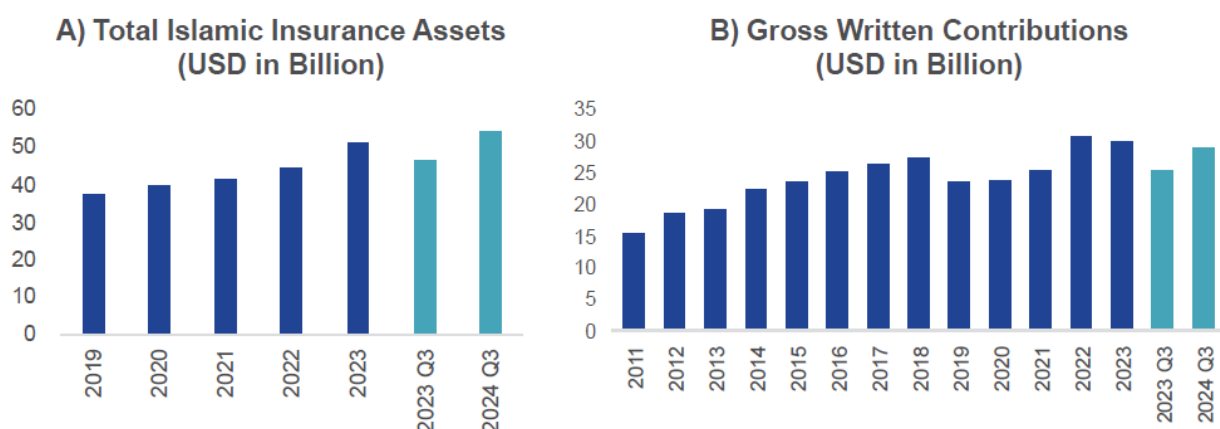
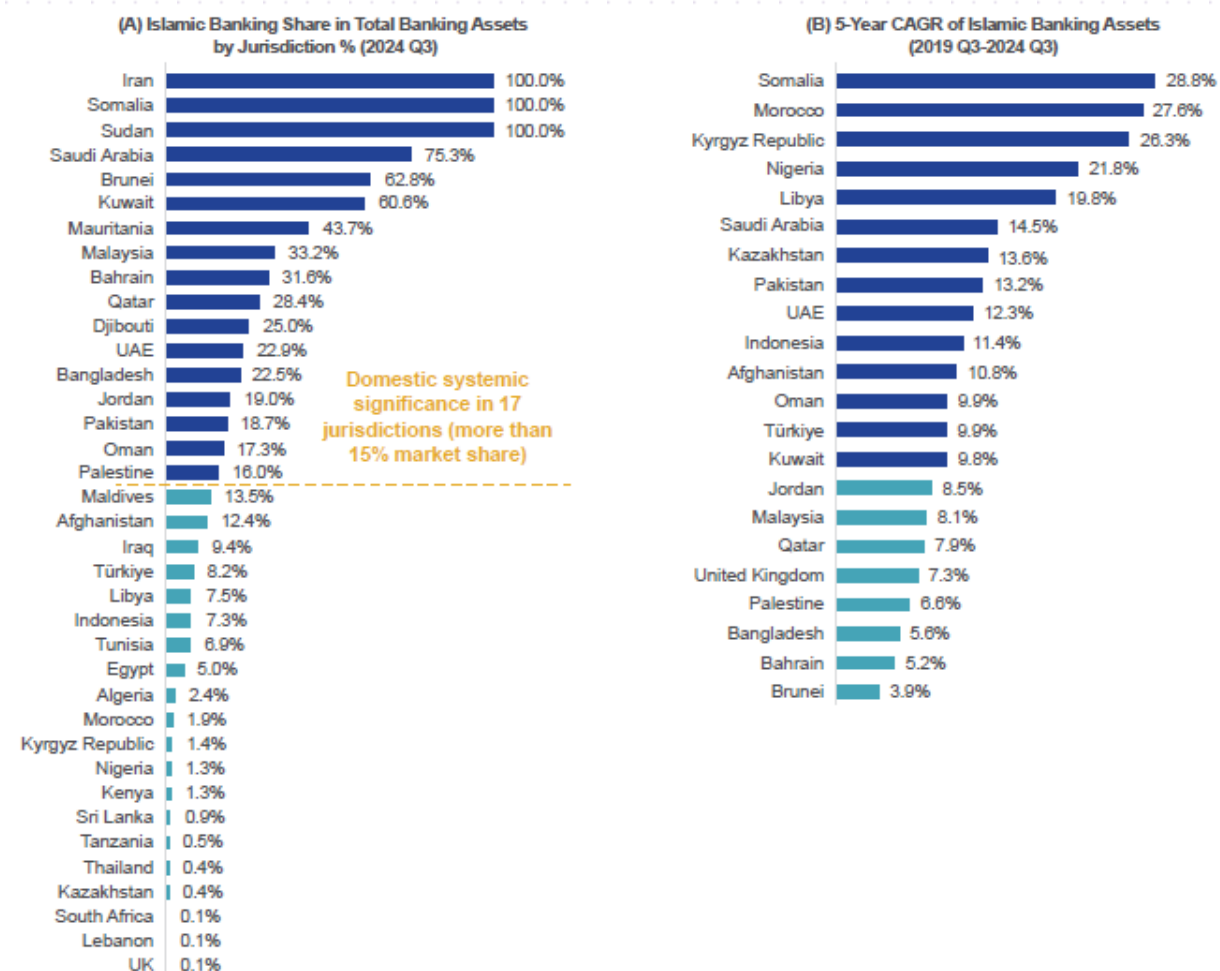


**E) Asset Composition in the SA Region**

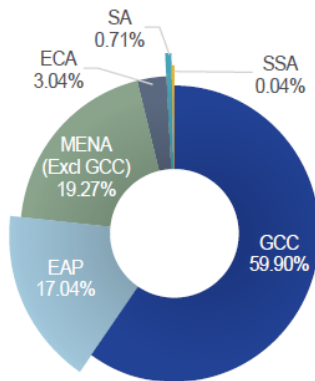


**F) Asset Composition in the SSA Region**

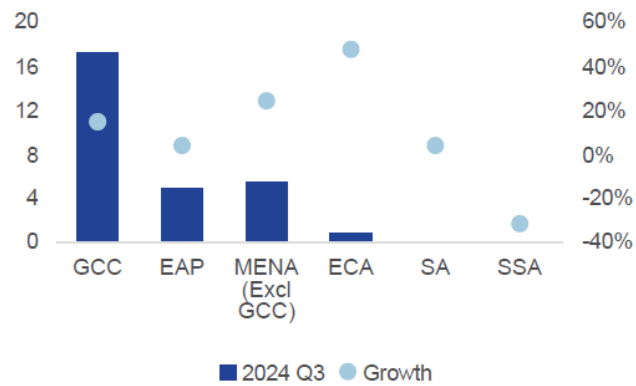




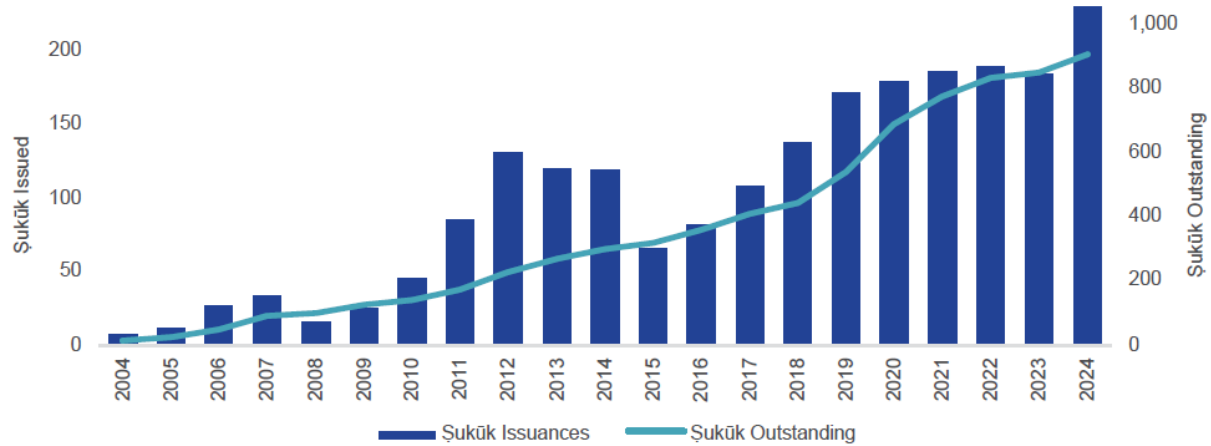
**A) GWC Regional Share**



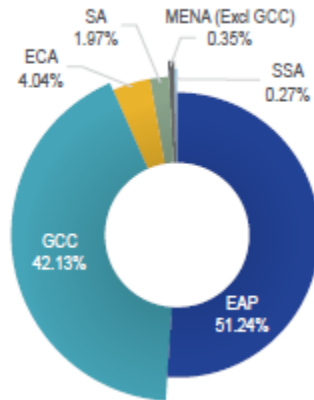
**B) Regional Contribution (USD in Million) and Growth Rate**



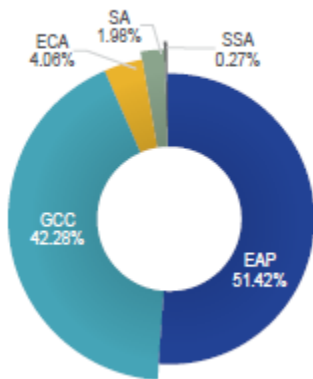
**(2004-2024) (USD in Billion)**



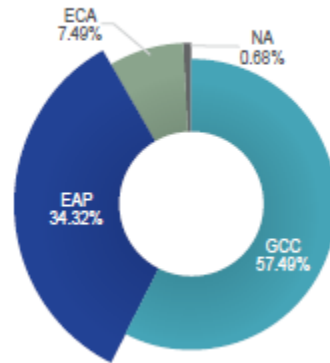
**A) Total Şukūk Issuances by Region of Originator (2024)**



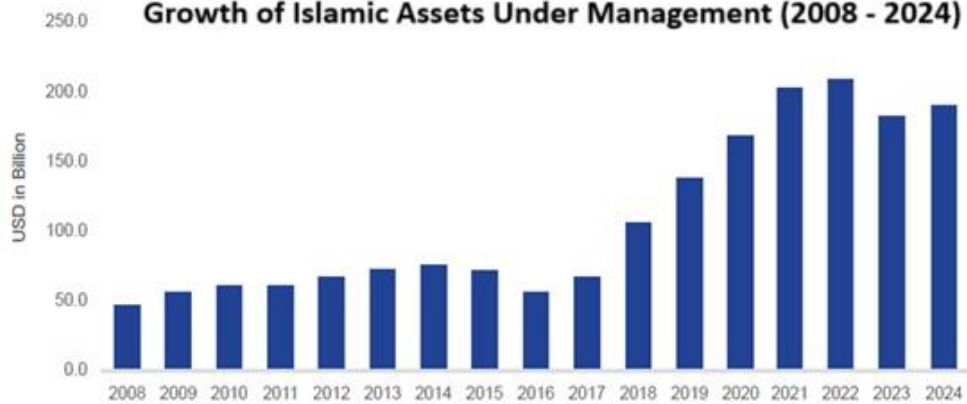
**B) Sovereign Şukūk Issuances by Region of Originator (2024)**



**C) Corporate Şukūk Issuances by Region of Originator (2024)**



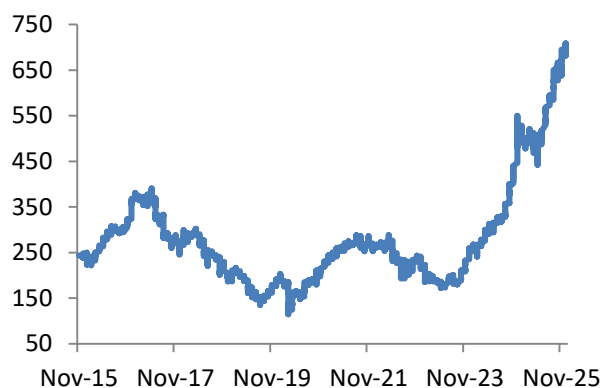
**Growth of Islamic Assets Under Management (2008 - 2024)**





## SUKUK Investments (Source: SP Dow Jones)

### S&P Pakistan BMI Shariah



### S&P Jordan BMI Shariah



### S&P Tunisia BMI Shariah



### S&P Morocco BMI Shariah



### S&P Bangladesh BMI Shariah



### S&P Egypt BMI Shariah



## Global Economic Perspectives

COUNTRY	GDP Growth (%)					
	2025	2026	2027	2028	2029	2030
Albania	3.4	3.6	3.5	3.5	3.5	3.5
Algeria	3.4	2.9	2.7	2.7	2.5	2.5
Azerbaijan	3.0	2.5	2.5	2.5	2.5	2.5
Bahrain	2.9	3.3	3.3	3.1	3.2	3.2
Bangladesh	3.8	4.9	5.7	5.8	6.7	6.5
Benin	7.0	6.7	6.6	6.5	6.0	6.0
Bosnia and Herzegovina	2.4	2.7	3.0	3.0	3.0	3.0
Brunei Darussalam	1.8	2.4	2.6	2.9	3.1	2.9
Burkina Faso	4.0	4.8	4.7	4.7	4.7	4.7
Chad	3.3	3.6	3.4	3.7	4.0	4.1
Comoros	3.8	4.0	4.3	4.3	3.8	3.8
Djibouti	6.0	6.0	6.0	5.5	5.5	5.5
Egypt	4.3	4.5	4.7	4.9	5.1	5.3
Gambia	6.0	5.1	5.0	5.0	5.0	5.0
Guinea	7.2	10.5	10.7	10.8	11.3	7.8
Guinea-Bissau	5.1	5.0	5.0	4.5	4.5	4.2
Indonesia	4.9	4.9	5.0	5.0	5.1	5.1
Iran	0.6	1.1	1.6	2.0	2.0	2.0
Iraq	0.5	3.6	3.6	3.9	4.1	4.1
Jordan	2.7	2.9	3.0	3.0	3.0	3.0
Kazakhstan	5.9	4.8	4.2	3.0	3.4	3.4
Kuwait	2.6	3.9	2.3	2.3	2.2	2.3
Kyrgyz Republic	8.0	5.3	5.8	5.3	5.3	5.3
Libya	15.6	4.2	2.3	1.8	1.9	2.2
Malaysia	4.5	4.0	4.0	4.0	4.0	4.0
Maldives	4.8	4.5	4.1	4.0	4.0	4.0
Mauritania	4.0	4.3	4.4	5.6	4.6	3.0
Morocco	4.4	4.2	4.0	4.0	3.9	3.8
Niger	6.6	6.7	6.5	6.0	6.0	6.0
Nigeria	3.9	4.2	4.0	4.0	4.0	4.0
Oman	2.9	4.0	3.7	4.1	3.8	3.6
Pakistan	2.7	3.6	4.1	4.5	4.5	4.5
Qatar	2.9	6.1	7.8	3.5	1.6	3.4
Saudi Arabia	4.0	4.0	3.3	3.3	3.3	3.3
Senegal	6.0	3.3	3.3	3.8	4.1	4.6
Sudan	3.2	9.5	14.9	9.3	6.5	5.5
Tajikistan	7.5	5.5	4.8	4.5	4.5	4.5
Tunisia	2.5	2.1	1.6	1.4	1.4	1.4
Turkey	3.5	3.7	3.7	3.8	3.8	3.8
Turkmenistan	2.3	2.3	2.3	2.3	2.3	2.3
United Arab Emirates	4.8	5.0	4.7	4.4	4.3	3.9
Uzbekistan	6.8	6.0	5.7	5.7	5.7	5.7
Yemen	-1.5	N.A	6.0	5.5	5.0	5.0

**Source: World Bank Global Economic Perspectives, October 2025**

## Call for Papers

Circular Intellectual Capital: Rethinking Intangibles for a Regenerative & Sustainable Economy

Journal of Intellectual Capital

<https://www.emeraldgrouppublishing.com/calls-for-papers/circular-intellectual-capital-rethinking-intangibles-a-regenerative-and>

Call for Chapters: Green and Islamic Finance Between Ethics and Image: Toward a Genuine Sustainability Governance

<https://www.igi-global.com/publish/call-for-papers/call-details/9208>

Journal of International Economics and Management

<https://www.emeraldgrouppublishing.com/journal/jiem/conference-digital-transformation-social-impacts-and-esg-performance>

International Conference on Sustainable Development 2026 & 5 November 2025

9 to 10 September 2026 at Roma Eventi - Pontifical Gregorian University, Rome, Italy.

<https://circulareconomy.europa.eu/platform/en/news-and-events/all-news/international-conference-sustainable-development-2026-call-papers>

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- |                                   |   |
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| ❖ Academic Resources              | ❖ Researchers Database in Islamic Economics |
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