

Islamic Business Ethics from *Maqasidh al-Shariah*

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Abstract

Business Ethics from Maqasidh al-Shariah applies Islamic Shariah into business management studies with the objective to educate students with practical aspects ethical philosophy, knowledge, and skills. Maqasidh al-Shariah ethics is taught course that trained students to apply Maqasidh al-Shariah ethics into decision and actions in business. The foundation of conventional Business Ethics is based on rationality philosophical values and laws. This lecture offers Business Ethics from Maqasidh al-Shariah ethics, a philosophy of ethics from Quran and Hadith, the primary reference in Islamic teachings. At the end of the lecture, learners should be able to explain the meaning of Maqasidh al-Shariah ethics, able to apply Maqasidh al-Shariah ethics paradigm into business operations, and able to discuss the influence of Maqasidh al-Shariah ethics into decisions and actions.

Keywords: Business Ethics, Tawhidic Paradigm, Business Management

INTRODUCTION

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LEARNING OBJECTIVES

1. Explain the application of *Maqasid al Shariah* into ethical decision making process.
2. Discuss *Maqasid al Shariah* implications for ethical decisions and actions.
3. Explain the operational model for ethical decision making process based on *Maqasid al Shariah*.

DEFINITION OF MAQASIDH AL-SHARIAH

Laws and rules on civil transactions (*mu'amalat*) and **manners** (*adab*)

Levels of **benefit** (*masalih*) and **harm** (*mafasid*)

Inner reasons (*hikam*) and **causes** (*asbab*)

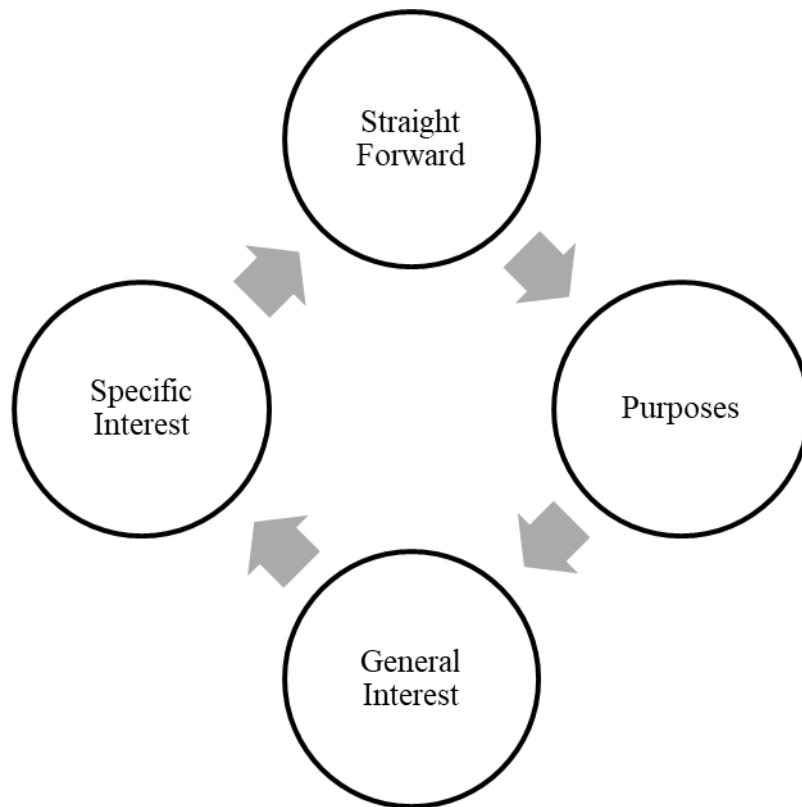
Al-Ghazali defines Maqasidh al-Shariah

“...the **preservation of the ends of the *shar*.**” (Nyazee, p.196)

- NOT the same as human goals and the principle of utility based on human reason. (Nyazee, p.196)
- Securing of goals or values that Allah has determined for the *Shari'ah*. (Nyazee, p.197)

- May or may not coincide with values determined by human reasons. (Nyazee, p.197)

Classification



Three categories of *Maslahah*:

1. *DARURIYAT* (the essentials),
2. *HAJIYAT* (the complementary), and

Explain the application of *Maqasid al Shariah* into ethical decision making process.

Concerns of *Maqasid al Shariah*:

benefit (*masalih*) and **harm** (*mafasid*)

Where to integrate in ethical decision making process

1. Determine the facts
2. Identify the ethical issues
3. Identify stakeholders and their situations
4. Generate available alternatives with moral consequences
5. Apply values in decision affects stakeholders
6. Recommend an ethical decision
7. Monitor the implementation
8. Evaluate the outcomes

When to consider *daruriyat*?

Darurat (necessities; necessary interests) – if not giving protection, it would cause disorder & chaos in society; prized social interests: preservation & protection (*hifz 'ala*)

1. Religion (*al din*)
2. Life (*al nafs*)

3. Progeny (*al nasl*)
4. Intellect (*al 'aql*)
5. Wealth (*al mal*)

How to use Shariah Legal Maxims?

- Preliminary understanding
 - A branch of *Maqasid al-Shari'ah*
 - *Fiqh* or Islamic Jurisprudence (developed by jurists on a particular issue, derived from the Qur'an and Ahadith)
 - *Usul al-Fiqh* (methodology of legal reasoning and the rules of interpretation, the meaning and implication of commands and prohibitions)
- Important Maxims
 - Acts are judged by the intention behind them (*Al-umuru bi-maqasidiha*) (*Innama al-a'maalu bin-niyyah*)
 - Harm must be eliminated (*Ad-dararu yuzal*) [harm may neither be inflicted nor reciprocated (*la darara wa la dirar*)] [protection]
 - Certainty is not overruled by doubt (*Al-yaqinu la yazulu bish-shakk*).
 - Hardship begets facility (*Al-mashaqqatu tujlab at-taysir*) [*rukhsah*]
 - Custom is the basis of judgement (*Al-'addatu muhakkamatun*)

Case study: Borrowing or investing or using savings into business venture

1. Do I really need to borrow money?
 - Savings
 - Capital market
 - Debt market
2. What are the consequences/risks?
 - Micro credit schemes
 - Banks
 - Profit sharing
3. Is it the custom to borrow money to start a business?

Check the maxims

- Important Maxims
 1. Acts are judged by the intention behind them (*Al-umuru bi-maqasidiha*) (*Innama al-a'maalu bin-niyyah*)
 2. Harm must be eliminated (*Ad-dararu yuzal*) [harm may neither be inflicted nor reciprocated (*la darara wa la dirar*)] [protection]
 3. Certainty is not overruled by doubt (*Al-yaqinu la yazulu bish-shakk*).
 4. Hardship begets facility (*Al-mashaqqatu tujlab at-taysir*) [*rukhsah*]
 5. Custom is the basis of judgement (*Al-'addatu muhakkamatun*)

CONCLUSION

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