Chapter 3
Islam, Spirituality and Wealth: Islamic Framework of Wealth Management

Muhammad Abdullah

There is little doubt that wealth constitutes backbone of a society as well as of a civilization (Ariff & Mohamad, 2017). Within the classical Islamic discourse, the issue of wealth has been treated with a rather cautious note (Al-Nabhani, 2004). The diligence of Islamic scholars in treating wealth is, apparently, informed by their perception that there is a dichotomy between the concept of spirituality and amassment of wealth (Al-Ghazali, 2004). Wealth, at occasions, is deemed as an antonym to spiritual richness. The Islamic literature provides a mixed stand-point on virtue of paucity vis-à-vis being wealthy (Al-Shaybani, 2015). The primary sources of *Shari'ah* i.e. *Qur'an* and *Sunn'ah* appear to criticize those who hoard wealth (al-Qur'an 9/34). In comparison, in different *Qur'anic* verses wealth has been referred as a blessing and bounty of God, which needs to be deployed in the righteous causes (al-Qur'an 2/267; Abdullah, 2015; Hasan, 2015).

From amongst the five pillars of Islam, at least, two directly relate to financial capacity of a believer. These two include *Zakat* (the annual obligatory charity) and *Hajj* (pilgrimage to Mecca), which cannot be performed without being financially capable. In addition, the Islamic emphasis and exhortation on *Sadaqah* (charity), *Infaq* (spending and alms-giving) *Waqf* (endowments) and *Wasiyyah* (Islamic will) cannot be duly responded except by those who enjoy affluence (Lev, 2005; Siddiqui, 1991; Singer, 2008). From an Islamic theological perspective, wealth may potentially lead to both directions i.e. to spiritual ascendance as well as to distraction of mind and soul (Al-Shaybani, 2015; Aydin, 2017).

There is a noted scarcity of literature on Islamic approach towards wealth and its management from an Islamic jurisprudential perspective. This study aims at addressing this lacuna in the available literature on wealth and its management from

M. Abdullah (✉)
Islamic Economics, Markfield Institute of Higher Education (MIHE), Markfield, Leicestershire, United Kingdom
e-mail: nadwi.ab@gmail.com

T. Azid et al. (eds.), *Wealth Management and Investment in Islamic Settings*,
https://doi.org/10.1007/978-981-19-3686-9_3

an Islamic perspective. The chapter attempts to critically analyze the Islamic position towards amassing wealth, followed by delineating its virtues and vices with the lens of Islamic theology and classical jurisprudential discourse. The resultant discussion leads to the analysis of Islamic framework of wealth management.

3.1 Wealth Within Islamic Purview

The Islamic philosophy of wealth is composed of several elements covering the definition, classification, treatment and utilization of wealth in a comprehensive manner (Farooq, 2013; Abdul-Rasul, 1980). In the classical Islamic literature, several aspects of wealth find manifest and scholarly exposition (Al-Shaybani, 2015). In the primary and secondary sources of *Shari'ah*, generally the term '*Maal*' (plural; *Amwal*) has been frequently used to refer wealth (al-Qur'an, 2:177; 18:46; 89:20). In the *Qur'anic* usage, another common term employed to denote wealth is '*Rizq*' which has been described and counted as one of the key blessings of Allah (SWT) (Al-Qur'an, 7:32; 13:26; 16:71). A deliberation on the background and context of a specific *Qur'anic* verse in which these two terms are used elucidates their nature and status in the sight of the Creator (Allah). In Qur'an, the purpose of wealth (*Maal*) has been plainly stated as a couch on which the human life reclines, and the same shall not be given away to a foolish or to an unintelligent as he may waste it (al-Qur'an: 4:5). The Islamic policy on wealth is best discernible through this *Qur'anic* injunction.

The classical Islamic literature is replete with discussion on wealth, its objectives and its treatment, though not in a systematically organized manner (Al-Ghazali, 2004; Al-Shaybani, 2015). The Islamic paradigm of wealth creation, its preservation, modes of its utilization along with the mechanism of its growth and progression is comprehensively covered in the Islamic literature (Salim et al., 2016; Retno, 2015). From a *Shari'ah* perspective, wealth needs to be created by proper utilisation of God-given resources in line with the prescription of the primary sources of *Shari'ah*[1] (Salim et al., 2016). Within the Islamic scheme of material well-being, there is an exhortation to earn and generate wealth, albeit, through *Shari'ah*-compliant means, mechanism and modes (Ahmed, 2013). The *Qura'nic* verse "for a human being is what he endeavors for" (al-Qur'an: 53/39) provides the key Islamic principle on how *Shari'ah* views making efforts towards earning and attaining a dignified life. There is hardly any reservation within the classical Islamic discourse on the merit of striving and putting efforts to obtain affluence and wealth. *Al-Qur'an* not only prescribes deployment of capabilities in the pursuit of earning, but it makes it a virtue meriting reward for it in Hereafter. On the one hand, the *Qura'nic* command "and strive to search for Allah's bounty" (*al-Qur'an*: 62:10) endorses the merit of striving for affluence; on the other, its instruction to "solicit Allah for His bounty" (al-Qur'an: 4:32) explains the value of supplication (*Dua*) in this regard. The *Shari'ah*

[1] Shariah refers to the Islamic rules, principles, norms and law.

injunctions on exploring the scope of bounties from Allah (SWT[2]) reveal the Islamic vision of employing one's capabilities to acquire wealth and affluence in order to enjoy them (Zaman, 1991).

In general, the Islamic framework of earning and generating wealth covers three key areas i.e. the subject matter to be earned, the adopted process and mechanism of earning and the behavioral aspects of the performer of the activities. *Shari'ah* prescribes a set of guidelines treating each of these areas (Usmani, 2008). To qualify for a *Shari'ah*-compliant earning, the performer is required to ensure that his/her activities are in compliance with the *Shari'ah* ethos, values and principles (AAOIFI, 2015).

Shari'ah considers a business activity impermissible if its subject matter is *Shari'ah* non-compliant (Sanusi & Rosly, 2008). In the list of *Shari'ah* non-compliant subject matters include, for example, *Shari'ah*-prohibited items such as pork, alcohol, tobacco and their derivatives (SCM, 2017). In transactional activities, involving in gambling, interest-based and exploitative transactions etc. are prohibited under *Shari'ah* norms (AAOIFI, 2015). The *Shari'ah*-impermissibility of involving in any such *Shari'ah* non-compliant business or transaction is universal (Usmani, 2008).

The other Islamic criteria dictate that the process and mechanism of a transactional activity needs to qualify for *Shari'ah*-compliance. The process and mechanism of a business activity is required to avoid *Shari'ah* prohibited elements such as interest (*Riba*), gambling (*Maysir*) and any ambiguity leading to dispute (*Gharar*) (Ayub, 2007; Usmani, 2008). By stipulating this criteria, *Shariah* aims at eliminating the potential means of exploitation in business dealings. The end-objective of this is to bring ease and long-term benefits to all while removing the hardship from the society (Habib, 2018).

3.2 Wealth and Spirituality: A *Shari'ah* Perspective

Shari'ah has laid a set of guidelines on creation of wealth as well as it has put forth a framework of its utilisation and preservation. Within the classical Islamic scholarship, there are junctures of dispute on the treatment of wealth. In general, the point of dispute is premised on different approaches and perspectives of scholars to interpret the texts and contexts of Islamic injunctions on wealth. Also, the divergence of opinions is caused by the Islamic jurisprudential versus Islamic mystical approaches of the interpreters towards wealth (Al-Ghazali, 2004; Al-Shaybani, 2015). In other words, the differences of interpretations arise based on whether *Shari'ah* injunctions on wealth and its treatment are construed in a formal or in a mystical way. While on one hand, wealth has been considered one of the worldly traps through which one is diverted from the purpose of life; on the other, by the proper usage of wealth, one is

[2] The abbreviation SWT denotes *Subhanahu wa Ta'ala* (The one Who is pure of shortcomings and is great).

promised to earn spiritual rewards in the Hereafter (Al-Ghazali, 2004; Al-Shaybani, 2015).

The classical Islamic scholarship appears to be caught in a dilemma so far as the matter of wealth along with its positional complexities is concerned in the life of a spiritually-charged ideal believer. While defining its exact position in helping or harming the spiritual excellence and ascendency, the divided opinions and voices of scholars propel the skepticism on the status of wealth in *Shar'iah*. The jurisprudential discussion on the pros and cons of wealth dragged to the extent that there are established points of dispute on the supremacy of material affluence over the state of poverty and paucity (Sabra, 2000). In this discussion, the sources of analogy and references remain almost the same, yet with differing inferences and interpretations.

To demystify the Islamic position on wealth and its treatment particularly with reference to attaining piety, there is a fine show of methodological variations among the Islamic scholars. As per the varying methodologies which served as tools to reach certain conclusion, the opinions of the scholars differed diametrically on *Shari'ah*-sanctity of generating material wealth and its accumulation. From the scholastic position of completely rejecting the idea of accumulating wealth, to the contentions of acquiring it to enjoy the bounties of Allah and for being able to financially contribute in righteous causes, there are piles of substantiating evidences to support the two claims (Al-Ghazali, 2004; Al-Shaybani, 2015).

Alongside the contentions of poverty alleviation and its virtues in the Islamic literature, there are arguments for the support and virtues of poverty adoption as well (Sabra, 2000). The nature of a multi-dimensional argumentation within the classical Islamic scholarship on the virtues and vices of wealth blurs the line of a clear-cut Islamic position on the topic. Possibly, there may be a fine-line which can help draw the superiority of one contention over the other, however, the line of demarcation between the two perspectives is dimly palpable in the mainstream Islamic literature. Whereas, the Islamic literature seems to prompt for seeking refuge of Allah from paucity and indigence, the practices of early Islamic society remain inconsistent with this supplication. As, at times a self-adopted lifestyle of destitution appears to be appreciated by early Islamic societies as a mark of spirituality, sagacity as well as a sign of piety and God-consciousness (Sabra, 2000).

Scholars such as al-Ghazali (d. 526) intensely argued for the merit and virtues of a complete abstinence from the worldly privileges, opulence or material wealth. The premises of argument for al-Ghazali are directly drawn from the Prophetic traditions. That the Prophet Muhammad (PBUH) was offered a choice between securing affluence or continuing with poverty, and he chose to remain from amongst the poor is clearly established within the Islamic traditions (Al-Ghazali, 2004). Thus, the practice of the Prophet (PBUH) in opting poverty over affluence is, according to Al-Ghazali (2004), indicative of the ideal Islamic position towards acquiring affluence or poverty. Based on the analysis of the prophetic traditions and the practices of the companions of the prophet (PBUH), Al-Ghazali (2004) sketched a pro-poverty and abstinence-leaning Islamic paradigm. The analytical discussion by al-Ghazali on the superiority of poverty versus affluence is vividly illustrative of his position on the topic. Not only that scholars such as al-Ghazali support the argument that poverty is nearer to Godliness, but they consider affluence and wealth counter to spiritual excellence (Sabra, 2000).

Dipping deep into the classical Islamic jurisprudential literature on the supremacy of poverty versus affluence reveals that the state and status of poverty has been sub-categorised into many forms, each having its own distinctive merit. Al-Ghazali (2004), for example, in his magnum opus namely *Ihya Uloom al-Din* classifies poverty into five key categories. According to Al-Ghazali (2004), poverty which has been referred as *'al-Faqr'* can be either caused by a choice or be fuelled by compulsion. While the state of poverty adopted by choice is sourced from the concept of *Zuhd*, a poverty by compulsion falls under the term *Iztirar*. Thus, one who abstains from wealth and affluence by choice is called *al-Faqir al-Zahid*, whereas the one who is poor by compulsion is termed as *al-Faqir al-Muztar*. For Al-Ghazali (2004: 258), *Faqr* is a result of worldly privileges being out of reach of one, while *Zuhd* refers to abstinence from the worldly privileges by choice. As per Al-Ghazali (2004), the two types of poor (*Faqir*) i.e. *al-Faqir al-Zahid* and *al-Faqir al-Muztar* have different status in view of *Shariah.*

With reference to *Maal* (wealth) and *Faqr* (poverty), Al-Ghazali (2004: 259–60) categorises the situation and their different status in *Shariah* into *Zuhd*, *Riza*, *Qana'at*, *Iztirar* and *Istigna'a*. While *Zuhd*—the one who adopts it, is called *Zahid*- is to detest and abhor wealth and worldly privileges for the fear of being engrossed in the same, *Riza*—the one who adopts it, is called *Razi*—holds back one from aspiring for wealth but it does not push to abhor it. However, a *Razi* prefers not to be engaged in worldly affluence and growth. Similarly, the concept of *Qana'at*—the one who adopts it, is called *Qane'*—propels one to prefer privileges and being blessed with wealth but it does not inspire the *Qane'* to strive and struggle to obtain it. Comparatively, *Iztirar*—the one who suffers from it is called *Muztar*—entails lack of basic necessities. Finally, *Istigna'a*—the one who enjoys this is called *Mustaghni*—drives one to treat wealth and affluence as a non issue. To explain this state, Al-Ghazali (2004) cites the story of Aisha (the beloved wife of the Prophet), whereby she received 1000 dirham as a gift and on the same day she distributed it in charity. On this, her maid solicited that you may have withheld at least one dirham for our food today. Aisha (R.A.) replied, oh you should have reminded me this a little earlier. By referring to this story of Aisha (R.A.), Al-Ghazali (2004) argues that since Aisha (R.A.) was in the state of *Istighna*, she was unaffected by the fact whether she retained a required sum of money to fulfill her own basic necessities or not.

In terms of determining the spiritual status of these states, Al-Ghazali (2004) considers *Zuhd* as being superior to other forms of *Faqr* (poverty). Nevertheless, if *Iztirar* is intermingled with *Zuhd*, it assumes a higher rank compared to all other states of poverty. Notwithstanding this, the highest rank of excellence that one can achieve in this context, as per Al-Ghazali (2004), lies in the state of *Istighna*, as being a *Mustaghni* one reaches at a higher status than being bothered about wealth, affluence or privileges of this worldly life. In other words, wealth and affluence from the perspective of *Istighna* constitutes one of the many blessings of Allah (SWT), and for a *Mustaghni* it does not matter whether it is in his hands or in the hand of others.

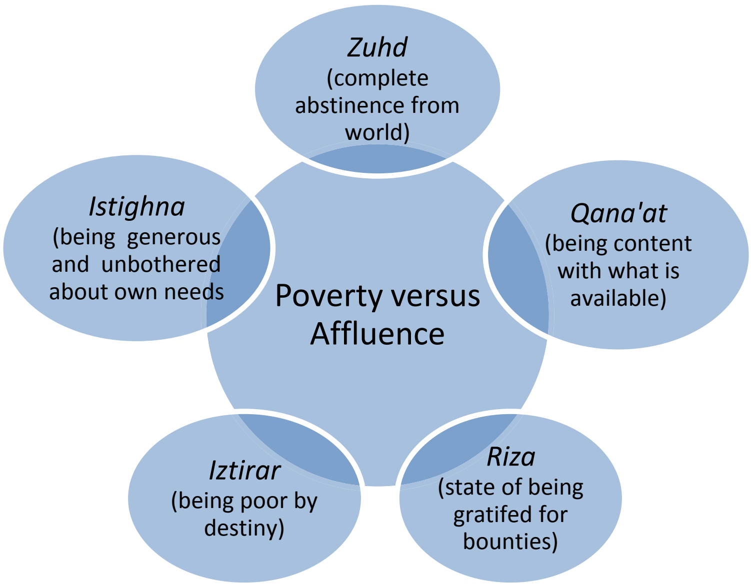

Fig. 3.1 Different States of Wealth. *Source* Al-Ghazali, (2004)

The Fig. 3.1 contains different states and approaches towards wealth as postulated by Al-Ghazali (2004);

In contrast to the argument of al-Ghazali in favor of poverty and its excellence over affluence, a majority of the mainstream Islamic scholarship adopts a somewhat different approach on the issue. The key point of departure for the mainstream scholarship, compared to the protagonist of the pro-poverty narrative, lies in disputing the basis of analogy to prove supremacy of poverty over affluence (Al-Shaybani, 2015). The majority approach postulates that it is not the state and condition of an individual which defines the spiritual supremacy or excellence, rather it is the composite of intention, behavior, actions and performance of the individual which determines the level of spirituality and the moral highness in *Shari'ah* (Al-Shaybani, 2015). As per the supporters of this approach, a poverty-stricken individual who is engaged in disobedience of Allah cannot be better than an obedient wealthy and rich person (Al-Shaybani, 2015). That the rich in this example is far better placed in the sight of *Shari'ah* is agreed by all. Similarly, in comparison to an obedient poor whose forms of worship and ladder of spirituality is restricted only to physical *Ibadat* (devotion), a generous and obedient wealthy who performs the physical *Ibadat* as well as spends his wealth in the way of Allah (SWT) is at a higher position for enjoying more than one way of doing good.

To substantiate this approach, it is argued that the Prophetic model on wealth is that he neither abhorred wealth nor did he accumulate or amassed it. Rather, he preferred to distribute and dispense whatever he received among the needy and deserving entities (Al-Shaybani, 2015). The key point is that wealth in itself is not something to be despised of per se, as had this been the case, the Prophet (PBUH) might have not encouraged to earn nor did he distribute the same among his companions from the booty and other gifts. Rather, he might have preferred to trash all the wealth. As, if the wealth is despised for the giver, it must be loathsome for the taker as well. Furthermore, had the state of poverty been desired in *Shari'ah,* the Prophet (PBUH) had never sought refuge of Allah (SWT) from poverty (Ahmad, 1991). However, those who hold the notion that the state of poverty is desirable in *Shariah* contend that the Prophet (PBUH) did seek refuge from the abject poverty, however, he as well supplicated to be among the poor and have-nots in this world and in Hereafter, which proves the superiority of poor over the affluent (Al-Ghazali, 2004).

Among the basis of argument for the anti-affluence group of scholars include the Prophetic traditions in which wealth and worldly privileges have been counted in a negative sense and are condemned by the Prophet (PBUH) as a distracter or a barrier between the believer and his Creator (Al-Shaybani, 2015). However, in practice, the lives of the rich and wealthy companions such as Othman (R.A), Abdul-Rahman Ibn al-Awf (R.A) as well as Anas Bin Malik (R.A) etc. are seemingly pitched in contrast to the position adopted by the pro-poverty group of scholars. It is argued that neither the companion Abdul Rahman Ibn al-Awf (R.A.) nor did the Othman al-Ghani (R.A.) abandoned their wealth, which indicates that there is no harm in holding wealth per se. In contrast, the Prophetic *Hadith* that there is no scope of envy except in two persons; 'a righteous wealthy, and a learned', substantiate the claim of those who argue that wealth per se is not an object of abhorrence in *Shari'ah.* As per this *Hadith*, the Prophet (PBUH) said that do not envy except in two; one whom Allah has granted wealth (*Maal*) and has guided him to spend in His way, and the one who has been blessed with knowledge and he utilizes his knowledge to teach and to do justice (Al-Bukhari, 1999).

In view of the above discussion, a balanced approach towards affluence and poverty can be developed by defining the parameters of the two juristic positions. The balance approach accommodates the two positions without rejecting out-rightly any of them (Ariff, 1988; Chapra, 2008). This is achieved by contextualizing backgrounds of the two approaches. To this effect, it is argued that the concept of *Zuhd* and *Istighna* as described by Al-Ghazali (2004) is possibly applicable at an individual level rather than being generalised. As, the excellence of *Zuhd* cannot be generalized to the society as a whole except by entailing several hindrances in the matters of *Deen* (religion) as well as in proper functioning of the society. If applied indiscriminately to all in the society, the harm of this approach may outweigh its claimed benefits. As, the building-blocks of the society and its different pillars may collapse if the wealth is collectively shunned. Without wealth, not only the practices of *Hajj*, *Zakat*, *Sadaqah* will fall defunct, other support institutions of a Muslim society such as *Masjid*, *Madrasa* etc. will also come to a standstill.

It is argued that wealth is desired so far as its utilization is rightly guided. Rather, wealth is potentially a means to achieve greater piety and spirituality provided it fulfills the *Shari'ah*-prescribed objectives in a proper manner (Kamali, 2017). Thus, once the objectives of wealth is synchronized with the objectives of *Shari'ah*, striving for wealth and planning for its management will automatically qualify for *Shari'ah*-validity and appreciation. The desirability of acquiring wealth and its management in *Shari'ah* is mirrored by the inclusion of wealth preservation among the five key constituents of *Maqasid al-Shari'ah* (the higher objectives of *Shari'ah*) (Abdullah, 2018a, b). To sum it up, having been termed as *Hifz al-Maal* (preservation of wealth) in the classical juristic discussion, the status of wealth becomes crucial in fulfilling the objectives of *Shari'ah* (Abdullah, 2020; Ibrahim et al., 2014). The subsequent section of this chapter delineates the Islamic framework of wealth management by analysing the concept, mechanism, process and structures of the wealth management in a *Shari'ah*-compliant manner.

3.3 An Islamic Framework of Wealth Management

In the classical Islamic literature preservation of wealth appears among the five key higher objectives of *Shari'ah* (Atiyah, 2007). The *Shari'ah* paradigm for preservation of wealth is built on a few key pillars. These constitute either ex-ante or ex-post building-blocks of safeguarding wealth (Kamali, 2017). Among these pillars include wealth creation, its accumulation, its protection, wealth purification and distribution. The concept of preserving wealth is untenable without its pre-existence. Thus, to preserve wealth, it becomes pre-requisite to generate wealth. The foregoing discussion in this chapter so far has focused on the *Shari'ah* approach and paradigm of wealth and its treatment from a mystic versus jurisprudential perspective. This section of the chapter aims at dissecting the fundamentals of wealth preservation along with its key pillars such as creation of wealth, its accumulation and maintaining its *Shari'ah*-complaint status by fulfilling the pertinent *Shari'ah*-prescribed obligations.

The wealth management framework from a *Shari'ah* perspective is composed of several dimensions (SCM, 2017). As a primary requisite, the source of wealth has to be compliant with the tenets and ethos of *Shari'ah* (Ansari, 1991). Generally, wealth is secured either by the action and activity of a person or is sourced from inheritance. *Shari'ah* has set rules and parameters in both the cases to filter out and ensure that the origin of wealth is from a legal and *Shari'ah*-permissible source (Khattak, 2018). Wealth seized through embezzlement, encroachment, usurpation, illegal means or illegitimate sources is sieved and excluded at this stage by application of relevant *Shari'ah* parameters. Under an ideal *Shari'ah* framework of wealth management falls only the wealth which is attained through legitimate sources (MIFC, 2016). In case, there is a mixed source of wealth generation or acquisition, whereby there is a blend of legitimate and illegitimate sources from which the wealth is acquired, the *Shari'ah*-prescribed purification mechanism has to be activated to purify such wealth (Gadhoum, 2017). A plain vanilla solution to purify wealth in such a situation is that any part of the wealth acquired through illegitimate sources is to be identified and eliminated. The treatment of such purification is possible only if there is a clarity on the parts or amounts of the wealth sourced through *Shari'ah* non-compliant means and mechanism.

In the wake of initial purification-exercise of wealth from all non-compliant elements, the residual wealth is considered as qualified for the next step of *Shari'ah* rulings and parameters. At this stage, the growth and increment of wealth in a *Shari'ah*-complaint manner is the primary focus of Islamic wealth management framework (MIFC, 2016). Without planning for growth and increment, there is a high risk of wealth-diminution; something not desirable under the *Shari'ah* paradigm. However, the objective of countering diminution and accomplishing growth in wealth needs to be aligned with the *Shari'ah* ethos and principles (Ariff, 2017). From the prism of *Shari'ah*, wealth in itself cannot be a tool to create further wealth. In other words, *Shari'ah* does not endorse the notion that wealth necessarily begets more wealth (Gadhoum, 2017). Rather, as per the *Shari'ah* framework, wealth is required to be put into an investment or be linked with a real activity; carrying its duly calculated and diligently managed risk (Derigs and Marzban, 2009). The *Shari'ah* paradigm envisages that any investment-related risk can be managed, however, cannot be completely shifted or eliminated (Tahir and Brimble, 2011). Planning and resorting to best strategies to manage wealth for its growth is appreciated in *Shariah* under the conceptual underpinning of the *Qura'nic* term *al-Ihsan* (seeking excellence with diligence) (Abdullah, 2020). The mainstream *Shari'ah* position on wealth is that it needs to be safeguarded from wastage and slippage. Rather, it requires proper management, diligent planning and deployment in avenues where it can grow and benefit different stakeholders (Abdullah, 2018a, b).

For investment and allocation of wealth with the purpose of growth, the principles and parameters of *Shari'ah* need to be complied with (Derigs and Marzban, 2009). In regard to investment in different segments, be it in equity, fixed income instruments, real estate, commodity market or in other avenues, to qualify for *Shari'ah*-compliance merit, all the *Shari'ah*-prohibited elements and mechanism such as involvement in interest, gambling, excessive ambiguity and any form of unfairness or unethical activity must be avoided (Khatkhatay and Nisar, 2007). The fusion of *Shari'ah* spirit in investment decision-making process safeguards against involving in excessively risky or hazardous dealing. Similarly, synthesizing ethos of *Shari'ah* within investment-strategy helps maintain the collective good of the society. The *Shari'ah* ethos dictate that the interest of the society gets precedence over the individual interest if there arise a conflict between the two (Kamali, 2017). Thus, if benefits of an individual is attainable only by sacrificing the interest and common benefit of the society or by harming the collective interest of the society, pursuing such individual interest is rejected by *Shari'ah* (Auda, 2008).

One of the defining features of *Shari'ah*-based wealth management framework, compared to its conventional counterpart, is that it requires purification of the part of wealth which represents a *Shari'ah* non-compliant income (Khatkhatay and Nisar, 2007). For example, an investment in a company which receives a little portion of its income from *Shari'ah* prohibited elements, such investment income must be purified by channeling the *Shari'ah* non-compliant portion to a charity. Not only this, the calculation and treatment of Islamic obligatory charity namely *Zakat* falls within the ambit of an Islamic wealth management scheme (Ayub, 2007). In this way, the concept of purification within the discussion of Islamic wealth management equally applies to two separate notions namely; purification of non-compliant income vis-à-vis Islamic obligatory purification as part of Islamic religious duty. Other than this, the voluntary dispensation and distribution of wealth among the needy and deserving entities is also one of the distinguishing features of Islamic wealth management practices. For this, the Islamic concepts of *Waqf* (Islamic endowment), *Wasiyya* (Islamic will) and *Hibah* (Islamic gift) are frequently employed by many Islamic wealth managers (Labuan, 2019).

There are various existing models of Islamic wealth management in different jurisdictions. For being well-established in *Shari'ah* and vastly flexible, the concept of *Waqf* has been garnering wider popularity and acceptance for the purpose of managing wealth in a *Shari'ah*-compliant manner (Labuan, 2019). *Waqf* exhibits a variety of possibilities and scope for its different characters (Abdullah, 2018a). The key characters of a *Waqf* include a *waqif* (endower), *mutawalli* (trustee), beneficiaries and the objectives of *Waqf*. For instance, a deed of *Waqf* can be made by an individual as well as by an institution (Abdullah, 2019). The subject matter of a *Waqf* may include real estate (including commercial, non-commercial and residential buildings), agricultural lands, cash, stocks, *Sukuk*, *Waqf* -share (certificate) and any other *Shari'ah*-compliant non-perishable property/valuable (Abdullah, 2018a). Similarly, the role of the *Mutawalli* can be played by the waqif himself or by any other qualified entity. Also, for the potential beneficiaries of a *Waqf,* there is a wider scope. For instance, the benefits of a *Waqf* can be allocated for the *Waqif*, his/her progeny, relatives, friends alongside allocating for poor, pauper and needy. Similarly, among the *Waqf* beneficiaries may include a rich, wealthy, affluent as well as any individual of a contrary financial background. In a nutshell, the *Shari'ah*-based paradigm of wealth management constitutes a comprehensive and multi-dimensional framework consisting of a blend of individual, societal as well as spiritual benefits (Khaleel & Abdullah, 2016).

3.4 Conclusion and Recommendations

This chapter attempted to provide a comprehensive overview of Islamic approach on wealth and its treatment within the *Shari'ah* paradigm. The chapter discussed the *Shari'ah* guidelines on earning and managing wealth. By delineating the process, mechanism and the subject matter of earning, it endeavored to draw *Shari'ah* parameters and criteria for wealth creation. The points of discussion included how wealth is generated in *Shari'ah*-compliant manner and the religious duties of individuals in relation to wealth. The chapter deliberated the Islamic jurisprudential vis-à-vis mystic approaches of discussion on wealth and its treatment for accomplishing spiritual richness versus material well-being.

The chapter found that within the classical Islamic literature there is neither unanimity of opinion nor a standard Islamic perspective on the status of wealth and its treatment in *Shari'ah.* To deduce a balanced approach on wealth and its treatment in *Shari'ah*, one needs to juxtapose the arguments and contentions of different approaches adopted by Islamic jurists versus Islamic mystics. Generally, the evidences supplied by the two categories of scholars are somehow similar in nature ‘albeit, with their different interpretations. Capturing the contentions of one side along with its evidences in isolation of other side’s arguments may blur the line of understanding for a lay man. As a balanced view, this chapter found that wealth and affluence in itself is neither desired nor is abhorred in *Shari'ah*, rather the intention, actions and performance of a wealthy or a poor is the true parameter to judge whether wealth is desired or loathsome in view of *Shari'ah.* This conclusion helps dispel the doubt over the state and status of wealthy vis-à-vis poor in *Shari'ah.* As the chapter argued that neither wealth and affluence nor poverty and abstinence per se is a factor for spiritual ascendance or reward, it recommends that the focus should be accorded to the treatment of an individual and his actions in different situations to judge his/her moral and spiritual status.

This study found that wealth is among the key blessings of Allah which has been frequently referred in the primary sources of *Shari'ah* as one of the bounties for the mankind. As per the Islamic literature, earning, accumulating and preserving wealth is among the key objectives of *Shari'ah.* This study argues that the wealth-related objective of *Shari'ah* can be fulfilled only if the wealth creation, its usage, preservation and its circulation is carried out in the manner as prescribed by *Shari'ah* itself. Thus, it is contended that the framework of Islamic wealth management requires that the wealth creation, its accumulation, allocation, purification, and distribution must be synchronized with the tenets and ethos of *Shari'ah.* In a nutshell, for being a multidimensional discipline, the *Shari'ah*-based wealth management framework covers a comprehensively wide spectrum of areas including the wealth-related consideration for the subject individual, his/her progeny, the society, poor and other deserving entities. Finally, the scope and objective of an Islamic wealth management paradigm is not restricted only to fulfilling the mundane aspirations of this world for the subject individual but ideally it includes the preservation of reward and excellence for him/her in Hereafter as well.

References

AAOIFI. (2015). *Shari'ah Standards for Islamic Financial Institutions*. Bahrain: Accounting and Auditing Organisation for Islamic Financial Institution.

Abdullah, M. (2015). a new framework of corporate governance of *Waqf*: A preliminary proposal. *Islam and Civilisational Renewal, 6*(3), 353–370.

Abdullah, M. (2018a). Waqf, sustainable development goals (SDGs) and Maqasid al-Shariah. *International Journal of Social Economics, 45*(1), 158–172.

Abdullah, M. (2018a). Evolution in *Waqf* jurisprudence and Islamic financial innovation. *Journal of Islamic Monetary Economics and Finance*, *1*(4), 161–182.

Abdullah, M. (2019). *Waqf* and trust: The nature, structures and socio-economic impacts. *Journal of Islamic Accounting and Business Research, 10*(4), 512–527.

Abdullah, M. (2020). Waqf, social responsibility and real economy. In B. Saiti & A. Sarea (Eds.), *Challenges and Impacts of Religious Endowments on Global Economics and Finance* (pp. 23–36). USA: IGI Global.

Abdul-Rasul, A. (1980). *Al-Mabadi' al-Iqtisadiyyah Fi Al-Islam*. Cairo: Dar Al-Fikr Al-Arabi.

Ahmad, Z. (1991). *Islam, Poverty and Income Distribution*, Leicester, UK: The Islamic Foundation.

Ahmed, K. (2013). *Contemporary Islamic finance: Innovations*. London: Wiley.

Al-Bukhari, al- Sahih. (1999). *Kitab al-Ilm'*. In A. Salih (Ed.), *Mawsuah al-Hadith al-Sharif*. Riyadh: Darussalam.

Al-Ghazali, A. H. (2004). *Ihya Uloom al-Deen (Kitab al-Faqr wa al-Zuhd)* (Vol. 4. pp. 259–330). Cairo: Dar al-Afaq.

Al-Nabhani. (2004). *al-Nezam al-Eqtisadi Fi Islam*. Beirut: Dar Al ummah.

Ansari, M. (1991). Methodological foundations of Islam as an ethico economic paradigm. *Humanomics, 7*(3), 40–62.

Al-Shaybani, M. H. (2015). *al-Kasb,* Abu Dhabi, Abu Dhabi: Tourism and Cultural Authority.

Ariff, M. (1988). Comments on M.A. Mannan's "The economics of poverty in Islam with special reference to muslim countries." In M. Iqbal (Ed.), *Distributive Justice and Need Fulfilment in an Islamic Economy* (pp. 336–341). Islamabad, Pakistan: International Institute of Islamic Economics.

Ariff, M. (2017). Wealth management, its definition, purpose, structure. In M. Ariff & S. Mohamad (Eds.), *Islamic Wealth Management: Theory and Practice* (pp. 12–24). Gloucester: Edward Elgar.

Ariff, M., & Mohamad, S. (2017). Wealth as understood in economics and finance. In M. Ariff, & S. Mohamad, (Eds.), *Islamic Wealth Management: Theory and Practice* (pp. 3–11). Gloucester: Edward Elgar.

Atiyah, J. (2007). *Towards realization of the higher intents of Islamic law: Maqasid Al-Shariah: A functional approach*. London: The International Institute of Islamic Thought.

Auda, J. (2008). *Maqasid al-Shariah as philosophy of Islamic law: A systems approach*. London: The International Institute of Islamic Thought.

Aydin, N. (2017). Spirituality and subjective wellbeing living a fulfilled life without falling into the trap of consumer culture. *Humanomics, 33*(3), 300–304.

Ayub, M. (2007). *Understanding Islamic Finance*. West Sussex: John Wiley & Sons, Ltd.

Chapra, M. U. (2008). *The Islamic vision of development in the light of the Maqasid Al-Shari'ah*. Jeddah, Saudi Arabia: Islamic Research and Training Institute, Islamic Development Bank.

Derigs, U., & Marzban, M. (2009). New strategies and a new paradigm for *Shariah* compliant portfolio optimization. *Journal of Banking & Finance, 33*(6), 1166–1176.

Farooq, M. (2013). Islamic wealth management and some unconventional thoughts. *LIBFC Bi-Annual Report, 1*(1), 45–52.

Gadhoum, M. (2017). Wealth from the *Shariah* perspective. In M. Ariff & S. Mohamad (Eds.), *Wealth Management: Theory and Practice* (pp. 13–24). Gloucester: Edward Elgar.

Habib, F. (2018). *Fundamentals of Islamic finance and banking*. London: Wiley.

Hasan, S. (2015). *Human Security and Philanthropy: Islamic perspective and Muslim Majority Country Practices*. New York: Springer.

Ibrahim, A., Eltrash, J., & Farooq, O. (2014). Hoarding versus circulation of wealth from the perspective of Maqasid Al-Shari'ah. *International Journal of Islamic and Middle Eastern Finance and Management, 7*(1), 6–21.

Khaleel, F., & Abdullah, M. (2016). *Waqf* (Islamic endowment), human capital and humanitarian aid. *Interdisciplinary Journal of Economics and Business Law, 5*(2), 36–52.

Kamali, H. (2017). The Shari'ah purpose of wealth preservation in contracts and transaction. *Islam and Civilizational Renewal, 8*(2), 153–175.

Khatkhatay, M., & Nisar, S. (2007). *Shariah*-compliant equity investment: an assessment of current screening norms. *Islamic Economic Studies, 15*(1), 48–76.

Khattak, M. (2018). Protection and distribution of wealth, islamic commercial and financial transactions: A Maqasid Al-Shariah perspective. *European Journal of Islamic Finance, 10*, 1–8.

Labuan, IBFC. (2019). *Meeting the Unique Needs in Islamic Wealth Management*. Retrieved December 27, 2019, from https://www.labuanibfc.com/resource-centre/featured-articles/meeting-the-unique-needs-in-islamic-wealth-management.

Lev, Y. (2005) *Charity, Endowments and Charitable Institutions in Medieval Islam*, USA: University Press of Florida.

MIFC. (2016). *Islamic Wealth Management: Growing Stronger Globally*, Kuala Lumpur, Malaysia.

Retno, W. (2015). *Redistribution Adjusts Efficiency In Economy; Islamic Paradigm.* Retrieved December 25, 2019, from https://mpra.ub.uni-muenchen.de/67809/. MPRA Paper No. 67809.

Sabra, A. (2000) *Poverty and Charity in Medieval Islam: Mumluk Egypt. 1250–1517*. Cambridge: Cambridge University Press.

Salim, R., Hossain, R., & Mawali, N. (2016). Distribution of wealth and resources in Islam: Restoring social justice, peace and prosperity. *International Journal of Economic Research, 13*(2), 571–586.

Sanusi, M., & Rosly, S.A. (2008). *Fiqh Muamalat For Islamic Financial Practitioners*, unpublished, International Islamic University Malaysia, Kuala Lumpur.

SCM. (2017). *Islamic Fund and Wealth Management: Blueprint,* Securities Commission Malaysia, Kuala Lumpur, Malaysia.

Siddiqui, N. M. (1991) The role of the voluntary sector in Islam. In M. Ariff (Ed.), *The Islamic Voluntary Sector in Southeast Asia.* Singapore: Institute of Southeast Asian Studies.

Singer, A. (2008). *Charity in Islamic societies.* Cambridge: Cambridge University Press.

Tahir, I., & Brimble, M. (2011). Islamic investment behaviour. *International Journal of Islamic and Middle Eastern Finance and Management, 4*(2), 116–130.

Usmani, M. T. (2008). *An Introduction to Islamic Finance.* Karachi: Maktaba Ma'arifu Quran.

Zaman, H. S. M. (1991). *Economic Functions of an Islamic State: The Early Experience.* Leicestershire: The Islamic Foundation.

Mohammad Abdullah, Ph.D. is an expert of Islamic Sciences, Islamic Jurisprudence and Islamic finance. Abdullah is a well-trained and highly experienced *Shari'ah* Scholar, providing *Shari'ah* consultancy and advisory services to various Islamic financial institutions in Europe, South America and the UAE. He has produced research papers and Book chapters on the comparative study of *Waqf* and English trust, *Shari'ah* governance, Islamic finance and development studies. Abdullah holds a Bachelor degree in *Shari'ah* Sciences from Darul Uloom Nadwatul Ulama, Lucknow, India; M.A. in Islamic Banking, Finance and Management from the Markfield Institute of Higher Education, UK, and Ph.D. from University of Gloucestershire (UK). Abdullah is also a Certified *Shari'ah* Advisor and Auditor (CSAA) by the AAOIFI. Abdullah is a frequent speaker at International Conferences, and he has presented papers on Islamic banking and finance in different countries including Germany, Norway, Italy, Ireland, Scotland, UK, Trinidad & Tobago, Indonesia, Malaysia, India, Turkey and Dubai.