

## ***Book Review***

### **An Introduction to Islamic Economics and Finance**

*By M.Kabir Hassan, Mustapha Sani, Mustapha Abubakar (Academia Publishing House Limited, 2025), PP-176, ISBN no 9789843576866.*

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"An Introduction to Islamic Economics and Finance" is an introductory work on Islamic economics and finance that aims to familiarize readers with the conceptual framework of Islamic economics and its dimensions. The book is a collaborative work by three academics—Dr. M. Kabir Hssan, Professor of Finance at the University of New Orleans; Mustapha Sani, a young writer and graduate of Al Hudahuda College; and Mustafa Abubakar, an Associate Professor in the Department of Banking and Finance at Ahmadu Bello University, Nigeria.

The work is designed in three chapters, and each chapter is structured around a preview, objectives, learning outcomes, the meaning of the main topic and discussion, key terms and concepts, a summary, and review questions and problems. The first chapter, entitled Fundamentals of Islamic Economics, discusses the meaning of Islamic economics, its brief history, three ideological concepts, and the three main principles of Islamic economics. It also presents a critical comparison of Islamic economics with other prevailing economic models—capitalism, socialism, and the mixed economy—along with permissible and prohibited practices in financial dealings according to Shariah, Shariah principles governing the economic responsibilities and interactions of both the rich and the poor, and poverty reduction through Islamic approaches.

The second chapter, titled Preliminary Issues on Interest/Usury (Ar-Riba), discusses the prohibition of interest in the Islamic economic system and, from a non-Islamic perspective as well, examines its effects on the economy. The third and final chapter, presented under the title Introduction to Islamic Finance, explains the functioning of Islamic finance worldwide, including how Islamic banking operates with its various terminologies, as well as discussions on conventional insurance, pension schemes, capital markets, and bonds (Sukuk) from an Islamic perspective.

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When economics is concerned with the relationship between “ends” and “means,” this work demonstrates how Islamic economics suitably harmonizes this relationship.

This book explores the weaknesses of both capitalism and socialism. It explains that when economic systems go to extremes, they often harm society. In contrast, the Islamic economic system takes a balanced path — protecting the poor while preserving the rights of the wealthy.

The main goal of every economic system is fair distribution of wealth and income. When wealth is shared appropriately, poverty can be reduced over time. However, modern economic systems have not been successful in achieving this. In conventional economics, interest is treated as the payment for renting money. But depending too much on interest-based loans results financial instability. This disturbs national economic planning, Companies may have to reduce workers or shut down, which leads to unemployment. High unemployment weakens social stability, increases crime, and pushes people toward illegal activities.

In capitalist systems, wealth often becomes concentrated in the hands of a few, while many people remain poor. Large gaps between rich and poor reduce motivation and limits productivity. Therefore, Interest-based financial systems damages both economic stability and social fairness, making it harder to gain balanced and sustainable development.

The book also explains Islamic teachings for the poor. It encourages people to have a positive attitude toward the wealth Allah has given them and to practice contentment. Following the Prophet’s guidance, people should compare themselves with those who have less, not those who have more. This builds gratitude and inner peace.

The authors also debunked the popular misconception that “Islam prefers poverty over wealth.” Islam does not promote poverty; rather, it promotes responsible wealth.

The book discusses the opinion of Sheikh Muhammad Rashid Al-Ridha, who argued that bank interest could be lawful. The authors respond to this view academically and present strong evidence to show why this opinion is incorrect.

A major part of the book presents a new model for distributing zakat with the goal of reducing poverty. This model was proposed by Dr. Hussain Mohi-ud-Din Qadri of Minhaj University, Pakistan. It supports a centralized system for managing zakat, similar to systems used in countries like Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, Sudan, and Oman, where the state regulates zakat collection and distribution. For countries without a central zakat system,

the authors suggest a practical approach led by traditional leaders working together with Islamic scholars, economists, and professional accountants through proper zakat and waqf institutions. The focus of this model is productive zakat, not just short-term charity. It gives priority to unemployed people and aims to help them become financially independent. For example, if a zakat fund of about 6 million US dollars is organized, it could help 20,000 unemployed people each year. Each person could receive around 300 dollars as startup capital, along with proper training and supervision. Over five years, this plan could create lasting jobs for 100,000 people. Some of them may later become zakat contributors themselves.

The book identifies several categories of poverty: Cyclical poverty, caused by temporary food shortages due to natural phenomena or inadequate agricultural planning; Collective poverty, referring to long-term insufficient resources to meet basic needs; Case poverty, arising from an individual or family's inability to secure essential needs; Absolute poverty, the inability to provide necessities for survival, including food, shelter, clothing, potable water, safety, healthcare, basic education, and transportation; Relative poverty, defined in relation to societal standards; and Material poverty. The book further discusses strategies for alleviating these forms of poverty.

In many scholarly contentious discussions, the book examines various scholarly arguments along with their evidence and then presents the authors' preferred views with justification.

However, the opening chapter of the book contains an extensive critical and analytical discussion on the legality of money transfers through ATMs and POS systems, which may initially cause conceptual confusion for beginner readers. Moreover, the authors cite certain narrations, including one mentioned on page seventy-four—

رأيت ليلة أسرى بي على باب الجنة مكتوباً: الصدقة بعشر أمثالها والقرض بثمانية عشر

(“On the night of my ascension, I saw written on the gate of Paradise: charity is rewarded tenfold, whereas a loan is rewarded eighteenfold”—which does not meet the standards of authenticity and is classified among very weak *hadiths*. In addition, a significant number of examples are drawn from the Nigerian context, which may limit the book’s universal readership.

Notwithstanding these shortcomings, the book remains a valuable contribution for early-stage academics and students of Islamic economics.