

كيف عالجت الشريعة الإسلامية قضايا البيئة والمسؤولية الاجتماعية

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How *Shari'ah* addressed environmental and social responsibility issues

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المخلص:

تسعى هذه الدراسة إلى تعزيز مبدأ المسؤولية الاجتماعية ودور الشريعة كأداة فعالة لتعزيز المسؤولية الاجتماعية للشركات. وبما أن أغلب العمليات الاقتصادية الإسلامية تعتبر مشاريع اجتماعية تهدف إلى تحويل العائد الاقتصادي إلى عائد اجتماعي، فإن هذه المشاريع تؤثر بشكل مباشر على التنمية الاجتماعية والبيئية وفقاً لمبادئ وأهداف الاستثمار الإسلامي. كما تهدف هذه الدراسة إلى تفعيل وتعزيز المسؤولية الاجتماعية التي غابت عن العديد من المؤسسات الاستثمارية والتأكيد على أن الاقتصاد الإسلامي لا يهدف إلى خدمة الأفراد فقط، بل يسعى إلى خدمة المجتمعات ورفاهيتها وبناء الاقتصاد الوطني والمساهمة بشكل فعال في الحفاظ على البيئة المحيطة لتشكيل دعامة أساسية وعاملاً قوياً في التنمية المستدامة. كما تهدف الدراسة إلى إظهار وإبراز بعض مبادئ وخصائص الاستثمار الإسلامي، ومنها ضرورة مراعاة المسؤولية الاجتماعية في أي عملية استثمارية، حيث إنها تندرج ضمن إطار الحوكمة. كلمات مفتاحية: الاستثمار الإسلامي، المسؤولية الاجتماعية، الشريعة الإسلامية، الاقتصاد الإسلامي.

Abstract:

This study seeks to reinforce the principle of social responsibility and the role of Islamic economics as an effective tool for enhancing corporate social responsibility (CSR). Since most Islamic economic operations are considered social projects that aim to convert the economic return into a social return, these projects directly affect social and environmental development according to the principles and objectives of Islamic investment. This study also aims to activate and strengthen the social responsibility that has been absent from many investment institutions and to confirm that Islamic economics does not aim to serve individuals only but rather seeks to serve societies and their well-being, build the national economy, and contribute effectively

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to preserving the surrounding environment to form an essential support and a powerful factor in sustainable development. The study also aims to show and highlight some of the principles and characteristics of Islamic investment, including that social responsibility must be considered in any investment process, as it falls within the governance framework.

Keywords: Islamic investment; social responsibility; *Shari'ah*; CSR; Islamic economics.

INTRODUCTION

It should be noted that social enterprises face many challenges in accessing finance due to the high risk regarding generating profit, problems of the governance model, and the lack of performance measurement valuations, especially when it comes to measuring social value. Social enterprises seek finance from banks, venture capital, grants, public funding, and others. In the paint of fact, the apparent emergence of some social phenomena and problems has led to increased calls for adopting issues related to societies, and among these issues is the activation of corporate social responsibility (CSR). As a result, on November 1, 2010, the International Organization for Standardization (ISO) launched the ISO 26000 standard to provide guidance on social responsibility, and it aims to participate in the global sustainable development process by encouraging companies and other organizations to participate in the practice of social responsibility to improve this practice. On the activities of these companies and organizations, their natural environment, and their societies. (ISO, www.iso.org/iso-26000-social-responsibility.html, 2020). Social responsibility has recently emerged as a result of the domination of commercial profitability over the behaviour of different corporations, institutions, and organizations, as these companies have not been concerned with social profitability or the benefits that should extend to shareholders in the surrounding societies and environments. Thus, the principle of corporate social responsibility has emerged in the shadow of greed, materialism, and unethical behavior that led to a total disregard for moral values in commercial transactions, which is one of the most important causes of the global financial crisis. "Indeed, the cause of the crisis was related to unethical behavior caused by greed and materialism which led to irresponsible actions and a total disregard for ethical values in business transactions." (Nor, 2012). The growth and development of social impact enterprises are fundamental for all economies, and financing them is a challenging issue where they struggle to access finance (Paolo & Moha, 2019). Traditional financial instruments are difficult to access, especially after the recent financial crisis, due to social enterprises facing high risk regarding generating profit, problems of governance models, and lack of performance measurement valuations, especially when it comes



to measuring social value. (Paolo & Moha, 2019). In light of traditional economic thought, corporations were seen as having the sole aim of only maximizing profit by achieving the largest possible return for investors and that achieving profit will be followed automatically by achieving society's goals; this is the traditional view of institutions, as outlined by some economists such as Milton Friedman in the seventies of the last century. The classic view on the concept of social responsibility sees that corporate social responsibility is achieved through the payment of wages to workers, the provision of goods and services to consumers, and the payment of taxes to governments that convert spontaneously to public services for citizens, in addition to respecting the approved contracts as well. Thus, this point of view believes that adopting the philosophy of social responsibility by corporations would reduce profits and increase labor costs.

However, this traditional view is no longer acceptable, due to the private sector institutions today being concerned with more than just providing goods and services to consumers and paying a fair share of taxes. The traditional saying that institutions are responsible only to their owners may no longer be accepted in today's world characterized by intertwined relationships and interests (Arab Labor Organization, 2018). Today's world provides consumers with many options, and investors seek to provide stability and safety for their investments, which requires looking at the concept of social responsibility as representing economic, social, ethical, legal, and *Shari'ah* dimensions as well. This social contract implies some form of altruistic behaviour—the converse of selfishness—whereas self-interest connotes selfishness. Self-interest is central to the utilitarian perspective championed by such people as Bentham, Locke, and J. S. Mill. These influential ideas put the interest of the individual above the interest of the collective. The central tenet of social responsibility, however, is the social contract between all the stakeholders in society, which is an essential requirement of civil society (Güler & Crowther, 2009). Thus, several reasons contributed to the growing concept of corporate social responsibility, as a result of many challenges, such as globalization, increasing pressure from governments, people and civil society organizations, environmental disasters and moral scandals, and rapid technological developments.

PROBLEM STATEMENT:

There is a widespread belief among many investors in the field of economics and those working in investment institutions that Islamic investment operations are intended solely for commercial profitability and have nothing to do with the principles of social responsibility. Therefore, one of the most important

justifications for this study is to refute this view, as enterprises should not only be profitable tools but also be responsible citizens. (Tai & Chuang, 2014)

Even though corporate social responsibility (CSR) has garnered a lot of scholarly and managerial attention since the 1950s, the majority of it is still unexplored academically, so its application is still a developing field. Both academia and industry must comprehend how CSR is implemented as it continues to gain traction in organizational strategies. (Fatimah & Elbanna, 2023)

On the other hand, many investors need to know more about the principles of social responsibility. (Carroll, 2021). The researcher aims to highlight some of the principles and characteristics of Islamic investment, including that social responsibility must be considered in any investment process, especially since this falls within the framework of corporate governance (CG). (Zaman, Jain, Samara, & Jamali, 2022).

RESEARCH QUESTIONS:

1. What is the concept of an Islamic economic system, and what are its principles, objectives, and advantages?
2. What is the relationship between social responsibility and *Maqasid Shari'ah*?
3. What is the concept of social responsibility within the Islamic economy?
4. What are the possible ways to activate the role of Islamic economics in promoting social responsibility?

RESEARCH OBJECTIVES:

1. To clarify the concept of an Islamic economic system, and its principles, objectives, and advantages.
2. To highlight the relationship between social responsibility and the *Maqasid Shari'ah*.
3. To explain the concept of social responsibility within the Islamic economy.
4. To find out possible ways to activate the role of Islamic economics in promoting social responsibility.

RELEVANCE AND IMPORTANCE OF THE RESEARCH:

The study addresses important issues related to the governance of Islamic economic companies and institutions. It highlights the most important principles of Islamic economics that Islamic economic institutions must adhere to in Muslim communities. There are many facts that must be shown in this study, related to the objectives and principles of Islamic economics but unfortunately not considered by investment



institutions. The source of the mandate of social responsibility in Muslim societies stems from faith in Allah, and this compels officials or the organization to adhere to the approach set by Allah Almighty to build and develop the Earth. The strength of this concept lies in the organization from its source on which it depends, so, it is difficult to shirk this responsibility unless the faith of those in charge is weak.

The social responsibility of the investment institution is the commitment of the institution to participate in some of the activities, programs, and social ideas to meet the social requirements of the parties associated with it and affected by its activity, both inside and outside, with the aim of Allah's satisfaction and work to achieve progress and social awareness of individuals, taking into account the balance and fair attention to the interests of different groups.

METHODOLOGY RESEARCH:

The study generally relied on the analytical descriptive method. It focuses on three main themes: The first one is the basic concepts of Islamic economics and its objectives and principles and its importance in the development of Muslim societies, while the second theme addresses the concept of social responsibility, its areas, and the most important pillars, and the third theme examines the role of Islamic economics in the promotion and activation of social responsibility and what are the possible ways and means to that (Hubbard & Vetter, 1996). The theoretical framework is to demonstrate the concepts of both Islamic economics and social responsibility, and the researcher relied on the inductive approach to show that. On the other hand, the method of data collection is through primary and secondary data, such as books, theses, periodicals, websites, reports, interviews, scientific notes, and the like (Cowton, 1998).

BACKGROUND AND CONTEXT:

The term "social responsibility" was first mentioned in 1923, when Sheldon pointed out that an organization's responsibility is primarily a social responsibility and that an organization's survival and continuity must fulfill its social responsibility in the performance of its various functions. Entitled "Social Responsibility for Business," the concept received attention from researchers, academics, and international organizations. On the other hand, the concept of social responsibility from the Islamic perspective is the commitment of the organization to participate in the good works in the exercise of its activities towards the various parties related to them as a result of the mandate it has accepted in the light of the principles of *Shari'ah*, intending to advance the Muslim society while taking into account the elements of flexibility, capacity, inclusion, and justice. (Al-Maghrebi, 1996)

Social responsibility is a principle of responsible investment approved by the United Nations in the ISO 26000 (ISO, www.iso.org/iso-26000-social-responsibility.html, 2020), which is the recognized

international standard for corporate social responsibility, but before that is a feeling that stems from the conscience of the taxpayer and must be achieved within the Islamic economic system. The motives for sensing this principle differ from one to another. There are subjective motives, stemming from the same individual in charge, and what motivates this motive is a firm belief and full faith in this principle, and there are motives of control, forcing the individual to follow this principle. Some studies indicated that socially responsible investment (SRI) can play a major role in expanding Islamic investment. The report by Thomson Reuters and Lipper EMEA Research confirmed that there are potential roles Islamic funds can play in the SRI industry; the report's findings include (Thomson Reuters & Lipper EMEA Research, 2014):

1. The socially responsible investment market will be able to access more than \$3 trillion in wealth around the world, one of the fastest-growing industries, having grown by 500% since 1995.
2. Socially responsible investments represent a natural intersection of Islamic economics complementary to the principles advocated by Islamic law.
3. Socially responsible investments will help expand Islamic funds outside their home markets.
4. Socially responsible investments will facilitate the completion of requirements aimed at improving the efficiency of Islamic funds.

In addition, the Luxembourg Fund Industry Association has concluded that all Sharia-compliant funds fall under the scope of socially responsible investments.

Chapter I: The concept of Corporate Social Responsibility (CSR)

First main title: Definitions of CSR

According to the definition by the EU Commission: "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily." (Güler & Crowther, 2009). There is another definition of CSR: CSR is the voluntary action that a corporation implements as it pursues its mission and fulfills its perceived obligations to stakeholders, including employees, communities, the environment, and society as a whole. (Coombs, W. T. & Holladay, S. J., 2011).

Furthermore, the Social Economic Council of the Netherlands (SER), which is an advisory body to the Dutch government, in a report of 2001 defines corporate social responsibility as follows (SER, 2001): Corporate social responsibility incorporates two elements (Ven van, Graafland 2006):

- A. Sufficient focus by the enterprise on its contribution to the welfare of society in the longer term.
- B. The relationship with its stakeholders and society at large (Van de Ven & Graafland, 2006).



The concern for the social effects of the company's performance is part of it. In other words, the SER's view is that the 'social' activities of a firm are an inseparable element of corporate policy (SER, 2001). The Social Economic Council stresses that the company's contribution to the welfare of society does not consist only of economic value creation but concerns value creation in three spheres referred to as the Triple-P bottom line.

- i. Profit: the economic dimension. This dimension refers to the creation of value through the production of goods and services and the creation of employment and sources of income.
- ii. People: the social dimension. This includes a variety of aspects concerning the impact of company operations on human beings inside and outside the organization, such as sound labor relations and health and safety.
- iii. Planet: the ecological dimension. This dimension relates to the effects of company operations on the natural environment. (Van de Ven & Graafland, 2006).

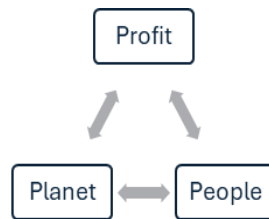


Figure1: The Triple-P bottom line of CSR

As for Carroll's point of view, there are four-part definitions of CSR originally stated as follows: "The social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that a society has of organizations at a given point in time." (Schwartz & Carroll, 2003).

Thus, we understand from these and other definitions that corporations and organizations are not only responsible for achieving commercial profits but also must be responsible for the surrounding environment and society. So, according to the so-called stakeholder approach, enterprises are not only accountable to their shareholders but should also balance a multiplicity of stakeholder interests that can affect or are affected by their operations (Freeman & Liedtka, 1991).

Second main title: Principles of CSR

Three basic principles together comprise all CSR activity. These are:

1. Sustainability.
2. Accountability.
3. Transparency.

In the context of exercising their social responsibility, corporations aim to increase their contribution to sustainable development, and to achieve this goal, it is necessary to work on a set of principles contained in the ISO 26000 standard, the seven key underlying principles of social responsibility (Güler & Crowther, 2009):

1. Accountability.
2. Transparency.
3. Ethical behaviour.
4. Respect for stakeholder interests.
5. Respect for the rule of law.
6. Respect for international norms of behaviour.
7. Respect for human rights.

Thus, to be more in compliance with social responsibility, the seven core subjects and issues about social responsibility that organizations and companies should focus on are:

1. Organizational governance.
2. Human rights.
3. Labour practices.
4. The environment.
5. Fair operating practices.
6. Consumer issues.
7. Community involvement and development. (ISO, ISO 26000 Social responsibility, 2010).

So, now, many companies and organizations have recognized the importance of social responsibility, seek to involve stakeholders, and are working hard to innovate ways to integrate socially responsible behaviour into the organization.



Chapter II: *CSR from an Islamic Investment Perspective*

First main title: Background

The nature of Islamic economics, as much as it is financial operations, is also societal activities, because all Islamic economic practices are social projects in which society and the surrounding environment must participate as pivotal elements of the most important factors affecting investment operations.

Islamic economics has made the social dimension one of the most important factors affecting investment policies and a main goal of its objectives that must be considered. In the scientific and practical encyclopedia of Islamic banks (Al-Hawari, 1982): Islamic economics is a positive human activity derived from *Shari'ah*; it leads to achieving and reinforcing the objectives of the Islamic economic system through Islamic priorities that are reflected in the reality of Muslim societies. Some economists define Islamic investment as actual investment of surplus wealth (savings), whether directly or indirectly, for an economic activity that does not contradict with principles and objectives of *Shari'ah*, in order to obtain a return that assists people in carrying out the mission of succession and developing the world (Abul-Hol, 2012).

Islamic economics is the exerted effort to increase and develop financial resources and human capacities to obtain the highest rate of growth in material and human capital (Al-Samani, 2002). Islamic finance has experienced progressive growth in the last years and could play a significant role not only limited to Muslims but also for non-Muslim countries. Advances in Islamic finance and social finance demonstrate increasing global attention to finding alternative ways of financing and creating value in society since both have similar ethical dictates (Paolo & Moha, 2019). *Sharia* regulates all Islamic financial instruments and investments. Its screening methodology prohibits unethical businesses and practices like the negative screening methodology adopted by socially responsible investment, which makes both connected to social finance (Paolo & Moha, 2019). While we take into view that corporate social responsibility arose recently a few decades ago, we must be informed that Islamic economics realized this well fourteen centuries ago and has made social responsibility a primary principle and major goal that must be achieved in any investment process.

The concept of investment from an Islamic perspective is completely different from the traditional concept of investment. The nature of Islamic economics is rather a social investment because it interacts with all the surrounding elements in the environment and society. The concept of Islamic economics includes every human activity that achieves desired benefit, whether public or private, material or moral, urgent or future, and whether this benefit is related to the human being or to other organisms and creatures that share with the humaneness the factors of its survival and life. Therefore, we can say that Islamic economics is any

human activity that takes advantage of available resources and invests the permissible funds to achieve the interests of the individual, society, and environment, in accordance with the *Shari'ah*.

In the Islamic economic system, investment is not limited to only financial elements or a material instrument. Rather, investment takes place with every activity that achieves an interest or a realized benefit. Therefore, the *Shari'ah* permitted investment in many types of corporations, such as *Al-Abdan*, *Al-Wujuh*, and *Al-Dhemam* as well, and all these types are investment partnerships, but without including any financial component. With a thorough understanding of Islamic economic social justice, the corporations are obliged to do what is assumed proper and fair. They should act ethically towards the concerning issue surrounding the area of operation and attempt to avoid harm to the community and public. Islamic economics is distinguished by its principles and objectives, which emphasize the need to consider the societies and environments surrounding the operational processes, so if we look at the most important principles of Islamic investment, it may be evident the extent of its interest in social responsibility.

Second main title: Principles of Islamic investment

Social responsibility is considered a cornerstone and an integral part of the principles and objectives of Islamic investment, as each organization must consider social responsibility in all its operations and activities and is even subject to accountability for the extent to which it is achieving the social benefit and its compliance with social responsibility; therefore, the main principles of Islamic economics are the following:

1. **Commitment:** To keep away from forbidden practices such as usury, gambling, bribery, greed, injustice, harm to others, and the like, namely, respecting the rule of law, including *Shari'ah*.
2. **Inclusion:** To allow society and the surrounding environment to interact with all investment processes.
3. **Justice:** To ensure justice in all investment activities and practices, achieving social justice.
4. **Honesty:** To ensure transparency, credibility, dependability, and contract fulfillment.
5. **Balance:** To achieve the best of interests by activating the rule of Islamic prioritization, which balances between *Maslahah* and *Mafsadah*, likewise, diversifying employment. The balance should be in all this, as the social interest requires.
6. **Capital preservation:** To ensure wealth development and increase and reduce its damage, loss, or waste.



7. **Ethical behavior:** To promote values and spread cooperation, tolerance, love, and solidarity among people and communities; moreover, to stay away from greed, selfishness, injustice, and harm to others, thereby avoiding damage to capital, society, or the environment.
8. **Community interest:** To benefit society by respecting the interests of stakeholders and considering the needs of the surrounding community. The needs of all the stakeholders in the community must be considered.
9. **Allah Almighty is the owner of wealth** and natural resources; the man is appointed by Allah as a trustee and custodian to work in his land. Thus, human ownership is an imperfect property, not a perfect property.

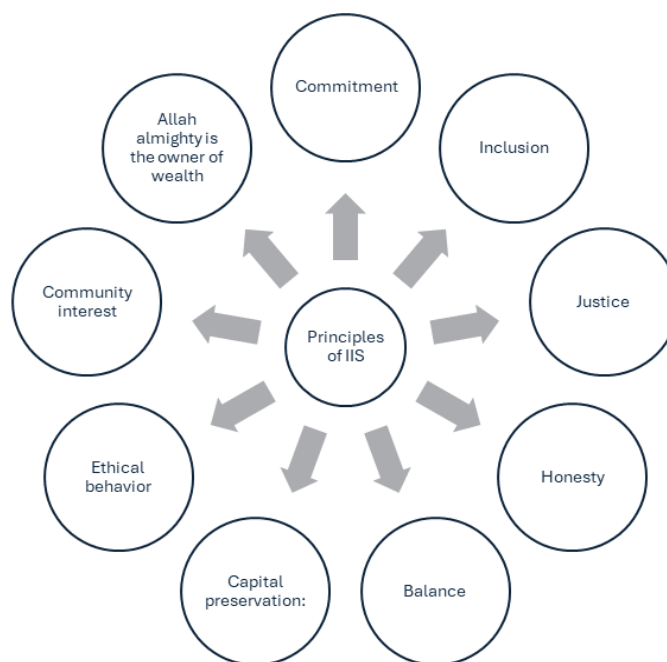


Figure2: Principles of Islamic investment

Third main title: objectives of Islamic investment

There are many objectives for Islamic investment, which fall under three main objectives:

1. **Human development:** By investing in and exploiting human resources and taking advantage of its abilities, capacities, and skills, which contributes to well-being and preserving its dignity, thereby reducing unemployment and poverty, and creating new productive opportunities.

2. **Capital development:** With the investment and conservation of wealth, by properly exploiting the resources without waste, neglect, or damage, and striving to increase wealth, which contributes to resource mobilization and redistribution of income and wealth, thus, this aim effectively leads to social justice and preservation of wealth (plant, animal, environmental, etc.) in possible ways that contribute to reducing environmental pollution.
3. **Comply with divine instructions, ethics, and values** that promote cooperation, interdependence, solidarity, tolerance, charity, and love among people and communities and avoid greed, selfishness, injustice, and harm to others.

In conclusion, we draw on the investment purposes called for by Islamic law, which targets the development of human beings mentally, scientifically, valuably, materially, morally, and socially, as well as the development of their capabilities, so that they can be able to care for themselves and serve their society and the architecture of the earth. The development of capital of its various types— material, human, animal, plant, environmental, etc.—should also be included in investments. In other words, the most important aim of these investments is to balance the soul (spirit) and substance and to strengthen the relationship between the three objectives, integrating concepts and elements, thus, accessing the virtuous state, happiness, true prosperity, well-being, and sustainable development.

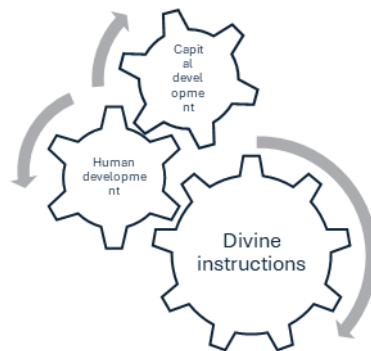


Figure3: The dynamic relationship between the main objectives of Islamic investment

These Islamic concepts are already confirmed by the Dutch Foundation by the **SER (Social Economic Council of the Netherlands)**, which indicated that two key elements dictate whether one can rightly refer to socially responsible business currently:

1. Consciously targeting business activities at value creation in three dimensions (profit, people, planet) and hence contributing to society's prosperity in the longer term.



2. Maintaining a relationship with the various stakeholders that is based on transparency and dialogue, and which responds to legitimate demands from society. (SER, 2001)

For this, there must be *Shari'ah* supervision in every Islamic financial institution to ensure the extent of the institution's compliance with ethical values in their activities and practices toward society and the environment.

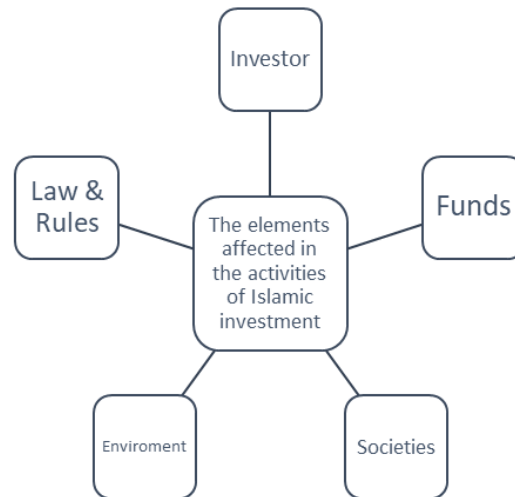


Figure4: Elements affected by Islamic investment operations

Chapter III: Islamic Economic Instruments for Social Responsibility

Some companies and financial institutions may face significant difficulties in complying with social responsibility, as this may sometimes conflict with maximizing profitability, their financial obligations to shareholders, a lack of evaluations and measures of social performance, as well as the difficulty of obtaining funding. However, this is not the case for Islamic financial institutions that adhere to the objectives and principles of Islamic law, where adherence to social responsibility is normal and does not represent any difficulty because the principle of social responsibility is one of the objectives and strategies of Islamic financial institutions.

Social responsibility is defined as (Al-Maghrebi, 1996): The commitment of the organization to participate in good deeds when practicing its activities towards the various parties that have a relationship with it as a result of the mandate agreed to in light of the principles of Islamic law with the aiming to advance the Muslim community by taking into account the elements of flexibility, capacity, inclusiveness, and justice.

Social responsibility is an international standard approved by the United Nations. It is also first a human feeling that arises from the conscience of the charged personality and is one of the investment principles that must be fulfilled in the Islamic economic system. The motives differ in sensing this principle, there is self-motivation that emerges from the individual charged, and this motivation is driven by the firm

belief and perfect faith in this principle. On the other hand, there are supervisory motives that compel the individual to follow this principle.

First main title: Investment instruments suitable for social responsibility

The most important investment instruments and their role in promoting social responsibility:

- **Contract of *Salam*:** This is a sale described in the disclaimer with an allowance given sooner (Hammad, 2008). This contract guarantees capital and contributes to supporting and encouraging craftsmen and leveraging from their ideas, capacities, skills, abilities, and experience in agriculture, industry, trade, or other, or by establishing small enterprises, as this contract provides them with the necessary liquidity to start their projects and innovations, thereby improving the basic standard of living and social well-being of the population.
- **Contract of *Istisna'a*:** This is a contract in which he immediately buys something that makes a man who is obliged by the seller to provide it made with materials from him with specific descriptions and at a specific price (Ersheed, 2007) (Salus, 2003). This contract contributes to the establishment of universities, schools, hospitals, libraries, gardens, and all that is relevant to societies. Meanwhile, this contract is very suitable for many technological projects, such as clean energy technologies (environmentally friendly). Thus, it reduces dependence on harmful industries for societies and the environment. It also contributes to the potential, capacity, and skills of societies.
- **Contract of *Ijarah*:** It is the ownership of the benefits in return for compensation, whether that compensation is in kind, debt, or a benefit (Hammad, 2008) (Salus, 2003). This investment tool contributes to mitigating the harmful effects of industrial equipment and machinery by reducing their purchase and replacing them with leasing, which are two types: leasing objects and assets and leasing businesses and skills, such as *Attajir Attamwili* (financial leasing) which enables the client to use the asset to benefit from it for a certain period.
- **Contract of *Mudarabah*:** It is an agreement between two parties in which one of them exerts his money and the other exerts his effort and energy (Hammad, 2008). This is one of the most important contracts that contribute to social development, effective means of moving, developing, and redistributing funds, as well as investing and exploiting the minds of people who have a limited income, including craftsmen, farmers, etc., to rely on themselves and benefit themselves and others.



- **Contract of *Musaqah*:** A contract to hand over the trees to those who repair and care for them with a known part of their fruit.
- **Contract of *Muzara'ah*:** A contract to plant between the farmer and the landowner, the crop for all of them according to the agreement.
- **Contract of *Mukhabarah*:** A contract to plant between the farmer and the landowner, but the seed is from the worker.
- **Contract of *Mugharasah*:** Handing over barren land to whoever planted it on a portion of the fruit (Hammad, 2008).

These last four instruments contribute dynamically to the expansion of green spaces, combating desertification, supplementing the subsoil water level, and increasing urban greenery, landscaping, and maintenance of green areas, gardens, parks, etc., as well as labor exploitation and unemployment alleviation.

Second main title: The role of *Maqasid Shari'ah* in promoting CSR:

As is well known, Islamic law aims to realize *Maqasid* (great purposes) that benefit all humanity, as the purpose of preserving the five necessities: preserving religion, self, mind, offspring, and money. The role of *Shari'ah* in all financial transactions among people is to bring in interest and reduce evils. As Ibn Abdussalam said: The whole *Shariah* is interests that either prevent evils or bring interest (Ibn Abdussalam, 1991).

Ibn al-Qaim: The *Shari'ah* is built and based on judgment and the interests of the people in the world and hereafter, and it is all justice, mercy, and all interests and wisdom (Ibn Alqaem, 1991). Accordingly, the *Maqasid Shari'ah* in Islamic economics is the following:

1. Carry out the Ummah interests: Wherever the interests are, Islamic economics targets it in every possible way. Our Prophet said, **"If the Final Hour (doomsday) comes while you have a palm-cutting in your hands and it is possible to plant it before the Hour comes, you should plant it."** The Prophet has urged the planting of trees and the development of the land till the final hour to indicate the need to secure life for future generations and achieve sustainable development. The Messenger of Allah (may Allah's peace and blessings be upon him) said: **"No Muslim plants a tree, then a man, a beast, or a bird eats from it, but it will be counted as charity for him on the Day of Judgment."** Another narration states: **"No Muslim plants a tree or sows a field, then a man, a beast, or anything else eats from it, but it will be counted as charity for him."** [al-Bukhari

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- (2489)]. So, Imam As-Shatbi (1388) has pointed out that self-rights depend on the fulfillment of transgressive rights, so that the private interest can be achieved only through the realization of the public interest. (Alshaatibi, 2007)
2. Spend money on legitimate activities, areas, and rights, our Prophet said: **"No doubt this wealth is sweet and green. Blessed is the wealth of a Muslim from which he gives to the poor, the orphans, and to needy travellers"** [*Musnad* Ahmed (11157)]. Islam has deprived *Iktinaz* (withholding money) and *Ihtikar* (monopoly) or the prevention of any benefit to others, as this may harm money at first and also harm the owner and society as well.
 3. Spread the spirit of intimacy, cooperation, and solidarity among the members of society, and this prevents injustice, greed, envy, division, and disparity between classes. The Messenger of Allah (ﷺ) said, **"The believers in their mutual kindness, compassion, and sympathy are just like one body. When one of the limbs suffers, the whole body responds to it with wakefulness and fever."** [Al-Bukhari and Muslim]. The righteousness of the world is good for people due to the existence of their honesty and the emergence of their religions; meanwhile, the corruption of the world may corrupt people due to the lack of their honesty and the weakness of their religions. If the world is right, envy and resentment will be reduced in societies, people will be happy, and communication will increase, and that is one of the strongest reasons for the goodness of the world and the regularity of its conditions. (Almawrdi, 2006)
 4. Prevent harm as much as possible, whether on money, society, or the environment, as our Prophet said: "There should be neither harming nor reciprocating harm." And the jurisprudential rule: (The damage must be removed). (Ibn Nujaim, 1999) So, in order to safeguard the money, *Shariah* has deprived all investment practices and activities, which are detrimental to the investor first and to society second, such as prohibiting gambling and investing in its clubs and unknown speculation. In addition to that, *Shariah* has deprived every activity or investment operation that causes harm to society or the environment, as it is considered one of the most important pillars of Islamic investment.
 5. Maintenance of money from loss or waste, Allah Almighty said: (And those who, when they spend, do so not excessively or sparingly but are ever, between that, [justly] moderate [al-Furqan: 67]. And also, our Prophet said: **"Allah is angry with you about three things. He dislikes you engaging in**



chitchat, asking a lot of questions, and squandering wealth.” [al-Bukhari (2276), Muslim (4578)]

For keeping wealth, the *Shariah* imposed the penalty for theft, the punishment of *heraba*, and ordered the taking of mortgages, writing, and witnessing the debt for preservation and protecting wealth. As al-Qurtubi said: When Allah ordered writing, witnessing, and taking the bet (foreclosure), that was a definite ruling for taking into account the preservation and development of the funds. (Alqurtobi, 1964)

6. Mobilization and trade of money, The Prophet (ﷺ) said: **“Two angels descend every morning, and one says: 'O Allah, give him who spends something, in place of what he spends.' The other one says: 'O Allah, give destruction to him who withholds’.** [al-Bukhari (1374), Muslim (2383)].

It follows from the foregoing that Sharia is keen to achieve social interest and prevent damage as much as possible to money, individuals, and communities; rather, *Shariah* is keen at the beginning to comply with the principle of social responsibility. Thus, Muslim jurists and scholars have devised the past *Shariah* rules governing investment, solving environmental problems, and guaranteeing the rights of both individuals and societies, namely:

1. **The harm is removed:** This rule is based on the prophet’s words: **“There should be neither harming nor reciprocating harm.”** It means that everyone is free to act in his own right if there is no harm, but if there is harm to others, the authority has the right to intervene and take measures to prevent harm to certain components of the environment.
2. **Preventing evil takes precedence over bringing interests:** If exploitation of environmental resources will cause harm or corruption of these resources, then it is not allowed; moreover, if any product brings pollution or threatens people’s health and safety, it is better to stop this activity even if it has economic benefits because the interest of society’s life takes precedence over profit maximization.
3. **Damage is removed as far as possible:** The Authority has the right to compel those who cause harm to homes, streets, markets, or the environment to remove damage resulting from their actions, which may damage people, animals, or the quality of the environment.
4. **Giving priority to the public interest over the private interest:** The Islamic economy combines the private interest as much as possible with the public interest, but if the two interests are at stake,

then it precedes the public interest over the private interest. However, any private enterprise that harms people in their health or well-being, such as the emission of smoke or gases that harm them or make noise that worries them, is unacceptable, because interests related to the nation's interests and needs are more concerned than interests related to individuals when conflicting (Alqardawi, 1991).

Consequently, compliance with social responsibility is not a new issue for the Islamic economic regime; it has emerged with the emergence of Islamic law. Our Prophet has taken many measures that fall within compliance with social responsibility, such as:

1. **Stopping illegal logging:** Because it affects the beauty of the environment on one hand and deprives people and animals of benefiting from it, our Prophet said: **"Do not cut down trees, it is protection livestock in the barren time."** He also urged the expansion of green spaces, he said: **"No Muslim plants a plant or sows a crop, then a person, or a bird, or an animal eats from it, except that it will be a charity for him".**
2. **Combating desertification:** By urging the reconstruction, rehabilitation, revival, reclamation, afforestation, and encouragement of the land so that it does not remain barren, our Prophet said: **"He who cultivates land that does not belong to anybody is more rightful (to own it)."** He also urged cultivation so that the land does not become a land that no one benefits from **"If anyone revives dead land, it belongs to him, and the unjust root has no right"**.
3. **Getting the damage out of the way:** like dirt, debris, and everything that disturbs people, so that the land stays clean and beautiful, so our Prophet said: **"Removing something harmful from the road is *sadaqah*."** Likewise, urging the cleanliness of squares, houses, roads, and other public places, our Prophet said: **"Indeed Allah is Tayyib (good) and he loves Tayyib (what is good), and He is Nazif (clean) and He loves cleanliness, He is Karim (kind) and He loves kindness, He is Jawad (generous) and He loves generosity, So clean your courtyards."** It means, not to allow polluting the environment and public places.
4. **Keep water clean,** whether the seas, lakes, rivers, or wells, and do not allow it to be polluted with dangerous substances, such as sewage disposal. The Messenger of Allah (ﷺ) **"forbade urinating into standing water."** And also forbade: **"relieving oneself in watering places, in the middle of the road, and in the shade."** This is because all people are partners in water use, while polluting it



may harm or prevent them from benefiting. Our Prophet said: **"People are partners in three things: grazing, pasture, water, and fire"**. If our Prophet forbade breathing in the water and throwing sewage residues into seas or rivers, then, let alone throwing industrial and chemical waste and dangerous radioactive wastes into it, which may cause damage not only to the current generation but also to the future generations. That would fall into the categories of massive human error and land contamination forbidden in Islam.

5. **Prohibiting waste of water for non-need**, because water scarcity affects the lives of humans, plants, animals, and the environment in general, where drought spreads, and green spaces are reduced, Allah almighty said: **"And eat and drink, but be not excessive. Indeed, He likes not those who commit excess"** [Al-A'raf: 31], also our Prophet said: **"Do not be extravagant, even if you are beside a flowing river"** (Al'abji, 2015).

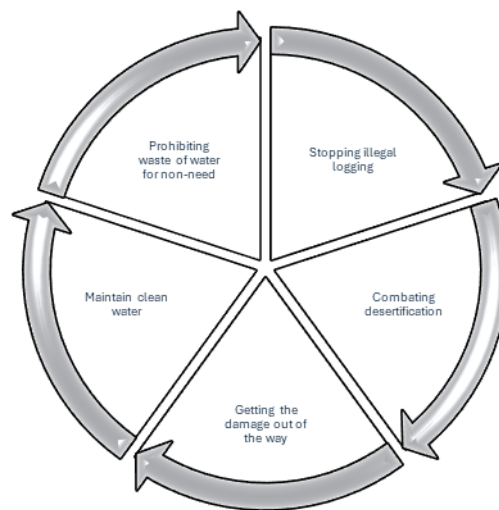


Figure5: Shariah procedures to ensure compliance with CSR

Chapter IV: Findings and discussion

Accordingly, we deduce that "social responsibility" basically consists of upholding the rules of everyday existence that maintain the equilibrium of the natural order and the universe, and that altering these rules through human intervention will corrupt the system and cause the natural imbalance. As emphasized, the Islamic economy fights any corruption or human interference that causes a change in nature that damages human, animal, or environmental components (water, food, air, soil), as well as the damage and risks that can be inflicted on future generations, by respecting human beings and preserving both financial and natural wealth.

In the opinion of the researcher, and based on *Maqasid Shari'ah* and the objectives and principles of Islamic investment, corporations and organizations should comply at first with *Shari'ah* in terms of *halal* or *haram*, then what extent compliance with values and morals as an integral part of *Shari'ah*, the Prophet said: **"I was sent to perfect good character."** And then, the extent of compliance with the interests of the surrounding societies (social responsibility), because *Shari'ah* precedes the public interest over the private interest. This is followed by compliance with the economic utility, whether maximizing profitability or supporting GDP, and then complying with environmental responsibility, which is an important element that may affect or be affected by various investment activities.

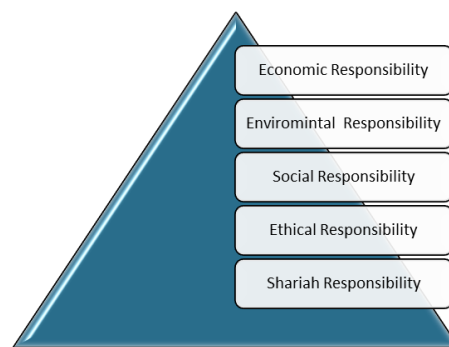


Figure5: The pyramid of social responsibility in Islamic investment

However, it can be said that there is still ambiguity and insufficient awareness on the part of individuals, companies, and societies of the importance and dimensions of corporate social responsibility.

Given all the above, the researcher believes that strengthening social responsibility has become an urgent modern necessity to protect our societies and our surrounding environment, so corporations and organizations should broaden their horizons about this concept and seek to strengthen social responsibility, which can be through the following:

1. Contribution to increasing gross national product and achieving added value.
2. Contributing to addressing some of the social negative phenomena of society.
3. Contribute to reducing poverty and unemployment by providing employment opportunities and involving the surrounding community in the activities and operations of the responsible organization.
4. Effective participation in community activities, occasions, and events by adopting, supporting, and encouraging them.



5. Contribute to the promotion of community values and ethics by encouraging and embracing them in all activities and processes.
6. Support health, awareness, and environmental education programs, and avoid harm to society or the environment through any product or service that is harmful to values, health, and the environment.
7. Working to establish awareness programs about the importance of preserving the environment, adopting and encouraging initiatives related to it, such as combating desertification, fighting environmental pollution, expanding green spaces, and the like.
8. Supporting educational, academic, research, innovative, and skill programs that contribute to economic and social development.
9. Avoid damaging the communities with any product or service that may affect their health, environment, religion, or values.

CONCLUSION

We conclude from this study that Islamic economics in all its operations has three main objectives: human development, wealth development, and the strengthening and dissemination of values. *Maqasid al-Shari'ah* also plays a key role in controlling Islamic economic enhancing role with respect of human interests, the environment, and full compliance with social responsibility. Social responsibility also represents a natural intersection of the Islamic economy as one of the most respected and compliant investment systems with social responsibility.

On the other hand, the study recommends the development of awareness of the Islamic economy and the necessity of full adherence to the principles and objectives of Islamic economics and *Maqasid al-Shariah* in all investment operations as the most secure way for investments to succeed. The study also recommends that Islamic economic institutions adhere fully to the Islamic economy to comply with social responsibility. Finally, the study invites the Islamic financial infrastructure institutions to adopt and issue standards and instructions concerning the necessity of compliance with social responsibility, as this comes within the framework of governance and the reinforcement of the Islamic financial system and its stability.

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