Entrepreneurship and Entrepreneurs in an Islamic Context
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ABSTRACT
This paper is a modest contribution to the literature on entrepreneurship and entrepreneurs from an Islamic perspective. Along with debates on the role of religion, and the increasing importance of ethics, social responsibility in modern business, discussing the case of entrepreneurship in an Islamic context is quite opportune. After outlining the foundation of Islamic entrepreneurship, the author then explains the positive features and the applicability. The approach adopts the representation of human beings through physical and spiritual dimensions, with the latter dimension having a specific interpretation in Islam. The outcome from the descriptive analysis is that, a good understanding, and correct implementation of principles and rules of Islam offer real possibilities of enhancing various types of businesses. Moreover, that can also be possible in a well balanced way, i.e., making business profit and at the same time targeting spiritual rewards. Specifically, this practice of doing business could help Muslim entrepreneurs avoid deviations from generally agreed business ethics and spirituality, as based on the lastly sent Holy Scriptures.

Keywords: Islamic entrepreneurship, Muslim entrepreneurs, Business in Islam, Ethics, Morality, Responsibility.

1. Introduction
Entrepreneurship is a complex issue. Much rooted in human and social sciences and national cultures, its various links make it different from one context to another. Regarding the role of religion, in particular, there are indeed some restrictions of doing business, while behaving religiously. As it will be further explained, in Islam, the imposed limitations are wanted essentially for the benefit of the concerned people or parties. Naturally, absence of laws and boundaries could easily lead people or organizations to behave in abnormal ways, which will create excesses, abuses and conflicts.

The major motive for exploring this theme is the prevailing view considering Islamic principles and rules being against business, and hence behind the relatively backwardness of Muslim and Arab
countries. In this paper, it will be argued that Islamic entrepreneurship is moderate, has many positive features and is feasible everywhere. However, the gap, which may exist between Islamic entrepreneurship in theory and practice, cannot prove its invalidity. Rather, it means that people, including Muslims, are themselves imperfect and limited in their knowledge, faith, and may thus make mistakes or deviate a little from principles and rules without deliberate intention. Overall, the current expansion of Islamic banks, financing, and markets across the world, enhances the development of Islamic entrepreneurship.

Following this short introduction, the second section provides an overview about the historical link between Muslims and Arabs and entrepreneurship. The third section explains the importance of ethics and spirituality in modern business. The fourth section outlines the Islamic worldview and describes the principles of Islam and features of Islamic culture. The fifth section explains the importance of Islamic principles and values in business. The sixth section shows how adherence to such principles and values could help achieve wide socio-economic justice. The seventh section highlights conscientious Muslims’ entrepreneurial impact. Finally, the last section concludes the paper.

2. Muslims, Arabs and entrepreneurship

Geographically, the Islamic world includes Arabic and non-Arabic speaking populations in different continents. The Organization of Islamic Countries accounts for 57 permanent states of which 22 from the Arab world, and has an estimated total population of 2.1 billion as of 2012. Their history, political regimes, resources, policies, strategies, practices and even cultures and languages are not similar, thus resulting in different impacts on economic growth and social development. This basically suggests that entrepreneurship, in Muslim and Arab countries, is not the same and affected by a number of factors. Non-homogeneity can be explained by the much diversity in local languages, cultures and practices. Although there are similarities, but major differences do exist with regard to national dressing, ways of communicating, behaving and conducting against unethical problems, namely corruption.

Historically, and besides many irrefutable intellectual and scientific contributions, Muslims and Arabs have been also know for their largest pursued working activity in local and international commerce and trade, to the extent that these were in fact central in their thinking (Abbas, 2005). This implies that Muslims’ potentialities are real to be successful businessmen and entrepreneurs in various environments. However, as late comers into contemporary business, they still believe that strictly observing religious limitations is not only a must, but is also beneficial to Muslims and even others. Beyond that, monotheism and the sincere belief in the last Holy Messenger are fundamental things which make entrepreneurship, both in theory and practice, different in Islam and other religions.

If, in general, Muslim countries have not recorded substantial socio-economic progress, it could not be specifically due to Islamic principles and rules. More plausibly, it is in part because of the hostile nature of the environment surrounding them in the past (Smallbone and Welter, 2001), and/or to the conditions before, during and after colonialism. It is also because of other various reasons ranging from governmental policy shortcomings (Oukil, 2007), which include traditional political regimes and reluctance to change (Bashiti, 2011), absence of effective laws and strategies, obsolete management tools, inadequate governance and weak cultural business values (Dana, 2011). All this is mixed with unethical conducts like corruption, fraud and bribing (Abuznaid, 2009).

While Dana (2011) asserts that religions are neutral and do neither promote nor prohibit entrepreneurship, numerous other authors strongly argue that Islam, like other religions, does not block development through private initiatives and does in fact permit or encourage entrepreneurship (Beekun, 1996; Haneef, 2005; Pistrui and Fahed-Sreih, 2010). In the case of India, for example, a large country
with a variety of religions, empirical research has argued that contrary to the prevailing thoughts, Islam is found playing a positive role in enhancing entrepreneurship among the different strata of the Indian population (Audretsch et al. 2007; Osella and Osella, 2009).

In other countries, namely Saudi Arabia, Malaysia, Indonesia, Turkey and Iran, it has been clear that combining religion-based belief with impetus to productive business is possible and can be very fruitful (Lerner, 1958; Akbar, 1993; Sloane, 1999; Kayed, 2006; Kayed and Hassan, 2011a). For their part, Liden et al., (2011) argue that evidence of the impact of entrepreneurship on development, in Muslim and Arab countries, as parts of developing countries, can be found using the notions of local and systemic entrepreneurship. This is to say that, the closer the links between entrepreneurs and local communities, the more these can be served, with possibilities of crossing the borders to the international market. In the case of Muslim and Arab people, an important fact is that family and community relationships are generally very tight, thus the existence of a real possibility of preserving or enduring such links.

In favour of Islamic entrepreneurship development today is that young Muslim generations are exposed to modern education, with higher technological acceptance levels than the old generations. Their aspirations and needs for achievements look also stronger with the view to make change leading to solve social, environmental and economic problems, while maintaining faith and recognizing the importance of ethics. Evidence exists and shows that there are today many young Muslim inventors/innovators, within and outside the Arab world, and who became very famous as successful entrepreneurs. Their activities range from manufacturing, to biotechnology, information and communication, electronics, computers and automobile.

Whatever may be the current state of business or entrepreneurship of the Muslim world, the two main questions are the following: is there a case for Islamic entrepreneurship? What difference it makes when adhering to Islamic principles? A particularly interesting sub-question is whether there exist perfect Muslim entrepreneurs? Theoretically and wherever they live, Muslims are supposed to behave on a full faith basis. This means that they must perfectly apply the principles and rules as prescribed in the Qur’an and Prophet’s Sunnah, with the fundamental belief that any imposed prohibition is actually in favour of humans, as a grace from Allah the Creator. Suffice, therefore, to believe and understand the full and deep meaning of the nature of principles and rules of Islamic entrepreneurship to adhere to. Perfection with regard to Islamic entrepreneurship is an ultimate goal, and to reach it, one has to strive as much as possible.

In practice, however, there are Muslims who believe and apply Islamic principles and values, those who do that only partially and those who do not at all. A first category of Muslim entrepreneurs is the one which composed of conscientious people with high levels of faith, and who are particularly concerned with making profit or fortune that are strictly originated form what is permissible. The main motive of conscientiously doing business is combining between achieving something of benefit to the individual himself, the economy or society, and an aspiration to gaining good deeds for the hereafter. This approach, although basically shared with other religions in keeping a certain balance between life and the hereafter, is actually central to Islam, within its proper context of faith in exploiting resources, given by the Creator, in a careful and fair way and bearing responsibility. Islam is, here, specific in that it asserts the existence of one God with full command on everything in life and the hereafter, and that every one will be held accountable or judged for his/her actions.

A conscientious Muslim entrepreneur could, therefore, be defined as a person who everywhere and always acts according to Islamic principles and values. Put differently, he/she can be considered as anyone investing not only to make economic, social and environmental meaning, but beyond that in seeking rewards from Almighty Allah, being the highest and irreproachable judge. Conscientious
Muslim entrepreneurs are those convinced that faith-based behavior will safeguard them from wrongdoing that cannot occur without sanctions, either in life and/or the hereafter. It is argued that such a faith, being specific to conscientious Muslims, is what gives Muslim countries competitive advantage over the industrialized world (Er, 2008). This may sound paradoxical, but extremism in anything is not logically acceptable.

If, perfect entrepreneurship and entrepreneurs are not a reality today, in the Muslim world, it just means that Muslims and Arabs are humans with all kinds of limitations and imperfections, and who could be affected by modern circumstances and influences to various degrees. In Islam, there is a clear distinction between a believer and a Muslim. While, the former is person who is very close to Allah and strictly abides by all His commandments, the later is one who is born as a Muslim and/or follows, those commandments either fully or partially. When doing business, a Muslim could therefore find himself leaned to some wrong practices, even though he expresses his belief in Allah. This may occur, because of little observation of the principles or rules, due to ignorance of Shari’a or general easy going.

3. Importance of ethics and spirituality in modern business

In recent years, the world has witnessed many big financial scandals leading researchers to express different views with regard to holding to higher ethical standards. For example, Emami and Nazari (2012) confirmed that religiously committed entrepreneurs exhibited a less tolerant attitude than others in the matter. In reviewing western life over the last 200 years, Jue (2007) has, for his part, advocated interconnectedness and reciprocal influences between social reality and spiritual leadership in western entrepreneurial companies. This could actually support the argument made earlier by Monaughan (2000) that spirituality is critical in modern business. Fierce competition may lead some individuals and organizations to search for survival in any way, even if that involves bribing or corruption, for instance, while others would limit themselves to satisfying solutions, even if that procures fewer revenues.

The so-called spiritual leadership, common to all religious entrepreneurs, often combines personal and others’ interest (Fernando and Jackson, 2006). This is to say that people do not live in a vacuum, and at extreme situations, spirituality could help them in life, in general and in business, in particular, to stay away from wrong doings and consequently sins. In such a context, having to few good things is regarded as better than a lot of many bad ones. In Islam, getting rich while avoiding waste or abuse is strongly advocated in order to sustaining ethical behavior, being an integral part of society and being blessed by God.

Specifically seeking profit is not a common goal to religiously and religiously non-committed entrepreneurs. While it cannot be denied that profit is important for the formers, it remains absolutely necessary for the others. There are also many factors that lead people, including businessmen, to go one way or the other (Leroux, 2005). Contrary to non-religiously committed entrepreneurs, religiously committed ones may accordingly undertake certain activities without expecting monetary benefits. For them, being able to cover the expenses is quite satisfactory, and for this end, there is a need to work, make efforts and care about all resources.

It is quite true, however, that not all non-religiously committed entrepreneurs behave unethically; since there exist those who do good and benevolent things, while striving to maximize their profits (Zhang and Raju, 2008). This may well explain the most recent emergence of a new school of conscientious entrepreneurs (Osterwalder, 2009) reflecting the need for business transactions without abuses or outrages. In essence, conscientious entrepreneurs could, therefore, be described as religiously inspired people, who are not greedy or selfish, hence those who do not abuse or exploit others.
According to Hannafey (2003) contradictions between life matters, morality and ethics would reveal inconsistency and wrong doing. They there is a case, people then could be divided into categories, namely those who are skewed towards materialism or life matters and those who give less importance to life matters and focus on rewards in the hereafter. Being religious adds to conscientiousness the belief in the Holy principles and guidance that put limits to wrong behaviour. The following table synthesises the positive aspects of Islamic entrepreneurship in its two interdependent dimensions.

**Table 1  Positive Aspects of Islamic Entrepreneurship**

<table>
<thead>
<tr>
<th></th>
<th>Measurable/physical dimension</th>
<th>Spiritual dimension</th>
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<tbody>
<tr>
<td>Principles</td>
<td>Efficiency as much as possible</td>
<td>Worshiping</td>
</tr>
<tr>
<td>Ethics</td>
<td>Respect of legal obligations</td>
<td>Spiritual submission</td>
</tr>
<tr>
<td>Values</td>
<td>Serving customers/clients</td>
<td>Care or concern for all</td>
</tr>
<tr>
<td>Expected rewards</td>
<td>Reasonable profit, self-satisfaction</td>
<td>God’s blessing / deeds</td>
</tr>
<tr>
<td>Objectives</td>
<td>Economic development</td>
<td>Social contribution</td>
</tr>
<tr>
<td></td>
<td>Fair distribution</td>
<td>Charity</td>
</tr>
<tr>
<td>Structures</td>
<td>Profit making organizations</td>
<td>Non-profit making</td>
</tr>
<tr>
<td>Scope</td>
<td>All clients/organizations</td>
<td>All creatures and humanity</td>
</tr>
<tr>
<td>Financing</td>
<td>savings, private capital</td>
<td>Efforts-based earnings</td>
</tr>
<tr>
<td></td>
<td>Halal revenues, incomes</td>
<td>Donations and interest</td>
</tr>
<tr>
<td></td>
<td>Authorised interest</td>
<td>free loan (Qard-alhassan)</td>
</tr>
</tbody>
</table>

An important conclusion that could be drawn from the above table is that Islamic entrepreneurship keeps a balance between materialized and spiritual goals of Muslims. This means that while admitting that reasonable personal and materialized aims are legitimate, seeking God’s blessings in the hereafter is crucial. Notwithstanding, Islamic entrepreneurship is quite distinctive from western and other religions’ entrepreneurship in that behaving and doing business in an Islamic way are specifically subject to the belief in the Unity of God, and that Prophet Mohammad (p.b.u.h) as the last of all Messengers, sent with complete scriptures to reveal the final Holy instructions. In theory, the Islamic way of doing business and entrepreneurship should, accordingly, be free from all unethical or immoral intentions and actions, and hence from sins. Practice of that will then show or determine if a person or an entrepreneur is sincerely behaving in an Islamic way, and to what extent.

4. **Fundamental principles of Islamic culture**

Islam is today a 1434 years old religion, and implies surrender, obedience and peace (Al-Faruqi 1982) with full conviction and sincerity. From an Islamic point of view, strict observation of all the Holy Commands is obligatory, and doing business must absolutely, spontaneously and willingly comply with the above mentioned belief. In such a context, nothing is or can be right, ethical, permissible, just and meaningful unless it falls within this context.

Islamic worldview can be seen as a fully comprehensive framework of one’s beliefs about entities and their interrelationships. It shows Muslims the way to live and exploit resources without any abuse or waste. For Muslims, everything created by Allah has a sense and value regarded as a truth. According to Al-Attas (1994), such a worldview is considered as a vision of both reality and truth, with the latter
being perceived through faith. For Muslims, faith-based business is just like any other human activity in terms of its respect of principles, rules and commandments of Allah.

Unity, vicegerency and justice are three fundamental principles which determine the Islamic worldview. Broadly, unity signifies existence of one Creator. Breaking this principle, as in making recourse or supplication to others than Him, is absolutely wrong and severely punished. In many verses of Al-Qur’an (1:4; 17:42; 23: 91-92), it is stated that if many Gods exist, they would compete with each other, and the outcome will be disastrous.

Vicegerency refers to people’s various responsibilities. These involve the relationships between man and God, man and his fellow men, man and the other creatures in the universe, and man and his innermost self. This means that, major adults are responsible for all their actions, and for the resources that Allah has given them.

The principle of justice is applied to business as much as to other aspects. It basically means that the law is above all citizens. In an Islamic business context, it safeguards the rights of consumers and the poor, in particular. In providing safe and useful goods and services, it should be with reasonable prices, such that efforts made by the producers or sellers and value-added to customers are fairly compensated. Otherwise, greed and abuse could easily lead to unbalanced relationships, and therefore tensions and conflicts between people or parties.

Fundamentally, the essence of the Islamic spirit involves striving to reach common good, by making real efforts, be they intellectual and/or physical. Specific to Islam is that while every bad doing receives an equivalent sanction, doing a good thing is rewarded ten times (Qur’an, 3:160). This uniquely most attractive Islamic incentive should enhance people to seek all opportunities to maximize deeds that may override the sins.

With regard to business ethics, Islam is said to have its own distinctive code allowing transaction costs to be low and management efficiency to increase (Wilson, 2006). Shortcomings could be explained by lack of understanding and competencies but not by principles. Factually, Islam has an elaborate treatment for almost every aspect of life including the various affairs of business (Syed, 2003). Correct implementation of principles will avoid personalized interpretations, which could be wrong or imperfect, with eventually negative or damaging consequences, including sins and bad deeds.

Entrepreneurship in Islam is neither forbidden nor illegal as is the case in ex communist countries (Aidis, 2005). As a matter of fact, doing business or entrepreneurship is part of Islamic culture (Vargas-Hernandez et al, 2010). One major cultural value worth mentioning is that Muslim entrepreneurs and consciousness ones, in particular, have the conviction that little of anything that comes from “halal” is much better than much coming from otherwise. For instance, a small rate of profit, or amount of revenue, derived from permissible any socio-economic activity could be better, as it balances between interests of all the concerned parties.

In almost every Muslim country, there are private business men and women activating formally at fixed locations, in shops and popular markets, or informally, according to circumstances. Among these entrepreneurs, there exist groups known for their specific way of doing commerce. These groups do carry out their daily life activities while practicing all of their religious rituals, such as pray, fasting, “zakat”, and so on. An important implication, here, is that for conscientious Muslims contradictions between life matters and rewards in the hereafter must be avoided. According to (Yaghi, 2009), this should apply when providing both religious and non-religious services. For instance, teaching Al-Qur’an is a religious service, while selling or marketing a product is not.

5. Importance of Islamic Principles and values in business
The impact of religion upon social welfare gains more and more interest from academics. However, while little is presently devoted to Islam, far back in time, famous scholars like Imam Ghazzali had emphasized morality in commerce, earnings, work and transaction (Karim, cited by Choudhury, 1997). In the Islamic worldview, accountability, transparency and trustworthiness represent the main values that everyone should stick to.

In terms of accountability, conscientious Muslims profoundly believe that they will be accounted for whatever they do. Overall, they have to fulfil the will of Allah to obtain His blessing, which requires that every action must be in line with the Islamic teachings. The importance of accountability to man’s life has also been stipulated by the prophet Mohammed (p.b.u.h): “Each one of you is a guardian, and each is accountable to everything under his care” (Imam Muslim).

With regard to transparency, its concept has been revealed by Allah (Al-Qur’an, 2:282). In applying the concept of transparency, Islamic business entities should therefore disclose information regarding their policies, activities, community services, and use of resources and protection of the environment (Haniffa, 2002). Non-disclosure is consequently regarded as unethical.

Trustworthiness is one of the highly regarded virtues in Islam (Al-Qur’an, 8:27). Just as the Holy Prophet (p.b.u.h) has spelt out the significance of trustworthy businessmen by asserting: “Righteous businessmen will be the first to enter paradise”. Accordingly every individual is required to subscribe to ethical practices. Be they bosses or employees, Muslims are required to carry out their duties as if they are in front of Allah. If wrong things are discovered, they should do whatever possible to remedy, and at least to refute them heartedly.

Wealth is held in trust as a gift from God (Syed, 2003). For conscientious Muslim entrepreneurs, making fair profit out of an economic transaction is not the ultimate objective. By maximizing social welfare, avoiding unjustified and unlawful enrichment, they have the chance to augment their deeds, and hence gain respect from others and even blessings from Allah. In their favour, Imam Ghazzali has strongly stressed on fair returns, and at the same time warned against any excessive rate of revenue, as it happens in Western profit-driven capitalism (Mehmet, 1997).

Recourse to Islamic Shari’a allows securing “the general good or the interest of people by promoting their welfare, as individuals and as a collective body and keeping harm and injury away from them” (AbdulWahid, 1989, p.1). Accordingly, nothing prevents Muslim entrepreneurs to engage in any activity and compete with others, as long as the transactions or doings do not contradict with the principles and values of Islam. In the Islamic context, competition implies clear and open acknowledgement of fairness and others’ rights when engaged in any economic activity.

With regard to modern management in big corporations, Islamic teaching on business ethics is described to be in line with the corporate social responsibility agenda, which stresses high standards from all stakeholders (Williams and Zinkin, 2005). Being socially responsible and contributing to the community is a way of providing help and expressing cohesion to those in need, in particular. In the case of small and medium enterprises, Muhammad et al., (2008) argue that corporations and other enterprises have a lot to gain by making reference to and implement the Islamic ethics, particularly with regard to human treatment, manner and behaviour. Respecting individuals or employees, regardless of their social status, colour, gender or whatever is an obligation in Islam.

Besides the above values, other important ones such as truthfulness, benevolence, sincerity, trust, honesty make the bulk of Islamic ethics (Muhammad et al., 2008). Having no falsehood or deceit in any form is the essence of truthfulness (Abu-Sulayman, 1993), which means that goods or commodities should be made or produced and sold with best characteristics or features and safest standards possible in order to meet consumers’ satisfaction for the price they pay. Not observing this rule is considered cheating and thus wrong. Benevolence is kindness and practiced by individuals who are friendly, not
stingy or selfish. Sincerity in business is no lie dealings, meaning that one cannot, for instance, promise a freely discussed transaction to someone, then changes his/her mind, if a higher price is offered by someone else. Promising is taken as an engagement that should be honoured in all circumstances. Finally, trust preserves good relationships among people and makes people more lovable and cooperative. Overall, Islamic values are to privilege human consideration over any returns, such as money or physical efforts. Doing so corresponds to obeying Allah’s guidance, that insist on taking care of His creations, while leaving their individual blessings or sanctions to Him.

6. Islamic values and socio-economic justice

Besides those already mentioned (Beekun, 1996; Haneef, 2005) many other contemporary authors strongly defend the positive impact of Islamic values and business ethics (Abeng, 1997; Hanafi and Sallam, 1997; Rice, 1999; Benkun and Badawi 2005; Muhammad et al. 2008; Siddiqui, 2009; Pistrui and Fahed-Sreih, 2010; Kayed and Hassan, 2010 and 2011b).

Having allowed trade, Islam explicitly therefore encourages businesses with the view to enhance self-employment and create jobs for the community, wealth and profit within reasonable limits. This means that individual achievements must not be of a certain limit implying greed and abuse. From this perspective, Islam does sustain the prevalence of free initiative, by which men and women have chances to earn their sustenance, and fructify their capital or innovative ideas. In the following table 2, Siddiqui’s (2009) best description of fair transactions business principles and values in Islam is summarized.

**Table 2. Major Business Principles of Fair Transactions in Islam**

<table>
<thead>
<tr>
<th>No.</th>
<th>Principle</th>
<th>Prophet’s teaching</th>
<th>Reporting source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No fraud or deceit.</td>
<td>“When a sale is held, say, there is no cheating”.</td>
<td>Al-Bukhari</td>
</tr>
<tr>
<td>2</td>
<td>Avoid making too many oaths when selling merchandise.</td>
<td>“Be careful of excessive oaths in Muslim life. But it reduces abundance”.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Necessity of mutual consent between parties when doing business.</td>
<td>“The sale is complete when the two involved depart with mutual consent”.</td>
<td>Al-Bukhari</td>
</tr>
<tr>
<td>4</td>
<td>Strict weighting and measuring things.</td>
<td>“When people cheat in weight and measures, their provision is cut off from them”.</td>
<td>Al-Muwatta</td>
</tr>
<tr>
<td>5</td>
<td>No monopoly.</td>
<td>“Whoever monopolizes us a sinner”.</td>
<td>Abu Dawud</td>
</tr>
</tbody>
</table>

Source: Siddiqui (2009).

Subject to Islamic principles, values and teaching of Prophet Mohammad (p.b.u.h), doing business transactions, in Islam, implies responsibility of guaranteeing quality work and justice among people, be they rich or poor, male or female, nationals or expatriates. Graafland et al. (2006) found that the view of business in Islam corresponds very well with the common ideas of socially responsible business conduct, i.e., caring about one’s concern and that of the community and other creations at large.

Worth noting is that in Islam, private property is not at all synonym to absolute ownership, which may give birth to abuses and harm others. For Naqvi (1994), an Islamic economic system should rest on unity, equilibrium, free will and responsibility. According to this author, these four axioms altogether
are those that allow full integration of believers’ spiritual and materialized dimensions. Business can therefore be carried out as an activity to contribute to social-economic welfare of not only Muslims but all human being and even other creatures.

Sayigh (1958) asserts that Muslim countries have always promoted entrepreneurship by supporting the development of small private businesses. The non negligible business achievements, in today’s Islamic and Arab countries, should therefore help dispelling the popular notion, that the Islamic tenets are inherently anti-entrepreneurial.

Since in the western thinking and practice, interest helps providing funds to new businesses or start-ups, what is the case in Islam? A fact is that charging of interest is absolutely prohibited in Islam and it is one of its distinct features in doing business (Ghoul, 2011). The main reason is that it is not fairly justified as the borrower will have to pay back more than the obtained value. In Islam, that is described as “riba” referring to any money lending with interest (Puri, 2009). Since financial transactions are considered in Islam as non value generators, practicing them could result in exploitation or abuse. Therefore, requesting people to reimburse an amount they borrow with interest is regarded in Islam as unethical (El-Gamal, 2006).

When the case is of poor or needy people, in particular, the negative impact could be greater and harmful. In an Islamic spirit, money should not therefore be a commodity (Ismail, 2006), implying that funding should be a sort of public good supporting anyone willing to benefit society or humanity as a whole, without any penalty or sanction. Alternative tools to financing Islamic businesses are numerous, ranging from cost-plus-mark-up financing; lease-based products; advance purchase; progressive financing; partnership contracts; investment partnership and Islamic bonds (Ghoul, 2011).

Taking risks is inherent to business and entrepreneurship, particularly when innovation is involved, as in the Schumpeterian sense. In Islam, risks should be taken into account, but in a reasonably calculated way to avoid total loss. In recent years, Islamic solutions, such as profit and loss sharing have been used by the parties involved in the financial transaction to share both risks and profits in a fair manner. In the view of a conscientious Muslims, becoming wealthy overnight steams from a wrong understanding of Islamic entrepreneurship. Consistent efforts through time are therefore necessary to build any economic entity, which is just and developed.

Work has to be honest and beneficial to society. Creative work is also emphasized in Islamic work ethic (Darwish, 2001; Parboteeah et al. 2009; Vargas-Hernandez et al. 2010). Consequent earnings have to be deserved and specifically to Islam, all earnings as well as savings and exploitable property have to be purified, through a yearly deduction of a percentage of the corresponding value and given to the needy people. The essence of this act called “zakat” is that it makes belongings clean or purified from any sins that may have occurred, and at the same time it guarantees poor people's survival. Wherever it is the case, this clearly enhances strong societal links, and opens open doors for a peaceful environment, and good relationships between individuals, communities and societies across the whole world.

In terms of gender, it is to be noted that women in Islam have never been excluded from business or entrepreneurship. Khadijah, the wife of the Holy Prophet Mohamed (p.b.u.them), is a historical figure as a successful business woman. As a well known rich woman, she invested in trade activities. In modern Tunisia, it is traditional culture and attitudes rather than Islamic principles as such that could prevent females from launching or succeeding in their businesses (El-Harbi et al. 2009). In Western countries, if an Arab or Muslim woman has a worthy idea or project, she could become a successful entrepreneur, although she may have to construct her ethnic, and entrepreneurial characteristics according to her Islamic religion (Essers and Benschop, 2009). Because of the actual economic and social developments in the Islamic world, the negative stereotypes of women, being kept away from
entrepreneurship ceases therefore to be valid (Gray, 2005). Positive changes, regarding various aspect of life, are taking place although still slowly.

7. Entrepreneurship impact of conscientious Muslims

In general, conscientious Muslim entrepreneurs are argued to be favourably different from non-practicing Muslims and non-Muslims. According to Graafland et al. (2006), this is reflected in the higher weight they give to specific elements of the socially responsible business conduct. Such Muslims' behaviour is expressed through doing best of anything permissible without any waste, abuse, or discrimination. From an Islamic point of view, permissibility does not only involve respect of human set of values, but also total true adherence to Allah’s commandments, without exception.

In the world of business, while a Christian entrepreneur may, for instance, invest in building a factory to produce wine, and subsequently create value added and jobs, Muslims are not allowed. The reason being is that, as the impact on people could possibly be negative, as in the case of abuse in drinking with eventual accidents, it is commanded to avoid such an activity once for all. The fact is that small temptations may lead to big ones and consequently to great impact or consequences.

Conscientious Muslim entrepreneurs also behave differently from Jewish entrepreneurs. While, these may conduct businesses according to principles derived from the Hebrew Bible, namely living a spiritual life, taking care of others and the environment (Friedman and Friedman, 2006), the former could engage in business but only within the Holy prescribed boundaries and for the aim of seeking Allah’s blessing. Truly, making people's jobs meaningful, through helping the needy and behaving ethically, is positive, but this does not necessarily imply glorification of Allah the unique Creator, as requested in the last Holy Scriptures.

Because Islamic entrepreneurship is based on relatively utilitarian codes (Azmi, 2010; Kuram, 2008), its impact goes beyond life to the hereafter; from a materialized basis to a spirituality-based perspective, from individuals to communities and from mankind to Allah. Accordingly, the scope of Islamic entrepreneurship looks wider than unusually perceived. According to Kayed and Hassan (2011c), Islamic entrepreneurship goes beyond creating new enterprises and maximizing returns, in the form of money or wealth. Reasonable welfare in life and success in the hereafter are crucial, and ways to achieve them rest on sincere contentment and faith. An unbalanced situation would make people either too much materialistic and selfish or too religious and away from the community.

Because entrepreneurship in Islam is neither forbidden nor illegal as is the case in ex-communist countries, namely Russia (Aidis, 2005), its practice is therefore prohibited only when it is outrageous, either economically, socially or ethically. As a matter of fact, doing business or entrepreneurship is part of Islamic culture (Vargas-Hernandez et al., 2010) which emphasizes social cohesion. An interesting practice in all referenced countries is the informal business taking place after every Friday prayer.

8. Conclusion

Reviewing of the literature and various Islamic sources related to the subject allowed outlining the basis of Islamic entrepreneurship, and specifying the behaviour of conscientious Muslim entrepreneurs, in particular. This paper first attempted to identify what may be called a comprehensive framework of Islamic entrepreneurship. In such a context, the ultimate objective is to obey Allah. Doing so is quite possible through targeting useful objectives, or contributing to the well being of all creatures, be they human of any religion, and even animals and plants. In this way, the very concept and practice of entrepreneurship, in Islam, go beyond the simple activity of doing of business, creating wealth and
making profit, to caring about the environment, and combining between social and economic contribution, faith-based work generating deeds and ultimately Allah’s blessings.

As ethics are becoming more and more important to take into account in all aspects of modern life, including business and entrepreneurship, reference to spirituality and moral is useful to cut off between good and bad endeavours, or valuable and non valuable activities. With respect to this distinction, Islam is standing very strong and stipulates that such activities must be carried out on the basis of social welfare, fairness, justice and ethical values. Moreover, as Islam ever promoted science and valued efforts, it emphasises the use of technological outcomes but in a proper and useful way.

As no one can claim to be perfect, the way Muslim entrepreneurs behave could determine whether they are conscious or not, and therefore whether they are sincere believer or not. Because not all Muslims are religious and rigorous in implementing corresponding Islamic principles and rules, some deviations may occur, either by ignorance or without intention. In Islam, balancing, between life matters and moral or spiritual goals, remains quite possible and free from deviations and sins. The emergence of more and more of successful Muslim entrepreneurs, including in western countries, sustains the idea that Islamic business and entrepreneurship are the same as other similar activities in the context of other religions, with variation in terms of stimulating or constraining factors.

References

Abu-Sulayman, A. H. (1993). Crisis in the Muslim Mind. The Institute of Islamic Thought, Virginia, USA.


Gilbar, G. (2009). *Muslim Entrepreneurs, Uncertainty and Interest Rates in the Ottoman Empire, Qatar and Iran*, XVth World Economic History Congress, Utrecht.


Appendix:

Table 3  Examples of Muslim/Arab young entrepreneurs across the world

<table>
<thead>
<tr>
<th>Name</th>
<th>Business</th>
<th>Value / size</th>
<th>Location</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmed Ajaz</td>
<td>AKQA</td>
<td>35 M* Pounds</td>
<td>London</td>
<td>M</td>
</tr>
<tr>
<td>Fazal Rahim</td>
<td>Web-hosting</td>
<td>1.5 M Dollars</td>
<td>San Francisco</td>
<td>M</td>
</tr>
<tr>
<td>Hakim Imran</td>
<td>Iteddy</td>
<td>35 M Pounds</td>
<td>--</td>
<td>M</td>
</tr>
<tr>
<td>Iqbal Zafar</td>
<td>Carpet</td>
<td>100 employees</td>
<td>New York</td>
<td>M</td>
</tr>
<tr>
<td>K. Alghathbar</td>
<td>Software package</td>
<td>--</td>
<td>--</td>
<td>M</td>
</tr>
<tr>
<td>M. Al-Hejeri</td>
<td>Car manufacturing</td>
<td>--</td>
<td>Dubai / KSA</td>
<td>M</td>
</tr>
<tr>
<td>Zabida Parveen</td>
<td>Coca Cola for Muslims</td>
<td>--</td>
<td>--</td>
<td>F</td>
</tr>
<tr>
<td>Zitouni</td>
<td>Agro-food (dates)</td>
<td>30 million Dollars</td>
<td>Dubai</td>
<td>M</td>
</tr>
<tr>
<td>Irshad Mizra</td>
<td>International Limited</td>
<td>--</td>
<td>India</td>
<td>M</td>
</tr>
<tr>
<td>M. Artshad</td>
<td>Cheriesys Technologies</td>
<td>--</td>
<td>India</td>
<td>M</td>
</tr>
<tr>
<td>Naguib Sawiris</td>
<td>Orascom Telecom</td>
<td>--</td>
<td>Egypt</td>
<td>M</td>
</tr>
<tr>
<td>Haroon Mirza</td>
<td>Software company</td>
<td>17-25 M $ (estimates)</td>
<td>Canada</td>
<td>M</td>
</tr>
<tr>
<td>Fatima Kourouche</td>
<td>Networking</td>
<td>--</td>
<td>Australia</td>
<td>F</td>
</tr>
<tr>
<td>Mahboba Rawi</td>
<td>Social work</td>
<td>--</td>
<td>Australia</td>
<td>F</td>
</tr>
<tr>
<td>Azem Primji</td>
<td>Software company</td>
<td>17 billion Dollars</td>
<td>United States</td>
<td>M</td>
</tr>
</tbody>
</table>

Source: Internet 2012