The Islamic Gift Economy: A brief statement

Adi Setia

What is the Islamic Gift Economy?

The Islamic Gift Economy (IGE) is an integrative economic system that is autonomous and prosperous on its own ethical and structural principles while in constructive engagement with the currently dominant neoliberal capitalist system. IGE is based on the operative principles of cooperation, mutual consent, and partnership, and these are in turn founded on the principal ethics of compassion, gratitude, generosity, moderation, accountability and responsibility. While Islamic, these ethical principles also resonate very well with the ethical systems of other major world religions such as Buddhism and Christianity.

Metaphysically, IGE is grounded in the foundational psycho-cosmological outlook expressed in the belief that the natural and cultural resources of the world are abundant, while the material needs and wants of human beings are limited by sufficiency and should be thus limited. The outward quantitative growth in material prosperity is bounded by parameters of sufficiency (*kifāyah*) beyond which growth becomes qualitative and is directed inwards towards the cultivation of immaterial prosperity expressed in terms of happiness, balance and peace with respect to personal fulfillment, family cohesion, social relation, cultural enrichment and communal solidarity. In short, IGE is directed towards the cultivation of Right Livelihood for the Common Good.

The Islamic Gift Economy can thus be defined as *the provisioning and*

Adi Setia is Associate Professor, Center for Advanced Studies on Islam, Science & Civilization, Malaysia Technology University (CASIS-UTM), and General Coordinator, Worldview of Islam Research Academy (WIRA). Email: adisetiawangsa@gmail.com.

Islamic Sciences, Vol. 13 (Winter 2015) No. 2
ISSN 1929-9435 (Print); ISSN 1929-9443 (Online)

sharing—by mutual giving and receiving through fair social and commercial exchange—of natural and cultural abundance for realizing material and spiritual wellbeing. This definition takes into consideration that the world and humankind are not only material or physical in nature but, more fundamentally, they are also spiritual and have a higher, metaphysical significance. They serve a cognitive and moral purpose that transcends their immediate physicality or sensuality; namely, a purpose which is indicative of a higher, more encompassing Reality from which they originated, on which they are dependent, in which they are embedded, and to which they are responsive and ultimately accountable.

What is a Gift?

The elements constituting a gift are basically six, namely (i) benefit, (ii) value, (iii) relevance, (iv) goodness (v) licitness and (vi) ownability. An economic exchange of goods and services that are constituted by these six basic elements will be a fair, just and equitable exchange serving both personal good and the common good. Here, the foundational notion of the 'gift,' or rather, gifting, giving and provisioning, is significant, for a deep reflection will show that economic exchange has less to do with taking than with gifting, and hence, ultimately more about serving wider, communal/public rather than narrow, individual/private interests. As a matter of fact, even the so-called individual 'private interest' that is served in formal commercial exchange is inseparably embedded into the larger fabric of communal 'public interest', hence *the commercial is never in spite of the communal*. The Gift Economy is the *Economy of Togetherness*.

The culture of the Gift is the capacity to express compassion, justice, reciprocity, dignity, harmony and humanity in the interests of building, maintaining and strengthening the community. The Gift Economy speaks of our inter-connectedness, togetherness, our common humanity and the responsibility to each and yet to all that flows from our mutual connections. The Gift Economy realizes that people are people through other people; it sees a person, an individual as being-with-others and not being-alone or being-isolated. It prescribes how we should relate to others, in that "being-with-others" is all about *personal good in the service of the common good*. Thus the Gift Economy is also the traditional African *ubuntu* economy.

The Gift Economy in the West

It is also pertinent here to say that this manner of systemic rethinking of what constitutes a true economy has been taking place for quite some time amongst the more conscientious economic and social thinkers and intellectuals of the West, such as Karl Polanyi, E. F. Schumacher, Kenneth Boulding, Bill McKibben, Herman Daly, Howard Zinn, Noam Chomsky, Hazel Henderson, Mark

Anielski, Molly Scott Cato, Tim Jackson, Juliet Schorr and Charles Eisenstein, among many other like-minded thinkers, economists and philosophers.

Also, the many interfaith dialogues over the past few years between Muslims, Buddhists, Hindus and Christians on engaging the modern economy and its monetary system have all converged on the imperative of *re*-integrating economic life into the ethical framework of compassion, giving, gifting, sharing, temperance, moderation, justice, mutuality and gratitude, as it was realized in the long history of the traditional, community-centered socio-economic institutions and practices amongst the world's peoples.

The Gift Economy as the Circulative Economy

The Gift Economy as the Circulative Economy can be expressed in brief in the following three main points:

1. When every one gives, every one also receives, and none is left out, and none is marginalized.
2. The Gift Economy is an economy of mutual giving and receiving; of earning and provisioning; of a healthy interdependence between rich and poor whereby the surplus value of the rich is reinvested in the poor.
3. This Gift Econony is an economy of virtuous circulative exchange between rich and poor, *not* a vicious exchange between rich and rich; hence wealth is always in circulation among people and not hoarded nor monopolized by a select few.

The Gift Economy as the Economy of Embeddedness

This can be expressed in the following set of principles:

- The material is embedded in the spiritual.
- The physical is embedded in the moral.
- The technical is embedded in the ethical.
- The market is embedded in the cultural.
- Economy is embedded in ecology.
- Commercial exchange is embedded in social exchange.
- The individual is embedded in the communal.
- Self interest is embedded in public interest.
- The short-term is embedded in the long-term.
- The temporal is embedded in the eternal.
- The sectoral is embedded in the total.
- Financial returns are embedded in social returns.
- The ideal is embedded in the real.
- The financial sector is embedded in the real sector.

Some Salient Ethical Elements of Gifting

- *raḥmah* = mercy, compassion
- *'adl* = justice, equity, fairness
- *shukr* = gratitude, appreciation
- *iḥsān* = generosity, magnanimity
- *tawāzun; ta'affuf* = moderation, temperance, balance
- *amānah* = responsibility, accountability
- *khilāfah* = trusteeship; stewardship
- *zuhd* = abstinence, detachment
- *qanā'ah* = contentment
- *kifāyah* = sufficiency
- *ta'āwun* = cooperation, solidarity
- *nuṣḥ* = good counsel, transparency

Operationalising the Islamic Gift Economy

The Islamic Gift Economy is operationalised through educational and training programs; through creating the appropriate enabling social, commercial and legal structures; and through initiating pilot projects on the ground for re-empowering local economic resilience and to provide proofs of concepts; and all these are facilitated through strategic collaboration with like-minded policy makers, professionals, non-governmental organizations, state agencies, community leaders, intellectuals, scholars, activists, business people and researchers, including ʿulama, fuqahaʾ, shuyukh, imams and muftis, and religious leaders in general.

Conclusion

Since the 2007-2008 (and still ongoing) credit crunch, which has caused a lot of hardship to many communities across the globe, many thinking and conscientious intellectuals and scholars in the East and West are working very hard to work out in theory and in practice long-term systemic solutions for redirecting the economy to serve concrete, flesh and blood people and communities rather than faceless, impersonal, abstract profit-maximizing banks and corporations. The Islamic Gift Economy can be read as a real, positive Muslim contribution towards realizing those long term solutions for the common good of all humanity and all life.