

# A Refreshing Experiment

Muslims in Trinidad have begun to do some innovative thinking about the means to alleviate their economic problems. **A W Hamid** reports on a recent meeting of the Muslim Credit Union

"A refreshing and innovative approach to economic and social responsibilities" was how the President of the Trinidad and Tobago Senate, Dr. Wahid Ali, described the initiative of a "group of young fellow citizens" in setting up the local Muslim Credit Union (MCU) Co-operative Society Ltd. He was opening an MCU Conference convened to discuss "The Economic Priorities of Muslim Minorities" which was held in St. Joseph, Trinidad's old Spanish capital, throughout the third week of December 1985.

It was the week in which the Trinidad government announced its shock decision to devalue the T&T dollar by 50% — a desperate measure to induce economic stringency after a boom period in which Trinidadians were hooked on 'oilcoholism' and deficit financing and in which, as Dr. Ali noted, their spendthrift ways earned for them the unenviable title of 'Carabs'.

The devaluation undoubtedly brought the ideals and work of the MCU and the Conference itself into sharper focus. The Conference was the first of its kind to be held in Trinidad and indeed in the Caribbean and Latin America. Its purpose was "to discuss economic problems facing Muslim minorities and seek possible solutions on the basis of Islam" and also "to foster close cooperation especially among Muslim economic institutions". This provided sufficient scope for a week of intensive and often animated discussion and debate. The opening salvo was fired by Dr. Mahmoud Abu Saud often described as the "doyen of Islamic banking", and an economic consultant to many governments and financial institutions in the United States, western Europe and elsewhere. On the opening day, the sprightly seventy-four year old economist and banker declared to an incredulous audience that "All interest is not *riba* and not all *riba* is haram", This sent local scholars scurrying back to their books of *fiqh* and left founders and members of the MCU wondering if

the very foundations of their fledgling economic enterprise — based as it is on a total abhorrence of interest — were being attacked and demolished.

Consternation was further compounded the following day when Dr. Abu Saud quoted — some thought with more than a hint of approval — the opinion of Imam Abu Hanifa on the dealings of Muslims living in non-Muslim countries: "If a non-Muslim enter a non-Muslim country (*daru-l-harb*) he is allowed to sell them one dirham for two dirhams, to sell them pork, dead meat and alcohol. As well, he may take from them usury when exchanging gold for gold or silver for silver or any other usurious commodity, whether the exchange is hand to hand or a future transaction." This view, Dr. Abu Saud pointed out, was based on the principle of reciprocity whereby the Muslim is considered to be in his right to deal with the non-Muslims on the same basis as they deal with him.

This view was roundly rejected by the conference. In fact, the theme of several other presentations (Dr. Muhammad Khalid on 'The Political Economy of Muslim Minorities' for example) was that the process of building Muslim institutions cannot be done in isolation and in a vacuum. Moreover, the proper functioning of Islamic institutions and the defence and growth of the Muslim minority community required a wholistic view of Islam and the moral transformation of the wider environment.

Indeed, it was with this in mind, that parallel to the conference sessions, a series of lectures and discussions were held at various mosques and centres throughout Trinidad. It was quite a novel experience for mosque audiences to be lectured not only on topics like *Tawhid* (affirmation of the oneness of God) and *Taqwa* (God-consciousness) in relation to economic behaviour but also on "Islam and Industrial Relations" and the "Requirements of Budgeting".

Significantly, a number of local

scholars and professionals were able to contribute effectively to the week-long "learning experience" as one Canadian visitor described the conference. Among these were Dr Muhammad Khalid, LSE graduate and first vice-president of the MCU; Abdul Wahid Hamid, writer and educator; Dr Wafie Muhammad, member of the T&T Senate; Justice Noor Hasanali and lawyer Fiyad Hosein who made important contributions on some of the legal implications of applying Islamic institutions; Shaykh Faisal Boadi of the Islamic Missionaries Guild and Shaykh Shabil of a newly formed Daru-Uloom Institute. Utter dependence on outside intellectual support was a waning phenomenon of the past.

It was however Dr. Abu Saud who dominated the conference with the breadth of his knowledge and the sharpness of his intellect in dealing not only with the sources of Islam but the intricacies of macro- and micro-economics. Particularly stimulating was his grasp of the *usul* or principles of Islamic jurisprudence and his application of these to contemporary developments. "The *faqih* who works with a computer" was how one participant described him. For example, he dealt with the Islamic principle that "there is no action left without reward; no reward should be given without work; and no work should go without equitable reward. Unearned incomes (ie incomes acquired without work) are not allowed except in two cases: inheritance and donations".

He showed that such principles not only emphasized the distinctiveness of Islam in relation to both liberal and communistic materialist systems but also their far-reaching implications as they applied to *riba*, speculation, gambling, good industrial relations. On the specific issue of *riba*, Dr Abu Saud's views expressed at the conference are contained in his recently published book, "Contemporary Economic Issues" (Arabic & English), California, 1985. Briefly, his understanding of the issue categorically forbids interest earned from a deposit account in a bank (time deposits), over-drafts, government bonds and any transaction in which money is lent for an increment over a fixed period. On the other hand, he does not consider as *riba*, interest accruing on current or checking accounts (he regards this as a unilateral 'gift' from the bank). Also interest payable on credit card purchases he does not consider *riba* because this is a legitimate charge for the 'utility' of the purchase during the time when full payment is not