

The Social Entrepreneur through an Islamic Perspective

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Entrepreneurship means creating value and stimulating economic development by new ways. The interest in social entrepreneurship on a global scale has been impacted by many experiences for the poor such as micro-loan (Grameen Bank) initiated by Muhammad Yunus in India.

Social entrepreneurship is an economic field able to improve the economic situation of countries by reducing poverty. Social creators are people who have solutions to current social problems, but they are not just solutions. They are new ideas that remove the problem from its roots, by changing existing systems.

Islam includes not only religious instructions, but also lifelong recommendations. Al-Qur'an and al-Hadith outlined complete guidelines for the best human being. According to the Islamic point of view, it is important for Muslims to work as an entrepreneur in order to obtain a legal income. The recent emergence of the concept of social entrepreneur does not mean that it is a monopoly on non-Muslims. In addition, we must not argue that the concept is one of the achievements of the West for two main reasons. The first is that Islam urged to take the experiences of others and benefit from them, and secondly, if we look at the Islamic civilization, we find that she had known a broad pioneering movement, before the concept was derived and developed in academic studies.

The first part of this article aims to define the concept of "social entrepreneurship", and how the social entrepreneur is different from a conventional entrepreneur. The second part presents the vision of Islam towards entrepreneurship, especially the social one. We also present the most important instruments of social entrepreneurship that Islamic civilization has used for centuries.

I. Entrepreneurship vs social entrepreneurship

In the field of entrepreneurship, the concept of social entrepreneurship is the most misunderstood. The definition of the social entrepreneurship is not unique. There are several definitions about this concept.

A. What does the entrepreneurship mean?

Being an entrepreneur is generally associated with starting a business. However, it is a limited view of a term that makes a lot of sense. The term "entrepreneur" appeared in the French economy in the 17th and 18th centuries. In the 19th century, it was Jean Baptiste Say who had given more meaning to this term. According to this French economist, the entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity.

In the 20th century, Joseph Schumpeter described entrepreneurs as innovators who drive the "creative-destructive" process of capitalism by reforming or revolutionizing the pattern of production. This can be possible in several ways, such as the exploitation of an invention, the production of an old product in a new way, the opening of a new source of supply or a new outlet, etc. In other words, by creating new ways of doing things or by serving new markets, entrepreneurs can advance the economy.

Many contemporary writers remain faithful to the Say-Schumpeter tradition. For example, Peter Drucker amplifies the definition of Say to focus on opportunities (technological, preferences, social norms, etc.) and does not require bringing about change. Current definitions of entrepreneurship focus on the notion of "opportunity", suggest moving resources to higher yielding areas and looking for opportunities rather than the problems created by change (Donenfeld, 1998).

B. Definition of the social entrepreneurship and its characteristics

The idea of social entrepreneurship has emerged as a powerful tool to address the global gap between human needs and the resources needed to meet these needs. Social entrepreneur is the genus of entrepreneurs who has a mind-set and a kind of behavior that can be manifest anywhere. With a social mission he faces some high challenges in order

to perceive and assess opportunities. There are many definitions that were formulated by researchers. But they all revolve around finding innovative solutions to the problems of society.

1. Definition of social entrepreneurship

There are many definitions for social entrepreneur, because social entrepreneurship is a multidimensional construct. Firstly, social entrepreneurs are driven by creating social value compared to other entrepreneurs. Secondly, faced with complexity, they have a balanced judgment and a coherent purpose. Thirdly, social entrepreneurs explore opportunities for better social value for their customers. Finally, social entrepreneurs are often innovative and take risk in their decisions (Sullivan Mort, Weerawardena, & Carnegie, 2003).

A social entrepreneur can be also defined as *“one who uses his or her leadership and innovative capabilities to find an opportunity to create a new product, a service, or a new approach to address the most pressing social issue in the society”* (Okpara & Halkias., 2011). Therefore, the social entrepreneurship combines innovation to leadership, exploit opportunities, seek profitability and create value, in order to provide social benefits.

Social entrepreneurship activities are very essential to alleviate the social problem primarily in developing countries, given their economic situation (Abd Muin, Abdullah, & Bahari, 2015) .

The essence of creative development given, which seeks to bring about real change, is not hampered by the limits of available resources. It seeks practically to maximize scarce resources and ideas promising to contribute to meeting the real needs and comes to solve deep-rooted problems of society.

The concept of social entrepreneurship faces a major challenge. There are those who see "social entrepreneurship" as a kind of giving while charity opposed to "entrepreneurship" linked to achieving profit. Although the motivation for social entrepreneur is often an ethical impulse stemming from a sense of social responsibility, it may at times be motivated to achieve itself.

The entrepreneur brings so many social and ethical benefits and this means that the profit motive does not prevent other moral motives.

The mission of creating social value should not negate generate economic value at the same time. Economic profitability is essential for the sustainability of social entrepreneurial enterprises. The creation of social value is closely linked to economic results. They provide financial resources that the social entrepreneur can use to achieve his main mission (Dacin, Dacin, & Tracey, 2011).

2. Characteristics of social entrepreneurship

For a social entrepreneur, the central criterion is the mission-related impact and not wealth creation. In a competitive marketplace, the ability to attract resources (capital, labor, equipment, etc.) is a good indication that the venture has a productive use of this resources (Donenfeld, 1998). There are many features that characterize a social entrepreneur (Amine, 2019), the most important of which are :

Awareness and knowledge: The first steps should come from a person who is aware of the reality of his society, his problems, his resources and his potential.

Self-confidence: the creator must be self-confident and able to effect change, and should not question his capabilities, or diminish his importance and self-worth.

Creativity: The societal pioneer is a creative person able to take advantage of unused resources to meet needs.

Initiative: It is an energetic person of high interest, ready to sacrifice and give for the sake of his community, characterized by vitality and perseverance.

Positive: A social entrepreneur has a solution to every problem; he feels responsible for all particular issue.

Inspiration: A social entrepreneur has the ability to inspire others. He may succeed in persuading entire societies to take real change steps.

From successful experiences, we can make some recommendations to guarantee the success of a social entrepreneurship project:

- Identify the social problem and devote to solving it.

- Have a commercial spirit and seek profit as a means and not an end in itself.
- Recruit intelligent and creative collaborators.
- Use the transparency of the accounting statements and credibility to build the trust of donors.
- Develop intelligent partnerships with large organizations and companies.
- Use celebrities to attract attention and educate more people.
- Take advantage of all channels, such as internet sites and social networks.

For Amine (2019), six habits of the most effective social leaders that can contribute to the success of the social entrepreneurs, they are:

- The social leader seeks to develop innovative solutions and not be content with making noise about a social issue and collect signatures and donations for those interested in this issue. The best way is to answer this question: How could things be better.
- A successful social entrepreneur must know she difference between Outputs and Outcomes, and creates the social value not only providing greatest job opportunities. A social leader measures his success with qualitative returns and always asks himself: How can I make people richer, happier, and healthier?
- The social leader knows very well that solutions do not lead directly to change. A positive model must be followed and a long process and effort is needed to bring about community change.
- A successful social leader has his own habits not to be alone in implementing the idea and does not practice the method of exclusion but rather participates in its implementation those who benefit from his idea of implementing it as owners and not as beneficiaries.
- The social pioneer believes that real change needs long years, and then he develops long-term future plans and does not rush the results, but asks: What are the solutions that we need over ten or twenty years?

- Investors do not fund ideas before the results. Thus, the social leader knows very well that writing a professional project plan will not attract capital. Therefore, it is advisable to use the available resources to start the first steps. And when signs of success appear, they may ask to participate in financing his idea without asking it. Available resources include intellectual capital, in-kind capital, human capital, and community organizations.

So the six habits of the most effective social entrepreneurs are summarized to using models for change, developing participatory solutions that yield returns, and by making use of available resources, in the long term.

II. Islam and the social entrepreneurship

The Islamic economy is synonymous with the creation of values, merit, equity and work. The economic acts of Muslims are considered jointly as acts of stewardship (Al Istikhlaf) and development (Al Imar), which reflect the existence of Man on earth.

The economy of Islam rests on two pillars: lucrative and non-lucrative activities. These two types of activities are complementary and can evolve jointly to create a socioeconomic balance (Tahiri Jouti, 2019).

A. Entrepreneurship of Islamic approach

Islam encourages entrepreneurial activity. In the Sunnah; The prophet recommends: "Even when the day of judgment draws near, if someone has a plant in hand, if he can plant it he plant it (Gümüşay, 2015)".

Islam highlights the importance to engage in economic activities that advance the society as a whole, and reduces others activities that can harm society. Islam laws, namely Sharia , prohibits harmful activities such as those involving alcohol, gambling and taking unnecessary risks and speculation (Hassan & Hippler, 2014).

Ibn Khaldoun, like multidisciplinary Muslim scholars, and through his famous book "Al Moqaddima" had proven that human work is the source of the creation of values, and this long before Adam Smith (BOUILI, 2015) Muslims view entrepreneurship as a religious duty able to generate halal (legal) income and meet their financial needs. In this way, they can

contribute to the *falah* (well-being) of the Ummah (nation) in this life and beyond. Islam considers that the profit is legitim and moral as long as it is free of interest (*Riba*) speculation and exploitation. Therefore, materialistic gain should have lawful and right use. Entrepreneurship in Islam has a religious perspective next to its economic dimension (Kayed & Hassan, 2010).

The source of Man's wealth is value-added work. What humans come to possess either through work or exchange is called *Rizq*. it means what God has given to each person as wealth and what he actually spends to meet his needs or which he has given to others as gifts.

According to Ibn Khaldoun, man can gain profit without making any effort, for example rain. Such profits do not exempt man from working. These things acquired thus constitute for man the "*Ma'âch*" (the substance) if their quantity does not exceed the satisfaction of the necessary. But they become a source of fortune and wealth when they exceed what is necessary.

What man achieves through effort and ability is called "*Kasb*". It requires effort and aims for gain which also requires effort and work to have any wealth. Otherwise no profit could be envisaged (Ibn Khalboun, 1406).

Entrepreneurship and business are treated as *Ibadah* (religious ritual) In Islam. In fact, this religion gives great importance to and business. In Holy Qur'an, Allah S.W.T. says: "by men whom neither traffic nor merchandise can divert from the remembrance of Allah, nor from regular prayer, nor from the practice of regular charity" (Qur'an, 24:37). Also in the Hadith, The Prophet S.A.W said that "nine out of 10 sources of income are coming from business activities. He also says : "an honest and sincere businessman will be placed with the prophets, *siddiqin* and *al-syuhada*". (Boulven et al., 2017).

poverty was eradicated from the Islamic community during the time of the Caliph Umar Ibn Abdul Aziz. *Al-Waqf* (or suspension), the type of charity was an important element in the construction of Islamic civilization. By *Waqf*, Muslims donate goods, money, buildings, land, wells,

trees and other possessions, just to thank Allah for his generosity and a reward in the afterlife (Faizal, Ridhwan, & Kalsom, 2013).

B. Social entrepreneur and recommendations of Islam

Social entrepreneur knows accurately his resources and interacts positively with his community's problems. Soon, he initiates a creative idea to solve one of these problems, and his available capabilities. This creative idea turns into a social movement that can be generalized and transferred to other societies. Although this concept was late, it existed in real human history. This means that the spirit of social initiative appeared before the intellectuals became interested in it Islamic approach of the social entrepreneurship. The Arab and Islamic civilization was no exception. Muslims and others lived in an atmosphere of freedom and creativity, in which they competed for leadership, which contributed to the emergence of pioneering individual and collective models at a time when the West was flirting in the shackles of slavery and ignorance (Amine, 2019).

The essence of social entrepreneurship lies in the initiative. If we contemplate in religions and civilizations, we will find that no religion is interested in awakening mind and stimulating the initiative, just as Islam did. Islam urges doing good deeds. Goodness includes all types of work that is good in favor of people or even animals. Good deeds in Islam are not limited to Muslims only, but rather concern everyone regardless of their beliefs, gender, or colors, (Amine, 2019).

Initiatives are not limited to persons, but are required by society and its institutions as a whole. All Quranic verses are directed in the plural form, and not in the singular, which indicates that initiative is not required by the individual as a personal behavior.

there is a prevailing opinion that Islamic rules are against business, and therefore behind the backwardness of entrepreneurship in the Muslim and Arab world. there are indeed some restrictions to avoid abuse and conflict, but Islamic entrepreneurship has many positive characteristics. Islamic banks, for example, are likely to improve "Islamic entrepreneurship"(Oukil, 2013).

C. Instruments of Islamic entrepreneurship

The most important tools consistent with the principles of Sharia (Islamic law) are Waqf and Zakat, which have played a major role in the problems of society as an expression of the spirit of social solidarity and responsibility in Islam.

1. Waqf

Waqf can be interpreted as “diverting resources from consumption and investing them in productive assets that provide either usufructs or revenues for future consumption by individuals or groups of individuals” (Alam, Shahriar, Said, & Monzur-E-Elahi, 2018).

An example of the leading institutions in Islam is the Waqf Foundation, In the history, Waqf has remained as the basis on which most of it. The hadiths of the Prophet (SWS) mentioned. Waqf by saying what means what the believer reaps from his good deeds after his death, a published knowledge, a good son, an Ibn al-Sabeel built or a charity that he removed from his wealth in his health and life ..

Waqf contributed to solving many problems of society at all levels, religious, social, economic, cultural, scientific and humanitarian. It has also achieved the effective participation of the private sector in development, by supporting governments to provide what society needs without overburdening the state. Creativity lies in the fact that Waqf is a mixture of donation and investment, as it first requires donation, but also investment and development in order to continue. Waqf had a prominent role in reducing unemployment through job opportunities provided by projects and guiding society towards positive savings. From here we can say that it is one of the innovative ways for the development of Islamic societies.

Waqf contributed to supporting the scientific research movement by establishing many centers and financing the costs of scientific research. It also contributed to revitalizing authorship and developing a spirit of social responsibility towards education. It was the caliphs, sultans, merchants, scholars, judges, women, and members of society who contributed to Waqf for several centuries of Islamic history.

2. Zakat

Zakat is the third pillar of Islam after prayer (Salat) and belief (belief that there is no other God but Allah and that Muhammad is the Messenger of Allah). It is a social system based on the tax paid by Muslims to the disadvantaged community. Zakat is an obligatory donation equal to 2.5% of the annual income eligible for Muslims and due once a year. Its objective is the eradication of poverty by the redistribution of wealth, to achieve a minimum quality of life for the poor so that their needs and requests are met. However, this does not mean that Islam discourages people from working and earning a living. On the contrary, Islam does not allow people to ask Zakat if they have the capacity to earn money.

Zakat was primarily designed to disappoint people from hoarding and push them to invest their savings. When Zakat is distributed to eligible people, it increases the demand for final goods and services. Consequently, it creates jobs and will ultimately lead to economic growth (Almarri & Meewella, 2015).

Zakat is usually considered to be able to make a quick change on society by reducing poverty and minimizing the wealth gap in the communities. Its modern role is a potential tool of social entrepreneurship in Islamic countries. its original purpose has evolved from charity to a modern entrepreneurial investment tool.

III. Conclusion

Social entrepreneurship aims to solve social problems using innovative approaches.

Islam gives great attention to entrepreneurship and encourages business. Through Qur'an we can easily see the importance of working and sharing with other.

Religion is an important element in developing trade relations in an increasingly dynamic international business environment. The main objective of this article was to see the vision of Islam as a religion towards entrepreneurship. The context of Islamic business is an important driver of social entrepreneurship which is largely close to the Islamic vision of

being part of the ethical economy. Historically, the social entrepreneurship of Islam had played a huge role in Islamic nations and in many parts of the world for many centuries.

One of the important objectives of Maqasid Sharia law is to ensure the well-being of the Islamic community. Historically, the waqf had played a huge role in the Islamic economic system, providing social services in the areas of health care, education, social protection and other programs. However, in recent history, there are only a few successful experiments using the properties of waqf to achieve its substantive goals.

The concept of waqf, involves many applications for developing the non-profit or for-profit non-governmental sector. It contribute to enhance the quantity of welfare services in order to improve the socio-economic welfare of society.

Actually Zakat could become one of the main financial resources to support a non-profit organization.

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