

BOOK REVIEW

Iqbal, Z. and Lewis, M. K. (2009). *An Islamic Perspective on Governance*. Cheltenham: Edward Elgar. Pp. xvi+368. ISBN-13: 978-184720-138-6 (HB).

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In view of the scarcity of literature on governance from Islamic perspectives, this contribution from Iqbal (Professor of Finance, National University of Computer and Emerging Science, Pakistan) and Lewis (Professor of Banking and Finance, University of South Australia and fellow, Academy of the Social Sciences, Australia) is most welcome and will stimulate further discourse on the subject. The book basically aims to provide a systematic analysis of governance from an Islamic viewpoint, looking at the classical legacy and contemporary sources. The authors think that combining classical and modern Muslim interpretations and integrating Western and Islamic understanding, may throw new light on the conceptual framework of governance. The book is divided into ten different chapters on both theoretical and empirical aspects of governance.

The first chapter introduces the fundamental concept of governance from Western and Islamic perspectives. Then, in Chapter 2, the authors justify their arguments by reviewing (and deconstructing) the methodology of Islamic economics. In Chapter 3, they argue that upholding justice is the core value of Islamic governance. In Chapters 4 and 5, mainly on taxation policy from the Islamic perspective, the authors highlight several problems and predicaments facing its implementation in Islamic countries. They discuss the conceptual framework of public borrowing by examining the Islamic position on budget deficits in Chapter 6. They recognize the problems of lack of funds and financial resources and the limitation of available financial products and services due to prohibition of *riba*, *gharar* and *maysir*, look at Islamic alternatives for financing government expenditure.

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Chapter 8 sets out the principles and values of good governance. The authors strongly emphasize accountability as the key component of Islamic model of governance. Then, in Chapter 9, they look at the Islamic approach to the issue of corruption. The book concludes with a recapitulation of the general arguments and further discussion of the key areas of governance that need further reform and enhancement. The book advocates the Islamic approach by reformulating the overarching Islamic theory of governance in the context of contemporary research, political realities and economic problems.

Overall, Iqbal and Lewis expand the work of previous researchers and enrich the literature on the topic of governance from the Islamic standpoint. The book will serve as a useful source of information particularly for those eager to understand the conceptual and practical framework of Islamic governance. In addition, it provides relevant policy recommendations to guide the future development of governance practices in both the public and private sectors. The authors' ability to synthesize Western and Islamic concepts and to integrate the classical and modern Muslims interpretation of topical issues of governance with the contemporary realities is the main strength of the book.

Throughout the book, the authors point to the need to focus on the spirit or substance of Islam rather than the form. They deploy justice-based, ethic-based and principal-agent-based approaches to formulate the Islamic model of good governance. Their conceptual framework goes beyond economic activities to cover also political and social arrangements including public governance, monetary governance and corporate governance. They highlight the key role of governance as a mechanism of check and balances and decision-making.

The arguments put forward generally provide a very useful foundation on which to develop further the framework of an Islamic model of governance. That said, there are some points that possibly need to be taken into consideration. Firstly, the book is biased towards public governance with the focus mainly on the topic of governance and its relationship with public finances; particularly taxation, budget deficit and funding government expenditure. It would have been very helpful if the authors had extended the discussion to include other areas of governance and the extent to which an Islamic model is compatible with modern and contemporary practices. Secondly, while the authors strongly advocate good governance, they do not clearly demonstrate anywhere in the book that

good governance leads to better performance or contributes significantly to socio-economic development. It would have been very worthwhile to present reliable information that supports a positive correlation between these three variables.

It is worth observing also that, while Iqbal and Lewis try to show that ideal Islamic governance can be achieved by adopting appropriate policies that conform to the guidance of the *Quran* and *Sunnah*, they leave the big questions about how to achieve the desired harmonization of ideals with realities. What is urgently needed, beyond invoking the ideals, is to explain the mechanisms by which Islamic principles and guidelines on governance can be implemented and embodied and then sustained.

Those reservations just noted aside, the book makes a valuable contribution to the topic of governance, greatly enriching the existing literature on governance from an Islamic perspective. It will be much appreciated and encourage further research and scholarly reflection on a very important matter that has for too long been neglected.