Glossary

This section explains Arabic words and terms used in this book.

*Abd* is servant. Also refers to mankind. *Abd Allah* means servant of God. *Adl* means justice, impartiality, and fairness. *Allah* is Arabic for God. *Amana* is trust; the contract of *amana* gives rise to fiduciary relationships and duties. *Aqidah* (pl. *aqāʾid*) is article of faith, tenet or doctrine. *Asabiyyah* is the basis for group solidarity or national consciousness. It means *esprit de corps*. *Ayah* (pl. *ayat*) means symbol or the sign. Refers to a verse of the Holy Qur’an.

*Bai bi-thamin ajil* is deferred payment sale by instalments. *Bai’muajjal* is deferred-payment sale. *Bai’salam* is pre-paid purchase. *Bay* (*bai*) is a comprehensive term that applies to sale transactions, exchange. *Bay’ah* is the contractual relationship among the ruler and the ruled and is circumscribed by *shari’ah*. *Bayt al-mal* means house of wealth. It is a medieval financial institution aimed at managing the monetary activities of the ‘Islamic state’ and can be regarded as a public treasury. *Bida* refers to innovation, deviation from Islamic tradition. *Birr* is piety, righteousness.

*Dhimmi* is a non-Muslim citizen of a Muslim state who enjoys freedom and protection in return for fulfilling tax obligations. *Diya* is the blood money paid by the murderer to the legal heirs of the murdered in return for exemption from the death penalty. *Falah* means welfare, success, prosperity, thriving. *Fasad* means iniquity, immorality, corruption, viciousness. *Fatawa* (sing. *fatwa*) are legal decisions or opinions rendered by a qualified religious leader (*mufti*). *Fard-e-kifaya* is a community obligation in Islam. If some members
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discharge it, others are exonerated. If none discharges it, the whole community is culpable in the eyes of God.

Fiqh is Islamic jurisprudence, the science of religious law, which is the interpretation of the Sacred Law, shari’ah.

Fuqaha (sing. faqih) are Muslim jurisprudents who have religious authority.

Fuqara are poor, needy, lacking basic wherewithal for honourable living.

Ghanima are spoils of war.

Gharar is uncertainty, speculation.

Hadd (pl. hudud) is a punishment fixed in the Holy Qur’an and hadith for crimes considered to be against the rights of God.

Hadith (pl. ahadith) is the technical term for the source related to the Sunnah; the sayings – and doings – of the Prophet (pbuh), his traditions.

Hajj is pilgrimage to Makkah.

Hakimiyya means sovereignty, judgeship, domination, jurisdiction over making rules.

Halal means permitted according to the shari’ah.

Haram means forbidden according to the shari’ah.

Hiba means gift, present, donation, grant.

Hijra marks the emigration of the Prophet Muhammad from Makkah to Madinah in 622 CE.

Hisba is prudential supervision/regulation of markets and transactions.

Hila (pl. hiyal) are ‘permissions’ or legal manipulations, evasions.

Ibada (pl. ibadat) is worship, adoration, religious observance.

Ihsan is benevolence, beneficence.

Ihtisab means accountability.

Ijarah contract is a leasing contract.

Ijarah wa iqtina is a lease-purchase contract, whereby the client has the option of purchasing the item.

Ijma means consensus among jurists based on the Holy Qur’an and sunnah, and one of the four sources of law in Sunni Islam.

Ijtihad means the act of independent reasoning by a qualified jurist in order to reach new legal rules.

Ijtihadi is a practice permitted through the application of ijtihad.

Iman means faith.

Imam is commonly used as a title for significant religious leaders.

Infaq is spending on charitable cause, in excess of need.

Insan means human being, human race.

Islam is submission or surrender to the will of God. Religion of Muslims (those who submit).
**Glossary**

**Isnad** is ascription of a hadith or an Islamic tradition, the uninterrupted chain of authorities on which a tradition is based.

**Israf** is extravagance and as such condemned in Islam.

**Istislah** is public interest.

**Istisnaa** is a contract to manufacture.

**Iztirar** means compulsion, coercion, exigency, plight, predicament.

**Jihad** is struggle or battle against inner or outer impediments against implementing shari‘a as the law of the land.

**Jizya** is poll tax levied on a dhimmi otherwise exempt from zakah.

**Ju‘alah** is the stipulated price (commission) for performing any service.

**Khalifa** (caliph) means successor or ‘deputy’. Ruler of the community of Islam (to the Prophet Muhammad’s (pbuh) political position, but not to his prophethood).

**Kharaj** is land tax.

**Kharajite** were a dissident religious sect in Islam that demanded equitable treatment among Arab and non-Arab Muslims.

**Khums** is one fifth of treasure trove due to an Islamic state.

**Madinah** Medinah, capital of the Al Madinah Province of Saudi Arabia and the second holiest city in Islam.

**Mafasid** (sing. mafsada) means malicious acts, chicaneries, causes of evil and corruption.

**Makkah** Mecca, capital of the Makkah Province of Saudi Arabia, which is the holiest city in Islam and the destination of the Hajj.

**Maqasid** (sing. maqsid) means goals, aims, objectives, ends, designs, intentions.

**Masakin** (sing. miskin) are the poor, miserable, beggars, humble.

**Masalih** (sing. maslaha) are those acts or matters which promote welfare.

**Masjid** is the place where Muslim prayers are conducted (that is, a mosque).

**Maysir** means gambling, from a pre-Islamic game of hazard.

**Mu‘amala** (pl. mu‘amalat) is conduct toward others in social intercourse, including business.

**Mudarabah** contract is a trustee financing contract, where one party, the financier, entrusts funds to the other party, the entrepreneur, for undertaking an activity.

**Mudarib** means an entrepreneur or a manager of a mudaraba project.

**Mufti** is a jurist who is authorized to issue a fatwa or legal decision on a religious matter.

**Muhtasib** is the ombudsman’s office.
Mujtahid is the one qualified for undertaking ijtihad, primarily in the shi’ite tradition.

Murabahah is resale with a stated profit, for example the bank purchases a certain asset and sells it to the client on the basis of a cost plus mark-up profit principle.

Musharakah contract is an equity participation contract, whereby two or more partners contribute with funds to carry out an investment.

Muslim is one who professes the faith of Islam or is born to a Muslim family.

Nisab is the minimum acceptable standard of living.

Qard hasan is a benevolent (interest free) loan.

Qisas is requital, retaliation; punishment, castigation, chastisement.

Qist is fairness, justice, equitableness.

Qiyas means analogical deduction.

Qur’an is the Holy Book, the revealed word of God, followed by all Muslims.

Rabb al-mal refers to the owner of capital or financier in a mudarabah partnership agreement (also called sahib al-mal).

Rahn is pawning, mortgaging, pledging.

Rashwa is bribery, dishonesty, corruption.

Riba is literally ‘excess’ or ‘increase’, and covers both interest and usury.

Sadaqa is alms, charitable gift; almsgiving, charity, freewill offering.

Salam is soundness, peacefulness, unimpairedness, well-being; peace, safety, security.

Shari’ah is Islamic religious law derived from the Holy Qur’an and the sunnah.

Sheikh is head of a tribe; elder, chief; master of an order (Sufism).

Shia is a Shi’ite Muslim, whose members comprise about 10 per cent of the world population of Muslims.

Shirkah (or sharika) is a society or partnership.

Shi’ite comes from the religio-political party championing the claims of ‘Ali ibn abi Talib and his heirs to the rightful leadership of the community and to their status as Imams. Since the beginning of the sixteenth century, Shi’ism has been the official state religion of Iran and most of its followers live there.

Shura is consultation, deliberation, taking counsel.

Sukuk are bonds legitimized by contemporary fiqh experts.

Sukuk-al-ijarah is the most popular form of sukuk in which the underlying asset pool comprises physical assets that are leased at pre-specified rentals.
Sunnah (pl. sunan) is habitual practice, customary procedure, or action, norm, usage sanctioned by tradition. In Islam, it refers to the sayings and practices of the Prophet Muhammad (pbuh), established as legally binding precedents in addition to the Law established by the Holy Qur’an.

Sunnis are orthodox Muslims and constitute the majority form of Islam, those who follow the sunnah (thus being called the ahl al-sunnah), of the Prophet Muhammad (phuh) and his companions.

Sura (pl. surat) is a chapter of the Holy Qur’an. There are 114 suras of varying length and in all references to the Holy Qur’an (for example 30:39) the first number refers to the sura and the second to the aya, or verse.

Takaful refers to mutual support which is the basis of the concept of insurance or solidarity among Muslims.

Taqwa is devoutness, godliness, piety.

Tawhid is the belief that God is one, unique and incomparable.

Ulama are the learned class, especially those learned in religious matters.

Umma means a nation or community, which shares a belief system; the body of Muslims.

Umrah is the ‘minor’ or ‘lesser’ pilgrimage to Makkah which can be made at any time of the year.

Ushr is tenth part; tithe due to an Islamic state on agricultural crops.

Usur are custom duties.

Usul-ul-fiqh are the principles of jurisprudence in Islam.

Waqf is a trust or pious foundation.

Zakah is a religious levy or almsgiving as required in the Holy Qur’an and is one of Islam’s five pillars.

Zulm is the opposite of justice. It is oppression.