

## Islamic Investment Mechanisms in Promoting Corporate Social Responsibility and Sustainable Development in Muslim Societies

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### ABSTRACT

This study seeks to promote the concept of Islamic investment and highlight the ability of the Islamic investment system, in accordance with Islamic Shari'ah, to develop societies and achieve comprehensive development. According to the principles and objectives of Islamic investment, social development is directly impacted by most Islamic investment operations, which are social projects that seek to transform economic returns into social returns. Furthermore, this study aims to emphasize that Islamic investment seeks to serve societies and their well-being and to build the national economy to constitute a fundamental pillar and a strong factor in sustainable development, rather than merely serving individuals. It also aims to highlight the relationship between Islamic investment and Maqasid Shari'ah. It also explores ways to activate the role of Islamic investment in promoting social development.

### 1. Introduction

In the scientific and practical encyclopedia of Islamic banks (Al-Hawari, 1982) : Islamic investment is a positive human activity derived from *Shari'ah*, it leads to achieving and reinforcing the objectives of Islamic economic system through Islamic priorities that are reflected in the reality of Muslim societies. Some economists define Islamic investment: it's actual investment of surplus wealth (savings) weather directly or indirectly way for an economic activity that does not contradict with principles and objectives of *Shari'ah*, in order to obtain a return that assist people to carry out the mission of succession and developing the world. (Abul-Hol, 2012). The nature of Islamic investment as much as it is financial operations, it is also societal activities, because all Islamic economic practices are social projects in which society and the surrounding environment must participate as pivotal elements of the most important factors affecting investment operations. Islamic investment has made the social dimension one of the most important factors affecting investment policies, and a

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main goal of its objectives that must be considered. Islamic investment is the exerted effort to increase and develop financial resources and human capacities to obtain the highest rate of growth in material and human capital (Al-Samani, 2002).

Islamic finance has experienced progressive growth in the last years and could play significant role not only limited to Muslims but also for non-Muslim countries. Advances in Islamic Finance and Social Finance demonstrate an increasing global attention for finding alternative ways of financing and creating value in the society since both have similar ethical dictates (Paolo & Moha, 2019). *Shari'ah* that regulates all Islamic financial instruments and investments and its screening methodology prohibits unethical businesses and practices that are like the negative screening methodology adopted by the socially responsible investment, which make both connected to Social Finance (Paolo & Moha, 2019). While we take the view that corporate social responsibility arose recently a few decades ago, but we must be informed that the Islamic economic has realized this well fourteen centuries ago and has made the social responsibility as a primary principle and major goal that must be achieved in any investment process.

The concept of investment from an Islamic perspective is completely different from the traditional concept of investment. The nature of Islamic economic is rather a social investment, because it interacts with all the surrounding elements in the environment and society. The concept of Islamic economic includes every human activity that achieves desired benefit, whether public or private, material or moral, urgent or future, and whether this benefit is related to the human being or to other organisms and creatures that share with the humaneness the factors of its survival and life. Therefore, we can say that Islamic investment is any human activity that takes advantage of available resources and invests the permissible funds to achieve the interests of the individual, society and environment, in accordance with the *Shari'ah*.

In the Islamic economy system, investment is not limited to just financial elements, or to a material instrument. Rather, investment takes place with every activity that achieves an interest or a realized benefit. Therefore, the *Shari'ah* permitted investment in many types of corporations, such as *Al-Abdan*, *Al-Wujuh*, and *Al-Dhemam* as well, and all these types are investment partnership, but without including any financial component. A thorough understanding of Islamic economic social justice, the corporation are obliged to do what is assumed proper and fair. They should act ethically towards the concerning issue surrounding the area of operation and attempt to avoid harm to the community and public. The Islamic economic is distinguished by its principles and objectives, which emphasize the need to consider the societies and environments surrounding the operational processes, so, if we look at the most important principles of Islamic investment, it may be evident what the extent its interest in social responsibility.

### 1.1 Problem Statement

There are many investors need to know more about principles of Islamic investment. The researcher aims to show and highlight some of the principles and characteristics of Islamic investment, including that the social responsibility must be considered in any investment process. On the other hand, there is a widespread belief among many investors in the field of Islamic investment and those working in Islamic investment institutions that Islamic investment operations are intended solely for commercial profitability and have nothing to do with the development of societies.

### 1.2 Research Questions

- 1- What is the concept of an Islamic investment system, and what are its principles, objectives and advantages?
- 2- What is the relationship between Islamic investment and CSR?
- 3- What are the possible ways to activate the role of Islamic investment in promoting Social development?

### 1.3 Research Objectives:

- 1- To clarify the concept of the Islamic investment system, and what are its principles, objectives, and advantages.
- 2- To highlight the relationship between Islamic investment and social CSR.
- 3- To identify ways to activate the role of Islamic investment in promoting social development.

## 2. Methodology research

The study generally relied on the analytical descriptive method. It focuses on three main themes: The first one: basic concepts about Islamic investment and its objectives and principles and its importance in the development of Muslim societies, while the second one: the concept of social development and its areas and the most important pillars, the third is the role of Islamic investment in the promotion and activation of development, and what are the possible ways and means to that. The researcher relied on the inductive approach to show that. On the other hand, the method of data collection is through primary and secondary data, such as books, theses, periodicals, websites, reports, interviews scientific notes, and the like.

### 2.1 Islamic Investment:

#### **Background**

The nature of Islamic investment as much as it is financial operations, it is also societal activities, because all Islamic investment practices are social projects in which society and the surrounding environment must participate as pivotal elements of the most important factors affecting investment operations. Islamic investment system has made the social dimension one of the most important factors affecting investment policies, and a main goal of its objectives that must be taken into account. In the scientific and practical encyclopaedia of Islamic banks (Al-Hawari, 1982) : Islamic investment is a positive human activity derived from *Shari'ah*, it leads to achieving and reinforcing the objectives of Islamic economic system through Islamic priorities that are reflected in the reality of Muslim societies. Some economists define Islamic investment: it's actual investment of surplus wealth (savings) whether directly or indirectly way for an economic activity that does not contradict with principles and objectives of *Shari'ah*, in order to obtain a return that assist people to carry out the mission of succession and developing the world (Abul-Hol, 2012).

Islamic investment is the exerted effort to increase and develop financial resources and human capacities to obtain the highest rate of growth in material and human capital. (Al-Samani, 2002). Islamic finance has experienced progressive growth in the last years and could play significant role not only limited to Muslims but also for Non-Muslim countries. Advances in Islamic Finance and Social Finance demonstrate an increasing global attention for finding alternative ways of financing and creating value in the society since both of them have similar ethical dictates (Paolo & Moha, 2019). *Sharia* that regulates all Islamic financial instruments and investments and its screening methodology

prohibits unethical businesses and practices that are similar to the negative screening methodology adopted by the socially responsible investment, which make both of them connected to Social Finance. (Paolo & Moha, 2019). While we take the view that corporate social responsibility arose recently a few decades ago, but we must be informed that the Islamic investment system has realized this well fourteen centuries ago, and has made the social responsibility as a primary principle and major goal that must be achieved in any investment process.

The concept of investment from an Islamic perspective is completely different from the traditional concept of investment. The nature of Islamic investment is rather a social investment, because it interacts with all the surrounding elements in the environment and society. The concept of Islamic investment includes every human activity that achieves desired benefit, whether public or private, material or moral, urgent or future, and whether this benefit is related to the human being or to other organisms and creatures that share with the humaneness the factors of its survival and life. Therefore, we can say that Islamic investment is any human activity that takes advantage of available resources and invests the permissible funds to achieve the interests of the individual, society and environment, in accordance with the *Shari'ah*. In the Islamic economy system, investment is not limited to just financial elements, or to a material instrument. Rather, investment takes place with every activity that achieves an interest or a realized benefit. Therefore, the *Shari'ah* permitted investment in many types of corporations, such as *Al-Abdan*, *Al-Wujuh*, and *Al-Dhemam* as well, and all of these types are investment partnership, but without including any financial component. A thorough understanding of Islamic Investment social justice, the corporation are obliged to do what is assumed proper and fair. They should act ethically towards the concerning issue surrounding the area of operation and attempt to avoid harm to the community and general public. The Islamic investment system is distinguished by its principles and objectives, which emphasize the need to take into account the societies and environments surrounding the operational processes, so, if we look at the most important principles of Islamic investment, it may be evident what the extent its interest in social responsibility.

## 2.2 Principles of Islamic Investment:

Community in Islamic investment is considered a cornerstone and an integral part of the principles and objectives of Islamic investment, as each organization must consider social responsibility in all its operations and activities, and is even subject to accountability about the extent to which it is achieving the social benefit and its compliance with social responsibility, therefore, the main principles of Islamic economic are the following:

1- **Commitment:** To keep away from forbidden practices such as usury, gambling, bribery, greed, injustice, harm to others, and the like, namely, respecting the rule of law, including *Shari'ah*.

2- **Inclusion:** To allow society and the surrounding environment to interact with all investment processes.

3- **Justice:** to ensure justice in all investment activities and practices so that achieve social justice.

4- **Honesty:** To ensure transparency, credibility, dependability, and contract fulfillment.

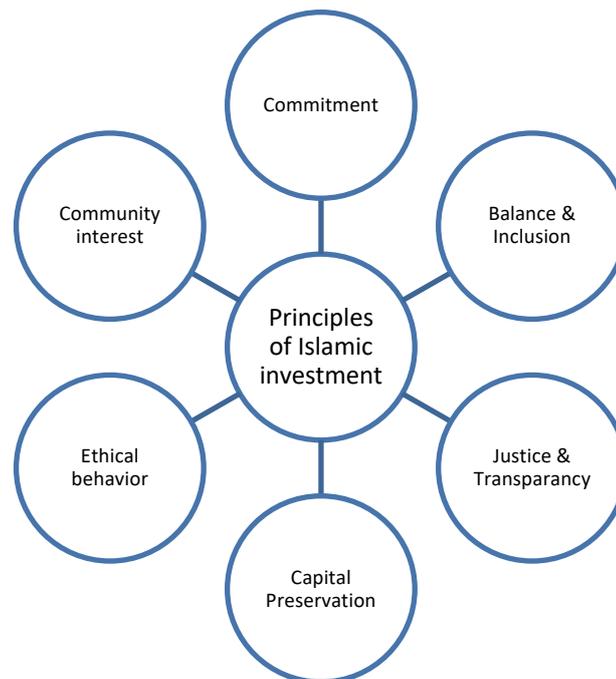
5- **Balance:** To achieve the best of interests, by activating the rule of Islamic prioritization, which balances between *Maslahah* and *Mafsadah*, likewise, diversifying employment. The balance should be in all this, as the social interest requires.

6- **Capital preservation:** To ensure the development and increase of wealth, and to reduce its damage, loss or waste.

7- **Ethical behavior:** To promote values and spread cooperation, tolerance, love, and solidarity among people and communities, moreover, to stay away from greed, selfishness, injustice and harm to others, thereby avoiding damage to capital, society, or the environment.

8- **Community interest:** To benefit society by respecting the interests of stakeholders and considering the needs of the surrounding community. The needs of all the stakeholders in the community must be considered.

9- **Allah almighty is the owner of wealth** and natural resources, the man is appointed by Allah as a trustee and custodian to work in his land. Thus, human ownership is imperfect, not perfect property.



**Fig. 1.** Principles of Islamic investment

### 2.3 Objectives of Islamic Investment:

The nature of investment operations in Islamic investment institutions must be based primarily on a comprehensive understanding of the objectives and principles of investment in the Islamic economic system. Unless these principles and objectives are incorporated into Islamic investment programs, they will be nothing more than replicas of traditional investment institutions and a monotonous imitation of the routine policies followed by those institutions.

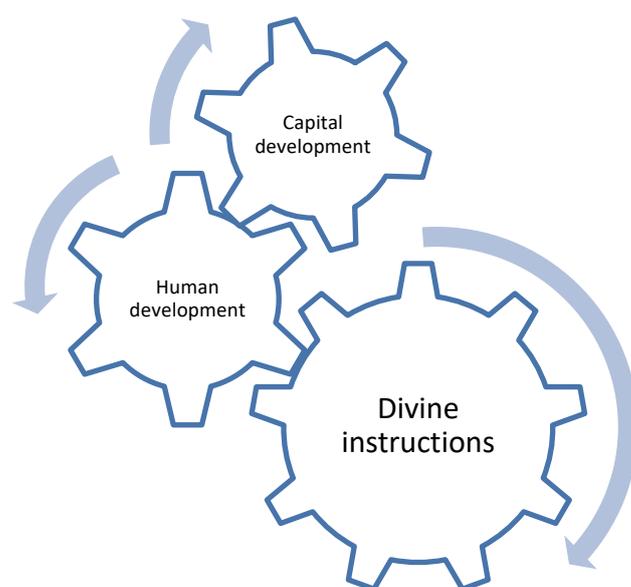
Perhaps the most important thing that distinguishes Islamic investment is its highness in goals and objectives. It has been shown by induction that the goals of Islamic investment do not go beyond three main objectives, which are:

1- **Human development:** by investing and exploiting human resources and taking advantage of its abilities, capacities and skills, which contributes to well-being and preserving its dignity, thereby reducing unemployment, poverty and creating new productive opportunities.

2- **Capital development,** with the investment and conservation of wealth, by properly exploiting resources without waste, neglect or damage, and striving to increase wealth, which contributes to resource mobilization and redistribution of income and wealth, thus, this aim effectively leads to social justice and preservation of wealth (plant, animal, environmental, etc.) in possible ways that contribute to reducing environmental pollution.

**3- Comply with divine instructions, ethics and values** that promote cooperation, interdependence, solidarity, tolerance, charity and love among people and communities and avoid greed, selfishness, injustice and harm to others.

In conclusion, we draw on the investment purposes called for by Islamic law, namely, the development of the human being mentally, scientifically and valuably, materially, morally and socially, as well as, the development of their capabilities, so that they can be able to care for themselves, serve their society and the architecture of the earth. Moreover, to the development of capital of its various types; material, human, animal, plant and environmental ... etc. In other words, the most important aim of investment is to balance the soul (spirit) and substance, and to strengthen the relationship between the three objectives, to integrate concepts and elements, Thus, access to the virtuous state, happiness, a true prosperity, well-being and sustainable development.



**Fig. 2.** The dynamic relationship between the main objectives of Islamic investment

The objectives sought by the Islamic economic system through the investment process are to develop the earth, fulfill Allah's promise, establish a virtuous and productive state, achieve complete sufficiency for the members of society, preserve and protect the nation's wealth and develop it, and provide a suitable environment for the realization of worship - which is the goal of all of the above. The observer who contemplates the objectives of Islamic law in preserving the generalities, including the generality of wealth, to which Islamic law has given special attention, will almost certainly conclude that the objectives of Islamic investment do not go beyond this niche, as the objective of Islamic law in preserving wealth from the aspect of existence by controlling the system of its growth and the methods of its circulation, as well as from the aspect of nonexistence by removing harm from it, preventing its unlawful consumption and wasting it, and providing security for it .

Shariah takes investment into consideration and care for it, as it has outlined all the objectives that investment must achieve to bear fruit and not be a mere waste of money, a loss of effort, or a neglect of people and their needs, which is the primary objective of investment.

Obviously, when we talk about investment objectives, the traditional concept that most economists, if not most of them, have adopted comes to mind, which is that the main purpose of investment is to create an increase in physical capital and achieve the highest rates of profit or interest, to the point that this term has become the main goal and objective of investment. This is undoubtedly a narrow view of the concept of investment and a grave error that has unfortunately been committed by some of those in charge of Islamic financial institutions, which do not target

interest as much as they target the preservation and development of the nation's funds, contributing to improving the economic and social conditions of Muslim societies, and striving to deepen and consolidate social solidarity and serve development.

Maximizing profit is inevitable, but it is not an end in Islamic law, because the purpose of profit is essentially a material purpose. If we consider material achievement as a primary purpose, we have ignored or overlooked the rest of the other purposes. In doing so, we have glorified the material purpose and neglected the other purposes that Islamic law came to enhance, value, and give great importance to. Man, and his needs, which are the primary purpose of investment, are what should have priority in meeting his demands and needs. Therefore, the teachings of Islamic law and the principles and objectives of the Islamic economic system came to employ this partial means to achieve greater interests and preserve greater purposes for the nation. However, we can say that profit is a means by which higher, nobler, greater, better, and more beneficial purposes are achieved.

This perspective is what Islamic economics calls for, which is to make matter a means and not an end in itself, and then to establish the correct methods, measures, and tools to help achieve this means. Among the most important of these *Shari'ah* teachings and measures is the regulation of investment instruments and the prohibition of certain actions that prevent the achievement of *Maqasid Shari'ah*. A set of Sharia rulings, controls, and priorities have been enacted to regulate financial transactions and dealings, to prevent the squandering of funds, the loss of rights, and the harm caused to others, and to ensure the achievement of true, comprehensive development for all members of society.

The Islamic approach does not view material wealth as the ultimate goal, nor does it view investment to achieve material benefits only. Rather, it views it to achieve immediate and long-term benefits, and public and private interests, both world and hereafter.

### 2.3.1 *The first objective - developing humans:*

People are the true wealth of any nation. The more a nation can preserve, exploit, and develop its human wealth in health, culture, and society, and develop its knowledge and skills, as well as provide opportunities for creativity, self-respect, guarantee human rights, and ensure positive participation in all aspects of life, the more this nation will advance economically, socially, and culturally among other nations.

How many countries have taken firm and deliberate steps towards leading the world by developing this human wealth, which has become a positive advantage, and not a heavy burden or a scapegoat for their failures, as many Third World governments do. If investment does not target human development in all its processes and does not have any positive and direct impact on human well-being, then the investment process in this case has deviated from its natural course.

This goal is not an end, but rather a guarantee for achieving three great overall goals that Islamic law has preserved and called for providing the means to preserve them, namely (the soul, the mind, and offspring). Several sub-goals fall under this goal, namely:

- Investing in the human element by employing and developing the mind.
- Putting an end to unemployment by employing capable workers in a way that benefits him materially and morally.
- Caring for the poor classes and providing them with opportunities to participate in the production process.
- Enjoying money and providing people with happiness without ingratitude or denial.

### *2.3.2 The second objective - developing wealth:*

Land refers to all the natural resources that the land contains, and money is one of the components of natural resources and a result of them. Therefore, natural resources are one of the most important elements targeted by Islamic investment. This goal is considered a guarantee of achieving a comprehensive purpose, which is (preserving money), and several goals fall under it that branch off from it:

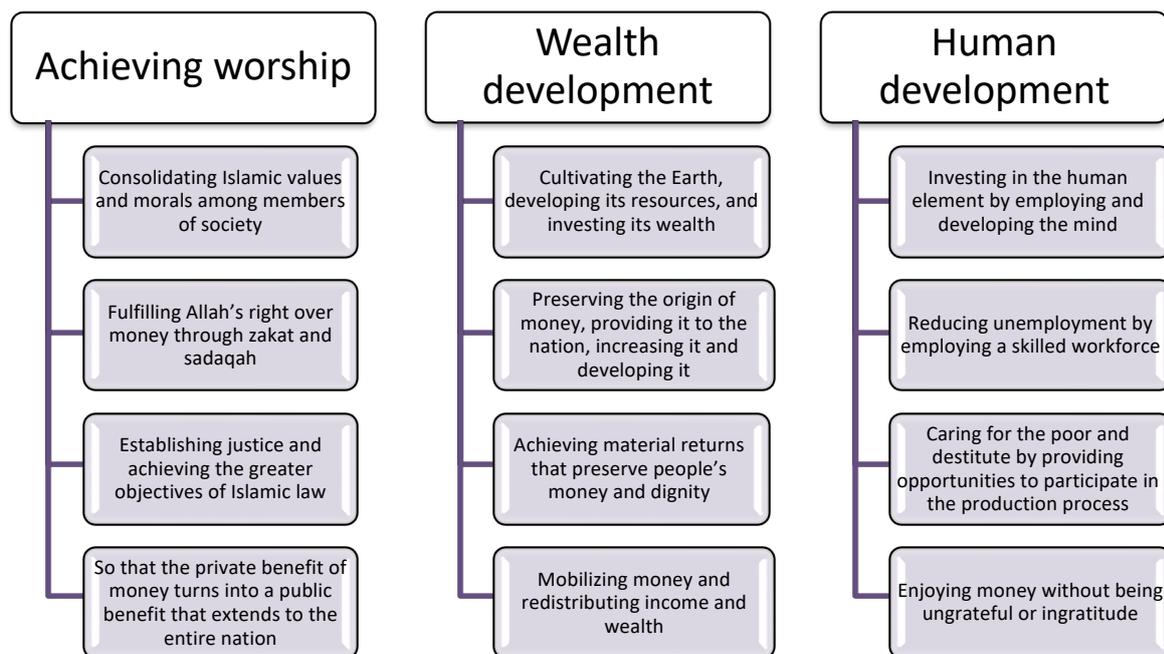
- Cultivating the land, developing its resources and investing its wealth.
- Preserving the origin of money, providing it to the nation, increasing it and developing it.
- Achieving material returns that preserve human dignity and freedom.
- Moving money and internationalizing it, rather than hoarding wealth to redistribute it in fair ways.

Economic activities are considered acts of worship if the person's intentions are sincere, his actions are righteous, and his purpose is good. This is because worship in Islam is not limited to ritual acts of devotion such as prayer, fasting, and zakat, but rather includes everything that Allah loves and is pleased with, including words and deeds, both inward and outward.

### *2.3.3 The third objective – perfect worship:*

This goal is a guarantee of achieving the first necessary objective of the objectives of the Shariah, which is (preserving religion). This goal may be a greater objective than the first two objectives, as developing the human being along with developing wealth both serve the third objective and serve the interest of achieving worship in the most perfect manner, so that investment in its entirety is an act of worship by which the servant draws closer to his Lord, in compliance with His command and seeking His pleasure. As for the subsidiary objectives included under this objective, they are represented in:

- Consolidating Islamic morals and values among members of society.
- Fulfilling Allah's right in money through zakat, charity, good loans, and righteous deeds.
- Establishing justice and achieving the great objectives of Islamic law.
- So that the private benefit of money becomes a public benefit that extends to the entire nation.



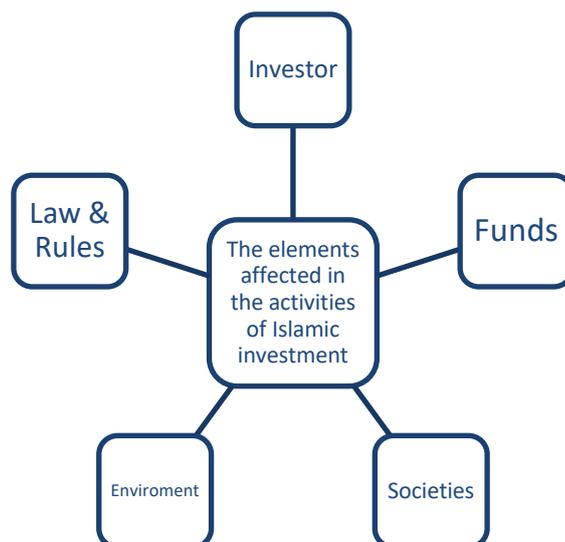
**Fig. 3.** The main objectives of Islamic investment

Thus, all investment programs in the Islamic economic system must serve the objectives do not deviate from them, so that investment can achieve its desired goals in the most complete manner.

This is the investment that Islam seeks, and with the combination of these three main objectives the concept of investment is complete. If efforts were focused on the goal of developing wealth in isolation for the purpose of worship and human development, unemployment would occur, ignorance would spread, security would be lost, ambitions would die, resolve would weaken, minds would become dull, corruption would appear, classes would emerge, and conflicts would occur. If efforts were focused on achieving the goal of human development in isolation from developing the land and achieving worship, this would lead to the corruption and death of the land, the occurrence of contraction, the expansion of the circle of poverty, and the spread of famine among societies, and so on. Therefore, integration and balance are essential, which are among the most important principles of Islamic investment.

#### 2.4 The elements affected in the activities of Islamic investment:

- 1- Investor.
- 2- Funds.
- 3- Societies.
- 4- Environment.
- 5- Law and rules



**Fig. 4.** The elements affected in the activities of Islamic investment

### **3. The Importance Of Linking Investment Operations To The Objectives Of Islamic Investment**

The nature of Islamic investment is based on human development, meeting human needs, preserving human dignity, and maintaining the foundations of life. Any investment process must have a developmental aspect. Although Islamic financial institutions seek profit, they remain, in the end, developmental institutions that aim to develop human beings, meet their needs, and are sensitive to the needs of the societies around them. This developmental aspect is directly reflected in their internal organization, their investment policies and strategies, and their criteria for evaluating and selecting projects. Hence, Islamic investment urge the necessity of mobilizing wealth, investing money, and forbidding its hoarding, engaging in trade for profit, and stimulating the economy of the Islamic state. This is because successful investments are among the most prominent components of development and progress in various fields.

When we discuss the investment activities of Islamic financial institutions, we must completely shift our focus away from what is prevalent among conventional financial institutions. Islamic financial institutions must aim, through their investment operations, to fully achieve the objectives of Islamic investment. These institutions must engage in real, direct investment and actively participate in various investment activities, including genuine economic and development projects that serve the individual, society, and the state alike.

### **4. Islamic Investment Instruments For Social Development**

As a matter of fact, some companies and financial institutions may face significant difficulties in complying with social responsibility, as this may sometimes conflict with maximizing profitability, their financial obligations to shareholders, lack of evaluations and measures of social performance, as well as the difficulty of obtaining funding. Whereas this is not a case for Islamic financial institutions that adhere to the objectives and principles of Islamic law, where adherence to social responsibility is normal and does not represent any difficulty because the principle of social responsibility is one of the objectives and strategies of Islamic financial institutions. The most important investment instruments and their role in promoting social development:

- **Contract of Salam** : is a sale described in the disclaimer with an allowance given sooner (Hammad, 2008). This contract guarantees capital and contributes to supporting and

encouraging craftsmen and leveraging from their ideas, capacities, skills, abilities and experience in agriculture, industry, trade or other, or by establishing small enterprises, as this contract provides them with the necessary liquidity to start their projects and innovations, thereby improving the basic standard of living and social well-being of the population.

- **Contract of *Istisna'a***: is a contract in which he immediately buys something that makes a man who is obliged by the seller to provide it made with materials from him with specific descriptions and at a specific price (Ersheed, 2007) (Salus, 2003).

- This contract contributes to the establishment of universities, schools, hospitals, libraries, gardens, and all that is relevant to societies. Meanwhile, this contract is very suitable for many technological projects such as clean energy technologies (environment friendly), Thus, it reduces dependence on harmful industries for societies and the environment. It also contributes to the potential, capacity, and skills of societies.

- **Contract of *Ijarah*** : It is the ownership of the benefits in return for compensation, whether that compensation is in kind, debt, or a benefit (Hammad, 2008) (Salus, 2003). This investment tool contributes to mitigating the harmful effects of industrial equipment and machinery by reducing their purchase and replacing them with leasing, which are two types, leasing objects and assets, leasing businesses and skills, such as *Attajir Attamwili* (financial leasing) that enables the client to use the asset to benefit from it for a certain period.

- **Contract of *Mudarabah***: It is an agreement between two parties in which one of them exerts his money and the other exerts his effort and energy (Hammad, 2008). This is one of the most important contracts that contribute to social development, effective means of moving, developing and redistributing funds, as well as investing and exploiting the minds of people which have a limited income, including craftsmen and farmers, etc., to rely on themselves, to benefit themselves and others.

- **Contract of *Musaqah***: A contract to hand over the trees to those who repair and care for them with A known part of their fruit.

- **Contract of *Muzara'ah***: A contract to plant is between the farmer and the landowner, the crop for all of them according to the agreement.

- **Contract of *Mukhabarah***: A contract to plant is between the farmer and the landowner, but the seed is from the worker.

- **Contract of *Mugharasah***: Handing over a barren land to whoever planted it on a portion of the fruit (Hammad, 2008).

These last four instruments contribute dynamically to stimulating social responsibility, especially to the expansion of green spaces, combating desertification, it can supplement the subsoil water level and increase urban greenery, landscaping and maintenance of green areas, gardens, parks etc. as well as labor exploitation and unemployment alleviation.

## 5. The Relationship Between Islamic Investment And Development

Development has become an urgent necessity dictated by the material conditions surrounding humanity. Everyone who takes the initiative must strive to achieve it, to save what remains of humanity, values, and ideals that have melted away under the weight of materialism, which has dissolved everything related to human nature, such as solidarity, compassion, interconnectedness, and cooperation between societies. Successful investments are among the most important components of development and progress in all areas of life. Wherever there is investment, there is development. One of the greatest goals of investment is to achieve development. As is well known, the Islamic economic system aims, in all its investment policies and operations, to achieve

development at all levels. If we know that the most important goals of development are to expand investment spending and encourage investments in economic projects that benefit society, then economic and social development is a pivotal goal of Islamic investment. Investment and development are inseparable, and the relationship between them is complementary, with each one completing the other.

Economists unequivocally agree that the goal of any investment activity is the individual. Human development, the provision of comfort and a good and dignified life are the goals sought by Islamic investment. From the perspective of Islamic economics, development is not an end as much as it is a means to achieve lofty goals and noble objectives. The means always serve the end and not the other way around. The goal of development is the individual himself by raising his level scientifically, materially, morally, economically and culturally, and by providing all the reasons for happiness, a good life and a dignified living. Development is an ongoing goal and a continuous, growing capacity for progress, growth and advancement, in which many dimensions interact and intertwine. It is a conscious and permanent societal process directed in accordance with an independent national will, to create structural transformations and bring about political, social and economic changes that allow for a steady increase in the capabilities of society and a continuous improvement in the quality of life within it. Development is the process aimed at improving the living standards of the population of the target country by increasing the average per capita share of national income, which cannot be achieved - in order for the economic development process to be effective and real from an economics perspective - except by increasing the role of industry and manufacturing in the economic activity of these countries compared to the role of the agricultural and traditional sectors in it. Development, in other words, is the optimal use of production factors, with the least possible waste, in order to achieve an urgent crop that meets, first and foremost, the basic needs of the national group, and in order to correct inherited imbalances and achieve a balance in the growth of production capacities in all regions and sectors, and for the national economy to reach the stage of maturity and self-reliance, and to reduce the links of dependency. True economic development cannot be imported, granted or given as a gift. Therefore, we must acknowledge that all the material components (productive art) necessary to achieve development will not be allowed by their owners to learn all its details as they learned them or to import them from them, no matter how much money or political concessions we pay for it. Therefore, transferring the material components or productive art (technology transfer) from their owners to us is nothing but a great illusion in which we have lived for a long time. Therefore, investing in and developing the land is a religious obligation before it is canned strategies imported from here or there, or a sick imitation drawn after being dazzled. Rather, it is a planning and economic strategy that falls within the framework of stewardship to stabilize human life and achieve justice. Through investment, energies are employed, minds are built, efforts are invested, resources are exploited, wealth is distributed, and the land is developed. The more efficient the investment is and its ability to fully employ resources, the more it contributes to achieving economic development. Development, as described by many thinkers, is a normative concept in contrast to growth, which is a quantitative, measurable concept. Development means a major transformation in economic performance and social advancement, cumulative in nature, continuous in effectiveness, comprehensive in scope, and generating abundant job opportunities. Whereas growth only aims to maximize profit for the benefit of a limited segment of investors and has nothing to do with expanding areas of work or improving the quality of life.

Investment in Islam aims first and foremost to develop the most important element of development, which is the human being. Without taking him into consideration, development has no meaning and will have no effect, because investment targets the mind, develops it, employs its energies and exploits its capabilities, let alone what it bestows upon the human being in terms of

dignity, well-being, a good life and psychological security befitting his status and function, and the wisdom of his existence, and that all the blessings on earth and in heaven are subservient to the service of man. Since society is a collection of individuals, investment in Islam has guaranteed the right of deficit societies to the nation's funds, by striving to achieve efficiency in the distribution of income and wealth, bridging class gaps, and addressing various economic phenomena such as the problems of poverty and unemployment, which continue to plague governments, economic policy makers, and those in charge of them. It is well known to economists that investment is the driving force behind economic development, and without it, economic development stagnates, because it targets production. There is no development without mobilizing savings, exploiting resources, and employing energies. However, Islamic investment is not satisfied with what it guarantees for the individual and society in terms of a fair distribution of income and wealth but rather provides broad guidelines that investors cannot do without. It draws up investment policies for each field, precisely defines the appropriate tools and methods for each, sets controls and legislates rules for each of them and activities that do not harm their owners. It defines its tools and activities that have priority in implementation, then sets procedures that prevent harm to them. Just as Islam calls for earning and working to preserve and increase money, it calls for spending and giving on things that benefit others. Spending is only achieved through acquiring and developing money.

There is no doubt that investment is one of the most important tools for achieving development. Development planning cannot be undertaken without the slightest consideration of the role of investment in the development process. Therefore, investment is of paramount importance in stimulating economic growth and driving comprehensive development. By this, we mean real, direct investment that invests funds, targets people, and achieves development.

From an Islamic perspective, investment fosters innovation and achieves human development. The availability of liquidity encourages its owner to innovate tools and methods to invest his savings. This leads to innovation and thinking about creating new, unique, and distinctive production methods that achieve the highest possible returns. The more successful these innovative methods are, the more investment spending expands. With the abilities and capabilities bestowed upon humanity by Allah, it is within the power of man to exploit and invest all the bounties on earth to achieve stability and security and ensure peace of mind and well-being. As human needs increase, tools diversify, uses are renewed, investments expand, and employments diversify to meet most human needs, ultimately achieving full employment and optimal investment. Through hard work and the use of scientific and technological progress, people can invest wealth and contribute to increasing production and providing services. The added wealth, if distributed fairly, can fuel economic growth and revive demand for essential consumer goods, which in turn leads to investment in the production cycle.

Thus, we conclude that the "social responsibility" is essentially preserving the laws of normal life that keep the system of nature and the universe balanced, so that human intervention in changing these regulations will lead to corruption of the system and the natural imbalance.

As emphasized, the Islamic investment system fights any corruption or human interference that causes a change in nature that damages human, animal, or environmental components (water, food, air, soil), as well as the damage and risks that can be inflicted on future generations, by respecting human being and preserving both financial and natural wealth.

In the opinion of the researcher, and based on *Maqasid Shari'ah* and the objectives and principles of Islamic investment, corporations and organizations should comply at first with *Shari'ah* in terms of *halal* or *haram*, then what extent compliance with values and morals as an integral part of *Shari'ah*, the Prophet said: **"I was sent to perfect good character"**. And then, the extent of compliance with the interests of the surrounding societies (social responsibility), because *Shari'ah* precede the public

interest over the private interest. then followed by compliance with the economic utility, whether maximizing profitability or supporting GDP, and then complying with environmental responsibility, where it is an important element that may affect or be affected by various investment activities.



**Fig. 5.** The pyramid of social responsibility in Islamic investment

However, in reality it can be said that there is still ambiguity and insufficient awareness on the part of individuals, companies and societies as a whole of the importance and dimensions of corporate social responsibility.

In view of all of the above, the researcher believes that strengthening social responsibility has become an urgent modern necessity to protect our societies and our surrounding environment, so corporations and organizations should broaden their horizons about this concept and seek to strengthen social responsibility, which can be through the following:

- 1- Contribution to increasing gross national product and achieving added value.
- 2- Contributing to addressing some of the social negative phenomena of society.
- 3- Contribute to reducing poverty and unemployment by providing employment opportunities and involving the surrounding community in the activities and operations of the responsible organization.
- 4- Effective participation in community activities, occasions and events by adopting, supporting and encouraging them.
- 5- Contribute to the promotion of community values and ethics by encouraging and embracing them in all activities and processes.
- 6- Support health, awareness and environmental education programs, and do not harm society or the environment through any product or service that is harmful to values, health and the environment.
- 7- Working to establish awareness programs about the importance of preserving the environment, adopting and encouraging initiatives related to it, such as combating desertification, fighting environmental pollution, expanding green spaces and the like.
- 8- Supporting educational, academic, research, innovative and skill programs that contribute to economic and social development.
- 9- Avoid damaging the communities with any product or service that may affect their health, environment, religion or values.

## 6. Conclusion

In short, there is a complementary relationship between the development goals and *Maqasid Shari'ah*. Therefore, development stops when *Maqasid Shari'ah* are absent, and this is something that those in charge of Islamic financial institutions must realize. To enhance the role of these institutions in serving the Muslim community and achieving optimal economic and social development, their objectives must be consistent with the objectives of the Islamic economic system and must not deviate from the objectives of Islamic investment. Based on this concept, our discussion here falls within the framework of our focus on the requirements that must be met for these goals to be achieved. Perhaps the most important of these requirements is that these institutions be subject to an Islamic economic system that possesses its own principles, systems, methodology, theories, philosophies, and objectives independent of economic and development policies and their controls. It also deals with economic phenomena and fluctuations and their solutions, and it manages resources by attracting, employing, and distributing them.

The requirements and factors for successful investment and achieving comprehensive development in an Islamic environment may differ completely from those in a non-Islamic environment. What is successful in a non-Islamic environment may not be successful in an Islamic environment, and what is not successful in a non-Islamic environment may be successful in an Islamic environment. This is due to the clear differences in religion, society, custom, culture, values, and economy. Economic development is an integrated program in which several influential factors intertwine to form, in their entirety, dynamic drivers for the development process. This is because development in our countries is not measured by the same measure as traditional development. The development that we seek and that our societies seek is development that is in harmony with nature and addresses the spirit, faithful to man's living necessities and the foundations of his dignity, relying on the employment of his energies and the attraction of his innovations. This development is a process of innovation, not a process of imitation. It is derived from our social reality in its current historical stage and from the references of our civilizational journey. This development is not derived from patterns witnessed in the journey of people other than our people and in different temporal circumstances of our time.

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