

Role of Islamic Economic System for Sustainable Development

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Abstract : In this paper, we discuss that Sustainable Development Goals are in consonance with Islamic ethos and philosophy. Islam made emphasize on human well-being from spiritual, physiological, intellectual and economic perspectives. Islamic worldview and values framework strengthens moral consciousness, urge pro-social behaviour and engender environmental ethics which can help in influencing our attitudes towards meeting sustainable development challenges. Islamic social finance institutions like Zakat and Waqf can contribute towards scaling up efforts in commercially non-viable, but socially vital projects and programs. There is much potential for Islamic finance to promote sustainable economic development through such approaches as widening access to finance, financing infrastructure projects, and expanding the reach of Takaful. Real sector based productive enterprise in Islamic finance has positive implications for the ecosystem. Risk-sharing shifts the emphasis from credit-worthiness of the borrower to be placed on the value creation and economic viability of investments that create new wealth. Islamic social finance package can cater to the financially excluded households.

Keywords : assessment, Islamic, economic, sustainable, development

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