

Zakat and the Alleviation of Poverty

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I. Introduction

Zakat, the alms-giving practice is one of the five pillars of Islam. It has a spiritual and a material dimension. It is second only to prayer, and is an essential article of faith. Non-observance of Zakat is tantamount to negation of faith as evident from the following:

“Knowest thou not that prayer and the Zakat are complementary and the one is not accepted without the other.” (Abu Bakr).

Zakat implies co-operation, interdependence and responsibility among the group/society. At a materialistic level, it is intended to promote justice and prevent disruption. Spiritually, it places the giver and the receiver on an equal footing. Islamic economics, in contrast to conventional economics, does not sharply divide the economic and the spiritual values/spiritual activities; this is reflected in Zakat. Under Sharia law, payment of Zakat is a legal obligation, a tax on wealth. According to other legal systems, it is a voluntary activity; however, it is a spiritual obligation. Calling Zakat a tax, voluntary or not, somewhat distorts its meaning. Rather than a tax it is a gift that carries the blessings of the giver to the receiver.

Conventional economics tends to underestimate the importance of gift relationships by focussing on individual behaviour. For example, an economics textbook usually begins with micro analysis of the consumer, the household, the firm and the industry. On the contrary, macroeconomics proceeds to treat the economy as an aggregate of atomistic units, striving for equilibrium, stability and growth, with governments having higher or lower degrees of responsibility in these respects, depending on the stance of the economist concerned. Non conventional economics and non conventional approaches, due to the emergence of social and environmental issues, have started to intrude the conventional economics, taking a wider perspective in recognising the obvious. For example, wealth and income do not equal happiness, as relative income matters to individuals as much as absolute income. An individual’s contribution to the society depends on the contribution of others. Co-operation is a source of social capital a kind of gift to the society. These examples illustrate the recognition of interdependence. Economics and ethics/moral conduct are approaching closer to each other; however, for most parts the spiritual and materialistic values are quite distinct.

This paper focuses on the ways in which Zakat recognises interdependence and bridges the spiritual and the materialistic values. In doing so, we introduce new perspectives of Zakat. We intend to remind the readers about a probably forgotten perspective, Zakat, in relation to power laws, especially the Pareto distribution. We also introduce novel perspectives, the Shapley value and the social capital. They are three views of Zakat, viewed through the lens of interdependence. We introduce another perspective that recognises the existence of different planes of “Being”, including related materialistic and spiritual planes, but also distinguished by having different orgrammars (organizational grammars).

In one sense Zakat is entirely pragmatic it applies to the materialistic world, which we characterize in a much similar way to Heidegger’s notion of Dasein. Dasein is a technical term that Heidegger used to describe the manner of human existence. Immersed in the materialistic world of normal perception, non-thinking observers separate from it and are known as Descartes. The distinguishing feature of human existence in Dasein is the awareness of the inevitability of death and impermanence. Our first three perspectives relate primarily to Dasein.

As a Pillar of Islam, Zakat spans Dasein and the spiritual worlds, which are not acknowledged in Heidegger’s scheme. The distributional function of Zakat i.e., ownership of wealth and entitlement to income are inter-wined with a spiritual and symbolic function of cleansing, *fana*. *Fana* is a technical term meaning annihilation of the self. The distinguishing feature of the two worlds is our fourth perspective. Different worlds have different orgrammars. In our terms the stages of *fana* refer to the transition from one orgrammar to another.

II. New Perspectives

This section summarizes the relationship of Zakat with the perspectives of (i) social capital, (ii) Shapely values, (iii) power laws, and (iv) orgrammar, as illustrated in Figure 1.

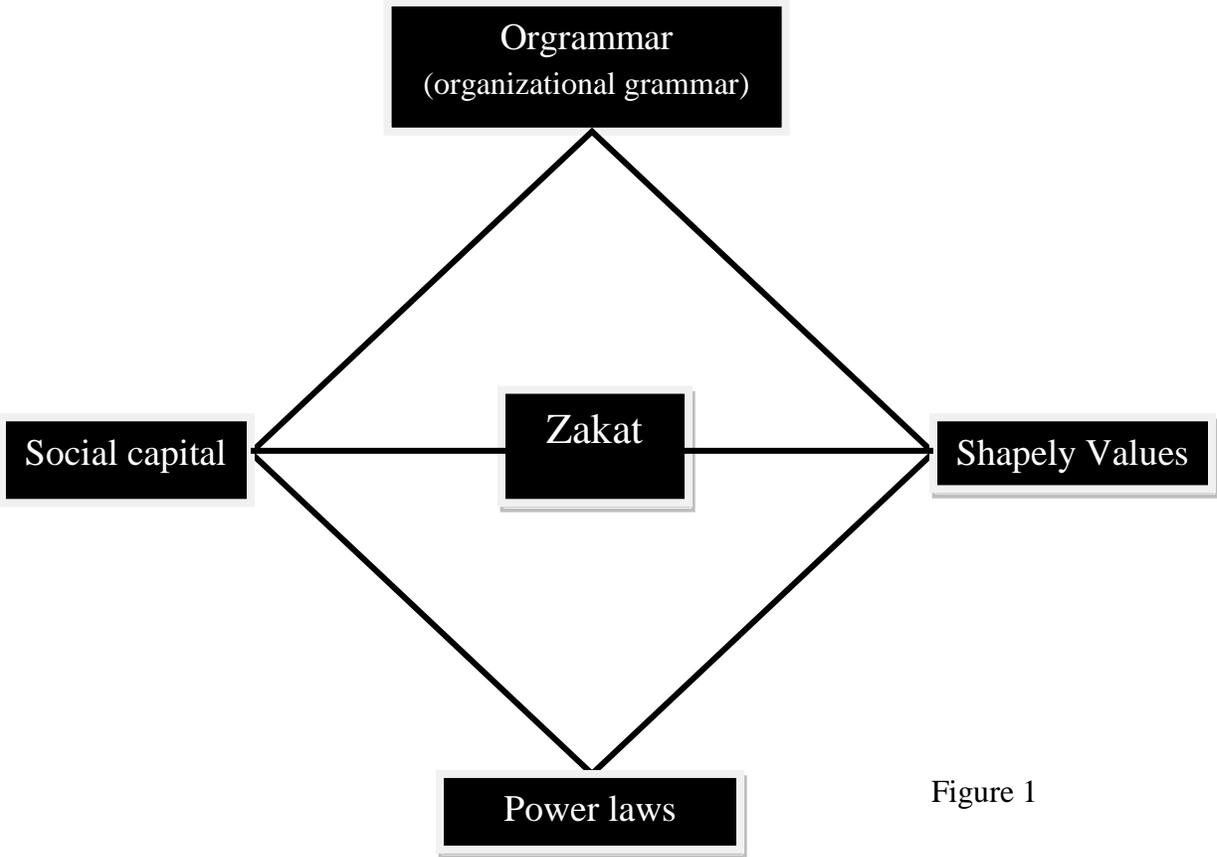


Figure 1

(i) Zakat and social capital

Social capital refers to trust and concern for one's associates and the willingness to live by the norms of one's community. Zakat serves as the source of trust, recognising interdependence of the community, benefiting the giver and the receiver. There are various types of capitals namely, physical, human and social capital. In the terminology of game theory, capital is a source that emanates the flow of payoffs, monetary objects and non-monetary objects that can be distributed in various ways. Zakat is a source of social capital having spiritual and material dimensions. Its purpose is to prevent the exploitation of society by alleviating poverty and inequality. The foundation of Zakat reflects (a) the understanding that wealth and income are merely leased to a person (trustee) by God and (b) the implication that spiritual and material values flow from it, reciprocally from the giver to the receiver. Differences in wealth and income are inevitable but severe differences and poverty can be disruptive and cause breakdown of societies. In such circumstances, religious and humanistic traditions acknowledge the necessity of almsgiving and generosity.

Stretching the notion of capital to other planes of Being (existence), Zakat intends to be a source of spiritual purification. Ibn Taymiyya (1328) states that;

*"The inner soul of the Zakat payer becomes better, and his wealth becomes cleansed."*ⁱ *"Take Zakat from their wealth to purify and cleanse them."*ⁱⁱ Al-Azhari says: *"It makes the poor grow too"*.

(ii) Zakat and Shapley values

The Shapley value was proposed by Lloyd Shapley in 1950 as a concept for solution of co-operative games. Games are called co-operative if commitments, including formal rules, informal rules, traditions and agreements are binding. Co-operative games were pioneered by Neumann & Morgenstern (1944). Solution concept means, if all members (or players) of a society (or game) receive payoffs according to their Shapley value, it exactly equals the total payoffs, i.e., the sum total of Shapley values equals the value (total payoffs) of the game.

The central idea of the Shapley value is that society is made up of teams or coalitions that create (or destroy) value. Any individual is a member of many coalitions or teams, such as families or organizations in which he/she works voluntarily or in paid employment, neighbourhoods or communities in which he/she lives, mosques, churches or charities that extend to entire societies and so on. The term coalition describes these diverse groups.

According to Shapley the contribution that an individual generally makes to a society is the (weighted) sum of the contributions (the differences) he/she makes to all the coalitions he/she is a member of. Shapley showed that all individual contributions, suitably weighted added up to the total value created by the society.

The Shapley value illustrates the interdependence perspective of Zakat. Payoffs apply equally to both givers and receivers. They are formed by individuals who willingly cooperate in a society rather than atomistic individuals who act independently of one another. Zakat represents the recognition that society needs to be co-operative rather than individualistic. People co-operate in groups or societies to create value. The Shapley value illustrates that (c) gains from co-operation are the rationale for living in a society and (d) one person's contribution is dependent on another's contribution.

(iii) Zakat and power laws

Power laws describe the frequently observed characteristics of life. An inverse relation exists between the large and small events; large events are rare and small events are common. For example, (i) there are few large earthquakes and many small ones; (ii) a few words like *the*, *and*, *a*, *but*, are used often, whereas many others are used rarely; (iii) a small number of websites receive millions of billions of *hits* from internet users whereas many other websites receive a few *hits*; (iv) many firms have few employees, and few other firms have many employees, etc. The power law describes an inverse relationship between variables x and y mathematically as $y \propto kx^{-\alpha}$ where y is one variable (e.g., number of sites) x is another variable (e.g., number of hits) k is a constant α the power law exponent, and \propto denotes an approximate relationship. In special cases of power laws such as Zipf's law the exponent $\alpha = 1$. Pareto distribution sometimes called the 80:20 rule is also a special case of inverse power law relation where α is approximately 2 (varies between 1.5 and 3). We use the Pareto law in connection with income and wealth distribution, and Zakat because both formalise the inequality and are a benchmark of distribution. Power laws are fat tailed distributions; they illustrate a fact that though extreme events are rare they happen much more frequently than expected under a normal (Gaussian) distribution. Inequality and injustice can trigger disruptive events for example; the recent events in the Middle East had dominating effects because the underlying power laws were the fact of interdependence.

Zakat seen from the perspective of power laws, illustrates (e) the inevitability of inequality and injustice and (f) that extreme events, sometimes resulting from (d) are inevitable.

(iv) Zakat and Orgrammar

Different planes/spheres of Being have their different orgrammars. The scriptures span different orgrammars, referring to laws that regulate or guide behaviour towards God, one another and purely spiritual experiences and insights. Zakat spans the material and the spiritual worlds. The most immediate orgrammars relate to the world of experience: the material world that includes business, political organizations and institutions, social institutions, communities, organizations and minds of people.

Heidegger's concept of Daseinⁱⁱⁱ describes the world of experience. The planes or spheres of Being extended beyond Dasein even though connected to Dasein are connected to each other^{iv}. The orgrammars exist in a hierarchy corresponding to different planes of Being with many, often overlapping orgrammars in each plane. We can assume orgrammars as having lateral/horizontal dimensions, indicating the fact that there are many alternative grammars pertaining to each sphere of Being. There are many spaces, relating to different planes or spheres of Being, each having a distinctive orgrammar. Thus spheres of Being and related orgrammars have a vertical dimension described metaphorically in various ways; the material world, the worlds of the soul, the spirit are some descriptions.

In spanning spiritual and material dimensions, Zakat spans the different planes of Being and their associated orgrammars or organizational grammars, similarly to the scriptures. Whilst grammar by Wittgenstein^v describes the rules for the use of words, Orgrammars is broadly described as organizing principles that introduce orders and enable us to make sense of the entire system on material or spiritual planes.

III. Context And Further Analysis

All religions and mystical traditions seem to be divided into two related activities, practice (Muamalat) and spirituality (Ibadat). This is also the case with Zakat. This section throws more light on the perspectives of Zakat that were outlined in the previous section. The perspectives overlap, but for convenience we divided them into four groups as illustrated in Figure 1.

The first group relates to the power law perspective of reducing the socio-economic gap and social insurance. The second group relates to the Shapley value perspective of co-operation and justice. The third group relates to investment and social capital. The fourth group defines Zakat as a bridge between the spiritual and the material world and the idea of orgrammar.

(i) Zakat, the socio economic and social insurance; power laws

Zakat aims for reducing the socio-economic differences by distributing wealth and income. *'Whatever booty Allah gives to his messengers from city dwellers belongs to Allah, the messengers, his near relatives, orphans, the poor and the travellers, so that it does not become something, which merely circulates among the rich and you.'*^{vi} This is the cornerstone of social insurance. Mutual social care in Islamic society extends to all branches of human life.

Like other religions, there are two categories of almsgiving in Islam: Zakat which is prescribed by law (corresponding to the tithe in Christianity) and voluntary gifts or Sadakat. Under Islam every believer is obligated as a religious duty to give one tenth of his annual revenues to support the poor.

The question raised here concerns how Zakat, as an obligation, relates to the power law distribution, and in particular how does it relate to the Pareto distribution. There are two aspects

of the question. The first relates to distribution itself and the second relates to the widely issue of how power laws seem to express surprising regularities in nature. Here the subject matter is economics and income distribution (the association of power laws with extreme events like social revolutions and transformation of entire societies, for the better or worse as for example, the current upheavals in the Middle East). Here we focus on the first aspect as it most closely relates Zakat with the Pareto distribution; wealth, income, poverty and Zakat.

In a sustainable community (a community that is not trapped in any famine or war), with stable or growing income or wealth, the sum of those incomes that exceed the agreed subsistence level must be greater or equal to the sum of those below it. Denoting the total number of people in a society as N (substituting N for k in inverse power law relation), we have

$$y = Nx^{-\alpha}$$

Figure 2: depicts the above equation.

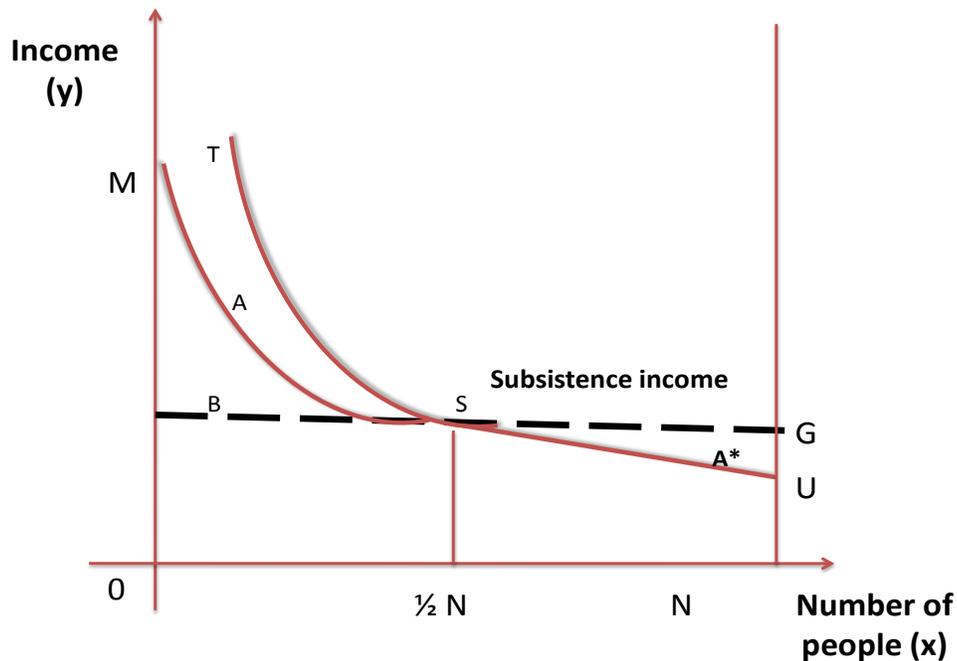


Figure 2 shows the curve TSU, the density function, as income distribution among the population N . The distance between $\frac{1}{2} N$ and N means that exactly half of the population is below subsistence income. The incomes of the poor are assumed to be distributed linearly (indicated by the straight line section SU). The other half are above subsistence level (indicated by the curved line section TS). Let the area A is assumed equal to area A^* on the graph i.e., area $TMS =$ area SGU . If we assume area A as Zakat, for bringing the poor up to subsistence level income then

the remaining area B (indicated by MBS) is the excess income of the upper income groups that can be used for the accumulation of capital and wealth in the future.

(ii) Zakat, co-operation and Shapley values

A natural effect of the concept of universal brotherhood in principle is mutual co-operation and help. According to the Holy Prophet (saws):

“Mankind is the family of God and the most beloved of them before him is one who is the best to his family....Be kind to those on earth and He who is in Heaven will be kind to you”^{vii}.

As religion considers mankind as one family, all its members are alike in the eyes of God and before the law He has revealed. The criterion of worth according to the statements of the Holy Prophet (saws) is:

“Certainly God looks not at your face nor your wealth: instead he looks at your heart and your deeds”^{viii}. “O mankind! We created you from a male and a female and made you into nations and tribes that you may know each other. Verily, the most honored of you before God is the most righteous of you; surely God is knowing, aware”^{ix}. The Qur’an states, “say O mankind! Surely I am a messenger of God to you all”^x and the Holy Prophet (saws) said; “I have been sent to all alike, the red or the black”^{xi}.

Distributive justice within Islamic society does allow differences in earnings as long as they obey the differences between the values of the service one contributes to society as a whole. Justice does not necessitate everyone to be regarded equally, irrespective of his contribution to society but in an interdependent society one’s contribution is often dependent on the contribution of others. This is implied by the Shapley value which differs fundamentally from the conventional economic lens through which distribution is viewed.

a) Marginal Productivity Theory

The analysis of factor payment (for e.g. wages) through marginal productivity is determined by the worker’s marginal revenue product; the contribution he/she makes to the value of the firm through his/her sole effort. Other factors like capital, determine the position of the marginal revenue product curve and the profit maximizing firms attempt to equate the marginal revenue product with the wage rate. This, together with the supply of labour determines employment. Not focusing on other aspects of the model (for e.g. the degree of monopoly whether firms maximize or not), the Shapley value tells a different story.

According to the Shapley value story society is made up of activities and social groups or coalitions. If there are N numbers of activities in a society there are 2^N coalitions that any individual can be a member of. The Shapley value then considers the marginal contribution, i.e., the difference that an individual makes to the value of a coalition by being a member of it. The

Shapley value is the weighted average of those marginal contributions. If we suppose every coalition to be likely equal, then the weights are given as the probability of that coalition occurring.¹

(iii) Zakat commercial investment and social capita

Most Muslim countries are characterized by a low per capita income; an unduly large subsistence sector, high population pressure, low agricultural productivity, exploitation of resources, a high rate of unemployment, scarcity of skills and weak institutional and physical infrastructure. Hence, innovative approaches need to be explored for finance and investment. Kawachi et al. (1999) relate social capital to mortality rates and inequality. They also suggest that the large gap between the rich and the poor leads to a breakdown in social cohesion and the homicide rate.

The Shapley approach looks at Zakat from the distributional point of view. Let us take an alternative perspective implicit in the Quran of seeing Zakat as bestowing benefits on both the giver and the receiver. In that case, instead of seeing excess income (area A) compensating for the deficient income (area A*), we should add the two areas (A + A*), bestowing payoffs on givers and receivers reciprocally. Also the two areas constitute a flow of payoffs emanating from a source, social capital.

Zakat sets out rules for the distribution of payoffs from money/wealth. This is perhaps the least important aspect of Zakat. In a perfect system equitable distribution can be decentralised without the need to incur the costs of state intervention and welfare it would be achieved voluntarily. Human nature rarely conforms to such an ideal but the existence of Zakat plus a degree of voluntarism goes a considerable way in reducing the costs of creating greater fairness an important function of social capital. Failures of global capitalism, especially those emanating from the financial sector are endemic. Governments and international institutions, like the World Bank and International Monetary Fund are not solely accountable to correct all market failures². Social capital is a schema that underlies the development of business systems including their norms and behavior. Without it, market systems cannot flourish because transaction costs would

¹ The Shapley value of an activity s ($s = 1, 2 \dots K$) is

$$\varphi_s = \sum_{S \subseteq K-s} \frac{S!(K-S-1)!}{K!} [B_{K/s} - B_K]$$

In the equation φ_s denotes the Shapley value of individual s . S is the size of the coalition in questions ($S = 1, 2 \dots K$).

$B_{K/s}$ denotes the value of the coalition when individual s is part of it. B_K denotes the value of the coalition without individual s . So the last term expressed what the individual adds to a particular coalition; the first term after the equality sign denotes the probability of the coalition occurring if all coalitions are equally likely. The exclamation mark! denotes K factorial and so on. If K for example is 4 ($4! = 4 \times 3 \times 2 \times 1$). So $K = 4$ and $S = 3$, the first expression

after the equality sign (the weight) is. $\frac{3!(4-3-1)!}{4!} = \frac{3!(0)!}{4!} = \frac{3!1!}{4!} = \frac{1}{4}$ i.e. there is only one way in which a

fourth person can be marginal to a coalition of three if there are only four persons to start with. $S = 1, 2, 3$ we would have a complete set of weights.

² Brenner (2002), Stiglitz and Soros (2003).

soar in the absence of rudimentary trust. In the global sphere social capital is relatively underdeveloped but the sense of international responsibility is growing.

Coleman (1998) suggests that the most useful relationships between individuals act as a form of social insurance; they provide communication, information networks, create the norms and sanctions that facilitate social action. He distinguishes three relationships: (a) obligations, expectations and trustworthiness expressed in structures and norms, (b) effective sanctions and (c) information channels.³ The first two correspond quite closely to the understanding of Zakat in Islam.

Putnam (1993) says that norms and trust are the source of social capital in which people learn to do the right thing from the society's point of view; developing a sense of shared destiny. There can also be an emotional element of social capital: commitment to a cause and caring for others are also sources of payoffs, both monetary and non monetary. Social capital and Zakat are sources of flow of payoffs, material, emotional and spiritual that benefits the body and soul. Ibn Taymiyya (1328) quotes from the Qur'an;

*"Take zakat from their wealth to purify and cleanse them".*⁴

Returning to an interpretation of Zakat, as money adds to a potential source of investable funds, area A in figure 2 is assumed to exceed A* (MTS > SGU). Proposals to channelize Zakat funds into long-term investments, in order to accelerate the pace of development in Muslim countries, break the fresh ground of Zakat utilization strategy. This consideration is especially relevant for the annual dispensation of Zakat; beneficiaries receive sufficient Zakat to cover their expenses for the entire year. Although Zakat is received annually, expenditures carry on throughout the year, meaning that money can be left idle.

Till now, lawmakers hesitate to permit investment of Zakat funds not because there is anything in the Qur'an which explicitly or implicitly precludes such investment but because of the fear of loss. They do not facilitate fulfilling the immediate consumption needs of the poor. *Is it permissible to invest Zakat funds?* Accumulated Zakat funds can lie unused. The crucial principle of self help also exists here, and we should therefore remember that the Holy Prophet encourages a needy person to buy an axe to cut wood instead of just helping him to meet his immediate requirements⁵. Keeping idle funds is in violation of the Sharia, which is against hoarding, and in favour of a wide circulation for funds. Zakat inflows from its donors and outflows to its beneficiaries.

³ Gintis and Bowles (2000) emphasize punishment, in their definition of social capital as referring to it as 'trust concern for one's associates and willingness to live by the norms of one's community and to punish those who do not'.

⁴ The holy Qur'an 9:103.

⁵ Chapra, Umer

In a Haddith⁶ the Prophet urged those who were responsible for managing the wealth of orphans to invest that wealth in profitable ventures so that it would not suffer gradual erosion due to the Zakat on it. A Zakat fund has a similar status for those orphans' wealth, because in both cases the managers of the properties are mere trustees of the stipulated beneficiaries.

IV. Orgrammar and Zakat: Bridging the Material and the Spiritual Worlds

Zakat bridges the spiritual and the material realms or planes of Being. Planes of Being are distinguished by having different orgrammars. We can think of orgrammars as having lateral or horizontal dimensions, indicating that there are many alternative grammars pertaining to each sphere of Being. The process of deconstruction might be described as that of unveiling or discovering alternative grammars in Dasein.

a) Zakat in Dasein

First, we focus on the plane of *Being* that people insist upon calling the real world; loosely speaking the real world is the world we are a part of in everyday experience which Heidegger called Dasein. The dominant orgrammar conditions the way the real world or plane of *Being* (Dasein) behaves and conditions the way it is perceived along with the criteria on which it is evaluated. The dimensions of orgrammar are formed by (a) formal or informal (b) social or personal (c) internal or external set of rules operating on *society and on* organizations and determining their state. We add two further dimensions which relate directly to perceptions (d) conscious/unconscious. The space occupied by orgrammar even when we limit discussion to Dasein has a very high perhaps infinite dimension⁷.



Figure 3: Orgrammar

⁶ See end note 10

⁷ Even figure 2, limited as it is, there are 4072, (2¹⁰) possible groupings

Table 1: Dasein’s orgrammar categorizes

F S X	Formal Social External	Outside: societal, codified, written: laws, regulations, treaties, contracts, rituals, traditions, constitutions.
F S M	Formal Social Internal	Inside: codified, written: formal organizational routines, architectures, structures, systems, hierarchies, contracts within.
F P X	Formal Personal External	Outside: codified, certified, accredited: formal education, shared paradigms and ways of thinking, qualifications.
F P M	Formal Personal Internal	Inside: individual education and experience, certified, codified, corporate: specific education, accredited skills, training and knowledge.
I S X	Informal Social External	Outside: societal, group; informal (unwritten) customs, conventions, mores, morals, cultures, codes.
I S M	Informal Social Internal	Inside; societal group norms: shared values; corporate culture, customs, traditions, mores, codes.
I P X	Informal Personal External	Outside: individual, un-codified: personal history and values, behaviour, patterns, learned paradigms, mental maps, models, conditioning, habits of thought.
I P M	Informal Personal Internal	Inside: As (IPX) individual behaviour patterns and mindsets, personal paradigms and schema for assessing the world, and solving problems; learned within the organization or the personal legacy of brought in.

Table 1: categorizes *the* orgrammar of Dasein, according to figure 3. The categories through FSX to IFM are neither distinct nor exhaustive.

The principles of Zakat span the spiritual worlds, which we have designated as Dasein and the material worlds. The scriptures span orgrammars across many planes of Being. Zakat as part of Islamic scripture illustrates the bridging of orgrammars. The principles underlying Zakat in respect of the plane or sphere of Dasein are: (i) *economic justice and basic principles of taxation* (ii) *ease of collection* (iii) *convenience and predictability of payments*.

(i) Economic justice

The concept of brotherhood implies equal treatment in society and before the law. The Qur’an urges Muslims ‘*Not to withhold things that are due to others*’^{xii}. This implies that every individual must get what is due to him, but at the same time he should not deprive others of their share. This warning against injustice and exploitation was designed to protect the rights of all individuals in the society, regardless of whether they are consumers, producers, or distributors and to promote the general welfare. The Qur’an states in Al-Baqara:

“And be constant in prayer, and render the purifying dues; for, whatever good deed you send ahead for your own selves, you shall find it with God: behold, God sees all that you do”.

Islam’s commitment to brotherhood, economic justice, gross inequalities of income and wealth are contradictory to its spirit. They destroy rather than fostering the feelings of brotherhood. The redistribution programme in Islam has three parts: (i) the teachings imply the rendering of assistance, by those who are working, in finding gainful employment; (ii) it emphasizes the payment of Zakat for redistribution of income from the rich to the poor, who because of personal disability handicaps or any other external conditions, are unable to attain a respectable standard of living by their own efforts. In the words of the Quran: ‘*wealth does not circulate only among your rich*’^{xiii} (iii) the estate of a deceased person is divided in accordance with a given formula, among a number of individuals in order to intensify and accelerate the distribution of wealth in society.

(ii) *Ease of collection*

According to the principle of economy in taxation collection costs must be kept at a minimum. These costs include what the state pays such as collectors’ salaries and administrative and transportation costs. Zakat in principle must be spent in the same locality in which it is collected to economize transportation costs. Zakat officers occasionally return with no residual funds since they distribute all proceeds in the same area from where they had collected it.

(iii) *Convenience and predictability of payments*

Stability of the taxation system like stability of business law helps to build confidence and prosperity. The basics of Zakat are fixed: knowing them is obligatory for every Muslim. Convenience according to Smith (1976) means that the tax and its collection procedures must be made convenient to tax payers so that they give the tax with pleasure and satisfaction or at least without doubt or inconvenience. The Holy Prophet’s instructions command taking Zakat out of the average quality of Zakatable assets and not the best of them. In his instructions to Mu’adh he says: ‘*Avoid the best of their wealth*’. The Holy Prophet instructs the estimators of Zakat on agriculture to be moderate and to estimate on the lower side. He even orders them to make allowances for errors and for the fruits used for family and charity. Zakat payment may be deferred if necessary, whether for individual or general reasons, like Umar’s delay of Zakat in the year of the general famine.

b) *Spiritual dimensions*

The Freudian conscious, unconscious, plus the Jungian collective unconscious; as described in the Bardo Thodol (below) is a vertical dimension of the spheres of Being and related orgrammars. Alternatively spheres of Being, may be distinguished by simply saying that ethics and norms occupy a different space from factual descriptions or the world^{xiv}.

In figure 4 the horizontal and vertical dimensions of orgrammar are collapsed into two dimensions: perhaps from the infinite alternative grammars \mathbf{g}_i , 5 orgrammars are illustrated. The set of all orgrammars is denoted as G . Individual orgrammars have elements in common; for example \mathbf{g}_5 has overlapping characteristics with \mathbf{g}_2 . Perhaps all orgrammars have some characteristics in common, as illustrated by the intersection ($\bigcap_i g_i$) of the 5 orgrammars. The 5 grammars, illustrated, do have distinctive features, (indicated by $\mathbf{g}_1, \mathbf{g}_2, \dots, \mathbf{g}_5$). The relationship between grammars signifies (family) resemblance rather than distinctiveness (disjointedness).

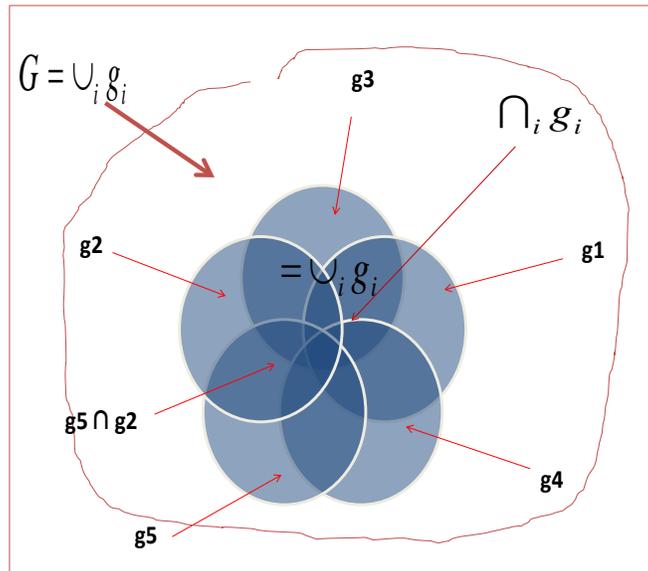


Figure 4: dimensions of orgrammar

V. Concluding Remarks

In the preceding sections we have limited many possible perspectives of Zakat only to four. We chose a power law perspective because the Pareto distribution, a special case of power laws, summarizes empirical distributions of wealth and income between the nations and within them. We also chose it because power laws specifically incorporate the possibility of positive feedbacks, or as they are more commonly known, domino effects; the possibility of extreme events spreading like viruses, often form small beginnings, to engulf states and governments in turmoil, either for better or worse conditions. Extreme events, revolutions, tsunamis, financial crises, and terrorism no longer seem as remote, as they are imagined under conventional thinking of normal distribution

We chose the Shapley value perspective because not only it illustrates the independence of one person's contribution upon that of others (in different occupations, different states and from

different social classes), but also illustrates the observation that justice requires that we recognise interdependent contributions explicitly by addressing questions of inequality, injustice and poverty.

The case for considering institutionalized almsgiving as a form of social capital is inescapable. The social capital aspect of Zakat is also tied with two of our previous perspectives; giving redistributes wealth and income, and doing so dilutes inequality, injustice and poverty which partly are sources of extremism. Further, increase of social capital depends on the kinds of investment in co-operation and reward systems, implied by the Shapley interpretation of contributions to society.

Considering the fourth perspective we should be very cautious while speaking about the spiritual capital; doing so would be to interpret the spirituality in the orgrammar of Dasein: the opportunistic and greedy version of Dasein that pervades a much corporate behaviour and is rationalised in universities across the world especially in business schools.

The orgrammar perspective eludes many commentators on religion, who insist on interpreting the mystery of the scriptures from a narrow positive viewpoint to a pseudo-scientific viewpoint; *pseudo scientific* because developments in many sciences reveal the existence of mystery: knowledge as a kind of infinite cave that can and should be explored without end, and always remains endless.

Seeing Islamic and Western traditions as opposite poles is like ignoring their co-evolutionary past. The influence of Islam on the West founded on trade was in fact strengthened by the crusades. The two societies were influenced by co-migration. European notions of Chivalry, Courtly Love and Romanticism had emanated from Islam in the twelfth century. Dante's poetry also drew deeply from the Qur'an. Islamic states have been influenced by Western economics and politics through imperialism; the discovery of oil and natural resources in the Middle East and North Africa. Europe has got sizeable indigenous Muslim population. Muslim students, poets, writers and scholars have been deeply influenced by Western Education. Middle Eastern wealth is deposited in Western industrial companies and financial institutions. It is hardly surprising that common traditions and values should exist: more surprising that they have been overlooked. The legal traditions of Islam and the West emanate from different sources: Sharia and Roman law however; when we compare the three religions of the book, Judaism, Christianity and Islam, we see that their respective messages coincide substantially.

One of the reasons for choosing our four perspectives was to show that concepts from modern economics and philosophy form a part of alternative economics which is neither entirely Islamic nor entirely market capitalist or socialistic but is a synthesis. Of the four perspectives the fourth (recognition of many orgrammars) is perhaps the most significant. It suggests that the spiritual and the material worlds are inseparable however; it is their appropriate grammars that differ.

The significance of the Zakat act can perhaps only be realised through poetic language or the language of mysticism. The instrumental aspects of Zakat suggest that paying Zakat is an act of spiritualism and materialism: a kind of spirituality that is designed to produce payoffs. If someone gives Zakat according to the principle of spiritualism and materialism he/she is benefitted spiritually. Then he/she in a sense gives nothing; considering the injunction present in most religions not to let others know when good deeds are performed by oneself.

The inner meaning of Zakat is associated with knowledge, expressed mystically by the observation : *'Man is asleep, and wakes up only at death'* and the injunction to *fana: 'die before you die'* to die in one plane of understanding or orgrammar before another plane is possible.

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ⁱ The collection of fatwa sheikh al-Islam Ibn Taymiyya, col. 25, p.8.

ⁱⁱ The holy Qur'an 9:103.

ⁱⁱⁱ Heidegger (1996); Dreyfus (1999). Dasein means literally being-here or being-there. The implication of choosing Dasein to describe the real world is that there is no separate intending subject (decision maker) deciding what to do; instead the subject is part of the world, inseparable from the world whose decisions are governed by the prevailing orgrammar or orgrammars. Heidegger's Dasein corresponds to the Buddhist notion of attachment; (WO) man's behavior is programmed/conditioned by properties of orgrammar. This view is completely at variance with the stance taken by many economists and most academics in business schools (particularly strategists); in which rational subjects make decisions about a separate (predicate) world. Where Heidegger's view differs from that of contemporary cognitive science is in the possibility of living authentically; that is, being distinct from the crowd by being conscious of the predicament of death. Heidegger's limitation is that he seems to perceive that there is only a single sphere of Being. However authenticity in is surely a kind of meta cognition. See later comments, on the Bardo Thodal, on the absence of orgrammar nothingness and death.

^{iv} The idea of interconnectedness of different spheres of Being is what Jung was trying to capture with his concept of synchronicity, and Swedenborg with the concept of correspondences.

^v Wittgenstein (1953); Forster (2004); Lyotard (1979).

^{vi} The holy Qur'an 59:7.

^{vii} Chapra.M. "The economic system of Islam" Oxford press, Lahore, 1970

^{viii} ibid page 11.

^{ix} The holy Qur'an 49:13

^x The holy Qur'an 9:11

^{xi} Chapra.M. "The economic system of Islam" Oxford press, Lahore, 1970

^{xii} ibid page 11.

^{xiii} The holy Qur'an 59:7.

^{xiv} Swedenborg wrote of correspondences between different spheres of Being in the scriptures; distinguishing divine, spiritual and mundane level: expressed in our terms each sphere has its own orgrammar. Jung expressed the same idea as synchronicity.