



MAQASID AL-SHARIAH AND THE SUSTAINABLE DEVELOPMENT GOALS IN THE PRACTICE OF TAKAFUL: AN ANALYSIS

Maqasid al-Shariah and the United Nation's Sustainable Development Goals ("**SDGs**"), though distinct in origin and scope, share considerable alignment, particularly in the context of takaful — a type of Islamic insurance. This article delves into how the SDGs reflect the principles of maqasid al-Shariah, and how the practice of takaful embodies this relationship.

An Overview to the Concept of Maqasid al-Shariah and the SDGs

Maqasid al-Shariah is fundamentally understood as the objectives or goals of Islamic law. In essence, it aims to fulfill the higher purposes of Shariah by ensuring the welfare and prosperity of humanity while safeguarding against detrimental outcomes. The five essential objectives of maqasid al-Shariah are to protect one's religion, human life, intellect, lineage, and wealth.[1] As for the SDGs, they consist of 17 goals designed to address a wide range of global issues. These goals aim to promote inclusive human development across environmental, social, and economic dimensions, focusing on issues such as climate change, poverty, food security, and gender equality.

As such, the 17 SDGs provide a comprehensive framework for addressing global challenges and promoting sustainable development.[2] By focusing on issues such as poverty, hunger, health, education, and environmental sustainability, the SDGs aim to create a more equitable and resilient world.

SDGs through the Lens of Maqasid al-Shariah

Having briefly introduced the concept, this part will generally lay down the application of SDGs within the ambit of the five essential objectives under the maqasid al-Shariah.

Protection of Religion

(a) **SDG 10 (Reduced Inequalities)**: This goal supports the idea of equality, ensuring that

no individual faces discrimination based on religion, which aligns with maqasid al-Shariah's principle of protecting the freedom to practice one's faith.[3]

(b) **SDG 16 (Peace, Justice, and Strong Institutions):** This goal underscores the importance of strong institutions and justice, which includes the protection and enforcement of Shariah laws, reflecting maqasid al-Shariah's commitment to justice and the rule of law.

Protection of Life

(a) **SDGs 1, 2, 3 (No Poverty, Zero Hunger, Good Health and Well-Being):** These goals align with the maqasid of hifz an-nafs, which emphasises protecting life by addressing poverty, hunger, and health issues. Ensuring that all individuals have access to basic necessities is a reflection of Shariah's objective to safeguard life.

(b) **SDGs 6, 7, 9, 11, 13-15 (Clean Water and Sanitation, Affordable and Clean Energy, Industry and Infrastructure, Sustainable Cities, Climate Action):** These goals support environmental sustainability and essential resources, which contribute to a balanced and protected life, aligning with the maqasid of hifz an-nafs.

Protection of Intellect

SDG 4 (Quality Education): This goal aims to provide quality education, which is crucial for intellectual development and aligns with maqasid al-Shariah's emphasis on protecting and fostering intellect. Educational initiatives in takaful that focus on enhancing knowledge and skills reflect this principle.

Protection of Lineage and Dignity

SDG 5 (Gender Equality): Although gender equality in SDG 5 may conflict with certain Islamic laws, it can be harmonized with maqasid al-Shariah if it respects the principles of dignity and protection of lineage. Takaful providers that offer coverage for women, including aspects related to marriage, pregnancy, and childbirth, uphold this principle.

Protection of Wealth

SDGs 7, 8, 12 (Affordable and Clean Energy, Decent Work and Economic Growth, Responsible Consumption and Production): These goals reflect the maqasid of hifz al-mal, focusing on the protection of wealth through ethical accumulation, responsible management, and equitable distribution. The practice of takaful aligns with these objectives by providing financial protection and promoting sustainable economic practices.

Exploring Takaful in the Context of Maqasid al-Shariah and SDGs

Having reviewed these two concepts, this section will examine how both frameworks are implemented within takaful's context. Takaful, meaning joint guarantee or mutual

protection, is a system where participants contribute to a common fund to provide financial assistance to each other in times of need.

According to Section 2 of the Malaysian Islamic Financial Services Act 2013, takaful is defined as an arrangement based on mutual assistance, whereby the participants under the takaful agree to contribute to a common fund that will provide for mutual financial benefits payable to the takaful participants or their beneficiaries on the occurrence of pre-agreed events.[4] It embodies three key principles: mutual help, mutual responsibility, and mutual protection.[5] Within the context of Malaysia, a licensed takaful operator can carry its business on general takaful or family takaful.[6]

Takaful and Maqasid al-Shariah

To reiterate, maqasid al-Shariah, the objectives of Islamic law, aim to protect religion, life, intellect, lineage, and wealth. Takaful aligns with these goals in several ways:

(a) Protection of Religion

Takaful ensures compliance with Shariah by avoiding prohibited elements like riba (interest), gharar (excessive uncertainty), and maysir (gambling), which are present in conventional insurance. This adherence to Shariah upholds the principle of ensuring earnings are lawful, aligning with the religion command to cooperate in goodness.

(b) Protection of Life

Takaful provides protection not only in terms of life insurance but also covers health and disability. This comprehensive coverage ensures that participants and their dependents are financially supported in cases of death, disability, or serious illness.

(c) Protection of Intellect

Some takaful providers, such as Prudential BSN Takaful and Etiqa AafiyahCare Takaful, extend coverage to mental health issues, addressing conditions like anxiety and depression.[7] Many takaful providers have in fact extended protection to cover mental illness conditions through the launching of mental health disorder schemes for example.[8]

(d) Protection of Lineage

Takaful can support the protection of dignity and lineage. Although mechanisms for protecting victims of inhumane actions like violence are not yet fully developed, takaful products that support children's education and future savings contribute to preserving lineage and family stability.[9]

(e) Protection of Wealth

The primary function of takaful is to safeguard wealth by providing financial protection against potential losses. This includes ensuring transparency, fairness, and compliance with Shariah in managing and investing the fund, reflecting principles like justice and economic stability.[10]

Takaful and the SDGs

The SDGs, which aim to address global challenges and promote sustainable development, intersect with the principles of takaful in various ways:

(a) No Poverty (Goal 1).

Financial inclusivity via micro-takaful aims to provide affordable coverage to low-income individuals, helping to alleviate poverty by ensuring financial protection for the underprivileged. [11]

(b) Zero Hunger (Goal 2).

By expanding financial services through takaful, particularly micro-takaful, communities can achieve better economic stability, which indirectly supports efforts to end hunger.

(c) Good Health and Well-Being (Goal 3).

Takaful providers offer medical cards and health insurance, ensuring access to healthcare and supporting well-being through coverage for medical expenses.

(d) Quality Education (Goal 4).

Takaful products like education savings plans help cover educational costs, improving access to quality education and supporting students' futures.

(e) Gender Equality (Goal 5).

Takaful products offer gender-sensitive coverage, providing protection tailored to women's needs and helping to reduce gender disparities.[12]

(f) Clean Water and Sanitation (Goal 6).

Takaful initiatives, such as the Etiqa Clean Water Project, contribute to providing access to clean water, supporting environmental sustainability.

(g) Affordable and Clean Energy (Goal 7).

Some takaful providers invest in clean energy projects, contributing to sustainable energy solutions.

(h) Decent Work and Economic Growth (Goal 8).

Takaful supports economic growth by creating jobs within the industry and providing financial protection for small businesses.

(i) Sustainable Cities and Communities (Goal 11).

Takaful contributes to sustainable development by funding infrastructure projects and supporting community development.

(j) Climate Action (Goal 13).

Takaful providers engage in initiatives to reduce carbon emissions and promote environmental sustainability.

(k) Life Below Water (Goal 14) and Life on Land (Goal 15).

Takaful efforts in environmental sustainability align with the goals of conserving marine and terrestrial ecosystems.

(l) Peace, Justice, and Strong Institutions (Goal 16).

Takaful operates within a framework of justice and transparency, ensuring fair practices and strong institutional governance.

(m) Partnerships for the Goals (Goal 17).

Takaful involves collaboration among various stakeholders to achieve the SDGs, fostering global partnerships for sustainable development.

Alignment of Maqasid al-Shariah and SDGs in Takaful

Despite their different origins, many of the SDGs align closely with the maqasid, demonstrating a shared focus on human welfare and justice. It can complement each other, provided that the principles of Shariah are maintained as the guiding framework.

For instance, the SDGs' focus on gender equality (SDG 5) has been critiqued for potentially conflicting with Islamic laws that differentiate between men and women in certain contexts.[13] However, when SDG goals do not contravene Shariah boundaries, they can be harmonised with maqasid al-Shariah if they promote public welfare (maslahah) in a manner consistent with Islamic principles.

The Value-Based Intermediation ("VBI") initiative for takaful by Bank Negara Malaysia (BNM) exemplifies this alignment. VBI integrates maqasid al-Shariah by promoting fairness, creating social value, and enhancing accountability, while also supporting SDG objectives such as financial inclusivity and climate action. This reflects how takaful practice can bridge the principles of maqasid al-Shariah with global development goals.[14]

Conclusion

In conclusion, maqasid al-Shariah and the SDGs share a significant degree of alignment, particularly in the context of the takaful industry. Both concepts can indeed coexist and be pursued in tandem.

It is however essential to ensure that efforts to achieve the UN's goals align with the overarching principles of Shariah, preserving the integrity and purpose of Islamic teachings while contributing to global development.

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