

# EVENT REPORT

Konrad-Adenauer-Stiftung e.V.

## TANZANIA

DANIEL EL-NOSHOKATY  
RICHARD SHABA  
LEA HELMS

APRIL 2016

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## Compatibility of Islam and modern economic activity

DISCUSSION MEETING IN DAR ES SALAAM

**On the 14<sup>th</sup> of April 2016, Sheikhs and Muslim scholars came together to discuss the "Compatibility of Islam and modern economic activity". The event took place in Karimjee Hall in Dar es Salaam.**

The meeting's aim, which was jointly organized by KAS and the Association of Quran Teachers Mainland Tanzania (JUWAQUTA), was to give the Sheikhs and Muslim scholars an opportunity to discuss an Islamic Economic System for Tanzania.

Sheikh Alhad Musa Salum, the National Chairman for JUWAQUTA, opened the meeting with a welcome note, which was followed by a short introduction from KAS Resident Representative Daniel El-Noshokaty. The guest of honor, Isaya Mwita, the Lord Mayor of Dar es Salaam, expressed his support for the religious leaders and the values they represent, including peace, tolerance, and sustainable development.

The main presentation was held by Dr. Abdulla Tego from the Muslim University of Morogoro. He explained that an Islamic Economic System must be compliant with the *Shari'a* which applies to many forms of economic activity. Tanzania's economy, however, is largely built on Western business approaches which are in stark contrast to Islamic teaching. This, Dr. Tego asserts, is an important reason for the economic marginalization of Muslim communities in Tanzania. They do not have access to loans and other financial services, because they

do not comply with Islamic regulations. He warns that the resulting economic gap between Muslim and Christian communities may lead to political tensions which can be used to incite conflict between them. Although there is a small number of banks that offer banking services in line with *Shari'a* rules and an Islamic Economy, these offers and opportunities are often unknown to ordinary Muslims. Dr. Tego also called attention to a previous workshop in cooperation with KAS Tanzania that resulted in the publication of the booklet "Uchumi Wa Kiislam" (The Islamic Economy).



*Sheikh Alhad Musa Salum, the National Chairman for JUWAQUTA*

The second presenter, a Shia representative, highlighted the ignorance of many Muslims concerning the Islamic Economic System. Afterwards, a representative from the banking sector stressed the importance for banks to be *Shari'a* compliant and the

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danger of banks using the label 'Islamic Banking' only to attract new clients.

The overall tenor of the discussion round was that an expansion of banking services which are compliant to *Shari'a* rules would open up many economic opportunities for Muslim communities in Tanzania and greatly benefit the country. However, it still is very challenging to oversee the banks' compliance with the rules of the Islamic Economic System, making it difficult for customers to know which bank they can trust.



*Sheikh Alhad Musa Salum (middle), Ali Hassan Mwinyi, the former Tanzanian president (middle, left), and Dr. Abdulla Tego (middle, right)*

As an immediate result of the meeting, a discussion with former president Ali Hassan Mwinyi was agreed. He will function as the chairperson of the group that is now working on an Islamic Economic System for Tanzania. The system shall include Islamic regulations, but at the same time be open for use by people of all faiths.



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