

## **The effects of the Islamic ruling ‘*Fatwa*’ on business relationships in Jordan: the case of ‘*Wasta*’**

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### **Abstract**

Islam is the main source of the Jordanian culture and it is one of the main determinants of the behaviours of Muslim individuals who comprise 98% of the Jordanian population. *Wasta* is deeply rooted and obvious in Jordanian society. However, there are many factors that affect the prevalence of this phenomenon. This research examines the factors which drive people to practice *Wasta*, even though *Wasta* is illegal in Jordanian civil law, and not Islamically accepted. The findings of this research show that the lack of social justice is one of the main factors. The prevalent belief that nothing can be done without *Wasta* is also a main determinant that directs people towards this behaviour. Finally, the weak legislative power of Islamic “*Sharia*” law on Jordanian laws and regulations weakens the role of Islamic Law on the prevalence of this phenomenon.

**Keywords:** *Jordan, Wasta, Fatwa, Islamic ruling*

## Introduction

Islam rules every aspect of a Muslim's life through general guidelines and specific rules derived from the words of God '*Quran*' and the words of His messenger Mohammed, '*Sunnah*' in which every activity is categorized as lawful '*Halal*' or prohibited '*Haram*' (Almoharby, 2011; Rouzi, 2013). The word *Halal* (pronounced as *Halaal*) is an Arabic word which means allowed, acceptable, or not prohibited. Conversely, *Haram* (pronounced *Haraam*) means not allowed or prohibited (Wilson & Liu, 2010).

Islamically, the default ruling for every act is to be Halal, unless there is proof of its prohibition. Imam Yusuf Al-Qaradawi, one of the most prominent scholars of Islam in this century, wrote a book titled "The Lawful and the Prohibited in Islam (*al-halal wal haram fil Islam*)" to discuss the concept of Halal and Haram in detail. He defined halal as the allowed that God has permitted to do (Al-Qaradawy, 2012). The concepts of *Halal* and *Haram* are the two extreme points of permissibility and prohibition in Islam, and there are cases in between. Halal can be categorized into a) obligatory or mandatory (*Wajib*) or b) recommended (*Sunnah*) or c) permissible or allowed (*Mubah*), and *Haram* as well can be classified into disliked (*Makrooh*) or prohibited (*Haram*) (Muflih, Ahmad, Jamaludin, & Nordin, 2017). These concept of *Halal* and *Haram* are not limited to food and drinks, but are much broader, covering every behaviour, word, speech, dress, food, drink, business act, or social act. *Halal* and *Haram* do indeed convey the Islamic dos and don'ts (Jallad, 2008).

Usually, the two words *Halal* and *Haram* are related to food and drinks. Food can be described as *Halal* if the meat was slaughtered according to the Islamic way. Not all animal meat is Halal even if it was slaughtered according to the Islamic way. Some animals are Non Halal to eat (eg. pig, dog, or hawk), and any non halal-based products, such as gelatine or gluten, have the same status of the meat they are derived from. Food and drinks are also supposed to be free of alcohol. The financial dealings of Muslims can be also classified into *Halal* and *Haram*. The Islamic financial system is characterized by its usury-free system. Islamic financial institutions do not do business with organizations related to non-halal businesses (dealing with gambling, alcohol, weapons, or pornography) (Goh, Mohd Suki, & Fam, 2014). That is the reason behind the establishment of many Islamic banks in Jordan and other Islamic and non-Islamic countries. These Islamic banks offer services that comply with the Islamic financial system to fulfil the needs of their Muslim customers (Mansoor Khan & Ishaq Bhatti, 2008; Souiden & Rani, 2015). Business relationships are not excluded from this, and business networking should also be in accordance with Islamic *Sharia* law. Human behaviours are classified into *Halal* and *Haram* as well; certain behaviours such as lying, deceiving, cheating, breaking promises, selfishness, even being late to an appointment, can be considered as *Haram*.

Islam views business activities between business parties as a social function which contributes to community welfare, (Rice, 1999), and is directed by Islamic law (Almoharby, 2011). Islamic law (*Sharia*) directs business relationships; Islam sees the relationship between human beings as a relationship of brotherhood or sisterhood which is built on a foundation of equality, trust, and justice. Business relationships in Islam are prescribed in the Quran and Sunnah with no differentiation between dealing with Muslims and dealing with non-Muslims (Farahat, 2006; Rice, 1999).

One of the most important aspects of business networking in the middle east is *Wasta*. The Jordanian community is tribal in nature, the strength of the family relationships can be even stronger than the law itself. Social and family connections are used to resolve conflicts, to restore the rights of those unable to restore it by themselves, or even to delegate a spokesman

on behalf of others, usually a well-known and respected person from the family. This concept of mediation or delegation was -and still is- widely used and beneficial to the community, and it is called the *Wajaha* which refers to someone who has a respected opinion or is notable among his tribe. The concept of *Wajaha* has evolved over time, and has deviated from its original purpose to become much wider concept often called *Wasta* which is also a synonym for *Wajaha*. This evolved concept widens *Wasta* outside the domain of family and tribe to the domain of the personal network and even the network of anyone inside the individual's network. Mohammad and Hamdi (2008) defined *Wasta* as “the use of social connections to obtain benefits that otherwise would not be provided”. *Wasta* is a way to gain benefits using social networks (Mohamed & Hamdi, 2008), it requires some strong family connections (Hutchings & Weir, 2006), and it is apparent in all aspects of life in the Arabian region, it can be used to accelerate processes, secure a university admission or even a job (Barnett, Yandle, & Naufal, 2013). Hutchings and Weir (2006) separated *Wasta* into intercessory *Wasta* and intermediary *Wasta*. The concept of *Wasta* was originally used in the Arab region to resolve conflicts through mediation with a person mutually admired by the conflicting parties. This is the intermediary *Wasta* or *Wajaha* which is well accepted. However, the origin of *Wasta* became blurrier as it drifted to become a mechanism for gaining benefits and advantages through one's connections. This type of *Wasta* can be considered a form of corruption, and it is called intercessory *Wasta* (Hutchings & Weir, 2006). Unlike *Wajaha* which is supposed to resolve conflicts, intercessory *Wasta* might even cause conflicts between the parties of interest (Kilani, Al Junidi, & Al Riziq, 2015).

A study by Loewe, Blume, and Speer (2008) was conducted in the Jordanian market to explore the effects of *Wasta* and favouritism, on business climate. They concluded that one of the factors that hinders investors in doing business in Jordan is the lack of fairness in the business climate created by *Wasta*. They also mentioned that Jordanians are aware of the negative effects of *Wasta*, but still use it for the following reasons. First, Jordanians see *Wasta* as the only way to achieve their goals. Second, *Wasta* is associated with positive cultural values such as trust and loyalty. Finally, the political and administrative system in Jordan lacks transparency and fairness. These results were also consistent with the results of a study by Megdadi and Fam (2019) on the Jordanian market which concluded that the Jordanian population view *Wasta* in a negative way, it also compared *Wasta* with the Chinese concept of *Guanxi* which refers to “the establishment of a connection between two independent individuals to enable a bilateral flow of personal or social transactions”, (Yeung & Tung, 1996, p. 9). They concluded that Jordanian businesspeople value *Guanxi* and identify it as similar to intermediary *Wasta*. They also found that Jordanian businesspeople saw *Wasta* as a personal extended relationship contrary to *Guanxi* which is a business relationship that ends when business ceases between the two parties (Megdadi & Fam, 2019). Finally, Ramady (2015) suggested that *Wasta* is associated with a lack of trust in the legal infrastructure and in one another. The author also indicated that *Wasta* is negatively related to economic and social equality and positively related to public corruption.

As discussed earlier, Muslims' business relationships and business networking are supposed to be consistent with the Islamic guidelines. Thus, Muslim scholars issued many *Fatwas* about the ruling of *Wasta*. *Fatwa* is a ruling given by a recognized authority on a matter of Islamic law. Our previous differentiation between intercessory and intermediary *Wasta* is well-matched with the *Fatwa* from Dar Al-Ifta' in Jordan (the official authorized body of *Fatwa* in Jordan) (*Fatwa number 3322 on 25/9/2017 and number 830 on 14/7/2010*), in which it is stated that *Wasta* can be used for a good purpose like stopping injustice and restoring the rights of others, resolving a conflict between two parties, or to help someone get what he deserves and

what is rightly his if he isn't able to get it by himself. In this case *Wasta* can be classified as *Halal*. The other type of *Wasta* which is considered *Haram* (prohibited) is when the other's rights are affected and the one who uses it gains something that is not rightly his. Justice and equality in society are affected and it can be considered a form of corruption and injustice (Al-Ifta', 2010, 2017).

The prevalence of *Wasta* in the Jordanian market is contradictory to Islam, which is the main source of the Jordanian culture. Although there are many *Fatwas* regarding the ruling of *Wasta*, it is still not very clear the effect of these *Fatwas* on the practices of the Jordanian population. The practicing of *Wasta* can be very harmful to business and society at the same time, and can create a sense of injustice and unfairness among the community. It might create a dissatisfaction about a service provider and the service itself. A better understanding of this phenomenon gives decision makers a better chance to tackle this phenomenon and reduce its negative effects. There is no doubt that intercessory *Wasta* (although unethical) can be beneficial to those using it, which might lead some individuals to do so even though they know it is unlawful and prohibited. To what extent, then, does the Islamic ruling of *Wasta* affect the decision of an individual to engage in such a behaviour? This research is designed to answer this question.

## Methodology

Methodology shows the easiest way to collect data (Bryman, 2008). A mixed-method approach was employed in this study to answer the research question about the effect of the *Fatwa* on engagement in *Wasta*. A very brief anonymous survey was physically distributed to 95 respondents from the Jordanian market. *Wasta* is really obvious and rooted in the Jordanian society (Al-Ramahi, 2008), and the vast majority (98%) of the Jordanian population are Muslims, thus a convenient sample was selected to participate in the survey. The survey consisted of two parts; the first part was quantitative and was designed to measure the level of use of *Wasta* by the respondents. The scale was designed by the researcher himself, and is a 5-point Likert scale anchored by "never" and "always". The scale measures three dimensions of *Wasta*; shortening of time during the service providing process, special services or benefits that would only be gained by knowing someone working at the organization, or special treatment during the process. The survey was based around the respondent's report of using *Wasta* in a situation when they were the recipient of a service in the public or private sector. The respondents were asked whether they used *Wasta* to achieve any of the three dimensions mentioned above. This clarification was made at the introduction of the survey.

The second part of the survey was an open-ended question about the effect of Islamic rulings on the practice of *Wasta* and the factors that might affect the practice of *Wasta*. This type of qualitative question within a survey is suitable to this research since explores a new effect and attempts to gain an understanding of the opinions and attitudes of the respondents. This research intended to study intercessory *Wasta* only, this was explained to the respondents in the survey introduction. The survey also stated that there was a *Fatwa* that prohibits intercessory *Wasta* (as discussed earlier). The respondents were asked, "to what extent do you think that the Islamic ruling or *Fatwa* affects your decision to practice *Wasta* or not", a brief justification was asked for their answer.

## Results

91 valid surveys were returned. The results from the first part of the survey showed a moderate level of practicing *Wasta* among the Jordanian population (mean= 2.97), the highest score was on skipping some of routine procedures because of *Wasta* (mean= 3.25), and the lowest was not waiting in a queue because of *Wasta* (mean= 2.69) as shown below.

**Table 1:** Survey Results

Number	Item	Mean
1	You have been treated in a better way than the other clients because of your <i>Wasta</i> .	3.15
2	You didn't have to wait in a queue because of your <i>Wasta</i> .	2.69
3	The service procedures were speeded up because of your <i>Wasta</i> .	2.9
4	You gained extra services because of your <i>Wasta</i> .	2.84
5	The service provider skipped some of the routine procedures because of your <i>Wasta</i> .	3.25

In the second part of the survey, participants stated many factors that might cause them to engage in *Wasta*; for example, one respondent said that the *Fatwa* will have a small effect if the ethical side of the individual is not present. He/she stated: “*Fatwa* has a small effect on this phenomenon, the ethical and principled role has bigger effect on it”. Another respondent argued that a *Fatwa* would have a small effect on the practices of individuals since there is no legislative authority for Dar Al-Ifta’ (the authority that issues the *Fatwas* in Jordan). Another respondent argued that despite the effect of this *Fatwa* on his/her use of *Wasta*, the massive benefits and ease of work push towards the use of *Wasta*. Other respondents suggested that *Fatwa* would affect their and others’ behaviours only if there was social justice and equality; injustice decreased the effect of the *Fatwa* as the *Fatwa* was supposed to be a way to achieve social justice and equality. One respondent said: “*Wasta* has become a well-established constant and nothing can be achieved without using it”. Another respondent said: “Of course *Fatwa* has an effect, but not when you see that everyone is still practicing *Wasta*, then you feel you are losing”, he also said: “the law is the only way to prevent this phenomenon”.

Many respondents stated that the Islamic ruling is the main determinant for deciding whether to engage in an activity or not, regardless of any benefits they might gain through any Islamically prohibited behaviours. A respondent said: “the *Fatwa* is my reference to correct my behaviours”. Another respondent said: “it stops me from acting in such a way even if I will benefit from it”. Another respondent simply stated: “it is an axiom for me to follow the *Fatwa*”. Almost half of the respondents (47 respondents) pointed out that they didn’t see any problem in practicing *Wasta* if there was no injustice related to it, or if it was used to reclaim rights that they wouldn’t have been able to reclaim without using *Wasta*. A respondent said: “I think we must use *Wasta* sometimes, it is unacceptable to forgo our rights when we know”. Another

said: “of course it affects (the *Fatwa*), but I will use it if it doesn’t affect others’ rights”. Another respondent clearly stated: “I never use *Wasta* unless I want to get my rights back and without causing injustice to the others and their rights”. It was noticeable that respondents who scored low on their level of *Wasta* practicing in the first part of the survey, also reported that they did not practice *Wasta* for religious reasons, stating that they did not and would not practice *Wasta* as it was not Islamically acceptable.

## Discussion and conclusions

This study explored the effects of Islamic legislation, *Fatwa*, and the other factors that affect the practice of *Wasta* in the Jordanian market. Results from the survey showed that the research population reported that they moderately practiced and benefitted from *Wasta*. Indeed, *Wasta* violates the values of equality and fairness and it breaches the principles of Islam (Jones & Case, 2008; Mohamed & Hamdi, 2008; Ramady, 2015), which creates a sort of cognitive dissonance for the individuals who practice *Wasta* and embrace the Islamic faith. This happens when there is an inconsistency between respondents’ beliefs and their behaviours. Thus, these people tend to justify their behaviours to make the inconsistency more tolerable (Festinger, 1957). As some respondents said, the overwhelming prevalence of *Wasta* is one of the main reasons for practicing *Wasta*, as they would not be able to get their rights without using it in a country in which everything is ruled by *Wasta*. Others said that they only practiced *Wasta* if it didn’t violate the others’ rights, which can’t be seen as an illegal action or an Islamically prohibited behaviour. This opinion is consistent with *Fatwa* number 3322 from 25/9/2017 which states that a *Wasta* can be considered *Halal* or permissible if it doesn’t violate the rights of the others and if it is used to restore the rights of the others (Al-Ifta', 2017), this type of *Wasta* is consistent with the Islamic principles which emphasise on the minimization of harm and benefiting other members of the community (Kadirov, 2018, 2020).

The Islamic ruling is still not the main determinant of individuals’ behaviours. Although Islamic Law and Jordanian civil law are consistent regarding their view of *Wasta*, the Islamic enforcement power in Jordan is very weak, and the country’s civil laws are not mainly derived from the Islamic Sharia. The Islamic ruling relies more on the religiosity of the individuals and their commitment to the Islamic ruling of their daily dealings; the more religious the individual, the less likely he is to benefit from *Wasta*. Many factors affect the use of *Wasta*; the lack of social justice and the overwhelming prevalence of *Wasta* can be amongst the most important factors. It is recommended that *Wasta* research capture an individual’s religiosity to get a better understanding of this phenomenon, and to generate more specific knowledge about it.

It is difficult to stop people from practicing *Wasta* in a country like Jordan, therefore tailoring some of services in a way to prevent any intervention in the form of *Wasta* could be helpful for reducing the *Wasta* effect. It is important for managers and decision makers to create an ethical climate which is based on justice and equity, that discourages nepotism and favouritism and promotes general Islamic ethical values.

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