



## **A NEW ANALYTICAL FRAMEWORK OF SAUDI'S ECONOMIC DIVERSIFICATION THROUGH A SYSTEMIC APPROACH TO ZAKATABLE ASSETS**

**ABDERRAZAK BELABES**

Islamic Economics Institute, King Abdulaziz University, Jeddah, Saudi Arabia.

Email: [abelabes@kau.edu.sa](mailto:abelabes@kau.edu.sa)

**MOHAMED ALMANABRI**

Islamic Economics Institute, King Abdulaziz University, Jeddah, Saudi Arabia.

Email: [mmalmanabri@stu.kau.edu.sa](mailto:mmalmanabri@stu.kau.edu.sa)

**A PEER-REVIEWED ARTICLE**

**(RECEIVED – 26<sup>TH</sup> APRIL 2024; REVISED – 27<sup>TH</sup> JULY 2025; ACCEPTED – 4<sup>TH</sup> SEPT. 2025)**

### **ABSTRACT**

The purpose of this research is to propose a framework for analyzing Saudi Arabia's economic diversification based on a systemic approach to zakatable assets. The interest of such an approach is to invite economists and decision-makers to consider problems in their entirety over a long period of time, considering the interactions between the different elements of a complex system, rather than analyzing them in isolation by extrapolating very short-term trends. This perspective transcends traditional frameworks, focused on the production of goods and services and the creation of value in financial markets, to rethink wealth creation and well-being, which cannot be limited to purely financial considerations. The research advocates a deeper understanding of economic life by connecting the 'world we live from' to the 'world we live in.' Such a connection reveals the limitations of economic analyses focused on the concepts of growth and competitiveness. Hence the interest in the meanings of tawlid (engendering life) and inzāl al-māl (sending down what is beneficial to life), as well as the matrix of the weights of zakatable assets based on what is essential for life before any other consideration. Beyond the mainstream discourse that limits life to 'adaptation to the market,' the research opens up possibilities to

'influence the market', 'create a new market', and 'overcome the commodification of life'.

**Keywords:** zakatable assets, economic diversification, *tawlid*, *inzāl al-māl*.

## INTRODUCTION

Economic diversification appears to be an essential component through which a nation aims to strengthen resilience, social cohesion, and quality of life in a world facing multiple challenges: wars, pandemics, climate change, great power rivalries, economic conflicts, and rapid technological progress, particularly in the field of artificial intelligence. Insufficient diversification frequently results in greater vulnerability to external shocks, which can compromise resilience, social cohesion, and the quality of life that is fundamentally based on the fulfilment of the rights of The Creator and the rights of creatures. Therefore, it is essential to develop an epistemological position that considers questions of efficiency but also moral, ethical, legal, and societal issues relating to the way society is organized, which relate to resilience.

In this regard, the present research proposes a systemic approach to boost Saudi's economic diversification based on a reading of the meaning of *zakatable assets* (Belabes, 2020). This approach differs from economic schemes based on concepts that hide more than they reveal. An economic concept is first and foremost a convention. What is considered and rejected under this convention? This is an important question that deserves attention. Despite its undeniable importance, it is one of those subjects that are avoided. However, such questioning invites us to rebuild our collective protections and break with the discourse which says that giving, charity, commons, are a brake on the economic growth.

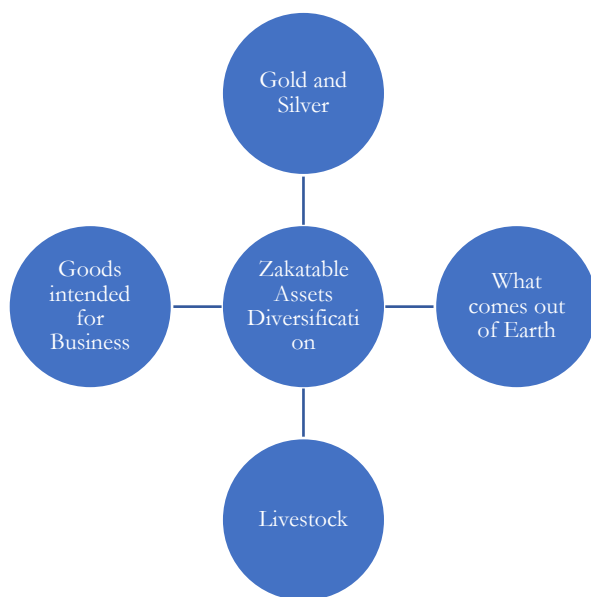
To determine whether public action promotes a better life, we need to look beyond economic growth and its indicator the GDP (Havrlant, Darandary, 2021), which is the cornerstone of economic policy (Stiglitz *et al.*, 2018). GDP measures the level of national productive activity, but it ignores the degradations linked to the process of this production, as noted in a World Bank (2024) report entitled *The Changing Wealth of Nations*. Despite its widespread use, GDP fails to consider the importance of spirituality, quality of life beyond material possessions, commons, and stewardship according to which humans are

responsible for the provision entrusted to them by the Creator. In this respect, the systemic approach of *zakatable assets* constitutes a frame for thinking beyond economic growth (Belabes, 2022), while recognizing its usefulness in the context of an international comparison exploring global trends.

## RESEARCH METHODOLOGY

The analytical framework of the research is based on a reading through the meaning of *amwāl zakawīyah*, which is part of a research programme extending over a long period of time (Belabes, 2020; 2022a, 2022b, 2022c, 2024a). The word *amwāl zakawīyah* refers to beneficial goods subject to obligatory alms-giving, based on the fact that fundamentally the words *māl* and *zakāt* refer respectively to 'that which is beneficial' and a 'known right' (Qur'ān, 60: 19). The goods subject to *zakāt* are *dhahab* (gold) and *fidha* (silver), *'urūdh al-tijārah* (goods intended for business), *al-khārij min al-ardh* (what comes out of the earth), and *bahīmat al-an'ām* (livestock), as illustrated in Figure 1. Historically, *zakāt* was decreed generally in Makkah and then detailed in Madinah. In Makkah, believers could give whatever they wished to the poor, the needy and the disadvantaged. When the Prophet—peace of Allah be upon him—migrated to Madinah, the injunctions relating to *zakāt* were detailed in a determined, clear, and unequivocal manner.

Reading by meaning makes it known that *zakatable assets* are not just mere *muntajāt* (products), a word cherished by economists, financiers, lawyers, and jurisconsults of contemporary financial transactions, to the point of considering *sadaqah*, *zakāt*, and *awqāf* as financial products. Such lecture should be no doubt reconsidered through a distancing from the financialization, which tends to affect all aspects of life without sparing anything (Belabes, 2024c). Financialization is one of the modern forms of nihilism that destroys everything that is created, natural, pure, authentic, real, tangible (Todd, 2024). Hence the importance of reading, which allows to see meaning where most people would be tempted to see only words (Ibn Jinī, 2007; al-Jurjānī, 2022).



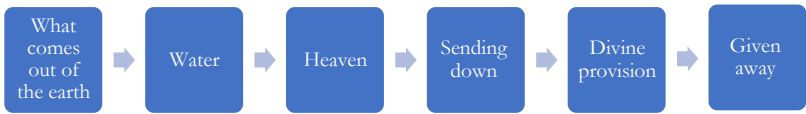
**Figure 1:** The *zakatable assets* diversification

The analytical framework based on a reading by meaning of *zakatable assets* offers the advantage to connect the '*world we live from*' to the '*world we live in*' (Belabes, 2025a). There is a fundamental difference between considering the words *dhahab* (gold) and *fidha* (silver), as they are mentioned in the *ahādīth* of the Prophet –peace of Allah be upon him–, and qualifying them as *nuqūd* (money) under the influence of economic conceptual language embedded into the system of monetary creation ex nihilo by usurious lending.

The words gold and silver –as divine creations– connect us respectively to *al-Khāliq* (The Creator), The Lord of the heavens and the earth, and of what lives within them, He is their Master and Sovereign Governor. What He wills comes to pass, and what He does not will does not come to pass. He gives to whom He wills and prevents whom He wills. And there is no one who can prevent what He gives, nor give what He prevents (Ibn Kathīr, 1999: 216). As the companion al-Mughīrah Ibn Shu‘bah (600-671) –may Allah be pleased with him– said to the king Rostam (d. 637): "*God is the Creator and Provider of all things. Whoever creates*

something, he does it under the eye of God, who owns what is created as well as the one who created it" (Safwat, 2023: 242).

The literature on *dalā'il al-i'jāz* (proofs of the inimitability of the word of God) teaches us that what distinguishes one word from another is the *nadhbm* (articulation) between *ma'āni* (meanings) so that one meaning refers to another. In this respect, the meaning of *al-khārīj min al-ardh* (what comes out of the earth) refers to that of *al-mā'* (water), which in turn refers to the *al-samā'* (heaven), that is, to divine creation. This sequence of solidary meanings reveals the importance of meaning of *inẓāl al-māl* (sending down what is beneficial to life), which refers to *al-rizq* (divine provision) closely related to *al-infāq* (given away and shared with others) (Qur'ān, 2: 3), as illustrated in Figure 2.



**Figure 2:** Articulation between meanings of economic life

It should be noted that the word *māl* refers to that which is beneficial to life, it is not limited to money. As evidenced by the words of ‘Ali ibn abī Tālib – may Allah be pleased with him–: "*the māl is reduced by spending it whereas knowledge grows when it is given away*" (Ibn Qayyim al-Jawziyyah, 2019: 347).

By contrast, the word money connects us to the banking system based on credit via the creation of money ex nihilo, whether we like it or not; then that would be a completely different matter (Allais, 2024). Despite the rhetoric about Islamic economics and finance, the global monetary system is embedded in the global banking loan with interest fueled by the creation of money ex nihilo (Belabes, 2025b). Such a kind of *habs* (embeddedness) calls for *takhliyah* (disembedding) of a money that was previously embedded in the life of collectives, communities, and cities (Polanyi, 1944).

This aspect gives an idea on the importance of the reading by meaning of *zakatable assets* and the underlying analytical framework that has proved its value

in previous research over many years, which brings us to the suitable path taken for this type of exploration that is in various ways an advance on what is published, whether it is economics, finance, or jurisprudence of contemporary financial transactions. The meticulous reader will no doubt notice the use of the meaning ‘the suitable path taken for this type of exploration’ instead of the word ‘method’, because methods refer to filling ready-made containers.

In this regard, instead of wasting time teaching students what are commonly called research methods, it is more convenient to train them in the art of reading well through meaning to explore how knowledge is woven and with what threads (al-Zamakhsharī, 1998: 5; Richards, 1928: 1). Learners will never be able to weave knowledge based on the meanings within themselves if they do not practice reading by meanings to explore ways of weaving knowledge. It is not a question of intelligence but of skill which requires time, patience, and perseverance. It therefore appears that there is no Islamic method but ways of exploring economic life which differ from one learner to another.

Reading by meaning is based on the notion of *naẓm*, that is, a system made up of a set of interacting elements, each of which contributes to reinforcing the coherence of a common whole. In this respect, the systemic approach differs from the Cartesian approach widely used in economics, as evidenced by the concepts of microeconomics, mesoeconomics, macroeconomics, and metaeconomics. While the systemic approach associates, brings together, and considers elements as a whole in relation to each other and to the whole, the Cartesian approach dissociates, divides, and breaks down. Furthermore, the systemic approach differs from the analytical approach. The systemic approach seeks to take into account the entire system to which the element or elements under consideration belong to understand it through the interactions it maintains with other elements of the same system. The analytical approach considers the individual as the basis of any explanation, and collective phenomena are seen as the results of these individual actions.

The interest of systemic analysis based on zakatable assets is to propose a generic matrix evaluation model taking into account the multiplicity of evaluation criteria and stakeholders involved. Hence the interest of collaboration between stakeholders to generate sustainable commitment and to bring out innovative solutions from the bottom up. Collaboration brings new functionalities and new criteria considering both efficiency and resilience,

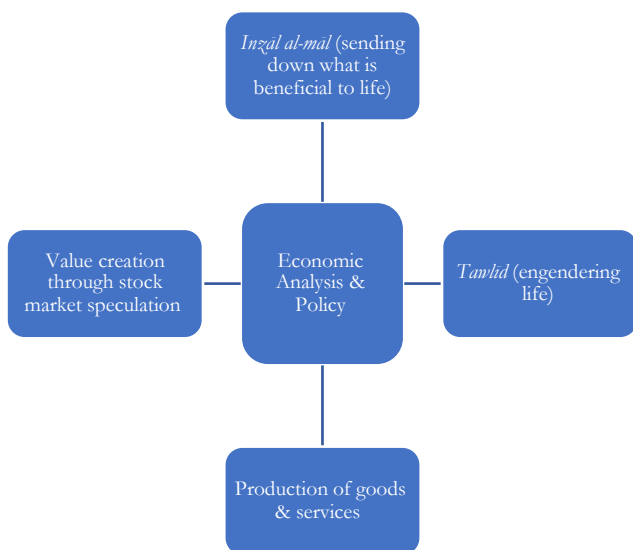
including the capacity to minimize losses, optimize resources, adapt quickly to changes, and maintain operations despite disruptions. As such, the generic matrix evaluation model encourages exploring the degree of risk associated with different diversification strategies, taking into account the most decisive statistical indicators for economic, social, or environmental analysis from an international comparison perspective.

In this regard, the interest of the systemic approach to zakatable assets in economic policy is to invite economists and decision-makers to consider problems in their entirety over a long period of time, taking into account the interactions between the different elements of a complex system, rather than analyzing them in isolation by extrapolating very short-term trends. The systemic approach emphasizes the relationships, mutual influences, and feedbacks between stakeholders and determining factors that significantly influence the state of the system.

### ANALYTICAL FRAMEWORK

Reading by meaning of *zakatable assets* invites to relearn how to connect the '*world we live from*' with the '*world we live in*'. This connection makes it possible to distinguish between four dimensions in economic analysis and policy:

- Production of goods and services which is the driving force of the world of economy.
- Value creation through stock market speculation which is at the heart of the world of finance.
- *Tawlid* (engendering life), a meaning underlying *al-kebārij mina al-ardh* (what comes out of the earth) and *bahimat al-an'ām* (livestock), which consists of giving birth to beings on whom the habitability of the earth depends with the *maqsad* (purpose) of *hifdh al-nafs* (perpetuation of life).
- *Inzāl al-māl* (sending down what is beneficial to life) (al-Albani, 1990: 366), a meaning that refers to the fact that everything that is beneficial to the life of creatures is a *rizq* (divine provision). This reminds us of God's sovereignty. Nothing escapes Him and nothing happens without His will. It also reminds us that what is beneficial to life is destined to fulfill the rights of God and the rights of creatures (Ibn Qayyim al-Jawziyyah, 2009: 314).



**Figure 4:** The Four dimensions of economic analysis and policy

The meanings of *tawḥīd* (engendering life) and *inṣāl al-māl* (sending down what is beneficial to life) allow us to develop a matrix of the weights of zakatable assets based on what is essential for life. This conceptual basis calls for the development of an economy that relies on a variety of sources of income to ensure a sustainable economic life and reduce vulnerability to shocks of all kinds. This is illustrated in Figure 4, to reconnect the '*world we live from*' to the '*world we live in*'. Such reconnection results from an awareness of the link between the resources we use and our living milieu (umwelt, fūdo 風土), and the need to act accordingly.

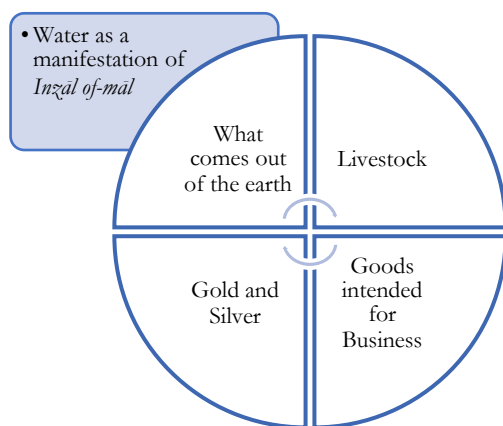
It is important to mention that the matrix of zakatable assets basically refers to water, the main constituent of living beings and an essential element for all forms of life. Without water, no organism, whether plant or animal, simple or complex, small or large, can live, as indicated in the word of God: (*We made from water every living thing*) (Qur'ān, 21: 30). In this regard, water is a natural public common good that must not fall under the influence of global speculative private finance. Water cannot become a financial asset whose value is set by stock markets.





**Figure 5:** Matrix of the weights of zakatable assets based on what is essential for life

As an invisible dimension of the matrix of zakatable assets reflecting *Inṣāḥ al-māl* (Figure 6), water challenges us on the limits of monetization which legitimizes the processes of private appropriation of the element's indispensable for the regeneration of life. Hence the importance of Hajar's words to the men of the Jurhum tribe: “*You have no right to the water*” (Belabes, 2025c). Such a statement reveals the deep connection between *habs* and *zakat* and the coherence of the underlying meanings which reinforce each other. This means that there are things like water that must remain under the *Mulk* of Allah, that is, His power, authority, and sovereignty.



**Figure 6:** Water as an invisible dimension of the matrix of zakatable assets

The deep connection between *habs* and *zakat* calls attention to the fact that the value of a thing depends on its *manfa'ah* (benefit) in the living milieu. It cannot be reduced to the purely monetary dimension. Therefore, gold and silver are considered among the *zakatable assets* as beneficial goods for life; among others, they are not the whole of life, nor the most important thing in life. This connection allows us to avoid falling into the trap of the closed entropic system, that is, isolated systems that tend to evolve towards a state of maximum disorder, characterized by an increase in entropy (Bertalanffy, 1968: 41).

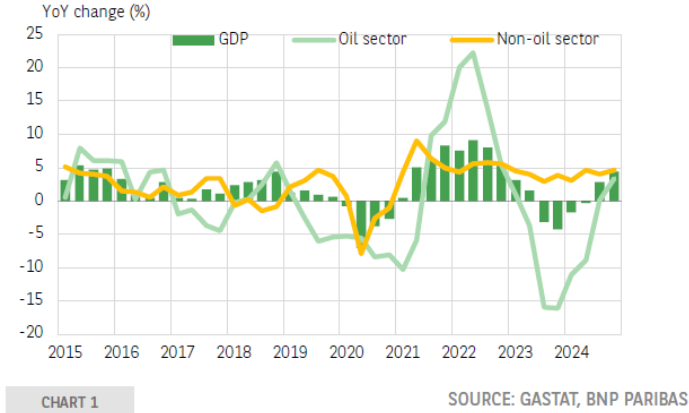
If production starts from a world made up of resources intended to produce goods and services. And if otherwise, the creation of value from a world made up of capital intended for stock market speculation. The consequence is that engendering is located at a level before. It refers to what allows resources, capital, the people who live from them, and the worlds in which they came to life to continue to exist. The engendering of a deep meaning does not end there. To beget is to emphasize the essence of life in the sense that it is Allah who gives life. It also means highlighting the fact that life is a *rizq* (provision) from Allah. This theorization makes it possible to overcome the idea that distribution is detrimental to economic efficiency by exerting major disincentive effects in terms of work, capital accumulation, and production. The divine provision does not come after the problem of the distribution of income from the production

of goods and services or from the creation of value by stock market speculation, but before that.

The systemic approach of zakatable assets allows us to go further than the question that distribution precedes production despite its undeniable importance (Eloi, 2016: 32). The point here is to highlight that God provides sustenance and care for all creation as His word stipulates: (And there is no creature on earth but its provision is due from Allah) (Qur'ān, 11: 6). By highlighting the social and ecological questions, critical economic literature avoids the question of divine provision. If the phenomenon of avoidance of the phenomenon of money in the mainstream contemporary economic literature is a trend visible to all, the avoidance of the question of divine provision undoubtedly constitutes a subject that requires attention.

### RESULTS AND DISCUSSION

In recent years, Saudi Arabia's non-oil economy has experienced notable growth thanks to investment efforts in human capital and greater dynamism in the private sector, as illustrated in Figure 7. This dynamic is fuelled, on the one hand, by the idea that improving education through skills is essential to improve employment opportunities and living conditions and, on the other hand, by the idea that start-ups are a catalyst for global and national economic growth.



**Figure 7:** The Saudi's GDP for the Oil sector and the Non-oil sector (2015-2024)

**Source:** Stéphane Alby. Saudi Arabia: The High Cost of Diversification. The Economic Research Portal of BNP Paribas, 11 February 2025

According to a recent estimate, the non-oil economy of Saudi Arabia is expected to grow by 4.8% in 2025 and 6.2% in 2026, as exposed in table 1, with economic growth expected to increase by 3.8% in 2025 and 3.6% in 2026, as presented in table 2. Non-oil economic growth is more important than economic growth, which denotes an improvement in economic diversification.

**Table 1:** The Saudi's non-oil economic growth

<i>Year</i>	<i>2025</i>	<i>2026</i>
Growth	4.8%	6.2%

**Source:** Faisal Al-Ibrahim, the Saudi's Minister of Economy and Planning, during a seminar entitled "Future of Global Economic Growth" at the Davos Conference, 24 January 2025

**Table 2:** The Saudi's economic growth

<i>Year</i>	<i>2025</i>	<i>2026</i>
IMF	3%	3.7%
Wold Bank	3.4%	5.4%
OECD	3.8%	3.6%
Saudi's Ministry of Finance	3.5%	4.6%

**Source:** Saudi Vision 2030 Annual Report 2024, 2025, p. 16

Figure 8 illustrates the growth of the Saudi financial sector in 2024 through the Financial Sector Development Program (FSDP) which aims to diversify income sources, boost investment and build an effective financial sector under vision 2030.



**Figure 8:** Growth of the Saudi financial sector in 2024

In macroeconomic literature, economic diversification refers to the increase in variety of qualitative production enhancing national competitiveness in global markets. In the latest IMD Global Competitiveness Yearbook 2024 report, Saudi Arabia ranks 16<sup>th</sup>. This ranking reflects a one-place improvement in competitive advantage, notably through notable advances in infrastructure and trade legislation. As a result, Saudi Arabia ranks fourth among G20 countries. Business efficiency has improved from 13<sup>th</sup> to 12<sup>th</sup> place. Furthermore, Saudi Arabia ranks 1<sup>st</sup> in cybersecurity, employment-long term growth, social cohesion, number of Internet users per 1,000 people, need for economic social reforms, 2<sup>nd</sup> place in terms of the digital transformation in companies, stock market

capitalization, venture capital, developments and application of technologies, funding for technological development, 3<sup>rd</sup> place in terms of trade exchange, resilience of the economy, unemployment legislation, total early-stage entrepreneurial activity. While infrastructure remains at 34<sup>th</sup> place, Saudi Arabia continues to show strong economic performance and solid government effectiveness, maintaining its competitive position in the top 20 (IMD, 2024: 50). This amounts to rebalancing production by reallocating resources between different sectors and, within sectors, between firms, to increase total factor productivity, which measures an economy's ability to generate income from inputs, that is, to do more with less. The inputs in question are the factors of production of an economy, mainly the labor provided by its population and land, machinery, and infrastructure, as illustrated by the Solow model (1956) where the production function take the following form:

$$Y(t) = F(K(t), A(t), L(t))$$

Knowing that  $Y$  is the output,  $K$  the capital,  $L$  the labor, and  $A$  the knowledge. Knowledge plays a crucial role in Solow's model in that technological progress stimulates economic growth by improving the efficiency of production. These technological innovations increase productivity, paving the way for sustained economic growth. The model's presuppositions are based on a simplified vision of economic life:

- It assumes that economic growth is driven solely by increases in production capacity, that is, by supply. It does not take into account the possibility of a demand deficit that could slow economic growth.
- It is a long-term model that ignores short-term fluctuations, which nevertheless play a major role in economic development.
- It predicts a convergence of the different economies which is not observable in the economic real life.
- One of the assumptions used by the model is that production can be modelled by a Cobb-Douglas (1928) production function with a technical progress parameter. This function can be adapted to any economy, even the most unlikely, which calls into question its relevance (Shaikh, 1974).

Despite the many flaws of the Solow model, it remains the most widely taught, as evidenced by David Romer's (2019: 10) book *Advanced Macroeconomics*. The current state of research considers that a successful diversification strategy must consider four main factors as follows:

- The establishment of appropriate incentive frameworks conducive to enhance the competitiveness of enterprises in a global economy.
- Reforms and investments to reduce trade costs through transparency, greater certainty about trading conditions, and measures to facilitate trade.
- Effective policies to encourage the adjustment and reallocation of resources to new activities which relieve the labor market and create jobs.
- Public interventions targeting certain market, institutional, and policy failures that are the root cause of the unsustainability of production systems through organizations for export promotion, Investment promotion, and land use policies (World Bank, 2019).

The Solow model as well as the measurements which result from it, in one way or another, are based on a theorization which fundamentally excludes the phenomenon of money. However, it is not possible to deepen the analysis of economic life without putting money back in the foreground.

First of all, it is important to understand that considering money is the prerequisite for an acceptable description of market mechanisms. Then, the concept of innovative entrepreneur becomes inconsistent, since it is not connected to the indebtedness that is carried out through a money created by commercial banks (Schumpeter, 1984: 131). Indeed, companies finance their activities with loans with interest through the process of creating money *ex nihilo*. Such a practice devalues any form of solidary, responsibility and generosity. Hence the interest of the systemic approach of *zakatable assets* is to deepen the analysis of economic diversification.

If the conception of a society's wealth has been essentially material considering specific historical trajectories that do not reflect that of the world with its complexity. Since then, contexts have changed and new schools of thought have emerged to escape a purely material condition through the reign of quantity (Guéron, 2004). In this regard, much criticism has been levelled at GDP because it does not consider the real utility and conditions in which wealth is produced and is often used to judge the state of well-being of a society.

From the critiques, which stipulate that life cannot be summed up by cold GDP figures and other economic statistics, a multitude of alternative indicators have emerged based on new conceptions of quality of life and better life. Whether they are synthetic indicators or systems of indicators, indicators with a social and human or environmental tendency, or even monetized or non-monetized indicators, they all aim to counterbalance the weight of GDP in judgments of societal well-being by considering essential aspects of life that determine people's quality of life (OECD, 2024).

The connection of economic life to the divine that the systemic approach of zakatable assets allows is all the more important since research in anthropology and sociology has revealed how culture, particularly religion, shapes economic life (Godelier, 2007). Even as economic facts affect social relations (Zelizer, 2011). This is especially true since one of the major pillars of Saudi Vision 2030 is *“creating a vibrant society in which all citizens can thrive and pursue their passions. A strong social infrastructure is underpinned by a society that values cultural traditions, national pride, and modern amenities all while embodying the spirit of modern Islam and providing effective social services”*.

In Saudi Arabia, religion has a significant impact on daily economic life. This is noticeable through the production of halal goods and services, Islamic finance (banking, insurance, leasing, *sukuk*, investment funds), business entrepreneurship and social entrepreneurship, and the non-profit sector (civil organizations, cooperative associations, *amqaf*, civil foundations, family funds, government donation platforms, chambers of commerce, foundations established by Royal Order, non-profit hospitals, non-profit universities, etc.). (Al-Saadoun, 2023: 24). These tangible activities in everyday life invite us to rethink the relations between the economic and religious spheres through an approach that integrates, rather than opposes, the economic life and religious life. Rather than asking that religious practice hinders economic prosperity, we need to explore how religion brings coherence and meaning to human life, of which the economic life is an integral part.

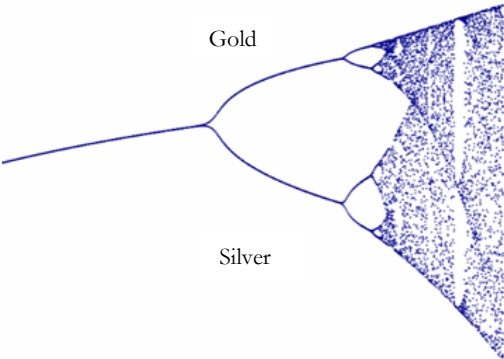
In his book *The Foundation of Human Societies: What Anthropology Teaches Us*, Maurice Godelier showed that in the tribal societies he studied, neither kinship nor economic relationships were the basis for the emergence of these societies nor the primary condition for their continued existence. Thus, the social relationships that were capable of establishing and legitimizing the sovereignty of



human groups over a territory, its resources, and its inhabitants were the ones that could generate a new society. These relationships are typically associated with the relationship with the divine and considerations related to the organization of community life.

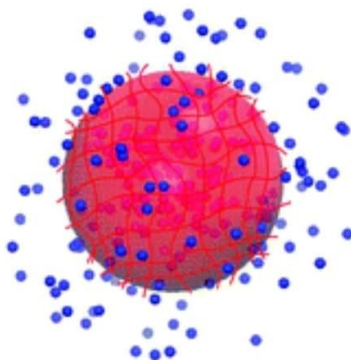
This result is valid for life in the Hejaz, where the religious factor has played an important role since Ibrahim renewed the construction of the sacred house with his son Ismail. In an article entitled Community, Society, Culture, Godelier (2010: 6) mentions the historical trajectory of Saudi 's society to support the point that what united a number of groups into a society was their religious and political relationships, which allowed them to establish a form of sovereignty over a territory, its inhabitants and its resources.

In this regard, the zakatable asset matrix could enrich the analysis of the Saudi Arabian economic diversification policy by broadening the scope of analysis beyond the purely financial dimension that predominates in contemporary literature whatever the discipline (Belabes, 2025d). While financialization leads to the increased commodification of various aspects of life by transforming them into financial assets, that Minsky's financial instability hypothesis, which posits that economic stability breeds its own instability, and the resurgence of the Minsky moment, can be likened to an entropic law (Lavoie, 1983; Rosser, 2020), the zakatable asset matrix helps us understand that such a process fuels an entropic dynamic that creates disorder (Belabes, 2019: 132). In the zakatable asset matrix, because gold and silver are part of a whole, they cannot evolve in isolation and therefore increase entropy. This symbolically opens the field to bifurcations, as illustrated in Figure 9.



**Figure 9:** Bifurcations from gold and silver as zakatable assets

Furthermore, gold, silver, and precious metals do not lose their value or increase in size or quantity by artificial means, unlike money created ex nihilo by commercial banks through interest-bearing loans, which artificially inflates, as illustrated in Figure 10. Theoretically, this means that anything backed by precious metals cannot grow artificially. Hence the need to distinguish between inflation and natural price increases. Inflation is a general and lasting increase in prices, while a price increase may be temporary and not affect all goods and services (Abu Yusuf, 1927: 48). The inflation can be artificially caused by four common factors: cost-push inflation, demand-pull inflation, imported inflation, and excess money inflation.



**Figure 10:** Artificial inflation of the money, figure borrowed from Weyer & Denton (2018), developed in another register

Such illustrations, which underlines the importance of unity in diversity, shows how important it is to preserve the words '*gold*' and '*silver*' in the *ahādīth* on zakatable assets and not to replace them with the word '*money*'. This preservation of the original words carrying precious meanings (Belabes, 2025e) illustrates divine creation which is manifested in great diversity, and invites us to diversify economic life which helps to strengthen resilience in the face of multiple crises, knowing that at present financialization in Saudi Arabia favors sustainability but not its dynamics in a regime of high sustainability (Alfalih & Tarek, 2022). Such a regime often involves the adoption of sustainable engineering systems, reducing resource consumption, minimizing waste, and promoting the green economy, circular economy, and bioeconomy (D'Amato & Korhonen, 2021).

It should be noted that while Hyman Minsky (1986) argued in his book *Stabilizing an Unstable Economy* that the capitalist financial system is inherently prone to instability and that periods of economic prosperity can lead to increased risk-taking, ultimately resulting in financial crises, in his latest book, *Our Dollar, Your Problem*, Kenneth Rogoff (2025) argued that living with the idea that most of the time in a world of inflation and low interest rates is wishful thinking. In a podcast, he admits that what prompted him to write the book was the observation that economists, financiers, and the media tend to extrapolate very short-term trends and believe that they will last forever.

## CONCLUSION

Economic life in the noble sense of the word is such a complex field that the more we deal with it, the more we realise the complexity of the task. The meaning of something beyond our understanding is a blessing because it strengthens our certainty in the Word of Allah: (*and little has been given to you knowledge*) (Qur'ān, 17: 85). At the same time, this meaning of the limitations of our knowledge drives us to redouble our efforts to learn more without contradicting or sanctifying anyone. In this respect, there is no single way to study economics. This finding is particularly relevant to the issue of economic diversification, which is of increasing concern to economists, governments and international institutions in order to strengthen the resilience of economies in the face of multiple crises, promote innovative entrepreneurship and the creation of quality jobs.

The success of economic diversification efforts relies on proactive reforms through dynamic and forward-looking measures, particularly through investments in skills, infrastructure, institutions and governance designed to ensure transparency, accountability, fairness and predictability in government decision-making. Despite common goals, each country takes a different path to diversify its economy due to its own historical development, as is the case in Saudi Arabia. The interest of the systemic approach to zakatable assets is to link economic life with the worship of Allah, which is a perspective-rich dimension that shows the limits of the conceptual field that hides more than it shows.

In this perspective, *al-khārīj minā al-ardh* (products of the earth) and *bahimat al-an'ām* (livestock) are the most important *zakatable assets* from a sustainability and resilience perspective, that promotes long-term perspective, about

fundamental priorities, ecosystem damage and biodiversity loss. This reading by meaning refers fundamentally to the question of engendering, which gives its letters of nobility to divine creation and, consequently, to the perpetuation of life on earth before the advent of the production of goods and services and the creation of stock market value through speculation. Given nihilism which denies any substantial reality through the financialisation of life, the fundamental nature from divine creation will always eventually find its rightful place.

This is all the more important with regard to the use of the words *dhahab* (gold) and *fidha'* (silver) in the list of *zakatable assets* and not that of *nuqud* (money). A reading by meaning reveals the path by which gold and silver are creatures, which refers to the Creator and, consequently, to the purpose for which they were created. In this respect, money must not engender its offspring. Money is a fiction without any reality, but whose existence is assumed by the law to fundamentally constitute the means of exchange. The monetization of life homogenizes society and the people who compose it by spreading the norm of '*how much?*', which modifies the relationship of man to his milieu, to others, to objects, and to himself.

These illustrations, which deserve to be explored in depth, show to what extent a reading by meaning of *zakatable assets* could open a new perspective, to research on economic diversification in Saudi Arabia, through introspective questioning, followed by a critical reading of established conceptual frameworks. Such introspective questioning and critical reading have the merit of arousing the pleasure of research, the challenge it represents, and the responsibility it involves.

Such questioning gives an idea about the importance of the meanings of *inṣāl al-māl* (sending down what is beneficial to life) and *tawlid* (engendering life), which broadens the scope of perspectives offered until now by connecting things that cannot be linked through the concept of production of goods and services and that of creation of value through stock market speculation. Hence the interest of the matrix of assets subject to zakat to enrich the analysis of the policy of economic diversification of Saudi Arabia by broadening its field of analysis beyond the purely financial dimension which predominates in contemporary macroeconomic literature.

As financialization leads to a system increasingly isolated from real life, the matrix of zakatable assets offers an opportunity to understand that such a process fuels an entropic dynamic referring to the natural tendency of isolated

systems to evolve towards a state of increasing disorder without possible exchange with an external environment without bifurcations creating new possibilities, leading to new horizons, and increasing the field of the possible through strong resilience which includes the capacity for qualitative rebound.

Beyond the mainstream discourse on competitiveness that limits life to '*adaptation to the market*' through the slogan '*be competitive or disappear*', the meaning of *tawlid* and *inṣāl al-māl* opens up possibilities to '*influence the market*', to '*create a new market*', and to '*overcome the commodification of life*'. Hence the importance of the literature on *Contested Commodities* (Radin, 2001) which focuses on what can be given but not sold, that is, on those particular inalienable things to which no price should be assigned (Radin, 2018), in particular the water that underpins the matrix of zakatable assets.

### ACKNOWLEDGEMENT

The authors gratefully acknowledge the contributions and support of all parties involved in this study. Their valuable input and cooperation are deeply appreciated.

### REFERENCES

- Abu Yusuf, Ya'qub (1927). *Kitāb al-Kharāj*. Cairo: al-Maktabah al-Salafiyyah.
- Al-Albani, M.N. *Saḥīḥ al-Jāmi'* (Vol. 1). Beirut: Al-Maktab al-Islami.
- Alfalih, A.A. & Hadj, T.B. (2022). Financialization, natural resources rents and environmental sustainability dynamics in Saudi Arabia under high and low regimes, *Resources Policy*, 76, 102593.
- Al-Farāhīdī, A. (2003). *Kitāb al-'ayn* (Vol. 3). Beirut: Dar al-Kutub al-'Ilmiyyah.
- Al-Jurjānī, A. (2022). *Asrār al-Balāghah*. Cairo: Maktabat al-Quds.
- Allais, M. (2024). *Economy and Interest: A New Presentation of the Fundamental Problems Related to the Economic Role of the Rate of Interest and Their Solutions*. Chicago: University of Chicago Press.
- Al-Saadoun, S. (2023). An Overview of Non-Profit Sector in Kingdom of Saudi Arabia, Abdelrahman Saleh Al Rajhi & Family Charity Foundation, Riyadh.
- Belabes, A. (2019). What can economists and energy engineers learn from thermodynamics beyond the technical aspects?, *Real-world economics review*, 88, 130–143.

- Belabes, A. (2020). The Limits of Indicators of Wealth and Poverty through the Prism of a Systemic Approach of Zakatable Assets. *International Journal of Zakat*, 5(1), 1–14.
- Belabes, A. (2022a). Limitations of the SDGs in the light of a zakat approach in terms of resilience. *AZKA International Journal of Zakat & Social Finance*, 3(1), 53–84.
- Belabes, A. (2022b). A new foundation of the phenomenon of money through a systemic approach to zakatable assets. *AZKA International Journal of Zakat & Social Finance*, 3(2), 1–34.
- Belabes, A. (2022c). Exploring the Zakatable Assets Phenomenon as an Open System. Paper presented to the 6<sup>th</sup> Annual Symposium on Muslim Philanthropy and Civil Society, Indiana University, from 31 October to 4 November 2022.
- Belabes, A. (2024a). I'jāz of the Qur'ān for Using the Words Gold, Silver and Not Money. *Journal of Quran and Tafseer Studies*, 3(3), 327–339.
- Belabes, A. (2024b). Money and Muslim Philosophers. In *The Palgrave Handbook of Philosophy and Money, Volume 1: Ancient and Medieval Thought*, edited by Joseph J. Tingley. London: Macmillan Palgrave, 677–692.
- Belabes, A. (2024c). Conceptualizing money creation as ḥabs in debt market. *Journal of Islamic Economics Lariba*, 10(2), 839–854.
- Belabes, A. (2025a). *Economic Life Beyond Economists*. London; New York: Routledge.
- Belabes, A. (2025b). Islamic finance, Artificial Intelligence, and the debt embedded in the ex-nihilo monetary creation system, *International Journal of Multidisciplinary Research and Analysis*, 8(2), 485–491.
- Belabes, A. (2025c). The quadriptych of rizq, ḥabs, ma'āsh, and 'umrān: insights from Hājar's statement on water rights, *Invest Journal of Sharia & Economic Law*, Vol. 5, No. 1, June 2025, pp. 90–108.
- Belabes, A. (2025d). The ḥabs as a common living heritage beyond cash waqf as deep financial innovation, *Asy-Syari'ah*, 27(1), June 2025, pp. 1–20.
- Belabes, A. (2025e). Conceptualizing the limits of the use of Generative AI in economic analysis via a deep meaning of ḥabs, *Journal of King Abdulaziz University: Islamic Economics*, 38(2), 1–15.
- Bertalanffy, L.V. (1968). *General system theory: Essays on its foundation and development*. New York: George Braziller.

- Cobb, C. W. and Douglas, P. H. (1928). A Theory of Production. *American Economic Review*, 18, 139–165.
- D'Amato, D. & Korhonen, J. (2021). Integrating the green economy, circular economy and bioeconomy in a strategic sustainability framework, *Ecological Economics*, 188, 107143.
- Eloi, L. (2016). *Nos mythologies économiques*. Uzès: Les Liens qui Libèrent.
- Girard, R. (2009). René Girard's last laugh. Stanford University Website.
- Godelier, M. (2007). *Au fondement des sociétés humaines: Ce que nous apprend l'anthropologie*. Paris: Albin Michel.
- Godelier, M. (2010). Community, society, culture: three keys to understanding today's conflicted identities. *Journal of the Royal Anthropological Institute*, 16(1), 1–11.
- Guénou, R. (2004). *The Reign of Quantity & the Signs of the Times*. New York: Sophia Perennis.
- Havrlant, D. and Darandary, A. (2021). *Economic Diversification Under Saudi Vision 2030: Sectoral Changes Aiming at Sustainable Growth*. The King Abdullah Petroleum Studies and Research Center (KAPSARC), Riyadh.
- Ibn Jinni, U. 2007. *Al-Khasa'is*. Riyadh: Dar Ibn al-Jawzi.
- Ibn Kathīr, I. (1999). *Tafsīr al-Qur'ān al-'Adhīm* (Vol. 7). Riyadh: Dar Taybah.
- Ibn Qayyim al-Jawziyyah, M. (2009). *Uddat al-Ṣābirin wa Dhakhīrat al-Shakīrīn*. Makkah: Dar Alam al-Fawa'id.
- Ibn Qayyim al-Jawziyyah, M. (2019). *Miftāḥ Dār al-Sa'ādah* (Vol. 1). Riyadh; Beirut: Dar 'Ataat al-'Ilm; Dar Ibn Hazm.
- IMD (2024). *IMD World Competitiveness Booklet 2024*. Geneva: World Competitiveness Center.
- Lavoie, M. (1983). Loi de Minsky et loi d'entropie, *Économie appliquée*, 36(2-3), 287–331.
- Magnouloux, H. (2024). Economie et religion. Une conférence pédagogique du dans le cadre du cycle Sciences Echos. 30 January 2024.
- Mannheim, K. (2015). *Ideology and Utopia*. Connecticut: Martino Fine Books.
- Minsky, H. (1986). *Stabilizing an Unstable Economy*. New Haven: Yale University Press.
- Nietzsche, F. (2008). *The Gay Science*. Cambridge: Cambridge University Press.
- OECD (2024). *How's Life? 2024: Well-being and Resilience in Times of Crisis*. Paris: OECD Publishing.

- Radin, M.J. (2001). *Contested Commodities*. Cambridge, MA: Harvard University Press.
- Radin, M.J. (2018). Beyond Commodification. *La Vie des Idées*, 1<sup>st</sup> November.
- Richards, I.A. (1928). *Principles of literary criticism*. New York: Harcourt, Brace & Co.
- Rogoff, K. (2025). *Our Dollar, Your Problem*. New Haven: Yale University Press.
- Romer, D. (2019). *Advanced Macroeconomics*. New York: McGraw-Hill Education.
- Rosser JB. (2020). The Minsky moment as the revenge of entropy. *Macroeconomic Dynamics*. 24(1), 7–23.
- Safwat, A.Z. (2023). *Jamharat Khutab al-‘Arab fi al-‘Usur al-‘Arabiyah al-Zākhirah* (Vol. 1). Beirut: Al-Maktabah al-‘Ilmiyah.
- Saudi Vision (2025). *Saudi Vision 2030 Annual Report 2024*. Riyadh: Publication of the Saudi Vision.
- Schumpeter, J. A. (1984). *Impérialisme et classes sociales*. Paris: Flammarion.
- Shaikh, A. (1974). Laws of Production and Laws of Algebra: The Humbug Production Function. *Review of Economics and Statistics*, 56(1): 115–20.
- Solow R. (1956). A Contribution to the theory of economic growth. *The Quarterly Journal of Economics*, 70(1), 65–94.
- Stiglitz, J., J. Fitoussi and M. Durand. (2018). *Beyond GDP: Measuring What Counts for Economic and Social Performance*. Paris: OECD Publishing.
- Todd. E. (2024). *La défaite de l'Occident*. Paris: Gallimard.
- Weyer, T.J. & Denton, A.R. (2018). Concentration-dependent swelling and structure of ionic microgels: simulation and theory of a coarse-grained model. *Soft Matter*, 14(22), 4530–4540.
- World Bank. (2019). Economic Diversification: Lessons from Practice. In: *Aid for Trade at a Glance 2019: Economic Diversification and Empowerment*, edited by OECD and WTO. Paris: OECD Publishing, 135–160.
- World Bank. (2024). *The Changing Wealth of Nations. Revisiting the Measurement of Comprehensive Wealth*. Washington DC: Publications of the World Bank Group.
- Zamakhshari, M. (1998). *Atwāq al-Dhabab fi al-Mawā'idh wa al-Khutab*. Al-Mansurah: Dar al-Fadhila.
- Zelizer, V. (2011). *Economic Lives: How Culture Shapes the Economy*. Princeton: Princeton University Press.