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Article

Financial Inclusion and the Goal of Distributive Justice in Islamic Economics

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ABSTRACT - The unprecedented level of income inequality and wealth concentration throughout the world today has pose a foremost challenge in the efforts towards realising inclusive and sustainable development. One of the means to achieve this 2030 Agenda that has been strongly promoted by the international community is through the concept of financial inclusion. The dimensions of financial inclusion, which include access, usage and quality of financial services for all have been demonstrated to have positive impacts on increasing the ability of the poor and underprivileged groups to improve their economic well-being. Additionally, the literature has also identified two additional financial inclusion features of Islamic finance namely risk-sharing and redistribution, which can further contribute to the goal of distributive justice as aspired in Islamic economics. Nevertheless, despite the numerous works on financial inclusion and distributive justice in the literature of Islamic economics and finance, a specific framework to link financial inclusion with the goal of distributive justice is still absent in the literature. Therefore, the objective of this paper is to conceptualize a framework that links the dimensions of financial inclusion with the three phases of realising distributive justice, i.e. pre-production, post-production, and redistribution. This conceptual framework provides the necessary theoretical foundation and operational guideline for the promotion of financial inclusion as part of the efforts towards realising the goal of distributive justice in Islamic economics.

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INTRODUCTION

Recent trends have witnessed an unprecedented level of income and wealth inequality. According to the World Inequality Report 2018, the top 1% in the world had twice as much income growth as the bottom half since 1980. Almost half of the world's wealth is now owned by just 1 percent of the population while the bottom half of the population together owned less than 1% of global wealth. The recently launched Sustainable Development Goals (SDGs) by the United Nations represents the international response to this predicament with the aim of promoting a more inclusive approach towards economic development that will benefit the poor and the

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underprivileged groups in terms of poverty eradication, reduction in inequality, and overall improvements in the access to opportunities, amenities and better quality of life. Also known as the 2030 Agenda, SDGs is the continuation of the Millennium Development Goals (MDGs) which ended in 2015 focussing on eradicating poverty in various dimensions. With a more holistic and comprehensive outlook on inclusive and sustainable development, SDGs have been expanded to address seventeen broad areas which include no poverty (SDG1), zero hunger (SDG2), gender equality (SDG5), decent work and economic growth (SDG8), and reducing inequality (SDG10), in which financial inclusion has been identified as one of the key enablers and essential catalysts in achieving these goals (Klapper et al., 2016). Financial inclusion has been also demonstrated to contribute to economic growth and sustainable development in Muslim countries (Kim & Hassan, 2018; Mustafa et al., 2018; Ivantri, 2019) and has positive impacts in uplifting the economic well-being of poor households (Swamy et al., 2014).

In the field of Islamic finance, the underlying Shariah rules and ethical principles governing the operation of Islamic financial institutions, in which the ultimate objective is to promote socio-economic justice and overall human well-being, have also been recognised as a promising tool to address the vulnerability of the poor, reducing inequality, enhance financial inclusion and promote sustainable development within the Muslim economies (Ahmed et al., 2015). The emergence of Islamic financial services in itself has improved the access of financial services among observing Muslims who were previously 'excluded' due to the prohibition of Islam against all forms of transactions involving *riba'* (Jouti, 2018). Additionally, the principles of risk-sharing and redistribution which characterise Islamic finance are two important elements of financial inclusiveness that can further promote inclusive growth and development (Mohieldin et al., 2011; Mirakhor & Iqbal, 2012). The concern over inclusive development is also in line with the concept of distributive justice which is part of the overall goal of socio-economic justice in Islamic economics (Furqani, 2019; Rahim & Mohamed, 2018). Ahmad and Hassan (2000) assert that it is the responsibility of policymakers in designing the right policy to ensure fair distribution in the allocation of economic resources towards achieving distributive justice in the society. Hence, given the important role that financial inclusion can play in promoting distributive justice, it is important that such initiatives are systematically strengthened in the economies of Muslim countries.

Nevertheless, despite the increasing number of works on financial inclusion in the literature of Islamic finance, and the discussion of distributive justice in the literature of Islamic economics, a specific framework to integrate financial inclusion with the goal of distributive justice in a systematic manner is still absence in the literature. In this regard, the main objective of this paper is to conceptualize a framework linking the dimensions of financial inclusion with the phases of realising distributive justice. As highlighted by Rahim and Mohamed (2018), discussions on distributive justice in Islamic economics remain largely at a higher conceptual level and lack of specific operational details relevant to modern times. This conceptual framework would provide the necessary theoretical foundation and operational guideline for financial inclusion measures as part of the efforts towards realising the goal of distributive justice in Islamic economics. For this purpose, this paper is organised as follows; after this brief introduction, Section 2 discusses the concept of financial inclusion and its dimensions, including special features of Islamic finance that further promote financial inclusivity. This is followed by Section 3 that elaborates the concept of distributive justice and its stages. Section 4 subsequently integrates the dimensions of financial inclusion and the phases of realising distributive justice. The dimensions of financial inclusion include access, usage and quality of financial services, while the stages for realising distributive justice include pre-production, post-production and redistribution. Finally, the last section summarises the discussion, highlights its implications and concludes the paper.

The Concept of Financial Inclusion

According to Schumpeter (1911), financial development can play a significant role in a country's economic growth, and evidence has been shown to this effect (Durusu-Ciftci et al., 2017). In the context of financial intermediaries, activities such as accumulation and mobilization of savings, the discovery of the channel for investment, and risk consolidation are among the financial services that facilitate this growth (Puryan, 2017). However, financial development alone may result in wealth concentration and increasing inequality as the growth is not 'inclusive' in nature (Cournède et al., 2015). Hence, financial inclusion must accompany financial development for a more inclusive and sustainable growth.

Financial inclusion is known as the access of formal financial services (Demirguc-Kunt et al., 2012) at a reasonable price particularly for vulnerable groups (Diniz et al., 2011). These financial services include payments and transfers, savings, credit, and insurance. Given the positive impacts financial inclusion has on the economic well-being of the poor and underprivileged groups in the country, numerous studies have been written on the measurement index for financial inclusion (Sarma, 2008). However, many of the studies have used different methods and indicators; and there is no uniformity in the dimensions of financial inclusion to represent the level of inclusiveness of the financial sector (Beck et al., 2009). Nevertheless, most studies on financial inclusion have focused on two essential dimensions which are access and usage (Beck et al., 2007; Sarma, 2008; Kendall et al., 2010; Honohan & King, 2009). In line with the encouraging success on the efforts towards financial inclusion in broadening the access and increasing the usage of financial services, G20 has introduced another extended dimension of financial inclusion namely the quality of financial services (Global Partnership for Financial Inclusion, 2016).

The concept of access can be understood as the equal opportunity or prospect for all segments of the society to use financial services (Camara & Tuesta, 2017). Claessen (2006) added that access refers to the availability of supply of reasonable quality of financial services at a reasonable cost. This entails the broadening of affordable financial services to all segments in the society particularly to the traditionally 'unbankable' groups such as the poor, vulnerable, underprivileged, micro and small enterprises, as well as those in the rural and under-developed areas of the country. Indicators of access to financial services include total number of access points, banking agents, auto-teller machines, bank branches, as well as their coverage and outreach in all administrative units in the country.

The second essential dimension of financial inclusion is usage. According to Claessens (2006), usage refers to the actual consumption of financial services in the society provided by financial institutions. Camara and Tuesta (2017) further characterised usage as the situation in which individual is holding at least one active financial product that allows making and receiving payments, having a savings account or having a loan in a formal financial institution. It is the actual usage of financial services that creates the difference. For instance, even as basic as having an account for payment services makes a great deal of impact on poverty. As shown by the experience of M-Pesa- a mobile-money account in Kenya, the ability of unbanked individuals to send money back to their home villages faster, more secured and at a low cost using this service has increased consumption and eradicated poverty for almost two-hundred thousand rural households (Suri & Jack, 2017). Similarly, the use of micro-credit from Islamic microfinance institutions has also improved the economic well-being of significant numbers of poor and unbanked households in Muslim countries (Adnan et al., 2020).

On the other hand, the quality of financial services dimension refers to the capability of the financial sector to cater to the demand from the society for financial services (Amidzic et al., 2014) and the extent of the financial institutions' ability to fulfil the expectation of customers on financial products offered (Korynski & Pytkowska, 2016). In other words, the quality of financial services dimension represents a more refine state of financial services experience where users of financial services are not only 'using' financial products but are able to make informed choice on the appropriate products suited to their needs. This may involve not only using basic facilities such

as payment services, savings and credit, but also insurance and investment services and financial planning. Additionally, the quality dimension also embodies the impact received by customers through the access and the usage of financial services (Herispon, 2019).

The literature in Islamic finance has also recognized the important role of financial inclusion to promote inclusive growth, contributing to the reduction of poverty and inequality. Religious consideration and lack of trust on conventional banking system have been the major issues among the population of Muslim countries that have resulted in financial exclusion (Ahmed Shaikh, 2018). The exclusion of Muslims in the financial services significantly impede their ability to benefit from important aspects of finance such as savings, credit, investment and risk protection which further aggravate their potential participation in economic activities (Kamran & Uusitalo, 2016). The development of Islamic finance industry which is based on Shariah principles has contributed to the reduction of this problem of financial exclusion among Muslims (Elzahi et al., 2020; Jouti, 2018). Additionally, the survey of literature revealed that there are important features of financial inclusion in Islamic finance which are absence in the conventional perspective. Despite adopting the mainstream definition, i.e. the delivery of financial services at an affordable cost to the underprivileged groups, Mohieldin et al. (2011) and Mirakhor and Iqbal (2011) added two elements of financial inclusion in Islamic finance which are risk-sharing and redistribution of wealth. These two elements are important aspects of Islamic financial system that can further enhance the impact of financial inclusion towards realising inclusive growth and the reduction in wealth and income inequality. Abu Seman and Mohd Ariffin (2017) extended these elements by identifying four special features of financial inclusiveness in Islamic finance through the access and usage of Islamic banking products, Islamic microfinance, *zakat* as well as waqf. The first two elements represent the role of risk-sharing and risk-taking nature of Islamic banking and microfinance products which are considered to be more just and equitable, while the remaining two elements represent the role of redistributive mechanisms in Islamic economics and finance through the institutions of *zakat* and waqf that can be mobilised for both social assistance and productive/income-generating purpose. These additional elements form important components towards realising distributive justice in Islamic economics.

The Concept of Distributive Justice

The precept of justice is considered as the central axiom in the development of Islamic economics and provides a comprehensive basis for its operational principles as well as its normative goals of realising socio-economic justice and overall human well-being (Ahmad, 2003; Barom, 2018). Major aspects of this normative goals, i.e. poverty eradication, needs fulfilment, equal opportunity, equitable distribution of income, reduction of extreme inequality, sustainable and holistic economic development (Chapra, 1979; Siddiqi, 1981), represent important features of distributive justice in Islamic economics. As highlighted by Iqbal (1988), distributive justice includes the guarantee of basic needs among the population, equitable income based on their contribution to economic activities, and the elimination of extreme inequality in income and wealth. Furqani (2019) further highlights a number of Qur'anic principles that govern the concept of distributive justice. The principle of *'adalah* provides the overall imperative of establishing justice in all spheres of economic activities at personal and social level; the principle of *amanah* reminds human beings that one's wealth is a trust from Allah and to Him belongs the absolute ownership of all resources; and the principle of *huquq* ensures the basic rights of everyone including the rights of others in one's income and wealth. These principles are supported by the concept of *kasb* which entails individuals to put effort in earning their livelihood and this effort serve the basis for an equitable reward; the concept of *rizq* which emphasizes that the provision to individuals are upon the discretion and will of God and hence inequality may exist in society as part of a test in this worldly life; and the concept of infaq which emphasizes the need to spend one's income and wealth in the way of Allah including the obligatory and voluntary charity such as *zakat,* waqf and general *sadaqah*.

The survey of literature by Haneef (1995) and Rahim (2015) reveals that contemporary Muslim jurists and economists have approached the discussion on the issue of distribution from different perspectives and emphasis; nevertheless, the approach to achieve the goal of distributive justice can generally be categorised at three levels, i.e. pre-production, post-production and redistribution. At the pre-production stage, the important considerations to ensure distributive justice include the concern on the rights to basic needs and the emphasis on equal opportunity, access, or ownership of productive resources (Rahim, 2015). Rights to basic needs, such as water, food, shelter, education, healthcare, and public transport are essential components for individuals to live a dignified life (Chapra, 2007). Hence, it is important that everyone has the opportunity to earn the required income in fulfilling their needs. Equal opportunity and access to education and healthcare for example, enable individuals to develop their productive capacity in the form of human capital to earn income from employment. Additionally, access or ownership of productive resources, such as the access to financial capital and land, enables individuals to involve in other forms of economic activities such as entrepreneurship and self-employment to earn their livelihood. Hence, any forms of monopolies, discriminatory practices or exclusions which deny the poor of their basic rights and impede their equal opportunity in accessing resources or other forms of productive capacity that create barriers to economic participation should be removed in order to ensure distributive justice.

The second phase of addressing distributive justice is at the stage of post-production which determines how national income generated from the production activities are divided among workers, land and property owners, entrepreneurs and business owners as well as capital owners, i.e. according to their respective economic functions. In order to realise distributive justice at this level of functional distribution, it is imperative that a just system of factor compensation is in place. This ensures that all parties who have contributed to the economy are equitably rewarded proportionate to their level of contribution; i.e. just wages for labour, just profits for entrepreneurs and business owners, and just returns for capital owners (Barom et al., 2016). This also necessitates that major sources of inequities in exchange and economic dealings, which are exploitative in nature or give unjust advantage over others, such as the elements of *riba'*, *gharar, maysir,* dishonesty, fraud, misrepresentation, and bribery, must be shunned to prevent injustice (Adebayo, 2010). Additionally, given the share of national income going to the individuals depends on their contribution to economic activities, enhancing the capacity and scope of the poor to participate in income earning activities can also improve income distribution towards the poor. In the context of financial inclusion, access to financial services such as micro-credit enables the poor to explore other income generating activities such as self-employment or micro-enterprises.

While recognising the importance of justice and fair compensation at the post-production or functional distribution level, Islahi (1993) emphasizes that more focus should be given to personal distribution, i.e. how the total income in the country is shared among different individuals and households which relates to the redistribution stage. The redistribution phase is aimed at providing assistance and social security for the unfortunate and underprivileged groups as well as reducing excessive inequality in wealth amongst the society. Despite all efforts to ensure a just and conducive environment for all to earn their livelihood, natural differential in endowments and abilities of individuals inevitably causes some to be more fortunate than others. It is the imperative of justice that vulnerable groups in the society such as the elderly, people with physical or mental disability, single mothers, orphans, and the poor are given the necessary assistance to fulfil their basic needs. Additionally, Islam prohibits the accumulation of wealth in the hands of a few as this may cause societal imbalance, leading in turn to corruption, misuse of economic power and injustice towards the weak or marginalized groups (McAuliffe, 2002). Hence, the obligation of *zakat* and the strong encouragement towards other voluntary charity such as waqf and *sadaqah*, represent the redistributive mechanism available in Islamic economics that can address both concerns at the redistribution stage. Recent developments have also seen that redistributive tools such as *zakat* and waqf are not only used to aid with needs fulfilment at the pre-production stage,

but also extended to support and enhance the ability of the poor and underprivileged groups to improve their income earning abilities at the functional level.

A Conceptual Framework Linking Financial Inclusion with the Three-Phases of Realising Distributive Justice

The discussion so far has highlighted important aspects of financial inclusion that can promote the realisation of distributive justice. Hence, this section proceeds to integrate the various dimensions of financial inclusion into the three stages of distributive justice as depicted by Table 1.

Table 1: A Framework Integrating Financial Inclusion into Three Phases Distributive Justice in Islamic Economics

Stage/Dimension	Access	Usage	Quality
Pre-Production Rights to basic needs and equal access or ownership of essential productive resources	• Access to basic financial services as essential requirement of modern life. • Ensure no barriers to access Islamic finance to remove self-exclusion. • Islamic microfinance institutions to reach out to targeted segments for financial inclusion.	• Removing cultural, documentation and cost barriers • Ensure equal opportunity to use financial services.	• Promote financial literacy. • Islamic financial institutions to educate existing and prospective customers. • Inculcate saving behavior
Post-Production Equitable and fair functional income distribution	• Access to financial services enables self-employment and entrepreneurship. • Enhance income earning potentials	• Equitable return based on risk-sharing. • Usage is promoted through affordable microfinance for self-employment and entrepreneurship. • Subsidized by funds from government, *zakat* and waqf	• Promote protection and sustainability of income

Redistribution Provision of social assistance and reduction of excessive inequality	• Ensure easy access to redistributive funds.	• Easy channelling of social assistance. • *Zakat* and waqf to support social assistance and reduce inequality	• Using redistributive funds to protect and sustain economic wellbeing of the poor. • Strengthen financial literacy and financially desirable behaviors.

Financial Inclusion at Pre-Production Stage

Rights to basic needs and equal access or ownership of essential productive resources have been highlighted earlier to be the major elements in ensuring distributive justice at the pre-production stage. In this modern world, access to basic financial services can be considered as a basic requirement of life and essential to economic well-being. Exclusion of access to basic financial services such as payment system, savings, or credit, due to poor outreach, high cost or other barriers would further intensify inequality and result in various forms of difficulties and vulnerabilities for the 'financially excluded' (Kamran & Uusitalo, 2016). Voluntary self-exclusion from financial services due to religious concern has also been a source of this financial exclusion. According to Jouti (2017), there are two groups of Muslims who can be excluded financially; strictly observing Muslims who do not want to deal at all with *riba'*-based conventional financial institutions; and the group of Muslims who maintain a very minimum participation in conventional financial system (e.g. only bank account for payment services) due to work and other essential requirements but will not use any other products such as loans, insurance or investments. Hence, the introduction of Islamic financial institutions will make these financial services equally accessible to these groups in the Muslim population. Access to financial services can further be improved through Islamic microfinance institutions which focus on the poor and marginalised groups with appropriate outreach. Easy access and proximity to these financial services can increase their financial awareness and build their confidence and trust to participate in financial services such as having financial account and develop saving behaviour. However, there are a number of barriers for the actual usage of these financial services among the poor and marginalised. Among others, these barriers include illiteracy and lack of knowledge, unwelcoming attitude of financial institutions' staff, documentation and deposits required for account opening, cost of maintaining accounts, and fees for payment services (Kamran et al., 2018). Relaxation of documentation requirement and affordable costs for these services will significantly reduce the barrier for the poor and marginalised groups in the society to actually utilise these financial services. This is an important aspect of financial inclusivity which ensure that the poor and marginalised groups have not only easy access to these financial services but also equal opportunity to actually make use of these services to uplift their economic condition.

In order to experience quality financial services, the poor should be able to make informed financial decision that suits their circumstances and need. In this context, financial literacy is key to ensure the poor to enjoy the best impact from the financial services used and should be pursued by policy makers. Similarly, Islamic financial institutions can also play their role in educating their existing and prospective consumers. Improved level of awareness and literacy would further inculcate financially desirable behaviour such as savings and expenditure planning among the poor, which can be useful to increase their potential income earning ability at the functional distribution phase.

Financial Inclusion at Post-Production Stage

The second stage towards distributive justice concerns with the fair and equitable post-production income distribution to everyone based on their economic functions in the resource market. This functional distribution of income is determined by individuals' ability to contribute to economic activities in terms of labour, land or other properties, capital, and entrepreneurial ability. Poverty, low level of education and lack of access to financial capital significantly limit the ability of the poor to contribute to production and earn their livelihood except through labour with potentially low level of income. This is worsened in some Muslim developing countries where the labour market is under-developed, and jobs are very limited. Hence, the role of self-employment and entrepreneurship is very important as sources of livelihood for the poor. However, this necessitates access to financial capital, which can be achieved through effective financial inclusion (Hall, Daneke & Lenox, 2010). The inculcation of desirable behaviour such as savings and expenditure planning at the pre-production stage would enable the poor to have access to some amount of savings. Additionally, the track record from the saving habits developed earlier can further increase the ease of access to credit facility. The access to financial capital either through savings or credit would result in a broader scope of income generating opportunities such as supporting self-employment in agriculture or engaging in micro-entrepreneurships in trading, services or cottage industries. Without access to financial services and capital, the poor and marginalised groups in the society are shunned from these potential earnings.

While access to financial services increase the possibility of poor individuals to earn more income, it is the actual usage that will transform the potentiality into reality. Usage of micro-credit has been synonymous to financial inclusion in empowering the poor and unbanked groups. However, there are many instances in which micro-credit has worsen the condition of the poor due to high interest rate and lack of transparency, making the microfinance institution diverging from its original ideal of social inclusion, i.e. achieving fair and full access to collective resources and activities that promote full participation in the society and economy (Ayub, 2015). Hence, Islamic microfinance must not follow profit-maximising objective as pursued by conventional institutions but instead hold true to the spirit of justice and equity in providing financial services to the poor. For the functional distribution of income to be equitable, there should be a fair and just reward for factors of production. This can be achieved through the system of risk-sharing built-in the Islamic banking and microfinance products which ensure fair dealings between financiers and entrepreneurs/customers, as opposed to the interest-based debt financing system of the conventional institutions. Additionally, to further enhance the usage of microfinance facilities among the poor, microfinance can be integrated with Islamic social finance to make it even more affordable. While government grants and concessions are the traditional approach used to subsidise these costs for the targeted groups, recent developments have seen funds from *zakat* and waqf being also utilised to support this scheme. This will enable even the poorest of the poor to be able to use the facility and benefit from them.

The quality dimension of financial services at this stage can be seen in terms of utilisation of more advanced financial services that can ensure protection and sustainability of income. This may include protection coverage in the form of *takaful* as well as financial planning involving investments and retirement plan. Without appropriate coverage, many poor households can return to poverty in the case of loss of income due to unfortunate events, accidents, injuries, business failure or natural disasters. For instance, farmers are vulnerable to adverse weather conditions such as flood, drought, and freezes, as well as damages from insect pests and disease. Similarly, beyond retirement age, the individuals may have reduced ability to work and hence would no longer be able to earn income through labour. Hence, appropriate financial planning to ensure sustainable income through retirement plan would ensure that they will not return to poverty at a later stage of their life.

Financial Inclusion at Redistribution Stage

Despite all efforts to ensure distributive justice at the pre-production and post-production stages, it is natural to expect that there will be some degree of unequal distribution of income and wealth in the society. In fact, due to disability, poor health, old age or any other reasons, some individuals would be unable to work and earn any income for their livelihood. This necessitates a system of redistribution in line with the concept of *huquq*, where the poor and the unfortunate have some rights over the income and wealth of the rich, as well as the concept of *infaq*, which refers to the strong emphasis given on charity for the poor and needy in the society. Social assistance programmes for the poor can be effectively administered if the targeted recipients are 'financially included'. Hence, access to financial services is essential for potential recipients to have access to redistributive assistance.

The actual usage of financial services, particularly holding a transaction account that allows transfer and receipt of funds, significantly eases the process of redistribution. Redistributive initiatives and social assistance programs from various entities such as from government, non-governmental organizations (NGOs) and corporate sector through corporate social responsibility (CSR) initiatives can be easily channelled into these accounts for the benefits of the poor and vulnerable groups in the society. In an Islamic economy, the presence of *zakat* and waqf system further strengthen the institutional structure for redistributive mechanism. This will not only provide assistance and social security for the unfortunate and underprivileged groups but also reduce excessive inequality in wealth amongst the society (Ahmad et al, 2006).

The quality dimension of financial inclusion in this phase can be represented by a more advanced use of financial services in the redistribution strategies for a more sustainable impact on the economic well-being of the poor. This can be in the form of a social security system for the most vulnerable groups in the society. For instance, subsidised or even free provision of *takaful* coverage on personal accident, medical treatment and loss of income can be rolled out for the target groups using *zakat*, waqf or other sources of government revenues. In terms of reducing the wealth inequality in the society, investment scheme supported by the government can be established to create a platform for the poor to have investments in financial assets and properties with the initial seed investment can come from the various sources of redistributive funds. Social assistance initiatives can also be integrated with relevant financial literacy programmes to inculcate financially desirable behaviours such as savings, household expenditure planning or children education planning. This would ensure a more sustained impact on the economic life of the poor and vulnerable groups.

CONCLUSION

The concern over the widening of wealth concentration, income inequality and socio-economic imbalances necessitate a systematic approach towards promoting distributive justice. The increasing importance of financial inclusion as part of a systemic approach in empowering the poor and marginalised groups to participate in economic activities and the special features of Islamic finance that promote equity can be very instrumental in realising this goal. This paper has therefore conceptualized a framework linking the dimensions of financial inclusion with the three stages in realising distributive justice. The emphasis on the rights to basic needs and equal access or ownership of resources at the pre-production level and equitable functional distribution of income at the post-production level are important requisites for realising distributive justice. Financial inclusion ensures poor households, vulnerable groups, and micro entrepreneurs to have their equal rights in accessing the financial system, make use of available services at affordable costs, exploit a wider scope of economic opportunities, and enjoy a more equitable share of income distribution. Additionally, the emphasis to provide assistance and social security to the poor, vulnerable and underprivileged groups in the society and reduce the inequality gap between the

rich and the poor at the redistribution level can be effectively administered if the targeted recipients are 'financially included'.

The framework developed in this paper has a number of important implications, both at the theoretical and practical levels. Firstly, the framework highlights the consistency between the concept of financial inclusion with the goal of distributive justice as aspired in Islamic economics. The mainstream dimensions of financial inclusion and the special features of Islamic finance can play an important role in the promotion of distributive justice at all stages. This provides a sound theoretical justification for pursuing financial inclusion as one of the means to realise the goals of Islamic economics. Secondly, the framework can also serve as the basis for operationalising the strategies towards promoting distributive justice. For instance, the current framework provides a matrix of policy options across the various dimensions of financial inclusion and stages of distributive justice. Policy makers can target specific dimension of financial inclusion at a specific stage of distributive justice depending on the circumstances, priorities or needs of the country. For this purpose, a further extension of this study can involve the development of a Maslahah-based framework as a tool to assist in the choice of policy options based on the priority and desired impact of financial inclusion strategies on the poor and vulnerable groups in the society.

Additionally, this framework can also guide possible integration of financial inclusion strategies at different stages so that the overall objective towards distributive justice can be addressed in a holistic manner. For example, strategies targeted at the redistribution stage such as to provide financial assistance to the poor can be integrated with strategies at the pre-production level such as increasing financial literacy, inculcating savings behaviour as well as expenditure planning among the recipients. This can in turn improve the recipients' ability to enhance their scope of income earning potentials at the functional distribution stage. To conclude, financial inclusion empowers the poor and the marginalised groups in various ways and enables them to tap into new economic possibilities and enhance their income earning potentials. While this is certainly good for realising the goal of distributive justice, it is also an essential component for a sustainable growth and development trajectory for a country.

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