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Gambling-free lottery, a new Islamic lending ticket

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Abstract

Purpose – This paper aims to present a new Islamic product called gambling-free lottery, which is inspired by ideas of Musharakah, Takaful and Al-qard Al-hasan, where the winner of the lottery receives the prize as an interest-free loan, and buyers of tickets get their money back after the winner's repayment of the loan.

Design/methodology/approach – The paper reports the religious opinions of three Islamic scholars who were interviewed for the purpose of this study. The results of a questionnaire to survey the mood of 430 persons about the new product are also reported.

Findings – The paper concludes that although the proposed product is still at an exploratory stage and not a definitive product acceptable to all Muslim society, it could be a successful Islamic financial product, provided that it was put into practice with some modifications to accommodate all Islamic views.

Research limitations/implications – Main limitations of this study are the number of Islamic scholars interviewed does not reflect all the Islamic views regarding the new product and the lack of more information about the religious side of this type of product.

Originality/value – By introducing such a product, the gambling-free lottery could become not only a means of credit provision but also a new method of playing a "game" while lending money to someone who is more likely to be poor. Converting the poor into the rich could overcome many problems, particularly in poor countries.

Keywords Takaful, Musharakah, Al-qard al-hasan, Interest-free loan, Islamic financial product

Paper type Research paper

1. Introduction

Over the past three decades, we have witnessed the emergence and rapid growth of many different Islamic financial products, in response to the new and differing financial needs of Muslim consumers. The rapid growth of these products can be attributed to their design and format, which are based on avoiding risk-free return, an unjustifiable increase of money-on-money (Riba) and uncertainty (Gharar). (Noor, 2011). Such design complies with Islamic values, or at least does not contradict Islamic law (Shari'ah).

Islamic markets currently offer a range of products to satisfy providers of funds and customers in different ways, such as for sales, trade financing and investment. Basic

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products include cost-plus financing (Murabaha), profit-sharing (Mudaraba), leasing (Ijarah), partnership (Musharaka) and forward sale (Bay' Salam). These products serve as the basic building blocks on which more complex financial instruments can be developed, suggesting that there is potential for financial innovation in Islamic financial markets (Iqbal, 1997).

The success of these basic Islamic products extends the market for more sophisticated Islamic products such as Istisna (Contract of Manufacture), Wakalah, Takaful and interest-free loan (Al-Qard Al-Hasan).

Musharakah (literally means "sharing") is a joint venture, where all the partners pay funds and have the right to take part in the management of the enterprise. Profits are shared in an agreed ratio, while losses are shared in the same ratio of the invested capital (Zin *et al.*, 2011).

Takaful is an alternative to the traditional insurance contract. A group of people agree to share a certain risk (e.g. a car accident) by collecting a precise amount of money from each subscriber. In case of loss to anyone in the group, such a loss is met from the collective funds. Losses are divided, and liabilities spread according to the system (Zin *et al.*, 2011).

Another important Islamic finance product is Al-Qard Al-Hasan. This term means "beneficial loan" or "interest-free loan". Al-Qard Al-Hasan is a kind of gratuitous loan given to poor people for a fixed period without charging interest or making a profit. The borrower of Al-Qard Al-Hasan is only required to repay the original amount of the loan. One of the main objectives of Al-Qard Ql-Hasan is to help needy people (Saad, 2012).

The reward that a person will get in the hereafter from giving a loan to someone who is in need is mentioned in several verses in the Quran. The following Quranic verse is taken from Surah al-Baqarah, verse 245:

مَّن ذَا ٱلَّذِى يُقۡرِضُ ٱللَّهَ قَرۡضًا حَسَنًا فَيُضَٰعِفَهُۥ لَهُۥٓ أَضۡعَافًا
كَثِيرَةً وَٱللَّهُ يَقۡبِضُ وَيَبۡصُۜطُ وَإِلَيۡهِ تُرۡجَعُونَ ﴿٢٤٥﴾

Who is he that will loan to Allah a beautiful loan, which Allah will double unto his credit and multiply many times? It is Allah that giveth (you) want or plenty, and to Him shall be your return (2/Al-Baqarah/245, translation: Yusuf Ali).

The proposed gambling-free lottery system is inspired by the ideas of Musharakah, Takaful and Al-qard Al-hasan.

This paper is organized as follows: Section 2 describes the proposed product; Section 2.1 explores the target market; Section 2.2 discusses some of the expected benefits to the local and global economies; Section 3 discusses the data and methodology used; Section 4 presents the results and analysis; and Section 5 presents the conclusions.

2. Gambling-free lottery

Gambling-free lottery is a new Islamic product which is based on the well-known Islamic products Musharakah, Takaful and Al-Qard Al-Hasan; it is a win-win situation, where nobody loses. According to Islamic values, Muslims normally do not play traditional lottery, because it is considered as gambling, which is taboo in Islam. This is supported by the following Quranic verse from Alma'idah, verse 90:

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوٓاْ إِنَّمَا ٱلۡخَمۡرُ وَٱلۡمَيۡسِرُ وَٱلۡأَنصَابُ وَٱلۡأَزۡلَٰمُ رِجۡسٞ مِّنۡ عَمَلِ ٱلشَّيۡطَٰنِ فَٱجۡتَنِبُوهُ لَعَلَّكُمۡ تُفۡلِحُونَ ﴿٩٠﴾

O ye who believe! Intoxicants and gambling, (dedication of) stones, and (divination by) arrows, are an abomination- of Satan's handwork: eschew such (abomination), that ye may prosper (5/Alma'idah/90, translation: Yusuf Ali).

Although gambling is unlawful in Islam, some Islamic countries permit gambling in different ways. Such permission is intended mainly for tourists. Beirut casino (for example) attracts European tourists. Malaysia also has long provided casinos for Asian tourists. Even Jericho, in the Palestinian West Bank, has opened a casino. However, in spite of restrictions against local gambling, it is not so difficult for Muslims to enter casinos (Lewis, 2003).

A form of the American television program "Who wants to be a Millionaire?" has appeared in Egypt and some other Islamic countries. On this show, a host presents simple questions, and viewers call in with their answers, hoping to win some money. However, participants must pay a high phone bill to answer. Only those who are selected (by lottery) play for money. This kind of show is condemned by some Egyptian religious authorities and considered as gambling, yet this program has remained popular among some Egyptians (El Deeb, 2001).

A similar show is running on the Middle East Broadcasting Center (MBC), which is called "The Dream". In this show, viewers send a text message containing the word "dream", the winner of the lottery will be called later to be asked some trivial questions, and then the winner is announced on the show according to their answers. The winner is called again to be asked about their dream to make it come true. The prize used to be 1 million US dollars; it has now increased to about $1,200,000 (MBC, 2013). The price of the message is about $1each; the size of the prize indicates that a large number of people from different Arab countries are texting the show. Some people send several messages to increase their chances.

In addition to MBC, there are many TV stations around the Arab world that have similar shows; for most of those stations, the message price is a fundamental funding source. "Al-haqiqaAl-dawliya" or "Fact international" TV is one example of such a station and broadcasts from Jordan. Here, gambling is practiced almost every day – ironically the owner and most of the workers in this TV station belong to the Jordanian Islamic "Wasat" Party.

According to the grand Mufti of Jordan, Sheikh Abdul Karim Al-Khasawneh, the previous types of shows are considered to be gambling and therefore unlawful in Islam (Al-Khasawneh, 2010).

Betting on horses used to be practiced in Sudan. It is banned nowadays by the authorities, but they have allowed traditional horse racing to continue. However, betting on horses has continued secretly (Lewis, 2003).

The Jordan Welfare Lottery is another form of gambling and has been running for a long time in Jordan, despite there being an official "Fatwa" (issued by the former grand Mufti of Jordan Dr Noah Ali Salman) showing that such a lottery is gambling and therefore unlawful in Islam (Salman, 2011). Nevertheless, some people are addicted to buying tickets.

The previous examples show that there is a desire to practice lottery and gambling by some people in Islamic countries. This desire is driven by different factors such as government policy, economic status and the wish to win a small fortune.

Wisdom behind the unlawfulness of lottery/gambling in Islam stems from several social problems, such as addiction to gambling, financial loss and the very small chance of winning. It is easy to say that lottery/gambling is taboo in Islam and people have to avoid it, but what is more challenging is to find a Shari'ah compliant alternative.

The objective of this paper is to propose a new form of lottery (which is not based on gambling) in an Islamic fashion, to fulfill the need (of some people) for such a lottery in the Islamic world and to provide new means of financial funding that is compliant with Shari'ah law.

To achieve this goal, this paper attempts to prove that the proposed lottery is not gambling and, therefore, is not taboo in Islam. In the proposed lottery, nobody gambles with their money, and the price of the ticket is returned by the winners after a period of time.

The proposed lottery works as follows: the customer buys a ticket, registers their name and other personal information and chooses a range of numbers. Then the ticket that contains the required information is sent electronically, using a specific electronic system. The individual retains the physical part of the ticket to make their claim for a prize should any of their numbers be the winning numbers (Figure 1).

In addition to purchasing a ticket at a shop, tickets may be purchased in many other ways, including – but not limited – to:

- *Online*: After registering and paying by direct debit or pre-loaded account.
- *Text*: Playing by text is possible after registering your mobile phone number.

Before the lottery draw starts, the organizing company deducts from each ticket a sum of money as an administrative fee (AF) to cover the cost of organizing and managing the events. For example, if the price of the ticket is JD 1, it will be sold at JD 1.1. Actually the customer pays the price of the ticket in addition to the specific AF that goes to the organizing company. This AF is not included in the jackpot, which is the sum of the real prices of the tickets.

The owners of the winning tickets receive the jackpot as an interest-free loan (Al-qard Al-hasan). After a specific period of time, the winners should return the borrowed money to the organizing company, which then returns the money to the owners of the (non-winning) tickets.

Optical character recognition can be used to recognize the chosen numbers. Those with the ticket number and other customer information such as name, national security number and address, should be sent and saved automatically in a database designed for this purpose. Keeping such information is important to keep track of customers (the owners of the tickets), so that the organizing company can send them their money after the loan is repaid by the winners.

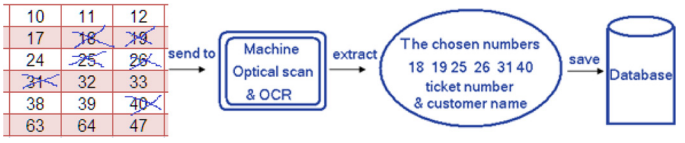


Figure 1.
The proposed electronic model for the proposed gambling-free lottery

The proposed lottery can be defined in terms of Musharakah (sharing), where all the partners share funding by buying lottery tickets. It can also be defined in terms of Takaful, where a group of people agree to share funding one or more of them instead of sharing a certain risk, with the right to get their money back. Customers are likely to choose to pay the AF rather than the winners of the jackpot, because the actual amount will be very small when divided by the number of participants, and this complies with Takaful.

In addition, the whole process complies with Al-qard Al-hasan, where poor people can borrow money and create their own business without charging interest or making a profit.

The organizing company carry out all the procedures required to guarantee getting the money back from the winners (after a specific period of time) by several different methods, such as paying by installments, mortgage, salary deduction, etc. If, for any legitimate reason (such as death) a winner cannot pay, and their estate did not cover the loan, then the whole loan is waived. Thus, the participants lose only the price of their ticket. Therefore, there is some degree of risk, and customers should be made aware of that. Otherwise the organizing company should take that risk.

The AF taken by the organizing company is to cover the costs of managing and organizing the event, including expenses such as ticket printing, advertising, employee salaries, agents' commission, etc. Moreover, a specific sum may go to charity.

However, some scholars argue that "an administrative fee or service charge for a loan transaction is not against Islamic principles" (Saad, 2012). For example, Irfan Ul Haq, in his PhD thesis, stated that: "Banks are permitted to charge a minimum service fee to cover the cost of administrative fee" (Haq, 1992).

2.1 The target market

The proposed system is designed for Muslims and restricted only to Islamic countries but could be developed wherever there is a sizeable Muslim community, which basically means anywhere in the world, if legislation in the host country allow such a system.

In addition, other (non-Muslim) communities could potentially be interested in playing by the proposed rules. Islamic products are tailored to fit the needs of Muslims, but normally, as far as we know, they do not contradict any other belief:

> Many Shariah-compliant firms reveal that not all of their customers are Muslims. For example, at the Jawhar Hotels, an alcohol-free Arabian Gulf chain, 60 per cent of the clientele are non-Muslims, drawn by the hotels' serenity and family-friendly atmosphere (Alserhan, 2010).

This might also be true for the gambling-free lottery. Western people, for instance, could play gambling-free lottery without having to lose all the price of the ticket. Who would not like this? Except for the winners, who (naturally) do not like to return the money!

The proposed system could be played in local communities – there is already something similar in Jordanian local communities – and perhaps in other countries, where people could decide on the ceiling amount of money, each person paying by monthly installment an amount which is equal to the sum total divided by the number of participants. The money could be collected at the end of each month, and agreement reached about who will take the money, each person only taking the money once, so that, by the end of the period, according to the number of participants per month, everyone gets back exactly what they have paid.

The previous system is called "Jamiah". Such a system has several problems, such as who is the first in the queue to get the money? This is decided sometimes by lottery, other times by agreement or voting. Obviously, the last person in the queue is the unluckiest one, because if they saved their monthly payments in a bank it would be – at least – more secure. Another major problem is the amount of money paid by each participant– it should be large enough to allow a larger loan, and few people can dispense large sums of money each month.

The proposed system solves the previous problem by allowing a large number of people to pay a very small amount of money, which is affordable by almost every one.

2.2 Expected benefits to the local and global economies

If the proposed lottery is actually put into practice, we expect it to be for the benefit of individuals and society at large. Lottery winners often start new businesses and the diverse effects of this can be distributed to individuals and communities in ways such as:

- creating new assets and investments;
- giving hope to poor people, thus affecting social psychology positively;
- creating new jobs; and
- increasing tax revenues.

Loans might be used for other purposes such as paying marriage costs, paying debts, higher education costs, health costs, etc. This could bring many benefits to society.

A large number of funding bodies already exist, but most of them charge interest. Islamic banks rarely offer interest-free loans, and when they do, the amount of the loan is very small. In contrast, the proposed lottery will offer large interest-free loans periodically.

As an Islamic product and similarly to the above-mentioned benefits, the proposed gambling-free lottery may provide many benefits to the global economy:

> The globalization of finance has allowed Islamic finance to thrive and there has been in recent years a fusion of sorts between Islamic and conventional banking. Whereas the traditional world of finance, dominated by commercial, interest-based banking, could raise potentially troublesome theological issues, the new world of finance, characterized by the blurring of distinctions between commercial banking and other areas of finance, the downgrading of interest income, and financial innovation, has been rife with opportunities for Islamic financial institutions (Warde, 2000).

Moreover, the phenomenon of traditional banks turning into Islamic form was reinforced by the success of these banks averting the recent world economic crises (Alani and Yaacob, 2012).

With the evidence of these facts, gambling-free lottery could be played all over the world by Muslims and non-Muslims. This would allow new enterprise to thrive all over the world by self (local) funding, offering new jobs and moving the economy forward.

3. Data and methodology

As part of this study, a survey was conducted of 430 persons, 340 of whom were students and staff at Mu'tah University, Jordan; the rest were people contacted online to complete an electronic questionnaire[1].

After describing the proposed lottery at the beginning of the questionnaire (in Arabic), the respondents were asked three questions regarding the viability of the idea of an Islamic lottery. These questions were:

Q1. Are you interested in the proposed lottery?

Q2. Would you buy a ticket if the proposed system is implemented?

Q3. Do you think that the proposed system complies with your principles (religion)?

Each respondent was asked to choose one answer for each question, given the choice of: *yes*, *no, not sure*.

To ascertain whether the proposed system is compatible with Shari'ah law (Halal: lawful or Haram: unlawful), three interviews were conducted for this purpose, with two Islamic scholars from the faculty of Shari'ah in Mu'tah University and one from the faculty of Shari'ah in Jordan University. The proposed system was described and discussed with them in detail to ascertain their views.

4. Findings of the study

Survey participants consisted of 47 per cent female and 53 per cent male, 96 per cent Muslims, 4 per cent Christians, PhD holders totaled 58, Master degree holders totaled 24 and the rest were either Bachelor degree holders, Bachelor students or less educated. The participants' ages ranged from 18 to 56 years, with the majority being in their 20s.

Table I shows responses to the above-mentioned three questions designed to measure the viability of the proposed system. This table reveals that about half of the respondents who participated in the survey are interested in the proposed system, are willing to buy a ticket and think that the proposed system does not contradict their religion/principles (Table II).

The analysis also shows that 68 per cent of the participants responded positively to any question, 30 per cent responded positively to all questions, 43 per cent responded negatively to any question and only 11 per cent responded negatively to all questions.

Table I.
The responses to the three main questions in the questionnaire, which show interest in the proposed product

	Yes		No		Not sure	
No. of question	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Q1[a]	205	48	148	34	77	18
Q2[b]	215	50	113	26	102	24
Q3[c]	216	50	72	17	142	33

Notes: [a]*Q1*. Are you interested in the proposed lottery? [b]*Q2*. Would you buy a ticket if the proposed system is implemented? [c]*Q3*. Do you think that the proposed system complies with your principles (religion)?

Table II.
Gender-based results

	Yes		No		Not sure	
No. of question	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)
Q1	46	50	35	33	19	17
Q2	49	51	25	28	26	21
Q3	50	50	14	20	36	30

Another interesting observation is the answers given by Christian participants in the study, totaling 16 (4 per cent of the population). In total, seven of them are interested in the Islamic lottery, five are not interested and the rest are not sure. Those results are based on Q1 answers. Naturally, they have their own reservations regarding Q2 and Q3 (see Table III).

Another observation concerns the 50 per cent of respondents who think that the proposed system is compatible with their religion. Knowing that most of the participants are students and staff from the Business and Science Faculties, we cannot rely totally on their views with respect to religion, because some of the participants (if not most of them) are ineligible to give such a judgment. We asked this question not to prove that the proposed system is lawful or not, but rather to see whether this system is acceptable to "normal" people (not highly educated in Islam) and complies with what they believe in from their own personal point of view.

Analysis also shows that there is no significant difference in the attitudes of the participants with regard to gender, religion, education level or age, except for some differences, such as the younger and lower educated respondents, who seem to be more enthusiastic about the proposed product (see Tables IV and V).

To investigate the proposed product's compatibility with Shari'ah, we interviewed Professor Hamad Al-Azzam, Professor Shweish Al-Mahameed, scholars in the Shari'ah Faculty at Mu'tah University, Jordan, and Professor Abbas Al-Baz, the scholar in the Shari'ah faculty at Jordan University, Jordan. In all meetings, we discussed and described the product to the interviewees as follows:

Table III. Religion-based results

	Yes		No		Not sure	
No. of question	Muslim (%)	Christian (%)	Muslim (%)	Christian (%)	Muslim (%)	Christian (%)
Q1	48	44	35	31	18	25
Q2	51	19	26	44	23	38
Q3	51	19	17	19	32	63

Table IV. Education-based results

	Yes		No		Not sure	
No. of question	High (%)	Low (%)	High (%)	Low (%)	High (%)	Low (%)
Q1	29	52	46	32	24	16
Q2	35	53	38	24	27	23
Q3	24	56	27	14	49	29

Table V. Age-based results

	Yes		No		Not sure	
No. of question	Young	Old	Young	Old	Young	Old
Q1	53	32	33	39	14	29
Q2	55	34	24	32	20	35
Q3	56	32	15	23	29	45

> We propose a new Islamic product called Islamic lottery, which is based on a win-win situation. The proposed lottery is different from the normal type of lottery in a way that makes everybody a winner. The proposed lottery works as follows: the customer buys a ticket, registers their name and address, and chooses a range of numbers. Then each person sends the ticket containing this information electronically. They should retain the physical part of the ticket to make a claim for a prize should their numbers be winning numbers.

Before the lottery draw starts, the organizing company deducts a sum of money (administrative fee) from each ticket to cover the cost of organizing and managing the events. The owners of the winning tickets receive the rest of the money (jackpot minus administrative fee) as an interest-free loan (al-qardal-hasan). After a specific period of time, the winners should return the borrowed money to the organizing company, which in turn passes on the money to the owners of the (non-winning) tickets.

After that, each of them was asked: "Do you think that the proposed Islamic lottery, as described, is compatible (Halal) with Islamic Shari'ah law?"

Professor Hamad Al-Azzam replied:

> Such loans which are based on lottery, where the winner borrows and returns the money as agreed on, and the participants pay the expenses of the organizing company are lawful in Islam if it satisfies the following conditions:
>
> - The amount of the administrative fee that is paid to the organizing company by the participants should be enough only to cover the real expenses and not more, i.e. non-profitable organization. This is important, so such fees will not be an excuse for Riba (money on money interest).
> - The organizing company should not be a fraudulent company, by taking people's money, or an excuse for gambling in Islamic fashion. This is to obey the following Quranic verse which is taken from Surah Al-Nisa', verse 29:

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُواْ لَا تَأۡكُلُوٓاْ أَمۡوَٰلَكُم بَيۡنَكُم
بِٱلۡبَٰطِلِ إِلَّآ أَن تَكُونَ تِجَٰرَةً عَن تَرَاضٖ مِّنكُمۡۚ وَلَا تَقۡتُلُوٓاْ
أَنفُسَكُمۡۚ إِنَّ ٱللَّهَ كَانَ بِكُمۡ رَحِيمٗا ٢٩

> O ye who believe! Eat not up your property among yourselves in vanities: But let there be amongst you Traffic and trade by mutual good-will: Nor kill (or destroy) yourselves: for verily Allah hath been to you Most Merciful!' (4/Al-Nisa'/29: translation: Yusuf Ali). (Al-Azzam, 2013).

Professor Shweish Al-Mahameed replied:

> I see that such a company is *unlawful* in Islam. I support this conclusion with the following evidence:
>
> - The name "Islamic lottery" is wrong in Islam, it is unlawful to attribute taboos to Islam, and by calling it Islamic lottery you are attributing gambling (lottery) to Islam. This is unlawful as if someone says about marriage "it is Islamic adultery". That's because a different name and description allow a new Shariah judgment, so changing something and naming it as gambling (lottery) takes the same judgment of gambling which is unlawful (Haram) as Allah says in the Quranic verse 90 sorah Alma'idah.

- A man owns his money by legal means, gets profit by sharing his money, labour or both. His ownership is clear with no suspicion. If the ownership of the money is suspected with another man, a man should prove his ownership of the money by providing convincing evidence. If no evidence and both men are equally correct in their allegations then we can use lottery for judgment. We can't use lottery if we know the real owners, although lottery is justified in such circumstances, but it is conditional by not knowing the real owners in suspicious situations. Still there are many differences in the opinions among the four schools of thought in Islamic Law (Hanafi, Maliki, Shafi'i and Hanbali). The Hanafi School, for instance, sees the lottery opposite to the primary sources of Shariah, and therefore cannot be analogically deducted.
- An interest-free loan is a voluntary contract based on charity and trust between lender and borrower, while in the proposed company those lenders and borrowers might not know each other. From the Shariah point of view it would be unlawful if the lender's purpose was to get benefit from his lending. A loan (that brings benefit to the lender) has different views among Islamic scholars, but what is unlawful is to have conditional benefits to start the loan.
- The proposed company did not show how to guarantee the collected money. If this money has gone during collection or before lottery, how to guarantee people money?
- The winner who wins the money for the first time, they can buy a ticket in the next draw, and may win again. The proposed system did not exclude them from entering the lottery. This is unfair for the rest of the participants, and this is the wisdom behind the unlawfulness of gambling. Injustice is one of the reasons for unlawfulness in Shariah law.
- The purpose of participants in the proposed lottery is to win the loan, and not charity, they lose winning the loan, and they lose the administration fee, except for the winner, and this is the core of gambling.

To make this company lawful according to Shariah law, I suggest the following:

- Call it a lending company.
- Administration fee should be determined previously, and not increased as the number of participants increases, i.e. fixed amount of money deducted each time before the lottery starts.
- The loan period, the date of receiving money and the bodies that guarantee money back should be determined precisely.
- For serving justice, the winners should be excluded from the next draws.
- Money back guarantee should be served even in the case of death (Al-Mahameed, 2013).

Professor (Al-Baz, 2013) replied:

> This issue needs further research and Shariah rooting to stand on its jurisprudential origins. You also need to get away from the word lottery, because this term is associated with a prohibited action, which is gambling. There are a lot of questions that must be answered in terms of Shariah, such as:
>
> - It is imperative to determine the price of the card, which its owner did not win, and where will this money go?
> - How much will be returned to the owner of the ticket from the total money borrowed?
> - And how to determine the actual cost of borrowing expenses? (Al-Baz, 2013).

As can be seen from all views, specific *procedures* should be maintained to make the proposed system lawful and compatible with Shari'ah law. While the idea itself is

lawful, the proposed procedures could be studied thoroughly by sharing with other Islamic scholars.

According to the interviewees, those procedures include: the loan period; such a period should be determined precisely, so the ticket buyer will be able to know when they will get their money back (the price of the ticket). The organizing body should make use of all the possible means to guarantee the loan.

There are some interesting views put forward by all scholars, including: avoiding gambling and fraud, and having a fixed AF. A fixed AF could be applied through a not-for-profit organization or a governmental organization, like the British National Lottery. So, all expenses should be calculated beforehand and added to the price of the tickets.

The second interviewee pointed out that the word "lottery" means gambling. We think that the word "lottery" is associated with gambling, but this does not necessarily means it *is* gambling, as we think it means a draw. According to the Merriam-Webster's online dictionary, the word "lottery" has several meanings (Lottery):

- "A drawing of lots in which prizes are distributed to the winners among persons buying a chance".
- "A drawing of lots used to decide something".
- "An event or affair whose outcome is or seems to be determined by chance".

From the second and third definitions of the word, even room assignments can be determined by lottery; therefore, it is not necessarily the word "lottery" that means gambling in the English context. The first definition of the word, on the other hand, states clearly that lottery indicates gambling.

Accordingly, we think it is better to rename the proposed system "gambling-free lottery, an Islamic lending ticket" instead of "Islamic lottery". This avoids the misunderstanding driven by the word "lottery".

Other procedures which we have ignored in this research might lead to gambling, such as deducting the whole price of the ticket without returning it to the participants after the loan is paid. In addition, the second interviewee disagrees about a winner buying another ticket, calling that "unfair" if that person wins again. The opportunity for a person to win again is very slim; for example, if the number of participants is 100,000, the probability of winning is 1/100,000, while the probability of winning again is 1/10,000,000,000. This is a very small probability and can be ignored.

Enlightened with the interviewees' opinions and to deal with opinions and conditions put by the second interviewee, we changed the description of the proposed product as follows:

> We propose a new Islamic product called Gambling-free lottery, which is based on a win-win situation. The proposed lottery is different from the normal type of lottery in a way that makes everybody a winner. The proposed lottery works as follows: the customer buys a ticket, registers their name and address, and chooses a range of numbers. Then the individual sends the ticket containing this information electronically, retaining the physical part of the ticket to make a claim for a prize should their numbers be winning numbers.

Before the lottery draw starts, the organizing company deducts a fixed sum of money (administrative fee) from each ticket to cover the cost of organizing and managing the events. If the cost is covered, the rest of the administrative fee goes to charity. Therefore

the organizing company should be a non-profit company, perhaps a government agency, which is more capable of guaranteeing the loan.

The owners of the winning tickets receive the rest of the money (jackpot minus administrative fee) as an interest-free loan (al-qard al-hasan). After a specific period of time, the winners should return the borrowed money to the organizing company, which in turn passes on the money to the owners of the (non-winning) tickets.

The second interviewee, Professor Shweish Al-Mahameed, was interviewed again to discuss the new description of the proposed product. He stated:

> This is good, I think your product has become more likely to be an Islamic financial product. With further studies and more critics it will become much better from an Islamic point of view (Al-Mahameed, 2013).

Our limited evidence from a small sample questionnaire (430 persons) and a small number of interviewees (three Islamic scholars) suggests that the proposed system could be a successful Islamic financial product, provided that it was put into practice with some modifications to accommodate all Islamic views.

5. Conclusion

Overall, the results of the survey revealed that about half of the participants are interested in the idea of the proposed gambling-free lottery. We argue that if the participants had known previously that some well-known Islamic scholars had given their conditional approval to the proposed product, the number of positive responses would have increased significantly.

Based on the limited evidence in this study, the proposed gambling-free lottery is found to be applicable to finance different economic activities and primarily compatible with Islamic Shari'ah law, providing that all related procedures are modified and reassessed.

By introducing such a product, the gambling-free lottery could become not only means of credit provision but also a new method of playing a "game" while lending money to someone who is more likely to be poor. Converting poor into rich could overcome many problems, particularly in poor countries.

Future work will include further investigation regarding compatibility with Islamic Shari'ah law, focusing on the religious issues, including all related procedures which should be studied thoroughly to ensure that every single detail is compatible with Shari'ah law. As our proposal is still at an exploratory stage and not a definitive product acceptable to all Muslim society, further assessment on the benefits as opposed to the negative consequences/harm based on "usulfiqh" is left to future work. This will be done through asking "Fatwa" boards in different Islamic countries.

Note

1. The link to the questionnaire is available online at: www.surveymonkey.com/s/SC8FFCM

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Further reading

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