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## The New World Order, Muslim Predicament, and the Way Out

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### ABSTRACT

*The article highlights the emergence of the New World Order which is primarily led by the U.S., and the challenges that it poses for Muslims. It looks at how economic and religious factors can shape world history. The main aim of nations is to try to achieve dominance over one another, which can lead to forceful nations enslaving weaker ones. The New World Order comprises of privatisation, globalisation, and liberalisation. These do not come without their own problems, for instance, globalisation cannot be applied in the same way to the difficulties individual countries face. Weaker countries often find themselves at a great disadvantage and are subjected to the control of more powerful countries. The article also looks at the U.S. invasion of Iraq, which actually serves its own economic purposes, as well as examining the sales of arms. The gap between the rich and the poor has steadily widened, as although the population itself has increased, the income of the poor has remained stagnant, whereas the rich have seen their income continue to increase. Muslims themselves seem to be in a vulnerable position economically as they are morally and politically divided. Colonialisation of Muslim countries did leave them with positive contributions in some areas; it also however, had harmful effects, such as exploiting their economy*

*and separating religion from politics. Yet, the most damaging was the secularisation of education. This has resulted in a lack of religious content in the curricula, and has forced the emergence of two divisions, which are modern Islam and conventional Islam. The author stresses that Muslim countries should work together to alleviate their economic situation and to reorganise their education system in order to enable them to bravely face challenges of the New World Order.*

## INTRODUCTION

*Time was when the world danced to our band  
Time is when stones stare at us on every hand*

(Translation of the author's Urdu couplet)

This paper attempts at identifying the contours of a New World Order under a unilateral paradigm currently taking shape under the US dominance. Its impact on, and implications for, various countries are going to be different but ultimately none would remain unaffected – developed or developing.<sup>1</sup> The position of Muslims in the unfolding scenario looks especially precarious because of factors both internal and external to the community. The paper seeks to highlight the challenges the New Order poses for the Muslims and deliberates on what could be a way out of the predicament that stares them in the face. We begin in the following section by identifying the broad contours of the evolving New World Order, the ends it is intended to serve, and the forces that are being marshalled to give it a more precise shape. We shall base our analysis on the assumption that mainly two factors tend to chart the course of world history over time:

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<sup>1</sup> A first precaution seems to be the creation of the European Union and its common currency, the Euro. Protests voiced by France, Germany and Russia on an American-led invasion of Iraq are presumably pointers to a realisation of uniting to thwart the threat the US may eventually pose to the interests of the developed countries as well. There is room for presumption that the world may not remain uni-polar for long.

economic and religious, perhaps the former being more dominant.<sup>2</sup> Even politics is led and shaped mostly by economic forces. In Section 3 we shall deal with the causes that pushed the Muslims over time into the mire of despair and disarray that they are in today. Section 4 attempts at providing some guidelines for pulling them out of their current predicament and help them adjust, without much injury, to the politico-economic changes that are fast engulfing the globe. The paper folds up in Section 5 with a few concluding remarks. We shall focus primarily on economic stimulants that underlie the march of change towards a New World Order. Their ramifications will become clearer as we proceed with our discussion.

## 2. THE NEW WORLD ORDER

The emerging New Order that confronts Muslims, and others, in the developing world today, is not, to be sure, something that has overtaken the world all of a sudden. It is but a *stage* in a continuing process that can be traced back as having started from the dawn of human civilisation – the stepping of Adam on planet Earth.<sup>3</sup> It is a process of unceasing change that treats with disdain the old structures – social, economic, and political – and replaces them with the new and usually acclaimed as the better ones<sup>4</sup>. The human instinct of creativity, adventure and self-

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<sup>2</sup> See Alfred Marshall, *Principles of Economics* (8th Edition, New York: Prometheus Books, 1997), p.1, for this interesting observation and supportive reasoning.

<sup>3</sup> The Qurānic story of Cain and Abel – the two sons of Adam – is both interesting and instructive. Cain, defying his father, killed Abel to have the girl he wanted to marry. Thus, the first page of human history was tainted with murder, breeding strife, war, malice, segregation, and social fragmentation among the successive generations of Adam, ending the unity of mankind. It is obvious that Cain persists to live in human history simply because Abel is dead, even as his followers exist. For a fuller account of the story, and its ramifications for the future of mankind, see Ali Shariati (1982), pp. 38-42.

<sup>4</sup> Joseph A. Schumpeter – Marx upside down – explains in his book *The Theory of Economic Development* (1932) the capitalist process of what he

promotion, plus the lust for power, is the fountainhead of this change. The ambition of nations has ever been to bend the process of achieving economic and social dominance over others. The so-called New World Order may wear whatever garb it chooses but that would seldom be more than an ornamental cover around a nationalistic economic agenda. The baring of forms, the camouflage assumed through history would probably be a good, rather necessary, step to understand the character and *modus operandi* of the evolving social dynamics and natural resources including labour force—the primary means of production – have since, the very inception of nation states on the globe, been unevenly distributed among them.

This uneven distribution initially led to a wave of powerful nations enslaving the weak among them.<sup>5</sup> Later on, a small band of French economists known as the Physiocrats – the believers in the ‘Natural Order’—proposed the theory of free trade around the middle of the eighteenth century. In the course of time, the doctrine won universal support after the classical writers—David Ricardo, especially—demonstrated its beneficent character for all. The doctrine soon became the hallmark of capitalism as it harmonised well with the institutions of private ownership of property, and the democratic political setup of the system.

The march of the doctrine has been almost unimpeded except for a temporary challenge it faced when Friedrich List’s *National System of Political Economy* (1841) made its

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calls the notion of ‘*Creative Destruction*’. There, he eulogises inventions and innovations as wheels of change and progress on which capitalism travels on a road to progress. But he does not uncover the political ambition of nations to carry the process across their borders in a competitive game of colonisation of the weak, physical or mental, by the powerful.

<sup>5</sup> The economic thought that dominated the world for over three hundred years after 1500 is loosely characterised in history as Mercantilism. Even as their ideas were chaotic, Mercantilists had a systematic exhortation for acquiring means of conquering other countries for self-enrichment. Interestingly, they pleaded for restrictions on freedom of trade with other countries if it went against the interests of the powerful, rulers especially.

appearance in Germany.<sup>6</sup> Later on, the communist revolution in various parts of the world confronted it with a serious threat. Meanwhile, the free trade gospel had assumed the rather exalted nomenclature of liberalism, a term with wider import, encompassing all aspects of human existence: economic, political, social, and cultural and, in some ways, even moral. It meant freedom of trade but also the expansion of the private sector, replacement of despotic rulers with elected governments, enforcement of human rights, empowerment of women, protection of workers, and above all the divorce of religion from politics.<sup>7</sup>

The New World Order contains all this, and much more. Its cutting edge is the force, direct and indirect, that is being used to push it down the unreceptive throats resulting at times in anguish and pain. Essentially, the order stands on three legs—privatisation, globalisation, and liberalisation—that work in unison with one another in a circular relationship. Privatisation means that future expansion of productive capacity in all economies must take place as far as possible through private initiative. Not only that, the current sprawling public sectors had to be slimmed down through sales of production units to private companies. Thus, transportation, power generation, means of communication, infrastructure development, housing, health care, even education, are being commercialised. In short, the supremacy of the impersonal market forces is throwing overboard caution and planning in favour of profit pursuit even if private gains were at public cost. This is understandable as capitalism by its very name must be a system that grants priority favours to capital owners. The meaning of globalisation is not yet very clear; the term does not raise the same image in the

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<sup>6</sup> On this challenge and its relevance to the present day developing economies, see Hasan (2003).

<sup>7</sup> For example, see Opello (1999 p. 44): “The distinctive political architecture of the feudal ‘state’ was one in which economics, social status and custom and political power, were tightly intertwined. In the modern state these would become separate fields related hierarchically.”

minds of all people. A commonly – used definition is the one proposed by the IMF. We reproduce it below:

“Globalisation is the growing economic interdependence of countries worldwide through the increasing volume of cross-border transactions in goods and services and of international capital flows, and also through the rapid and widespread diffusion of technology.”<sup>8</sup>

Thus seen, in the globalisation kit the free trade element is a continuation from the old regimen of capitalism. Unrestricted capital flow across national borders from accumulating surpluses is emphasised to occupy a place of dominance *within* the developing economies to mainly utilise their resources for the benefit of the mother country; collateral advantages, though, may also flow to the people of the host nation. This cannot be done smoothly and with speed unless foreign investors are allowed to have products and technologies of their choice appropriate, though these may or may not always be for the developing nations.

Finally, liberalisation has probably assumed a rather narrower connotation in the New World Order. It is now more of a technical instrument intended to facilitate the process of globalisation. It comprises three components: privatisation of financial institutions, their deregulation, and removal of controls over money transactions *within* or *between* nations. Thus the term liberalisation *de facto* refers to what is now called *financial* liberalism. Under its impact banks are being advised—even forced—to enlarge their size through mergers, for example. Banking laws are being reviewed to relax public regulation of financial institutions. Controls over investment—local or foreign—are becoming lax and scarcer. Capital is flowing almost unabated across national frontiers.<sup>9</sup> It comes about what

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<sup>8</sup> IMF: *World Economic Outlook* (May, 1998), Washington DC.

<sup>9</sup> So much aversion has been created against controls that when Malaysia resorted to selective exchange and capital controls to arrest the 1997-1998 financial crisis, many eyebrows were raised at home and abroad, even though results later on won many converts.

we call the 'New World Order' is a well-oiled mechanism now under operation on the economic front and embodies attributes of coercion, undue influence and misrepresentation to obtain the consent of the unwilling to what the powerful among the nations may want to do. Presently, it is just one nation, the USA, which wields the stick—carrots too—to promote its interests in the name of "international community."<sup>9</sup>

It is recognised that globalisation cannot be seen as a 'one-size-fits-all' affair to resolve the difficulties individual countries face even on the same front, say, for ameliorating income disparities or reducing poverty.<sup>10</sup> However, the logic of flexibility falls short in implementation of what is needed; so at least is the perception of most developing nations, which the ground realities tend to support.

The complaint of the developing world is that the rules of the game are decided arbitrarily, and their application is often discriminatory; the developing nations often find the scales tilted against them. There is perception of an in-built clash between globalisation and national liberty. The US-led invasion of Iraq seems to have deepened that perception all the more. The action endorsed the age long saying that 'might is right'. It is now clear, if it ever was not, that the Atlantic cousins invaded Iraq not because it had weapons of mass destruction, but because it sits on vast oil resources.<sup>11</sup>

There often is no sanctity of international agreements in the eyes of the powerful. The USA, for example, walked out of the Kyoto Protocol of 1997 on environmental care on the plea that it was not in its national interest; meeting responsibilities under the agreement would raise cost of production, reducing the process competitiveness of the country in the world markets. The turn back could not afford to forget the developing countries. They were blamed for not fulfilling their part under

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<sup>10</sup> See International Chamber of Commerce brief on globalisation, November 22, 2000.

<sup>11</sup> American economy essentially is oil-based, while Iraq has the better and longer lasting reserves of oil extractable at relatively low costs.



the agreement implying: why should then the USA meet its own? Examples can be multiplied.

The developed economies, US in particular, have been using the UN and its various organs, especially the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO), as agents for subjugating the weaker developing nations to their advantage. The latter have often to sign on dotted lines, due to the compulsion of circumstances not always self-created, accepting the terms in the agreements even if not conducive to them. Mounting debts, inappropriate monetary reforms, and unhelpful fiscal policies invariably follow suit. For example, the day (July 31, 2003) Thailand fully cleared the IMF loan of \$14.5 billion taken as part of an assistance package in mid-1997 to overcome the financial crisis it was then facing, its Prime Minister vowed in a live television broadcast to the nation that "the country would never enter into the bail-out-support system of the US-based financial institute again."<sup>12</sup>

Blocking the entry to the WTO until stipulated conditions were met, albeit all of them may not be in the interest of the country concerned, serves the same purpose i.e. it puts the developed nations in an advantageous position. That is one reason why negotiations are inevitably complicated and prolonged. Once in, the application of rules is often discriminatory. Political excuses, imposition and policing of the sanctions, adoption of double standards in the case of environmental issues, human rights, or treatment of workers, and so on, are other ways to achieve the same sort of sordid ends.

The main end, to reiterate, is to capture or retain control over resources needed for production. After the Second World War, the scenario in this regard has undergone a radical change. This change has to be understood. During the second half of the preceding century the world witnessed a tremendous expansion in the output of goods and services. The volume for the period has been larger than humanity could produce during the entire span of its existence on the planet prior to 1950. Even as the

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<sup>12</sup> See New Straits Times, August 2, 2003, Business section p. B1.

plates on the dining table of the world have more than doubled during the period, on an *average* they are better filled than ever before. Thus, the unparalleled expansion of output has benefited the poor of the world as well. It is noted with satisfaction "that in 1990, 30 percent people in the low and middle income countries lived on less than \$1 a day. By 1999 the share had fallen to 23 percent, representing 1,170 million people living in extreme poverty. During the same period the population of low and middle income countries grew by 15 percent to 5 billion and their gross domestic product (GDP) grew by 31 percent."<sup>13</sup>

This overall picture looks somewhat bright, though extreme disparities in wealth and income distribution characterise the scene. More revealing in the present context, however, is what is happening to the comparative position of the low and middle-income countries in juxtaposition with the high-income countries. Here, the picture is dull and dismal. People do not want to become rich; they want to become richer. Relative positions of income groups matter; more than that perhaps matters peoples' perception of the gaps. The relative position of developing economies (low and middle income) *vis-à-vis* their developed (high income) counterparts have deteriorated over the decades, or, on one measure, have remained almost static. The following Table 1 brings out the fact. The gap row in the table

**Table 1**  
**Per capita income data for selected years in US \$**

Countries \ Years	1990	1995	2001
Developing Countries (a)	840	1090	1160
Developed Countries (b)	19590	24930	26510
Gap (b) – (a)	18750	23840	25350
Ratio (b) / (a) %	23	23	23

<sup>13</sup> See *World Development Indicators*, 2003, p. 4.

shows that despite all the gains the developing countries have made during the recent decades, the *absolute* per capita income difference between the rich and the poor countries has steadily increased in the 1990s. In *relative* term too the situation has failed to improve; the average income of the poor remained stuck at 23 % of the rich over the period. Clearly, the poor have tended to stagnate, while the rich seem to have enjoyed increasing prosperity. Not only do people in developed countries enjoy more prosperity, *they* have also gained on a comparative scale. Table 2 highlights the fact further.

**Table 2**

**Distribution of world population and GDP between countries (Population in millions, GDP in trillion US \$)**

Years	Developed Countries		Developing Countries	
	Population	GDP	Population	GDP
1980 <i>% of world</i>	1058 24.19	7,575 70.35	3,316 75.81	3,193 29.65
1990 <i>% of world</i>	1138 21.54	17,663 80.96	4,146 78.46	4,152 19.03
2001 <i>% of world</i>	958 15.63	24,838 79.95	5,172 84.37	6,238 20.04
Average <i>% of world</i>	1051 20.45	16,692 77.08	4,211 79.68	4,524 22.92

Compiled from World Development Report 1992, T1 and T2 World Development Indicators, 2003. Population figures for 1980 are estimates.

The data<sup>14</sup> in Table 2 clearly shows that the share of developing economies in the global wealth tends to shrink, while the proportion of their population in the world has climbed up sharply, more so during the last decade. Over the past twenty years, on the average, roughly 20 % population of the world living in developed countries has enjoyed 77 % of the global output. These ratios changed later to 16 and 80 percent respectively in the year 2001.

The improvement witnessed in the average living standards of people in the developing countries in recent years<sup>15</sup> and the rising pace of growth in them is an indicator that the rate of resource use and absorption in their case is likely to rise fast in the decades ahead. There is a common perception that in terms of economic progress the current century would belong to Asia. Productive resources are scarce and bulks of them are located in the developing world: increased local use may make these resources—energy especially—scarcer and more expensive for the developed nations. Their competitive position may weaken in the world markets, and they may find their current life styles based on consumerism threatened sooner or later.

It is this threat perception that largely tends to condition the politico-economic thought and policy in the developed countries. The US worries are more than of others for a variety of reasons. The country was not involved in the First World War; in the Second too it did not experience enemy occupation of any part of its territory and the destruction it would have brought in its train. Instead, it grew mainly as an important supplier of materials to war theatres that brought in affluence.

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<sup>14</sup> The figures for population or GDP in the table are not for the *same* set of countries for all the three years. They relate to the countries classified into particular categories at each time point as per World Bank criteria that keep on changing from one year to another.

<sup>15</sup> The improvement at present looks marginal. The 1170 million people of the world who mostly live in developing countries are extremely poor, not able to spend even \$ 1 a day. They constitute roughly no less than one-fifth of the global population. They need resources for their own use.

However, in the process, its economic structure became almost irrevocably geared to war production in some measure. Thus, the country possibly developed a vested interest in wars—cold or hot—at regional levels.

Korea, Vietnam, Panama, Afghanistan and Iraq are just some major examples. The mature capitalism eliminated the young and isolated socialist challenge by forcing Russians into two wasteful and destructive races, one into the space, and the other in armament.<sup>16</sup> This does not mean that the communist system's inherent inconsistencies were not the primary reasons leading to its eventual demise. However, this is not the occasion to deliberate on them. The annual defense budget of the US at \$ 180 billion today is larger than that of all other countries, developed and developing, put together. Against whom is this *absolute* unchallengeable superpower at present preparing?

Is it to neutralize the terrorists who live more in the imagination or the files of the CIA and Western media than elsewhere? The combined GDP of the Arab countries is no more than one-tenth of the US. How much finance can they (plus other Muslim countries) provide to what is called 'terrorist organisations' against the American might? Ostensibly, the colossal spending on defense in the US is to finance some other agenda: an agenda to dominate the world, especially to capture and control the economic resources of developing countries by regime change through manipulation, even open aggression, if they do not follow the American dictates. More than others, Muslim countries seem currently at the storm centre. The reasons are not far to seek and we shall take them up in the following section.

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<sup>16</sup> The author recalls that sometime during the peak years of the cold war, the US boasted of having nuclear capability of destroying the world seventeen times to which the Russians retorted by claiming that they too can do the same at least eleven times! The bewildered man in the street simply asked: if the world were destroyed just once, where shall remain the need or possibility of destroying it a second time? There could not perhaps be a more rugged satire on the wasteful folly of the arms race.

### 3. THE MUSLIM PREDICAMENT

The position of Muslims in the world today is not very elating. Economically, they are weak and vulnerable; politically they stand divided, and morally, they as a community, are usually off the right path. Let us have a hurried look at these areas to understand the reasons of their current predicament. The number of Muslim majority countries is about sixty but the population is very unevenly distributed. Table 3 provides some of the key economic performance indicators of these countries.<sup>17</sup>

It shows that in 2000, the population of the seven largest among them was about 70% of the total Muslim population in the world. About a third of them had population of no more than 5 million. In the same year, the annual per capita income of these countries was about US \$ 1300, more than the average income of the remaining developing economies at US \$ 1225. Most of the Muslim countries are neck deep in foreign debt and their average debt-to-GNI ratio was over 50 %. In 6 cases out of 40 for which data were available, it was above 100 %. Servicing charges absorbed most of the GNI in many cases; in some they even exceed it. Muslim countries' long run rate of

**TABLE 3**

#### Some key economic indicators of Muslim countries

No.	Country	Population		Gross National Income (Billion US \$) (2000)	External Debt as % of GNI (1999)	Military Expenditure (% of GDP)		Rate % of GDP Growth 1990-2000	Popul -ation Below \$ 1 day %
		Million (2000)	Growth Rate % 1990-(2000)			1992	2001		
1.	Afghanis-tan	2.6	NA	NA	NA	NA	NA	NA	NA
2.	Albania	3	0.4	NA	18	4.6	1.2	3.7	NA
3.	Algeria	30	1.9	48.3	64	2.2	3.5	2.1	< 2
4.	Azerbaijan	8	1.2	4.9	17	1.4	1.4	-5.3	< 2
5.	Bahrain	0.7	NA	4.9	0	NA	NA	3.2	NA
6.	Bangladesh	130	1.6	49.9	23	1.1	1.3	4.8	29.1

<sup>17</sup> The data presented in this table has been compiled from Tables 1 and 4 of the *World Development Report 2002*, and *World Development Indicators 2003*.

7.	Benin	6	2.6	2.4	40	NA	NA	4.7	NA
8.	Brunei	0,3	NA	7.8	0	NA	NA	-1.3	NA
9.	Burkina Faso	11	2.4	2.6	25	2.3	1.0	4.1	61.2
10.	Cameroon	15	2.7	8.6	76	1.5	1.4	2.7	NA
11.	Chad	8	2.9	1.5	43	2.7	1.5	2.2	NA
12.	Comoros	0.6	NA	0.2	NA	NA	NA	2.6	NA
13.	Djibouti	0.7	NA	0.6	NA	NA	NA	2.4	NA
14.	Egypt	64	2.0	95.2	27	3.0	2.6	4.6	3.1
15.	Gabon	1.2	NA	3.5	NA	NA	NA	2.5	NA
16.	Gambia	1.3	NA	0.4	NA	NA	NA	3.3	NA
17.	Guinea	7	2.5	3.3	72	--	0.3	4.3	NA
18.	Guinea-b'sau	1.2	NA	0.2	NA	NA	NA	2.2	NA
19.	Guyana	0.9	NA	0.7	NA	NA	NA	0.8	NA
20.	Indonesia	210	1.7	119.9	114	1.7	1.1	4.2	7.7
21.	Iran	64	1.6	104.6	9	1.9	4.8	3.7	NA
22.	Iraq	0.9	NA	NA	NA	NA	NA	2.5	NA
23.	Libya	5	NA	NA	0	NA	NA	2.3	NA
24.	Jordan	5	4.3	8.2	104	8.2	8.6	5.0	3.2
25.	Kuwait	2	- 0.7	NA	0	31.8	11.3	-0.7	NA
26.	Kazakhstan	15	- 0.9	17.6	38	1.0	1.0	-4.6	1.5
27.	Kyrgyz	5	1.2	1.3	105	0.7	1.7	1.2	NA
28.	Lebanon	4	1.7	16.2	51	8.0	5.5	5.9	3.2
29.	Malaysia	23	2.5	78.5	64	3.0	2.2	7.0	NA
30.	Maldives	0.3	NA	0.9	NA	NA	NA	2.6	NA
31.	Mali	11	2.5	2.6	57	2.4	2.0	3.8	75.8
32.	Mauritania	3	2.8	1.0	169	--	7.0	1.2	28.6
33.	Morocco	29	1.8	33.8	51	4.3	4.1	2.2	< 2
34.	Mozambique	18	2.2	3.7	28	5.1	2.3	6.4	37.9
35.	Niger	11	3.4	2.0	55	1.2	1.1	2.6	61.4
36.	Nigeria	127	2.8	32.8	90	0.5	1.1	2.4	70.2
37.	Oman	2.4	NA	1.6	NA	16.2	12.2	1.9	NA
38.	Pakistan	138	2.5	64.6	43	6.1	4.5	3.7	31.0
39.	Qatar	0.6	NA	NA	0	NA	NA	1.9	NA
40.	Saudi Arabia	21	2.7	139.4	0	8.8 <sup>#</sup>	5.4 <sup>#</sup>	1.6	NA
41.	Senegal	10	2.6	4.7	53	1.0	1.5	3.6	< 2
42.	Sierra Leone	5	2.3	0.6	136	2.5	3.6	-4.5	57.0
43.	Somalia	10	NA	NA	NA	NA	NA	2.2	NA
44.	Sudan	29.7	NA	NA	NA	2.5	3.0	2.1	NA
45.	Surinam	0.4	NA	0.5	NA	NA	NA	0.3	NA
46.	Syria	16	2.8	16.0	138	9.0	6.2	5.6	NA
47.	Tajikistan	6	1.8	1.1	66	0.4	1.2	-1.7	20.9
48.	Togo	5	2.8	1.4	82	2.9	--	2.6	NA
49.	Tunisia	10	1.6	20.1	59	1.9	1.6	4.7	< 2
50.	Turkey	65	1.5	201.5	52	3.7	4.9	3.7	2.4
51.	Turkmenistan	5	2.8	4.0	52	1.8	3.8	-4.8	20.9
52.	Uganda	22	1.8	6.8	NA	1.6	2.1	7.1	NA
53.	UAE	3	NA	49.2	NA	4.5	2.5	4.5	NA
54.	Uzbekistan	25	1.8	15.2	25	1.5	1.1	-0.5	3.3
55.	Yemen	18	3.9	6.7	58	9.1	6.1	3.5	15.7
56.	<b>TOTAL</b>	<b>986.7</b>		<b>1191.5</b>					

**Sources: Compiled from World Development Report 2002 and World Development Indicators 2003**

GDP growth cannot also be considered very encouraging, especially in view of the faster increase in their population.<sup>18</sup> Their average annual growth rate was 3.1 % during 1990-2000 period compared to 4.8 % for all the developing economies, Muslim included.<sup>19</sup> However, the position of absolute poverty is less alarming in the case of Muslim countries—barring a couple of cases in Africa—than in other developing nations. This could be because culturally Islam is pro-poor and promotes an egalitarian human behaviour.<sup>20</sup>

A prominent feature of Muslim economies is the spending of a relatively large proportion of their annual incomes on the armies. The weighted mean of military expenditure of 36 countries for which data were available was 4.5% in 1992. The proportion thereafter declined in all developing economies and things there started looking up. The phenomenon was characterised in the UNDP Report as a dividend of peace. The trend was quite visible in Muslim countries too even as the decline was a bit slower; the average fell to about 3.0 % by 2001. The falling trend in military expenditure of the developing world might have contributed to the increasing discomfiture of the developed countries on the economic front, especially in the Muslim-US circuit.

The mid-East has been the leading buyer of the US military hard ware in recent decades. A significant portion of the dollars Arabs received for their oil found its way back mostly into the US as price of the state of the art arms they were but to purchase from that country. The US sustenance and unflinching

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<sup>18</sup> The simple mean of the population growth rates of 37 countries for the 1990-2000 period is 2.13 compared to 1.6 of all developing economies. Rates are especially higher in the poorer African countries. This keeps increases in per capita income slow and poverty sticky.

<sup>19</sup> This means that if Muslim countries were excluded from the group, the average growth rate for non-Muslim developing economies would be higher; say around 5 % or even higher. The shortfall in cases of Muslims economic performance has to be researched.

<sup>20</sup> Note that the percentages in the last column of Table 3 are for different survey years.



support of Israel are part of this grand design for maintaining the oil-for-arms exchange. Israel, in fact, is more an undeclared state of the US than an independent nation. *A fight against Israel shall eventually be a fight against America.* The current road map for peace in the Middle East is a temporary tactical modification of the US tilt. Peace among the vastly unequal entities in military terms, Israel and Palestine, even if enforced, must remain fragile. The area will always remain under potential threat at the discretion of the Jews. The Americans will support that discretion whenever exercised for the same reason i.e., the oil-for-arms swap.

Again, the era of colonial occupation exposed the Muslim countries and others to alien influences: cultural, economic, educational, and political. Many of these influences made positive contributions to the uplifting of the colonies, especially in the areas of administration, infra-structural development, education and technology. But the impact on their economies was much damaging; they were ruthlessly converted into suppliers of raw materials to mother countries for their expanding industries and markets for their goods. Even more harmful was the separation of politics from religion though the rulers always exploited the latter to promote their divide- and- rule policy.

Even today some powers are using the same tactics to create divisions within and between countries. All the more devastating, especially for Muslims, was the secularisation of education i.e., public institutions could not in general include religious content in their curricula; religious education was relegated to the private concern of different social categories. The folly is that Muslim countries, even after independence, essentially maintained the dichotomy; a sort of peripheral integration of the two streams was sometimes attempted. Islamic universities are still struggling to eliminate the dualism.

It is the continuation of educational dualism in most of the Muslim countries that eventually led to the vertical split of the social order and eroded the bases of the Islamic civilisation, the concepts of unity and brotherhood. There emerged the advocates and followers of two broad divisions: the modern Islam and the conventional Islam, though such divisions were

foreign to the Islamic ethos. The Islam with the label of conservatism grew and thrived mostly in privately run *madararas* or religious schools, if one goes by the example of the Indian sub-continent, the mainstream educational systems concentrated on the so-called worldly education. Their graduates controlled the levers of political and economic power.

However, the forces running the religious schools were soon overtaken by political aspirations. They already had a large number of their students scattered among the masses. Most of these students found it difficult to find jobs in competitive settings: their curricula were not geared to that objective. Many also suffered from some sense of isolation or inferiority complex. Religious leaders, teachers, and their students soon organised themselves into Islamic movements with the apparent objective of social and moral awakening of the masses and for promoting the needed reforms. They started educational institutions, journals and newspapers and penetrated into the existing secular ones to promote their objectives. Even so, their success remained limited, especially in the field of education.

They soon realised that unless political power was captured or could be effectively tilted to grant them concessions, they might not have what they perceived their due share in the national cake. They decided to enter politics. This decision partly diverted their attention and effort away from societal service to using religion as an instrument to capture power. The movement leaders projected themselves as saviours of religion, and secular power bases as the roadblock on the way. They could not seize political power: their achievements in Southeast Asia and the Indian sub-continent were marginal, elsewhere too not elating. The major political success they got was in Iran, Sudan and Afghanistan. The secular establishments in Algeria and Turkey thwarted it as violating democratic norms.<sup>21</sup>

In both cases, Western countries – the flag bearers of democracy—blessed the suppressions. To be explicit, my point

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<sup>21</sup>However, the people did succeed in extracting major concessions from the governments of Muslim countries to promote their agenda, especially in the fields of education and finance. But after 25 years or so, their control over them is facing dilution.

is not to belittle the contribution of the movements to the promotion of the Islamic cause. It has doubtless been massive and laudable, in the areas of Islamic awakening, economics and finance for example. My concern is different: the emergence and propagation of educational dualism in Muslim societies in respect of religion. This dualism has been the root cause of internal turmoil, strife and suicidal battles *within* Muslim communities. During the past fifty years or so, Muslims have presumably killed more Muslims than did non-Muslims. The infights have been fuelled, even encouraged and financed, by the merchants of death and destruction, the arms sellers. And this has continued unabated.

The attack on and occupation of Afghanistan and Iraq that may stay for years is not the culmination of the process; it is the beginning, if corrective measures were not taken. The community is isolated, made to look the perpetrators of self-demise, and a perpetual threat to the West, thanks to their media, and to our poverty and division. Finally, mark the Muslim deviation from the right path. Muslims adherence to the basic tenets of their faith has apparently been on ascendancy for long; the number of performing Muslims is on the rise. This could both be an effect and a cause of the recent Islamic resurgence. However, intriguing is the fact that one witnesses simultaneously an increasing departure among the believers—performing Muslims included—from the distinctive social values and behavioural norms of Islam.

Cases of shady business operations, unclean administration, self-seeking politicians, and above all, of crippling corruption at all levels tend to be rampant in most Muslim nations, rich or poor. Inequities of all sorts: plunder, oppression, divorce, incest, child abuse and crimes are increasing everywhere. The maladies are eating unabated into the vitals of Muslim societies worldwide causing their disintegration. The war between Cain and Abel is still on, more ferociously in the Muslim *Ummah*. Muslims seem to have fallen victim to a psychology of self-admiration, blame shifting and rhetoric without action. This in part is evident from the exponential growth in the number of seminars, conferences and workshops being organised in Muslim countries over the past 25

years or so. The cost-benefit analysis of these talking clubs can be a revealing research project for a PhD thesis.<sup>22</sup> The phenomenon made one poet write in dismay:

*Talking for a century, and  
Thinking for a moment  
Made my nation bankrupt in thought,  
And action too, is my lament*

In sum, the economic vulnerability, political divides, and the cultural decline in Muslim countries have made them fertile grounds for alien exploitation and dominance: today they are pitted against one another by the compulsion of their situation; others are able to force them even to kill each other openly in Afghanistan and Iraq for example, and not so openly in most other Muslim countries, under the US theory that *if you are not with us in the war against terrorists (as we define them and their victims), you are against us*. This is a very critical, in fact, pathetic situation. Where do we go from here?

#### 4. THE WAY OUT

The present emerges from the past and melts into the future. Temporal linkages have continuity and cannot always be snapped or modified abruptly. Muslims touched their zenith by the middle of the fifteenth century and their eclipse too took time to complete with the disintegration of the Ottoman Empire in the early twentieth. There is a hangover of history on the present economic, political, and moral position of the community we discussed in the preceding Section. The way out of the difficulties, therefore, is not without constraints; the

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<sup>22</sup> My observations during participation in numerous such gatherings—local and international—have convinced me that they seldom transact serious business in majority of the cases. The papers for presentation rarely meet rigorous academic standards. What one comes across are big and small ‘mutual appreciation clubs’ where critical evaluations are rarely made, much less appreciated. See also R. K Vengadasalam ‘Intellectual Discourse must be for Pursuit of Knowledge, not for Money’ *Straits Times*, August 17, 2003, p. 9.

corrective planning needs sagacity, patience, and a long run perspective for producing results. The major elements of the plan palpably have to be economic, political and moral, with an integrative approach.

Muslim countries, spread all over the globe as they are, have vast differences in their resource endowments (natural and human): socio-political structures, economic characteristics, stages of development, national aspirations, and international relations. As such it would be futile to dwell on some common strategy for them on the internal factors that affect their economies. Nor is this the occasion for that sort of exercise. However, there certainly is much scope for cooperation among them that can ameliorate their economic situation considerably on the tacit assumption that the required political will is not lacking. Here, I shall touch as illustration on a few things.

The size of an economy as measured by its share in the global income operates both as an indicator and a cause of its strength in the global scenario. On this criterion most of the Muslim countries are but insignificant, almost invisible dots on the international economic map. Even if we assume these countries as one unit, their combined gross national income is found to be less than that of France on the basis of data for the year 2000. This would rank them sixth from above for their size in the world. In this context one may find Table 4 and the accompanying Chart 1 interesting.

The assumption chart admittedly is untenable but it does put in focus the need and utility of Muslim countries attempting to make untiring effort to integrate as much as they can their varied and tortured economies. In this direction economic cooperation among Muslim countries, especially in trade, has understandably been a much talked about subject in various forums, a journal focusing on the point is published, and even a formal G-8 grouping of Muslim countries does exist. During the preceding decade, of the total trade of Muslim countries not more

**Table 4: Size of the Economy 2000 (\$ Billion)**

Brazil	606.8
Canada	647.1

China	1064.5
Italy	1154.3
Muslims	1191.5
France	1429.4
UK	1463.5
Germany	2057.6
Japan	4337.3
USA	9645.6

Source: WDR

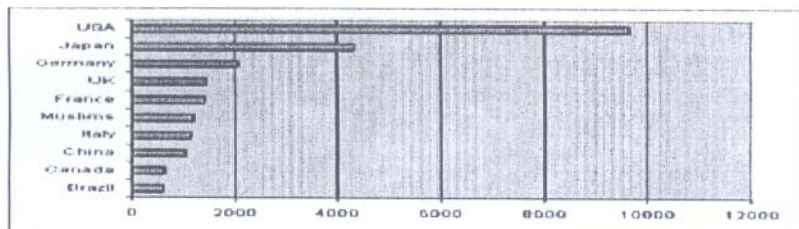


Chart 1: Size of the Economy – National Income in billion US dollars (2000)

than 12 to 15 percent is internal to them, the remaining being with the rest of the world. There *are* inabilities hampering the way but there still is much scope for improvement. Purposive, hard and persistent research is not forthcoming. We may establish a Trade and Investment Institute for the purpose. The Islamic Development Bank popularly known as the IDB is doing much commendable work in many areas<sup>23</sup> but one institution, however efficient and well-managed, can hardly attend to the expanding demands of its resources and capabilities. One comes across certain startling facts on the trade position of the developing economies, the group where the Muslim countries belong. Table 5 is, indeed, revealing: it tells us why the developed countries, more so the US, should have an unceasing interest in keeping the developing nations in the mode of war. What follows substantiates our passing reference to the matter earlier. The ratio of arms purchases to imports is quite high in

<sup>23</sup> Its Annual reports and related publications speak volumes about its multifarious and expanding activities in the service of the *Ummah*.

**Table 5: Muslims and the sale and purchase of Arms**

Purchases Countries	1992			2001			2001 / 1992	
	Imports \$ Billion a	Arms \$ Billion b	b as % of a c	Imports \$ Billion d	Arms \$ Billion e	e as % of d f	Imp orts d / a g	Arms e / b h
Arabs	69.29	6.63	9.6	113.22	148.45	13.1	1.63	13.1
Others	129.10	3.95	3.0	230.96	7.58	3.3	1.79	1.92
All	198.39	10.58	5.3	344.14	24.43	6.5	1.73	2.12
Sales: Countries	Exports \$ Billion j	Arms \$ Billion k	k as % of j l	Exports \$ Billion m	Arms \$ Billion n	n as % of m o	Exp orts m / j p	Arms n / k q
USA	420.82	23.57	5.6	1356.30	63.75	4.7	3.22	2.71
UK	190.48	6.29	3.3	418.99	7.96	1.9	2.20	2.27

**Source:** The table is constructed from the relevant data provided in the World Development Report 2002 And the World Development Indicators 2003

Muslim countries and shows a rise in a point-to-point comparison of columns (c) and (f). Likewise, a perusal of columns (g) and (h) shows that the increase in arms purchases has been faster than the rise in imports: there seems to be a diversion of meagre resources from welfare promoting heads to a barren use for arms. The Arab expenditure on the armament has remained all the more at a high level and tends to correspond to the level of arms sale ratios in the US and UK exports. Even as the arms-to-exports proportion fell for both countries—compare columns (l) and (o) – the absolute amount registered a rise in each case. The US policy of retaining things on the burner seems to yield rich dividends.

One may heap all contempt on *Shimr* like Saddams and Usamas in the Muslim world but what about those who put the daggers silently into their hands and money bags in their own? It was the Americans who are supposed to have supplied, in the first place, the chemical weapons to Iraq while the country was at war with Iran during the eighties. Possibly, the suppliers are now searching for the same weapons? The Iraqis say they had

already destroyed the arms that the Americans insist remain unaccounted for. Hence, the pretext to invade Iraq in defiance of the UN—nay, the whole world opinion— and capture the vast oil resources of the country. The occupation ensures too that the arms trade remains booming in the region unrestricted.

France and Russia are craving to spoil the American pudding. At a lower level, China and North Korea have silently entered the race. Iran threatens as a possible contender. Hence, after the demise of Iraq, North Korea and Iran remain parts of the US perceived axis-of-evil. Forcing other countries to keep away from the arena is in line with the capitalist propensity to monopolise the markets. War theatres allow the testing of new weapons on hapless human beings, and put up a demonstration that strikes both fright and conviction about the effectiveness of the new arms.

Muslims need not go for the purchase of high weaponry that runs the risk of eventual destruction by the sellers themselves so that more could be sold. Mostly, Muslims are using these weapons against one another within and between countries. They have a much greater stake in a peaceful world than the one in conflict and turmoil. Thus they should attempt to make a common cause with other developing countries. Former Indonesian President Megawati Sukarnoputri has rightly warned them against allowing a nation going it alone in settling international disputes. In her opinion, the recent surge in unilateralist treatment of such issues was a threat to democracy. Her advice was that in the course of responding to security threats, we should not allow the cult of unilateral action to flourish in our midst. And we must do something to guard against such action.<sup>24</sup>

Another important door one would like to open on the way out is that of reorganising the education systems in the Muslim world. I have already hinted at the devastation educational dualism has unleashed in our societies. The West

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<sup>24</sup> The President was speaking on the occasion of the 38<sup>th</sup> anniversary of the Asean regional grouping. It may be recalled that Indonesia was a staunch opponent of the US invasion of Iraq. For a fuller report see *New Strait Times*, August 9, 2003, p.B20.



did seize upon the divisions in Muslim societies to their advantage after 9/11, but no one would deny that the culture of violence had already plagued the Muslim countries: the clash was palpably between the product of the secular and Islamic education streams. It continues unabated, more so now, as the Western powers have got new leverage to pitch one section against the other. Why can't, for example, the Muslims, Arabs especially, convince the groups of Palestinians of the expediency of maintaining the ceasefire at least for a while? The continuation of the vicious circle of violence is tilting the balance in the US, if balance ever was, not only against the Palestinians but Muslims at large. This may work again for the continuation of dualism in education.

I am not pleading against imparting religious education to our children. I am arguing for an integration of the two streams that have so far run mostly parallel, at times counter, to one another. It is essential to know the fundamentals of one's religion. Capitalism today is a religion above religions with the West and it is promoting its fundamentals—privatisation, liberalisation, and globalisation—with every means at its command, just or unjust. If fundamentalism is something undesirable, to me, the imposers of the New World Order on unwilling communities are the greatest fundamentalists of all times on the face of the earth, not the Muslims.

In fact, the educational dualism in the Muslim world is waning. The upcoming modern Muslim institutions are integrating the two streams. The International Islamic Universities, especially the one in Malaysia, are winning world recognition, appreciation too. The older religious institutions are also introducing suitable reforms. But this is one area where action needs to be much faster than elsewhere. But integration should not overlook the maintenance, rather improvement, of the quality of education. Admittedly, what is presented in this section of the paper is not, and it could not be, a cogent comprehensive reform agenda. But I do believe that the random thoughts it contains would be distinctive spots in any such agenda.

## 5. CONCLUDING REMARKS

I don't think I have left anything unsaid that I wanted to say in this paper. So, I would like to conclude it with a couplet of Iqbal, the great Urdu poet:

*Nahin Iqbal na-ummeed upni kishtay veeran say Zra num ho to  
the mitti baree zarkhez haiy saaqi*

*(Iqbal has not given up hope at the destruction of his crop. O my cup filler, this soil is still fertile, just needs a little moisture.). So, also I believe.*

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