Economic development and Islam revisited

Zubair Hasan

INCEIF The Global University of Islamic Finance Kuala Lumpur

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ECONOMIC DEVELOPMENT AND ISLAM REVISITED
Prof Emeritus of INCEIF Dr. Zubiai Hasan

Abstract
This paper is a thoroughly revised, enlarged and updated version of a 1992 publication. It deals with the concept objectives and priorities of economic development from an Islamic perspective. The paper attempts to integrate the Islamic positions with mainstream definitions and approaches to development to put issues in an operable mode. It discusses problems Muslim countries currently face on the economic front and suggest ways to come out of their predicament... The paper constitutes one of the chapters for a book on Islamic economics and finance.

Key words: Economic development, Human development, Islamic priorities; Basic needs fulfillment.

“Our Lord! Give unto us in this world that which is the best and in the hereafter that which is the best …” (Al Baqarah 201)

1. INTRODUCTION
The notion of development was ingrained in scheme of creation. When Adam was forced down to live on earth and volunteered to manage its affairs. Adam had to face hunger and thirst, needed covering to save skin from insect bites and shelter for safety and protection against wild animals and vagaries of weather. Such wants were intense and urgent. Man had natural resources in abundance around him. But he had no instruments to take advantage of nature’s bounties; working only with his bare hands. The handicap created a sense of scarcity even amidst plenty. The time at his disposal, shortened to day light added to the fact and perception of scarcity. Indeed, human struggle for survival on the Planet Earth started with a circuitous want-scarcity relationship and contains the origins of all modern thought and effort at economic development and its attendant issues. The history of human civilization, of its rise and fall, of its achievements and deprivations, of the making and unmaking of its grand institutions – social, political, economic and juridical – has essentially been the history of his conquest over nature. This relationship is testified by the scripture and well illustrated in the 1406 Introduction of Ibn Khaldun.

Objectives: Over time and space, in the socio-political evolution of man the multiplicity of his mundane wants kept running ahead of resource scarcity: wealth acquisition became the son non quo of economic development. The emphasis was considered all the more relevant to countries having become independent from the colonial rule after the Second World War. Indeed, the focus did hit where it was meant to; during the quarter of a century ending 1975 the GDP of

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1 The figures in parenthesis indicate references from the holy Qur’an – the first number showing the sura and the second, the verse).
developing countries grew at an annual rate of 5.5%, higher than even for the developed at 4.6% a year (Todaro 1986). But what this surface appearance of things concealed soon became apparent. Many faults were found with growth promoting emphasis among the objectives of development.

It was soon realized that wealth was not an end in itself; it was only a means, a necessary one though, to serve an end: the promotion of human welfare. Thus, even as the size of the GDP packet was important, no less important was its composition that is what it contained – more of gun powder or butter, more of clothing or cosmetics, more of dwellings or race courses, more of medicines or wine, more of textbooks or comics and so on. At what social cost has the packet been produced; has the use of natural resources been sagacious, treatment of labor fair? What about distribution of the pie; has it been fair across the board? Has the system been stable; running without jerks and bumps?

However, a closer look at the above issues revealed agonizing failures on several fronts despite elating growth records. The most disquieting fact was the widening disparities among nations on the distribution front – the rich becoming richer, the poor, poorer. That the focus of development strategies on growth promotion was inadequate, if not misplaced, was voiced as early as 1971 when Professor Mehboob-ul Haque in a UN Seminar observed: We were taught to take care of our GDP so that we may take care of our poverty. Let us reverse it. Let us reverse it; let us take care of our poverty such that we may take care of our GDP. The United Nations Development Program of which he was the first director was then established to publish data on various aspects of economic development attempting to summarize development measure in a single simple figure called the Human Development Index. Interestingly, the HDI has been found significantly correlated to growth rates (Hasan 2000). Poverty continues to be measured in terms of income levels.

The following Table brings to light some interesting facts on the level and distribution of incomes. Over the 25 years 1990 – 2015 growth rates in both sorts of economies – developed and developing overcame the population barriers – per capita incomes unceasingly rise in both cases. However, the gap between the two in row (3) has all along been on the rise! Nevertheless, it is satisfying to note via the last row that the increase is slowing down with the passage of time. International disparities give rise to problems of trade, fund flows, exchange rate issues and financial market turmoil.

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<tbody>
<tr>
<td>Developing countries (a)</td>
<td>840</td>
<td>1,090</td>
<td>1,230</td>
<td>2,363</td>
<td>2,781</td>
<td>3,371</td>
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<tr>
<td>Developed countries (b)</td>
<td>19,590</td>
<td>24,930</td>
<td>27,510</td>
<td>34,962</td>
<td>38,360</td>
<td>40,617</td>
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<tr>
<td>Gap:(a)-(b)</td>
<td>18,750</td>
<td>23,840</td>
<td>26,280</td>
<td>32,599</td>
<td>35,579</td>
<td>37,246</td>
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<tr>
<td>(a)/(b)</td>
<td>23.32</td>
<td>22.87</td>
<td>22.37</td>
<td>14.80</td>
<td>13.79</td>
<td>12.0</td>
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Source: Construction is based on the data in world development reports. Developed countries include the ‘high income’ classification and developing counties include the ‘low and middle Income’ classification.
Distributional inequalities within nations create no less complications; it breeds social strife, corruption, exploitation, unemployment, public finance imbalances and so on.

The alarm Mehboobul Haque had raised only deepened despite the UNDP. It has recently been shown that in developed economies profit rates on capital running ahead of the GDP growth have accentuated the problem of poverty and income inequalities; he warns that the malady may soon afflict the developing economies (Piketty, 2014). The possibility is so real and alarming that various world organizations have become seized with the measurement of poverty spread and inequalities across countries for designing remedial measures. Various indices are in circulation but more in vogue is the cut off line of per head income in current USD per head per day. The line is periodically revised to accommodate changes in the dollar value due to inflation. The current revision puts it at USD 1.90 that the following map is based on.

The following Table 2 provides poverty measure for some countries based on the current USD 1.

<table>
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<tr>
<th>Countries</th>
<th>B.des</th>
<th>China</th>
<th>India</th>
<th>Indonesia</th>
<th>Iran</th>
<th>Malaysia</th>
<th>Pakistan</th>
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<tr>
<td>Population in poverty</td>
<td>53.65</td>
<td>6.5</td>
<td>12.4</td>
<td>15.9</td>
<td>0.08</td>
<td>0.228</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Efforts at reducing poverty and income inequalities across and within countries gathered momentum since And this change in policy focus has started bearing fruits... 1.75 billion people were reported in poverty worldwide in 1990, According to the latest World Bank estimated this figure has come down to 702.1 million people for 2015.

_**Sustainability:**_ Rapacious use of natural resources has led has led to innumerable environmental problems global regional and local. Species extinction, O-zone erosion, depletion of non-renewable recourses, global warming, rising sea levels, spread of new diseases, food chain disturbance all in a nut shell epitome of climate change have eventually forced mankind to think about the environment and take steps to arrest the deterioration and roll back damage where possible. After the nations signing recently (2016) the Paris declaration, the world stand united to take remedial action. The development has added an adjective to development – sustainable. Most writings on the subject talk _sustainable_ development, rather to sound modern or well.
aware, even as they seldom care to explain the context of using the adjective. Islamic economists are no exception. This much for now; we shall have a detailed discussion on the topic in the following Chapter.

2 ISLAMIC APPROACHES:
The literature on economic development in mainstream economics is in a state of flux, especially since the 2007 turmoil devastated Western economies and remedial measures have failed to invoke requisite response; recovery has tended to relapse more than once. Neither the concept of development is unequivocally fixed nor have policies clear targets. Indeed, the turmoil has turned the inside of the capitalist system out. It has shown that the sort of problems the world is facing today, are indeed ingrained in the capitalist system. Muslim countries are too afflicted with them in part as colonial legacy and in part due to thoughtless imitation of the West. They need to think out of the box, contextual to their resources and capabilities. Starting with small things well done is better, it gives confidence to do bigger ones, rather than attempt where effort would be hesitant and results unsure. After, Islam is a way of life – choose a way simple comfortable and enjoyable with basic needs of all being met. To seek solution to our problems in a capitalist framework as some suggest is naïve; that ship is sinking.

The socialist alternative has already failed to deliver. The only hope for us, rather for the globe, resides in the Islamic response to current difficulties. It is with this conviction that we venture spell out a new concept of development encompassing the totality of human existence. It includes a review of objectives and discussion of some basic issues in the light of Shari’ah norms. Its thrust is not growth but social transformation is all its ramifications.

Muslim countries like others differ considerably from one another in terms of their heritage, resource endowments, stage of development, political systems social environment and current problems.

The World Bank classification of countries between developed and developing countries is arbitrary; for, the process of development continues unabated in either category. Usually, definitional per capita income boundaries are raised and high income countries are regarded as developed and others developing. Movement into the former is difficult as the income limits is raised each year by roughly 4%. Thus, catching up is difficult. Most of the Muslim countries fall in the lower income categories. However, average per capita income of the OIC countries is significantly higher than the remaining developing economies. Also, there are marked differences in the income inequalities among them – especially between the oil and non-oil producing countries (Hasan 2015, 643 Figure 23.3). These variations do not allow us to put forth a development model that could reasonably fit all cases. Nevertheless we shall attempt to present some general observations.

Concept and priorities: Defining development has run into serious difficulties even in mainstream economics; it is easier to say what development is not than to state what it precisely is (Maier, 1989, 5-6). However, t no longer remains as lopsided as it used to be when centered on
growth. Even as there still is insistence to keep the definition distinct from the overall comprehensive development of society – it interrelationships with other aspects of social improvements, its social, cultural, legal and ethical and governance aspects are being emphasized (Myrdal. 1968; 53; 722-723). The concept of sustainable human development is gaining ground. It is indeed interesting to quote, even at the expense of space, from the UNDP Report, 1994.

“Sustainable human development is development that not only generates economic growth but distributes its benefits equitably that regenerates environment rather than destroying it, that empowers people rather than marginalizing them, It is development that gives priority to the poor enlarging their chances and opportunities and providing for their participation in decisions that affect their lives. It is development that is pro people, pro nature pro jobs and pro women.”

The focal points in this view of development are poverty, unemployment, inequalities and environment – problems that afflict the masses most in developing economies. The solution envisaged is enabling grass root participation of stakeholders in the making of decisions that affect their lives.

Implementation of such a development program requires a plan of action that is pro poor pro poor and can make the rich believe at the national and international levels that it is in their own interest to provide succor to the poor voluntarily. For, history teaches us that men do not always starve in silence (Samuelson 1980, 711)2.

Also, the program must remain primitive of work effort, protect individual dignity and self-esteem and ensure a compensating relationship between nature and production. Muslims already have the main elements of the agenda rooted in their religion. Yet the Islamic view of development remains much different even from the much improved mainstream notion couched in the UNDP rendition quoted above.

The main difficulty with any mainstream concept of economic development is that it remains firmly anchored in the mundane aspect of human existence. The much publicized Human Development Index (HDI) combines three elements - longevity, knowledge and living standard – thus measuring only the material well-being (HDR 1994, Box 5.1). Furthermore, the third element is income based influencing the other two elements; thus the dominance of the GDP growth in comparing human development remains obvious. Again, income inequalities have no impact on the index. In the final reckoning, the HDI expresses human development no more or better than a simple single figure can do.

2 One may charge Mr. Modi of his caste and communal divide based political agenda but the Indian Prime Minister has certainly been shrewd in seeing the coming storm at the horizon in the rising suicides in rural India and spreading unrest among the futureless educated young. Thus, no one question the sagacity of his development program under the banner - sab ka saath sab ka vikas – all together for the development of all. The program in line with the UNDP vision and promises to change the face of rural India to hope and prosperity, if successfully implemented. The program needs to be studied.
Two aspects: In Islam the concept of development centers around two broad aspects of its belief system – the Divine and the human – and the relationship between them. It takes life as a whole and as part of its unitary view of the universe. It does not consider the mundane and spiritual/moral aspects of human existence in isolation of one another, not even conceptually or for the sake of analytical convenience. Such separation from the Islamic viewpoint would be akin to decomposing the health giving common salt into its deadly components – sodium and chlorine. Asceticism is suffering and stagnation; amoral materialism is exploitative and anarchic. Both are unacceptable to Islam as non-conducive to human well-being. The Islamic position is that man was created to operate as the vicegerent, the trust keeper and the co-worker of Allah (swt) on the earth (2:29; 6:165; 8:27-28). To that end, he was made the best of all creation with a dust and Divine combination (30:6).

The earthly pole of the two-dimensional man is symbolic and expressive of his mundane aspirations, his lower passions, and his clouted nature – the Devil within (Shariati, 1982, 8, 14). It binds him to the state of his being. In contrast, his upper or spiritual pole radiates the rudiments of his Divine attributes – self-awareness, will power, and creativeness qualities that Allah (swt) breathed into his structure. These qualities are the essence of man, the freeing force in him. This force urges him to sour into the skies towards its Fountainhead. Man perceives like moving from the state of being (bashar) into a state of becoming (insaan). Human evolution from the state of being to the state of becoming has no limits (Sharaiti 1982, 62-75). Thus, Islam envisages that man broadly has two sorts of wants or urges: mundane and spiritual.

His mundane desires urge man to the acquisition, consumption and enjoyment of material goods and services and seek them to produce in abundance. Spirituality, he seeks an environment which would permit full and free expression to humanistic urges to choose ideals – moral, ethical, economic and social – and facilitate to achieving them, would enable to create what nature does not provide but beauty in the widest sense of the term, and allow cultivate love expressed in willingness to make sacrifice of the highest order.

The two sorts of urges may look conflicting but they basically are interrelated and interact in the unity of man’s existence. Real progress means their harmonious supportive balanced and progressive satisfaction – the growth of human personality. The Islamic system aims at providing such sort of growth – it is the essence of development in Islam.

It comes about that material progress is an inalienable ingredient of the Islamic scheme of living (62:10). It is, indeed, intrinsic to the Divine design of creation (Qutb. S. 1948, 197). True also that the material needs of mankind are unceasingly on the rise; especially because of increasing demand for variety. But most individual wants have a limit. Human stomach cannot take in food unabated. Nor does one require thousands of dresses, hundreds of rooms, and so on. “Going beyond reasonable limits in want satisfaction no longer remains consumption but something opposite – consumerism, consumer gluttony that leads to degeneration and impoverishment of the individual instead of his real development” (Ursala. 1983 ed. 108).
Notice what is being denounced today as consumerism, the Qur’an had damned it centuries ago; when it declared: And those who do kufr (mischief) avail of material things eat as do the animals, their abode is Hell (47:12). Excessive attention to materialistic desires breeds egotism which eventually brings in more of frustration and futility, not fulfillment. Men tend to recede into asceticism and passive reflections. Even “in our history a similar type of materialistic era (as in the West today), gave rise to an ascetic phenomenon – Sufism (Sharaiti 1982, 93). It is indeed a tribute to the timeless horizon of Islamic philosophy that ideas like ‘quality of life’ ‘self-esteem’ and ‘freedom of choice’ are now making inroads into the mainstream development literature (See for example Todaro, 1981 524) to loosen the strangulating hold of the GNP syndrome and escape the dead end of the materialistic path.

Nevertheless, increase in consumption and therefore production proves counterproductive only when it tends to become an end in itself instead of working as and remaining a means to promoting the satisfaction of human needs in the sense of transforming man from his being to his becoming as described earlier. Such needs would ever remain unlimited. There are for example no limits to human understanding or creation – material or spiritual. “There is none either for corresponding social needs be that of separate individuals or of society as a whole (Ursala 1982, 109)”. There being a positive correlation between the two types of needs – mundane and spiritual – the idea of putting limits to growth becomes defeatist inhuman and un-Islamic if rules were observed. Through visualizing a positive relationship between the two Islam intends to help rise up the scale of personality develop to never ending heights.

**Purposive attitude:** Islam came to serve the Divine purpose of creation. Naturally, its attitude towards numerous matters concerning development covered under fiqh muamlat – consumption, resource allocation, production structures, technology, investment patterns, market exchange, finance and distribution – has to be geared to that end. Obviously; it cannot be the same as of other economic systems. Time and space constraints do not allow us to discuss the vast gamut of issues involved. Thus, we propose to take up a few more relevant to the present context but have remained obscure or unattended in the current literature on the subject. These include the following:

1. Role of consumption in development
2. Work effort and output levels
3. Productivity and distributive shares.

**Consumption and development:** It is well recognized that Islam’s concern for the poor and the weak (4:75) and remains the main appeal of the social order it envisages implementing (Levy 1957, 54-55). Islam insists on the provision of the means of subsistence to all living – Muslims or non-Muslims - in an Islamic state. Some Muslim countries have constitutional provision making it an eventual obligation for the state to meet the stated basic needs of their citizens and
their record on this score has overall been better than others (Has a 1997)\(^3\). Indeed, Islam invokes a share for the poor in the wealth of the rich which they are obliged to use for helping the needy\(^4\). Hence, more of the current income in Muslim countries would, some fear, be spend on consumption, reducing savings to invest for future growth and prosperity; this indeed is the basic plea of modern growth theorists. They do not consider it expedient for the same reason to mitigate distributional inequalities at least in the initial stages of development. Per capita incomes being low, attempts at equalization would only tantamount to a redistribution of poverty.

Though this thesis has at times been questioned in the mainstream literature\(^5\), Islamic economists have seldom examined its validity. Rather, one finds an obsession with the contention that consumption could under the Islamic dispensation reduce investible funds retarding growth (Hasan 1990, 96). Such contentions have so far remained unproven, inconclusive. Presumably, a better approach would be to investigate if the proposition is indeed valid. Or, could there be a case where an increase in current consumption could possibly lead to an increase in future production? Mainstream literature on consumption contains ample argument that increased consumptions could under the Islamic dispensation reduce investible funds retarding growth (Hasan 1990, 96). Such contentions have so far remained unproven, inconclusive. Presumably, a better approach would be to investigate if the proposition is indeed valid. Or, could there be a case where an increase in current consumption could possibly lead to an increase in future production? Mainstream literature on consumption contains ample argument that increased consumptions could promote, not retard, growth in developing countries. It is argued that in poor countries improved levels of living are a precondition for higher labor input and efficiency (Myrdal, 1968, 530). Meier (1982, 269) writes quoting empirical evidence:

> “Where the level of living is as low as in a LDC (less developed country) the distinction between consumption and investment becomes overdrawn in so far as private consumption may well have a positive marginal productivity. The reason is not that consumption will augment resources but that a rise in consumption may improve labor quality and efficiency and hence allow better use to be made of the existing labor resources”. (See also Ahmad & Hasan 2016).

Given the needed motivation and cooperating factors selective in consumption can become an instrument for development. The components of consumption that can improve labor quality are, for example, calories per head, investment in education and training, health care and social security programs. The resultant increase in labor productivity may more than compensate for the output loss due to the relative fall in investment. Indeed the same principle of circular and

\(^3\) These needs include food, clothing, shelter, education and health care. The concept is flexible: the content and quality of the package depending on the stage of income level and prosperity a country would have reached.

\(^4\) The holy Qur’an unequivocally grants such rights to others; especially the needy and the deprived, in the wealth of the rich (7: 24-25; 16:141; 17:26; 30:38; and 51:19) and insists that these rights must be honored.

\(^5\) The exploitation of the developing countries during the era of colonial rule had left most of them on the eve of independence at appallingly low levels of per capita incomes that they fell to the Western of concentrating on pushing up growth as the top objective of economic planning. Thus, the First Five Year Plan of India (1951-956) candidly declared that distributional concern without growth first would only be counterproductive. The approach eventually benefited the foreign investors. We were soon producing “inappropriate products with inappropriate technology” Bhagvati, Jagdish, (1964).
cumulative causation that is shown in Nurkse (1953) to accentuate poverty on the demand side of the market may start operating in the reverse direction.

An even more consequential relationship was envisaged between consumption and production. It initially began with a realistic understanding that producers will produce ‘to order’ i.e. what the consumers would demand – consumer was the king. The instruction flow is or ought to be from the consumer to the market. But the well-recognized consumers’ sovereignty soon evaporated after the industrial revolution spread across the world. Say declared “Supply creates its own demand”; the fear of over production was unfounded. Events proved him wrong. Advertising soon emerged to tame the consumers – today one is not sure whether one buys what he wants to buy or he is made to buy by the demand managers. There is a ‘revised sequence’ of instruction from the market to the consumer is well in place and indeed kicking (Gailbraith 1969). The contribution of this regrettable development to recurring financial crises the world has been facing, especially since 1930s, is notable. The development is unwelcome to Islam on many counts, including social and cultural. Even in the West it is being now questioned if the current consumption-production axis is sustainable?^6

**Work effort and output levels:** In broad macro fame works, development models pay much attention to achieving efficiency in resource allocation to various uses. But allocative efficiency however defined or achieved, need not per se produce optimal results. Human factor performance also matters. Human performance on job is inter alia a direct function of work effort the workers put in the processes of production. The neglect of this factor in planning development has resulted in many performance shortfalls experienced in many developing countries.

Microeconomic theory has largely been presumptive and static. It could for that reason neglect work effort and performance in arriving at its optimal solutions. But development planning just cannot as it deals with dynamic real world situations (Leinbestein, (1978, 9-11). It is significant that the issue of work effort has now become an integral element of the mainstream theoretical discussions on efficiency Information economics now deals with employer-employee relationships in situations arising under conditions of moral hazard or as it is sometimes called ’hidden action’.

Put briefly, the issue is posed like this. A firm would like its employees to work as hard as feasible, while the employees would prefer to take it easy at the job. The difficulty from the 

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^6 Sustainable consumption and production (SCP) is an overarching objective of and an essential requirement for sustainable development, as recognized in the Johannesburg Plan of Implementation (JPOI) of the World Summit on Sustainable Development in 2002. That Summit called on all stakeholders to “encourage and promote the development of a 10-year framework of programmers (10YFP) in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production to promote social and economic development within the carrying capacity of ecosystems by addressing and, where appropriate, delinking economic growth and environmental degradation through improving efficiency and sustainability in the use of resources and production environmental degradation through improving efficiency and sustainability in the use of resources and production environmental degradation through improving efficiency and sustainability in the use of resources and production processes; and reducing resource degradation; pollution and waste. [10 Years Programs on SCP].
firm’s perspective is that it may able to observe all the time as how hard the employees in fact are working. In contrast to a simple textbook presumptive model this gives rise to a moral hazard problem; the worker’s effort level remains an unknown quantity. The issue as posed above presumes immorality operative at both ends of the employment spectrum that Islamic economics cannot and does not start with. Islam assumes the people basically honest, hardworking on job and sincere to their employer. The latter on his part is supposed to be caring and generous in treating his workers – the relationship between them is of mutual trust, kindness and accommodation and reciprocity, not of deception and betrayal.

Even in mainstream economics, there are available several market responses for dealing with the moral hazard issue. For example, employers may, use performance based compensation packages. However, none of the methods can make a legal contract ensure a desired solution, only moral conditioning of the individual and social conduct as Islam strives for is needed. For, decisions influencing performance depend on something internal to their makers whether they operate on their own or as members of an organizational unit, e.g. a firm. Attitudes, motives and morals of the individuals shape the results; hence the Islamic emphasis on the development of human personality to achieve falah.

Ethical doctrine in Islam is intimately connected with law. *Fiqh* makes no special distinction between rules concerning conduct and those which other systems consider as pertaining to civil and criminal law. Innumerable illustrations are available on this point... “A government warning erected near some cotton fields outside Cairo in 1942 read “Beware of wetting cotton (before weighing) for it is fraud of which the consequence is loss for this world and punishment in the next”(Levy (1957, n.197, see also 204, 255-256). We can likewise publicize the Islamic obligation to give (*infaq*) condemn temptation to greed or parsimony, emphasize on observing honesty in contracts of all types including those involving work effort, exploitation free factor relations, prohibition of interest and speculation, opposition to hoarding and amassing of wealth and so on; much better utilizing the modern means of mass communication for creating social awareness against commercial ills.

**Production and distributive shares:** Last, combinational or total factor productivity – output per composite unit of factors used is commonly used as a measure of growth (Todaro 1986, 4) but microeconomic theory continues to harp upon the productivities of individual factors as determinants of their distributive share in production. The concept and its use as a just measure of factor contributions to production are arbitrary and unjust. In addition it emphasizes individualism weakening social cohesion and cooperation.

Thus viewed the concept of combinational productivity – participation in productive effort, participation in sharing the fruits – is commensurate with the Islamic norm of fair play. It is combinational productivity that is the source of a firm’s output and factor shares ought to be decided in accordance with the pre-agreed rules of the game. Sharing cannot be left to the

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7 For a preliminary discussion on information economics one may see example look Kreps 1990, Part 1V
vagaries of the market arbitration and manipulation. This much on distribution for now, we shall take up the subject at full length in the next Chapter.

3. OBJECTIVES AND PRIORITIES

Broad identification of policy objectives for development is rarely a problem. – Growth, employment, distributive justice, stability, self-reliance and of late the addition of environmental care and poverty medication complete the standard list. However, perplexing difficulties are encountered when attempt is made to spell out the precise meaning, range, and rankings of the objectives and tradeoffs between them are to be fixed in case of conflicts. The task is further complicated as most of the developing countries impressed by the developed countries achievement records often tend to base their decisions on Western prescriptions which are not always in harmony with the local needs or conditions. To me, the disbanding of the planning commission in India by the Modi Government is an expression to get rid of this imitation syndrome and think indigenously – out of the box. If so, it must be welcomed.

**Growth versus welfare:** The central piece of the Western prescriptions has been the acceleration of growth in the GNP per head in real terms. Other policy goals are conditioned by this perceived imperative (HDR 1994, 15). The prescription serves the ends of developed economies. It ensures for them the regular supply of materials, markets for their products, and lucrative returns on their surplus funds investment. Thus the ill-conceived ‘make in India’ program must in principle benefit them more than us. The laws are being already being bent to meet that end and expenditure on social services – education, housing for the poor and health care is falling fast – today it is at less than 1.5% of the GNP in India as opposed to 6-8% in the West. Developing countries – OIC members especially must set their priorities correct.

As stated earlier, growth centric policies did succeed in developing countries but the experiment failed on many and more crucial fronts.- but poverty, income disparities, unemployment, economic and social instability in creased many folds. (Have a hard look at the Map-Figure 1 and Table 1) The benefits of growth got largely concentrated in the modern sectors and big businesses. Agriculture, medium and small scale enterprises usually suffered. Required is a selective attack on worst forms of poverty, deprivations, unemployment and inequalities to remedy the situation before it is indeed too late.

Growth in the literature no longer holds the pride of place in the hierarchy of development goals. It is conceived of in conjunction with the basic needs fulfillment to be meaningful. Significantly, Islamic approach to development too focuses attention on basic needs fulfillment as developmental priority. Siddiqi (1988) provides a comprehensive discussion on the topic. The BNF Program aims at minimizing poverty with growth. But to that end, it may turn out to be

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8 Contextually, Meier (1989, 6) has makes an interesting observation. He says any statement of policy objectives implies a prior fixation of the definition of development – the stated objectives condition it thus defying unanimity on what development is? We think he has a point here. For that reason Islamic concept of development is different from others, though some parallels cannot be denied.
quite a radical proposition demanding a drastic reshuffling of socio-economic priorities in resource allocation – its implementation presupposes ironic resolve and determination for successful implementation.

The relationship between growth and equity is one of the most talked about on objectives of development but remains also as the least explored ones in the literature, more so in Islamic economics. For now it would suffice to state on the point that the Islamic system would probably opt for a relatively slower rate of GNP growth should that go better with achieving distributive justice compared with a reverse position where faster growth could only be ensured at the cost of aggravating the existing inequalities.\(^9\)

**Employment provision:** closely related to growth is also the question of employment. Social security net works like infaq, zakah and awqaf are at times feared to make people shun work and live on charity. This fear is unfounded. It faces resistance from self-esteem intrinsic to human character. In addition, Qur’an exhorts people to work for a living (31:34; 71:20). Of the many traditions on the point, one declares “striving for permissible living is the greatest human obligation next only to the worshiping of Allah (Qouted in Rahman 1936, 62).

The Islamic preference for engaging in trade signifies the relative importance of self-employment. The rising proportion of youth in populations in developing economies has forced public authorizes in developing economies to expand opportunities for self-employment. The establishment of ministries for entrepreneurial development, on job skill improvement programs, The ‘start-ups’ and liberal financial assistant to them and no-limit on working hours of proprietary businesses in India are in line with the Islamic far sightedness for being your own masters. Financing of such programs via gramen (rural) banks in Bangladesh has changed the face of village economy in the country.

Islam sees the employment issue in the wider context of human resource development. Indeed, Islam was the first social order that made as part of the measures the quest for knowledge compulsory for all its followers – men and women whatever hardships it might involve. Learning humanities, abstract sciences and arts of various types as conditioned by the Shari’ah is a *fard kafaya* i.e. sufficiency obligation in Islam. The implication is that Muslims must have amongst themselves knowledgeable people in all fields to meet to meet the *umatic* (communal) requirements. So long as shortages remain in any area of expertise, the entire community remains sinful (Qutb, 1948, 203); the obligation continues. An Islamic development program must aim at providing adequate facilities for education, training and research. Education would promote self reliance as well.\(^{10}\)

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\(^9\) See Hasan (1988, 59). It is interesting to note that that less than 150 years back J. S. Mill gave vent to a similar preference. See OSER/Blanchfield (1975, 159).

\(^{10}\) Self-reliance means the ability to achieve an objective, not the shutting out of an economy to the outside world. Today one of the secrets for attaining economic prosperity is the fostering of gainful engagement with the global economy. China is the leading example of such engagement in the modern world.
Human resource development program, its vocational training component in particular, would partly depend on tradeoffs the economy envisages between employment and output and the linkages it sees between the choice of technologies and the BNF approach to development. Intuitively, such an approach may prefer initiating more projects where people reside than at centers away from them – keeping workers and families together. Migrant workers create many problems – economic, social and political in overcrowded industrial centers.

Essential for the fuller development of human capabilities so that people are able to maximize personal and communal well-being is a non-discriminatory social order. Social equality is Islam’s fundamental doctrinal plank. History tells us that the non-partisan attitude of the state enables the community to harness talent from far and near, high and low, black and white, from various races to bring unparalleled expansion, glory and prosperity to the Muslims in the world and with the reverting back to discriminatory ways began their decay and disintegration.

Central to social equality in Islam is its notion of distributive justice... Shari’ah insists on a wider percolation of wealth “in order that it may not make a circuit merely among the rich of you’ (59:7). The Islamic system is characterized with some in-built safeguards to ensuring distributive justice but as people are prone – it admits – to avarice concentration of wealth may as it does take place in fewer hands. Shari’ah as such makes it obligatory on the state to take corrective action. (On this see also Hasan 1988, Sec. IV and Sadr (1986 Chap. 3).

**Stability:** Macroeconomic instability retards socio-economic development but the social phenomena is of necessity dynamic and susceptible to tumultuous changes. All variables do not change at the same time, in the same direction or proportionately. Dynamic changes alter relative price structures resulting in unexpected income gains or losses to various factors of production. The economies experience unwanted sometimes devastating lurches in economic activity. Containing such fluctuations – increasing in frequency and intensity – is a major economic problem of modern economies. Maintaining economic stability is perhaps the most ticklish of problems of modern economies, more so because of the contagious character of the ailment. We are not aware of any counter cycle policies specific to Islam. The system has to share the usual mainstream monetary and fiscal instruments with needed modifications to Shari’ah requirements (For details see Hasan 2016).

Most of the countries – developed or developing - that grew fast during the recent decades were particularly stable; many of the slowest were not (Maier 1996, 501). It is well known that after the Great Depression of 1930s the world economy never witnessed such a long period of stability – political and economic – as from 1950 t0 1998 and the world output too never expanded so fast – it tripled during the period. In contrast, the global instability unleashed by the 2007 US subprime debacle has not yet allowed the global recovery to be reliable.

**Environment and Islam:** Finally, Shari’ah is a code of conduct that takes care of creating a harmony between human behavior and nature. Man is allowed to “partake of it with joy as long as he is a benefactor, not a corruptor, a cultivator not a destroyer” (Caliph Ali b. Talib quoted in
Llewellyn (1984, 36). Islam insists on maintaining the balance of the biosphere; ecology is its integral element. History bears eloquent testimony on Muslim contribution to the beautification of the environment through landscaping, orchard raising, water management, air circulation in the vastness of their buildings and architectural designing. Crop patterns, land usage, animal rearing, etc. were all led to ecological conservancy.

The policy objectives discussed above are inextricably interwoven into the Islamic socio-economic development program of Islam; all have to be pushed forward simultaneously. Their priority order might vary with the temporal and spatial demands. The goals of BNF, full employment, and human resource development with focus on character building promote one another in a circuitry. Together they make a direct and cumulative attack on poverty and social inequalities. For, the deprived, the unemployed and the illiterate are mostly the poor. Equality and equity fortify the process of development as minds are freed of the terrorism of a discriminatory class and caste culture. People must become intoxicated with a sense of confidence in their own abilities and self-esteem that would ignite in them again that elation and pride which had ever been the hallmark of the believers. This sort of Islamic development program will stimulate people to grow keeping balance between their mundane and spiritual urges.

4. SOME ISSUES

From Islamic viewpoint development can now broadly be defined as “the process of fusing together the processes of material and spiritual growth of human personality with a view to achieving faIah. It is a complex morality based process. Even as the goals of such development are well fixed as elaborated above, a host of related issues have to be attended. Of these a few are briefly discussed hereunder.

4.1. The question of motivation: people are guided to action by a multiplicity of motives. Still, every economic systems usually identify a basic one that it believes urges not everyone though, but most people into action. The secular economic systems – capitalism and socialism – do differ one with another in many ways but nowhere perhaps more than on the motivation issue.

Islam mostly does not approve the socialist ideals or methods. However, some basic features of capitalism – pursuit of self-interest included – have a unique relationship of affinity and divergence with those of an Islamic social order. This point we have already elaborated in the last Section of the preceding Chapter. In fact, such features of capitalism were all the time evolving in the Moorish Spain away from the Red sea.

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11 It is agreed that the ultimate purpose of the Shari‘ah is …the universal good, the welfare of the entire creation … This means that all the measurable effects of an action both immediate and ultimate on all beings must be weighed to maximize benefit and minimize harm to the totality of the creation” (Llewellyn 1984, p.28)

12 For example, in defense of Adam Smith for his focusing on the pursuit of self-interest as the guiding star of the free enterprise system, Guide and Rist (1953, 103) write: “His plea is applicable to men en mass and not to individuals. Moreover, he does not deny that men may be unacquainted with or may even entirely ignore his self-interest”.
Significantly, it was during the era of Muslim dominance in world history – years 1000 to 1300 approximately- that a transformation of social values away from morality and on way to the making of a modern secular world started brewing. It is a pretentious to argue that the change was enforced by the rise of science and technology – that rise had to wait further for two more centuries\textsuperscript{14}. In fact the change was initiated by Christianity through by attacks on its own values, even at the risk of running into disrepute. Presumably, the policy had a wide and a more sinister design of undermining the Islamic value system without arousing suspicions as the two religions had not a few values in common including the prohibition of interest\textsuperscript{15}

The foundation bricks of capitalism were baked initially in the oven of secularizing the social value system; science and technology fueled it later. The key element of the change was the installation of self-interest as the system’s motivational base. Adam Smith had already done it and in the process the “the moral philosopher” says Lux on the very cover of his book “invented economics and killed morality. Lux’s could well be regarded as an extreme view and Smith did have substance. Adam Smith doubtless condemned avarice and the exploitation of the weak in unequivocally\textsuperscript{16}; still, there is no denying the fact that the promotion of self-interest was the guiding star of the free enterprise system in his scheme of things since the appearance of the following passage in his monumental work.

“It is not from the benevolence of the butcher, the baker or the brewer that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity but to their self love and never talk to them of our own necessities but of their advantages. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow citizens”\textsuperscript{17}

\textsuperscript{13} Hutchinson (1978, 27) writes: “Jurisprudence was a favorite profession in the Muslim Spain …numerous writers dealt with the subject of commercial contracts… In his best known treatise the \textit{Tuhfa} Ibn Asim devotes twenty three chapters to the subject of sale, eight to the contracts of rent and hire, four to partnerships and two to loans, deposits and guarantees. Even the institution of limited liability the evolution of which some writers naively attribute to the West is Islamic in origin – \textit{rub-ul-mal} the financier in participatory financial contracts was never liable to meet the loss of investment beyond what he had invested in the joint venture. This practice continues in Islamic finance even today in mixed \textit{mudharabah} models.

\textsuperscript{14} See Lux 1990, 6): He advances the interesting argument that if the rise of science and technology could be the prime over of the change, then “in the early stages of the transformation – around the middle of the 15\textsuperscript{th} century other cultures such as China and the Muslim world had science and technology that were at least equivalent and possibly superior to those of the West”.

\textsuperscript{15} Even as Hutchison (1979, 31) makes the following observation in some other context, it serves the purpose here well. He writes: “ [It was] natural that the church should have opposed the adoption of business customs that were not only contrary to Christian teachings but but tainted with Judaism.” Sharper is the change the oppressive is objectives of the expanding colonialism of the Christian West.

\textsuperscript{16} \textit{Wealth of Nations} is indeed dotted with passages advocating the need for ameliorating the lot of condemns avaricious and exploitative urges in men in very strong terms. It casts a gloom on the nefarious activities of the merchants and the rich.

\textsuperscript{17} Adam Smith is charged of picking up ideas from other writers, especially the key ones and without acknowledgement (See S. Todd (2012, Ch. 10). To illustrate the whole passage quoted here from \textit{wealth of Nations} appears almost word for word in Smith’s ‘course of lectures at Glasgow’ and was itself taken from Mandeville’s notorious ‘\textit{Fable of the Bees}’ Guide and Rist 1953, 881).
To Smith, pursuit of self-interest not only promoted individuals’ well-being but also that of the society. In his earlier work *the theory of moral sentiment* (1758) Smith thought that sympathy and benevolence could overcome avarice and selfishness in humans; people wish to see their face shining in the social looking glass. Why he dropped these ideas some twenty years later is not explained by Smith. One is therefore inclined to go with Lux quoted above that it was a beginning of attack on the Islamic moral and ethical values. One may not join the critics of Adam Smith in charging him with the creation of a homo-economicus but the impact of his contentions on motivations discussion in mainstream economics has been immense in imparting to it a self-interest orientation. A popular textbook for example observes as follows.

> Capitalism presumes self-interest as the fundamental modus operandi for the various economic units as they express their choices. The motive of self-interest gives direction and consistency to what might otherwise be an extremely chaotic economy” McConnell and Brue 1981, 41).

The difficulty is that the pursuit of self-interest tends to annihilate competition, the force that seeks to discipline it (Hasan 1992, 241-242). Monopsonic market structures have thus become an integral part of the capitalist economies. The case of self-interest as behavior regulator must therefore rest on social efficacy of such structures, not on the merits of a non-existent sort of competition.

Lux traces the failures of societies based on self-interest from the misery of Charles Dickens’s England through the Great Depression in the United States to the latter’s culture of narcissism of the recent years. He fully acknowledges the glorious achievements of modern capitalism in the field of scientific explorations, technological breakthroughs and advancement of material prosperity, but also shows that the unconstrained pursuit of self-interest has left the unprecedented social strife, ecological damage and abuse of power.

Islam sees the behavior of the bipolar man of its perception explained earlier as determined by panoply of motives which may broadly be thought of as a continuum of hate, selfishness, benevolence and love at the top in an ascending order. The conflict of interests in the world is, in fact, the conflict between the lower and upper end motives of human personality – between good and bad; between virtue and vice (Lux 1979, 91-92). Adam Smith dealt only with the middle range of the sequence – selfishness, self-

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18 Smith says that the individual is interested in his own gain and he is in this as in many other cases, led by an invisible hand (self-interest) to promote an end which was no part of his intention …By pursuing his own interest he frequently promotes intends to promote it (that of the society more efficiently than when he really intends to promote it.(1776, 423).
interest and benevolence. Even here he reversed the order: held self-interest supreme and slighted benevolence.

Contrary to Smith, the regulatory force for the system in Islam is the believers’ passion to follow the divine path. This path epitomizes the behavioral norms that the Shari’ah prescribes for them in various walks of life. These norms are not averse to the pursuit of self-interest for worldly gains but with a rider that the means for acquiring riches must remain honest and halal and, on a more importantly, the Amanah view of wealth is never neglected or violated. Amanah seeks to convert the material ambitions of people into the means of attaining spiritual heights; their ultimate goal in life. (28:77). The conversion instrument is not Smith’s competition but benevolence that finds expression in the grand Islamic principle of infaq i.e. spending for the prescribed, the needy and the poor, for the pleasure of Allah (2:263; 3:86).

Human development is an increasing function of infer and must motivate the believers to work more - not less as some perceive – to increase earnings for maintaining their own living and spend more on others less fortunate members of the society to serve the cause of Allah avoiding waste and extravagance on the way (6:142; 7:27). This approach must not only be promotive of growth by expanding the markets but could also encourage the evolution of honest production-exchange relations so rare in recent times.

Thus, in Islam, Amanah adds a social dimension to the urge for personal gain. It seeks to harmonize individual and social interests. For, without their adequate synchronization the potentialities of freedom of enterprise ingrained in the Islamic religion can rarely become an instrument of mass amelioration.

4.2: Role of the State: In an Islamic economy, as in all mixed economies, the major problem of development includes the discussion on the respective roles of the state and the market in achieving the specified goals. The division on the spheres and responsibilities is neither obvious intuitively nor is fixed permanently. It is case specific and has time and space dimensions. In principle, the division in an Islamic state has to be commensurate and flexible with the Shari’ah norms and must be decided through a consultative process by the mature knowledgeable members of the community at various levels. Islam’s being a system based on voluntary dynamism the role of grass root participation in social decision making cannot altogether be ignored.

Western society is vertically divided on the issue since the mercantilist era and liberalism has been its dominant overtone since Adam Smith (1776). This has been occasionally disturbed by circumstantial compulsions, especially during an economic turmoil visiting the globe19. Developing economies may better stay clear of these controversies and think indigenously. Still, a few remarks may not be out of place.

19 Study for example. The controversial discussions on works of Robert Higgs (2012) who describes a pervasive lack of confidence among investors in their ability to foresee the extent to which future government actions will alter their private property rights and Robert Piketty (2012) who argues that state intervention is needed to keep the economy on the stable trajectory of development. Some Muslim economists have naively dragged this controversy into discussions on Islamic economics. Required is thinking out of the box.
To begin with, one must remember that in practice the market system does not always work efficiently (Roy 1989, 159). The reminder is needed in view of the present race towards privatization in the developing economies\(^2\). The assets distribution in contemporary Muslim countries being what it is the participation of the state in economic activities to improve matters may have to be substantial. Market regulation has to be tightened strengthened in the initial stages. Islamic values are also to be protected and promoted where needed from the aggression of alien values where necessary including for example, in the garb of promoting global culture\(^2\). The emphasis may shift for example from enterprise to regulation for achieving the objective. The need for intervention might decline with the passage of time and Islamasizarion of knowledge gaining momentum.

The areas, the form and the need for state intervention or participation in the Muslim countries will have to respond to the broad priorities of developmental objectives listed earlier. To reiterate, these for example include provision for meeting the minimum of basic needs that emphasize the production of sufficient wage goods, especially food. This would accord top priority to rural development where conditions permit. Detailed schemes for land reclamation cropping patterns, landscaping and usage, irrigation, improved seeds, and farm machines together with tiller friendly land tenure systems have to be hastened. Input/output prices must be kept in a reasonable relationship using meaningful subsidies and support incentives, if and where needed. Adequate infrastructural facilities including institutional financing facilities are to be arranged. Cooperatives suit Islamic temper and cost-saving tools in rural development. Finally, agriculture must be integrated with manufacturing; the two cannot be seen as competitors.

To improve coordination, the industrial development program can accord importance to the production of goods of mass consumption curbing diversionary resource absorbing luxuries. Production of such goods absorbs relatively more of labor and helps relieve unemployment.

\(^2\) To be sure, privatization need not always be a catalog of virtues. The shrinking of the state’s entrepreneurial activities must tend to enhance its supervisory role. It is worth noting that the size of the public sector as measured by the proportion of the federal (central) government’s total revenues to GDP remains much higher in the advanced economies compared to the developing ones over time and space as Table 3 shows. Also, during 1992 – 2015 public revenue as GDP share has in general increased implying a decline in privatization while reverse has been the position in the developing economies because of the Western pressure. (Source: World Bank Reports).

<table>
<thead>
<tr>
<th>Developed Countries</th>
<th>1992 %</th>
<th>2015%</th>
<th>Developing Countries</th>
<th>1992%</th>
<th>2015%</th>
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<tbody>
<tr>
<td>Australia</td>
<td>27.6</td>
<td>25.8</td>
<td>India</td>
<td>24.4</td>
<td>17.7</td>
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<tr>
<td>France</td>
<td>40.9</td>
<td>47.8</td>
<td>Indonesia</td>
<td>19.7</td>
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<tr>
<td>Germany</td>
<td>30.3</td>
<td>40.6</td>
<td>Malaysia</td>
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<tr>
<td>Italy</td>
<td>40.7</td>
<td>43.5</td>
<td>Pakistan</td>
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<td>Norway</td>
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<tr>
<td>USA</td>
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<td>28.9</td>
<td>Turkey</td>
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\(^2\) The current wave of globalization now sweeping across the globe need not all be virtuous.
pressures; more so if appropriate technologies are encouraged in populous Muslim countries. Initially available local skills may also be put to good use.

Housing is another important component of basic needs. Provision of dwellings in the countryside may lessen slum expansion in urban centers. This issue can be addressed by public sector initiative in specific areas and also in partnership with the private sector. Group housing cooperatives can also make a dent in the problem. Priority is to be accorded to the low cost simple but comfortable dwellings. High rise fancy buildings as is the fashion today is not the answer in many Muslim countries where availability of land is not a problem for horizontal construction expansion. Such expansion cuts on costs, and may prove cheaper in case of natural calamities or in aerial bombardment during wars. A revolving National Housing Development Fund may be assembled to help finance the projects.

To the list we may add a minimal provision for health care. Modern state of the art medical facilities are of course needed but cannot be the goal of a popular mass health program in most developing economies. Muslim included. Medical outfits on wheeled dispensaries with basic knowledge of common ailments with possible cures may make regular visits to rural clusters and sub-urban neighborhoods. In addition there is a strong case to revive and encourage the local cure systems. Corps of foot-loose doctors as common in China may be raised to fan out in the rural interiors.

Also is required a purposeful education policy as a crucial element of the Islamic development program. There is a circular relationship between the sort of education envisaged and development patterns in the emerging economies, Muslim or non-Muslim. The existing education systems in these economies reflect and tend to perpetuate the non-egalitarian social structures of their colonial past. Suitable reforms in the educational system can put economic development on the right course, more so in an Islamic order, helping introduce overall an ethical social and economic change. Muslim countries can exploit the two way causal connection between education and development to their advantage through (a) a pronounced moral orientation to basic and general education (b) the family improvement education (c) the community improvement education and (d) the occupational instructions and training. Such diversified education will help develop a well-balanced societal structure.

In addition, the education system needs strengthening from within. This would, for example, require adequate resource allocation scholarships schemes and subsidies for merit recognition and transparent staff promotion processes. Entry quotas for weaker and under-privileged but potentially good students will have to be provided. Strengthening of supporting infrastructure would be needed. Over emphasis on specialization would absorb more resources relative to benefits; it also attracts less intelligent students to higher education raising the overall cost to benefit ratios.

Reforms from outside the system may include (i) adjusting of the emerging market imbalances signaling, and incentives, (ii) modification of job rationing by educational certification, if needed and (iii) curbs on brain drain by making educational qualifications, for example, less stringent than the global requirements or discouraging exodus by other means. The use of local languages for instructions can help.
Arabic can replace foreign languages as medium of instructions with advantage in many OIC non-Arab countries. Selective exceptions can meet special requirements.

Finally, Muslim countries must forge closer social, economic and cultural cohesion, especially to face jointly the global machinations being engineered against Islam and them by vested interests. Cooperation can alone bail them out of their current difficulties.

**4.3 Demographic Issue**: Today the adherents of Islam constitutes the second largest religious population in the world only second to Christians. Significantly Muslim population is growing fastest compared to others and the reason is not the natural growth; it is conversion to Islam. Figure 2 highlights the latest available position on these facts.

It is rather surprising that in writings on Islamic development, rather on Islamic economics in general, discussions on demographics are conspicuous by their absence. Regrettably, it is perceived that population is a sensitive issue and therefore it is advisable to leave it alone. However all aspects of the issue do not invoke inexpediency save population control. But why should one feel hesitant to discuss controls as the matter is highly relevant to the fundamental Islamic imperative of meeting the basic needs of the people. Food, clothing, shelter, education and health care must use population data as the planning base. In many countries of the developing world efforts are being made to keep a tab on the size of the family. Even developed economies have preference for keeping the family small. This is a vast complicated topic but a few observations may not be out of place.

There is no dearth of evidence in the literature to show that since the classical pessimists – Malthus and Ricardo unleashed the ghost of perpetual scarcity of natural resources relative to the prolificacy of population, mainstream economics never refrained from ringing the alarm bells to fix on the blame of their deprivations on the poor within and among nations. The uncritical acceptance of this rather aggressive proposition put the developing economies unceasingly on the defensive and made population control a worldwide movement. Islamic economists timorously sought refuge in silence.

However, of late the opinion in the developing countries seems gaining ground that ‘scarcity verses population’ is not so much a question of numbers as of distribution (Todaro 1983).
average per head income of the global village as some fondly call the world today (2015) is over US$ 10,000 (WDR). Why must then there be so much of misery and destitution in the vast majority of its lanes? What would have been the results if the colossal amount of resources spent on armament, on engineering conflicts to suppress people for selling arms and exploring the space were even fractionally been diverted to ameliorating the lot of the global poor? The merchants of death and misery must ponder.

The density of populations in the Muslim world is estimated at around 30 K (2015) per square kilometer. This is much lower than most of the densely populated developed economies of the globe. This can possibly be a contributory factor to the economic development of the Muslim world compared in general with the other developing countries. The density is especially thin in the Mid-Eastern, North African and central Asian Muslim contrives and many of these are rich in resources and short in labor supply. On the other hand countries like Bangladesh, Indonesia and Egypt are labor surplus and resource deficient. A coordinated development effort can benefit both categories of countries and some progress in that direction is visible as well. Cheaper labor supply can lend their products a competitive edge in the world markets. Regrettably preference for prestigious building construction is leaving less for investing in high value added manufacturing. Change in focus may promise faster and more beneficial development, especially to the extent it helps cut imports of daily use goods.

However, the coordinated effort can help start development but eventually countries would like to grow according to their own needs and compulsions. So, eventually, the problem of numbers may stare many in their face. For instance, countries like Bangladesh, Egypt and Indonesia must face the trouble. Should these countries resort to modern ways of population management? We are not quite sure if Islamic religion and sociology would permit family planning of the modern vintage. The issue can be examined from the view point of an individual or as a social policy. We believe that family planning as a state policy would not presumably be permissible. For, the Qur’an unequivocally declares:

“No creature is there crawling on the earth but its provision rests on Allah (11:7) and not your children for fear of poverty; We will provide for you and them (17:31). Satan threatens you with poverty and bids you to indecency. Allah promises you his forgiveness and bounty (2:268). What Islam emphasizes most is a fair distribution of wealth and incomes. To ensure that the basic needs of all are squarely met. (2:29; 15:20; 41:10; 51:53).

Population control policy may have some serious consequences. It is the rich and elite sections of the community which tend to be more receptive to the idea though require it the least. In

22 The estimation is based on the population densities of the following countries: BAHRAIN 1235 Maldives 309 Lebanon 4224 Camerun 676 Pak 193870 Kuwait 3566 Nigeria 154729 Uganda 32710 Malawi 15263 Qatar 1409 Indonesia 237596 Albania 1195 Azerbaijan 9165 Turkey 77804 Malaysia 28307 Egypt 88057 Ethiopia 79221 Brunei 400 Tunisia 10327 Uzbekistan 27488 B. Faso 15757 Tajikistan 6952 Tanzania 43739 Afghanistan 29863 Iran 74194 Yemen 23558 Guinea Bissau 1611 Djibouti 864 Kirgizstan 5482 Algeria 34895 Somalia 9133 Niger 15290 Saudi 8260 Mali 14517 TURKSMANISTAN 5110 Oman 2845 Chad 11274 Kazakhstan 17010 Gavan 1475 Libya 762 Mauritania3291 Surinam 520 (Source WB Statistics).
contrast, the poor are supposed to need it most mostly shun it. These tendencies are likely to reduce the quality of the population in the long run. Again a shift is caused in the population to the older age groups. The top of the population pyramid tends to become disproportionately heavier with the passage of time as is now palpable in the case of many developed countries. This causes the output mix change in favor of the older generations. Also, overall labor productivity may tend to decline. Unemployment and frustration among the young may cause social frustration, even upheavals.

At the individuals’ level modern population control is permissible but the methods may not all be acceptable without reservations. It may, for example be noted that the condom is not just a contraceptive; the popularization of its use is likely to promote a culture of sexual betrayal and permissiveness that Islam abhors. Likewise the use of abortion as a family control measure is clearly unacceptable. What seems as allowable are measures before conception takes place but rarely anything thereafter. Finally, the population issue is inseparable from the overall concern for development. Reduction in fertility comes about from investment in education and health care measures for women. On a philosophical plane, the population control as a policy seems to conflict with the concept of human dignity.

4. CONCLUDING REMARKS

It comes about that the concept of development - its objectives and priorities - in mainstream economics and Islam are quite different yet fairly close as well. This paper has thus presented an integrated view on the subject with focus on Islamic departures. On ground, most developing countries have attempted to imitate the development designs and strategies of the Western countries or with modifications they suggested. This has led their economies geared to serve the interests of those countries more than their own. Developing countries tended to become markets for the products of the leaders, suppliers of materials and workers for their factories as also more profitable investment avenues for their surplus funds abroad via successful persuasion that globalization and liberalization is a win-win situation for all participants (Hasan 2003).

Muslim countries were in general steeped in poverty when Allah opened the doors of wealth and prosperity on many in the form of petroleum – the black liquid gold. Western countries having the technology to explore and extract oil for commercial us soon dominated the oil rich tracts of the world. Easy wealth made the owners lethargic. The money obtained was either left in foreign banks or spend on demonstrative consumption. Armament sale being the most lucrative of all trades Western machinations soon succeeded in dividing Muslims within and between countries. After the Second World War presumably Muslims have killed more Muslims than the non-Muslims. They emerged the top buyers of the Western weaponry together with operators and trainers (Hasan 2004, Table 3). The in-fights led to the Arab spring in most of the Arab world after the turn of the century. After the first wave of elation subsided, the West discovered to their

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23 Life is a principle of growth which needs nourishment respiration expansion and faces as well the possibility of extinction. The availability of life supports to avoid extinction are needed by a child from day one of conception. Thus seen, abortion at any stage equals termination of life.
dismay that it was not the spring of their dreams but the autumn unleashed from the mosques detrimental to their interest. The process had to be reversed. Another round of mutual bloodshed ensued until client governments were restored.

The Qur’an had told the believers that Allah divided them into clans and tribes so that they could recognize each other and it warned that unless they remained united they would lose honor and dignity in the world. Over time Muslims reversed what Qur’an had told: clan tribe and lineage meant for recognition became a divisive force putting one against the other; the ummah losing its respect and glory. New sources of energy are expanding, petroleum prices are falling and oil wells are approaching limits: where do we go from here into the future? Interestingly, Muslim masses wish to go back to their religious culture and ethos if Figure 4 survey is to be believed.

Is it not surprising that despite a vast majority of Muslims opting for the implementation of Shari’ah norms in public administration authorities continue dragging their feet on the issue. For instance what is the difficulty in implementing the basics of the development objectives and priorities spelled out here in this paper? Without political will no scheme of reform economic or non-economic can go beyond a wishful dream that will power has to be demonstrated.

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