

ISLAM AND THE CHALLENGE OF ECONOMIC DEVELOPMENT

CHALLENGE OF ISLAM

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Islam and the challenge of economic development

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Part - One

A major challenge confronts the world of Islam: the challenge of challenge of reconstructing its economy in a way that is commensurate with its world role; ideological, political and economical. What does this demand: economic development with a view to "catch up" with the industrialised countries of the West, Capitalist or Socialist, according to one's inclination and sympathy, or politico economic dependence? Or does it demand total socio economic reconstruction in the light of a basically different model, with its own set of assumptions, ideals and growthpaths, something that would be unique and value specific?

The Muslim countries suffer from widespread economic under development, i.e. non-utilisation and or under-utilisation of human and physical resources with consequent poverty, stagnation and backwardness. Even those countries which are resource-rich the state of their economies remains predominantly under developed. There are gross structural deformities within the economies of the Muslim countries. Whatever development is taking place is contributing inter alia, to the aggravation of these deformities. Most of the Muslim countries have been unable to internalise the engine of growth. These economies are dependent on the Western countries in a number of ways - for the import of foodstuffs, manufactured goods technology, etc on the one hand for the export of their primary products on the other.

The paradox of the Muslim world is that it is resource-rich but economically poor and weak. Development planning has been introduced in a number of Muslim countries. In some, the art is now at a fairly advanced level. Nigeria, Egypt, Syria, Algeria, Iran, Pakistan, Malaysia, Indonesia are some of the instances in it view. But in almost all these countries development effort is modelled after

the prototypes of growth developed by the Western theorists and practitioners of planning and "sold" to the planners in the Muslim countries via international diplomacy, economic pressurisation, intellectual mobilisation and a number of other overt and covert means. Whatever be the source of inspiration-the Capitalist economies of the West or the Socialist models of Russia and China 'no effort worth the name seems to have been made to re-think the basic issues of development economies in the light of the ideals and values of Islam and its world strategy. Lip Service.

How does this policy and the actual developments stand in relation to Islam? It would correct to say that developmental policies have been more or less, Islam neutral. As against this unfortunate fact it is our submission that as far as Islam is concerned, it cannot be neutral vis-avis economic development. But there is no evidence to support that generally speaking the policy makers derived any inspiration worth the name from Islam and tried to translate its economic ideal into development policies, some lip-service here and there not withstanding. Actual policies have had no or little relation to Islam with the re-

sult that the economies of the Muslim world have failed to be transformed towards Islam and the deformities and iniquities inherited from the colonial period and beyond have been generally aggravated. Muslim thinkers have criticised this state of affairs and have emphasised that Islam should be the main inspiration in their development thinking.

The primary task of any theory of development is to examine and explain the nature of the processes of development and factors responsible for it to identify and analyse principal obstacles to development in a give situation and to try to prescribe the most obstacles and achieve various dimensions of economic development.

It can hardly be over-emphasised that such an effort must be made with academic rigour and scholarly detachment. Nonetheless, it would be idle to assume that this theorising can take place in the climate of so called positivistic objectivity and of complete value-neutrality. Most of the economic thinking that maquerades as value neutral turns out on closer scrutiny, to be otherwise. The result of this approach, however is that its value - assumptions remain apparently hidden. They remain implicit, and as such are not susceptible to evaluation is an ordinary way.

This state of affairs is highly objectionable. We agree with Myrdal that effort to run away from the valuation are mis-directed and foredoomed to be fruitless and damaging and that the only way in which we can strive for objectivity in theoretical analysis is to lift up the valuations into the full

light, make them conscious and explicit and permit them to determine the view-points the approaches and the concepts used. In the practical phases of a study the stated value premises should then together with the daltahed by theoretical analysis with the utilisation of those same value premises from the premises for all policy conclusions.

MAJOR CONTRIBUTION

A major contribution of Islam lies in making human life and effort purposive and value oriented. The transformation it seeks to bring about in human attitudes and paripassu in that of the social sciences is to move them from a stance of pseudo valuenutrality towards open and manifest value commitment and value fulfilment. As such the first premise which we want to emphasise is that economic development in an Islamic framework as also Islamic development economics are rooted in the value pattern embodied in the Quran and Sunnah. This is our basic frame of reference.

Our second premise is that this approach clearly rules out a strategy of imitation. The Capitalist, and the Socialist models cannot be adopted as our ideal types although we would like to avail ourselves of all those experiences of mankind which can be gainfully assimilated and integrated within the Islamic framework and can serve our own purpose without in any way impairing our values and norms.

But we must reject the archetypes of capitalism and socialism. Both these models of development are

incompatible with our value system. Both are exploitative and unjust and fail to treat man as man as God's vicegerent (Khalifah) on earth. Both have been unable to meet their own realms the basic economic, social, political and moral challenges of our time and the requirements of a humane society and a just economy. Both are irrelevant to our situation not merely because of the difference in ideological and moral attitudes and in socio political framework but also for host of more mundane economic reasons, like differences in relative resources bases, changed international economic situations benchmark differences in the levels of the respective economic socio economic costs of development and above all for the fundamental fact that the crucial developmental strategy of both the system industrialisation primarily through maximisation of investible surplus is not suited to the conditions of the Muslim world and the demand of the Islamic social ideals.

Development economics is presently passing through a period of crisis and re-evaluation. It is coming under attack from a number of directions. An increasing number of economists and planners are becoming sceptic about the whole approach of contemporary development economics. There are others who consider the application of a theory based on Western experience to a different socio economic situation, as is being done in the less developed countries inappropriate and even injurious to the prospects of development

There are others who are critical of the tools of the instruments of development planning and regard the alleged sophistications and mathematical refinements as pseudo scientific in as much as they contain elements of simplification, abstraction and even falsification. There are still some others who are being disenchanted with the very

idea of growth some because of its socio economic and ecological costs and others because they have begun to see the limits of growth.

In the light of this and other considerations, it can be suggested that the state of development economics today is not a very healthy one. We therefore suggest that the central ideas of develop-

ment economics and its suggested remedies deserve to be re examined. A much more critical approach deserves to be adopted towards the panaceas that have been sold to the Muslim countries.

The above submission spells out some of the negative aspects of our approach, that is what an Islamic approach to development should not be. On the positive side we submit that our approach should be ideological and value oriented. In development economics, as in economics or in any branch of human activity, there is an area which deals with technological relationships. But such technological relationship per se are not the be all and end all of a social discipline.

Technological relationships are important and they should be decided according to their own ru-

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Part - two

les. But technological decisions are made in the context of value relations. Our effort is to weld these two areas and to make our values explicit and to assign to them the role of effective guide and controller for the entire system. This means that as against an imitative stance our approach must be original and creative. It is only through a through understanding of the social ideals and value of the Quran and Sunnah and realistic assessment of our socio economic situation resources, problems and constraints that we can adopt a creative and innovative strategy for change. As such, our approach would be ideological as well as empirical, and some what pragmatic pragmatic not in the sense that ideals and values can be trimmed to suit the exigencies of the situation but pragmatic in the sense that ideals values are to be translated into realite in a practical and realistic way.

Islam stands for effort, struggle, movement and reconstruction elements of social change. It is not merely a set of beliefs. It also provide a definite outlook on life and a programme for action, in a word, a comprehensive milieu for social reconstruction. We would, therefore, conclude this section by submitting some basic propositions about the dynamics of social change as they reveal themselves by reflection on the Quran and Sunnah. They also provide some indicators for goals of socio economic policy.

(a) Social change is not a result of totally predetermined historical forces. The existence of a number of obstacles and constraints is a fact of life and history, but man is not subject to any historical determinism. Change has to be planned and engineered. And this change should be purposive-that is, sustained movement towards the norm or the ideal.

(b) Change consists of

enviromental change and change within the heart and soul of man-his attitudes, his motivation, his commitment, his resolve to mobilise all that is within him and around him for the fulfilment of his objectives.

(c) Man is the most active agent for change. All other forces have been subordinated to thim in his capacity as God's vicegerent (Khalifah). Within the framework of the divine arrangement for this universe and its laws, it is manhimself who is responsible for making or marring his destiny.

(d) Life consists of a network of inter-relationships. Change means some disruption in some relationships somewhere. As such there is a danger of change becoming an instrument of disequilibrium within man and in society. Islamically oriented social change would aim at least friction and disequilibria, and planned and coordinated movement from one state of equilibrium to a higher one, or from a stage of disequilibrium towards equilibrium. As such, change has to be balanced and gradual and evolutionary. Innovation is to be couple with integratio. It is this unique Islamic approach which leads to revolutionary changes through an evolutionary trajectory.

These are some of the major elements of healthy social change through which Islam wants man and society to move from one height to another. The task before the Islamic leadership, intellectual as well as politico economic, is clearly to formulate the objectives and strategy of change along with the ways of achieving it also to establish institutions and inaugurate processes through which these policies could be actually implemented.

Now we would like to elaborate on some of the essential elements of the Islamic concept of development.

DYNAMIC PROCESS

Economic development, according to the current literature on development, consists of a series of economic activities causing an increase in the productivity of the economy as a whole and of the average worker, and also an increase in the ratio of earners to total population. It is looked upon as a dynamic process involving structural change which produces a significant and sustained improvement in the performance of the economy, actual as well as potential, measured usually in real per capita terms, and which is spread over a fairly long period of time. Its substance lies in enabling people meaningfully to control their economic environment, so as to improve the quality of life.

Islam is deeply concerned with the problem of economic development, but treats this as an important part of a wider problem, that of total human development. The primary functions of Islam is to guide human development on correct lines and in the right direction. It deals with all aspects of economic development but always in the frame work of total human development and never in a form divorced from this perspective. This is why the focus, even in the economic sector, is on human development with the result that economic development remains an integrated and indivisible element of moral and socio economic development of human society.

The philosophic foundations of the Islamic approach to development discussed by us in detail elsewhere, are as follows:

1. Tayhid (God's unity and sovereignty). This lays down the rules of God man and man-man relationship.

2. Rububiyyah (Divine arrangements for nourishment, sustenance and directing things towards their perfection). This is the fundamental law of the universe which throws light on the divine model for the useful development of resources and their mutual support and sharing. It is in the context of this divine arrangement that human efforts take place.

3. Khalifah (man's role as God's vicegerent of earth). This defines man's status and role, specifying the responsibilities of man as such, of a Muslim, and of the Muslim ummah as the repository of this Khalifah. From the follows the unique Islamic concept of man's trusteeship, moral, political and economic, and the principles of social organisation.

4. Taskiyah (purification plus growth). The mission of all the prophets of God was to perform the tazkiyah of man in all his relationship - with God, with man with natural environment, and with the society and state.

We would submit that the Islamic concept of development is to be derived from its concept of tazkiyah, as it addresses itself to the problem of human development in all its dimensions and is concerned

with growth and expansion towards perfection through purification of attitudes and relationships. The result of tazkiyah is falah prosperity in this world and the hereafter.

In the light of these foundational principles, different elements of the concept of development can be derived. We would submit the following as its essential features:

(a) Islamic concept of development in comprehensive in character and includes moral, spiritual and aspects. Development becomes a goal-and value-oriented activity, devoted to the optimisation of human well-being in all these dimensions. The moral and the material, the economic and the social the spiritual and the physical are inseparable. It is not merely welfare in this world that is the objective, it is also the welfare that Islam seeks to extend to the life here after and there is no conflict between the two. This dimension is missing in the contemporary concept of development.

(b) The focus for developmental effort and the heart of the development process is man. Development, therefore, means development of man and his physical and socio cultural environment. According to

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the contemporary concept, it is the physical environment-natural and institutional-that provides the real area for developmental activities. Islam insists that the area of operation relates to man, within and without. As such, human attitudes, incentives, tastes and aspirations are as much policy variables as physical resources, capital, labour, education, skill, organisation, etc. Thus, on the one hand, Islam shifts the focus of effort from the physical environment to man in his social setting and on the other, enlarges the scope of development policy, with the consequent enlargement of the number of target and instrument variables in any model of the economy. Another consequence of this shift in emphasis would be that maximum participation of the people at all levels of decision-making and plan implementation would be stipulated.

(c) Economic development is a multi-dimensional activity, more so in an Islamic framework. As efforts would have to be made of direction, the methodology of isolating one key factory and almost exclusive concentration on that would be theroretically untenable. Islam seeks to establish balance between the different factors and forces.

(d) Economic development involves a number of changes, quantitative, involvement with the quantitative, justified and necessary in its own right; has unately led to the neglect of the qualitative aspects of development in particular and of life in general. Islam would try to rectify this imbalance.

(e) Among the dynamic principles of social life, Islam had particularly emp-

hasised two; First, the optimal utilisation of resources that God had endowed to man and his physical environment and, secondly, their equitable use and distribution and promotion of all human relationships on the basis of Right and Justice. Islam commends the value of shukr (thankfulness to God by availing oneself of his blessings) and 'adl (justice) and condemns the disvalues of kufr (denial of God and His blessings) and zulm (injustices). In the light of this analysis, development process in mobilised and activated through shukr and 'adl and is disrupted and distorted by kufr and zulm.

This is basically different from the approach of those who look upon production and distribution in an either or relationship with the development process and is a much wider and more dynamic concept than that of the role of production and distribution in development. The developmental effort, in an Islamic frame work, is directed towards the development of a God-conscious human being, a balanced personality committed to and capable of acting as the witness of Truth to mankind.

We may, therefore, submit that in an Islamic framework economic development is a goal-oriented and value-realising activity, involving a confident and all-pervading participation of man and directed towards the maximisation of human well being in all its aspects and building the strength of the ummah so as to discharge in the world its role as Gods' vicegerent on earth and as the midmost people. Development would mean moral, spiritual and material development of the society leading to maximum socio economic welfare and the ultimate good of mankind.