

# ISLAM AND THE CHALLENGE OF ECONOMIC DEVELOPMENT

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## Islam and the Challenge of Economic Development

A major challenge confronts the world of Islam: the 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 industrialized 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 growth-path, something that would be unique and value-specific?

The Muslim countries suffer from widespread economic underdevelopment, i.e. non-utilisation and or under-utilisation of human and physical resources with consequent poverty, stagnation and backwardness.

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 view. But in almost all these countries developmental 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 pressurization, intellectual mobilization 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 economics in the light of the ideals and values of Islam and its world strategy.

From *The Challenge of Islam*, ed. Altaf Gauhar (London: Islamic Council of Europe, 1978), pp. 339-49.

How does this policy and the actual developments stand in relation to Islam? It would be 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-à-vis* 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 ideals into development policies, some lip-service here and there notwithstanding. Actual policies have had no or little relation to Islam with the result that the economics of the Muslim world have failed to be transformed towards Islam and the deformities and inequities 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 given situation, and to try to prescribe the most desirable and the most efficient ways and means to remove those obstacles and achieve various dimensions of economic development.

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 *pari passu* in that of the social sciences is to move them from a stance of pseudo-value-neutrality towards open and manifest value-commitment and value-fulfilment. As such the first premises 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 Qur'ān and Sunna. 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 purposes 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 (*khalīfa*) on earth. Both have been unable to meet in their own realms the basic economic, social, political and moral challenges of our time and the real needs of a humane society and a just economy. Both are irrelevant to our situation, not merely because of the differences in ideological and moral attitudes and in socio-political frameworks, but also for a host of more mundane and economic reasons, like differences in relative resource bases, changed international economic situations, bench-mark differences in the levels of the respective economies, socio-economic costs of development,

and above all, for the fundamental fact that the crucial developmental strategy of both the systems—industrialisation primarily through maximisation of investible surplus—is not suited to the conditions of the Muslim world and the demands 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 sceptical about the whole approach of contemporary development economics.

A much more critical approach deserves to be adopted towards the panaceas that have been “sold” to the Muslim countries.

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 relationships *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 rules. 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 thorough understanding of the social ideals and values of the Qur’ān and Sunna and a 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 somewhat 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 and values are to be translated into reality 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 provides 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 Qur’ān and Sunna. They also provide some indicators for goals of socio-economic policy.

*a.* Social change is not a result of totally pre-determined 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.* Man is the most active agent for change. All other forces have been subordinated to him in his capacity as God’s vicegerent (*khalīfa*). Within the framework of the divine arrangement for this universe and its laws, it is man himself who is responsible for making or marring his destiny.

c. Change consists in environmental change and change within the heart and soul of man—his attitudes, his motivation, his commitment, his resolve to mobilize all that is within him and around him for the fulfilment of his objectives.

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 the least friction and disequilibria, and planned and co-ordinated movement from one state of equilibrium to a higher one, or from a state of disequilibrium towards equilibrium. As such, change has to be balanced and gradual and evolutionary. Innovation is to be coupled with integration. 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 and also to establish institutions and inaugurate processes through which these policies could be actually implemented.

### ISLAMIC CONCEPT OF DEVELOPMENT

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

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 function 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 framework of total human development and never in a form divorced from this perspective. That 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 . . . are as follows:

1. *Tawhīd* (God's unity and sovereignty). This lays down the rules of God-man and man-man relationship.
2. *Rububiyya* (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. *Khilāfa* (man's role as God's vicegerent on earth). This defines man's status and role, specifying the responsibilities of man as such, of a Muslim, and of the Muslim *umma* as the repository of this *khilāfa*. From this follows the unique Islamic concept of man's trusteeship, moral, political and economic, and the principles of social organisation.
4. *Tazkiyah* (purification *plus* growth). The mission of all the prophets of God was to perform the *tazkiyah* of man in all his relationships 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 is comprehensive in character and includes moral, spiritual and material 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 hereafter—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 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.

C. Economic development is a multi-dimensional activity, more so in an Islamic framework. As efforts would have to be made simultaneously in a number of directions, the methodology of isolating one key factor and almost exclusive concentration on that would be theoretically untenable. Islam seeks to establish balance between the different factors and forces.

D. Economic development involves a number of changes, quantitative as well as qualitative. Involvement with the quantitative, justified and necessary in its own right, has unfortunately 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 has particularly emphasized two: First, the optimal utilisation of resources that God has



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 *kufur* (denial of God and His blessings) and *zulm* (injustice).

In the light of this analysis, development process is mobilized and activated through *shukr* and *'adl* and is disrupted and distorted by *kufur* 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 framework, 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 *umma* so as to discharge in the world its role as God's vicegerent on earth and as "the mid-most people." Development would mean moral, spiritual and material development of the individual and the society leading to maximum socio-economic welfare and the ultimate good of mankind.

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