Islamic Economics Series - 24

**PERSPECTIVES ON MORALITY AND HUMAN WELL-BEING**

A Contribution to Islamic Economics

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THE ISLAMIC FOUNDATION

Foreword

The fall of the Berlin Wall in 1989, symbolizing the collapse of Communism in the former USSR and Eastern Europe, was taken as a turning point in contemporary history, heralding, as claimed by intellectuals like Francis Fukuyama, a 'final victory' for capitalism and liberal democracy - indeed, as the 'end of history'. The euphoria was, however, short-lived. Soon, the capitalist world began to be visited by one crisis after another: the Japanese stagnation after the implosion of its bubble economy, the crescendo in German unemployment and a low growth rate after integration, the Mexican, Argentinian and Brazilian financial debacles, a monetary roller- coaster for France and Great Britain resulting in the latter's exit from the European monetary mechanism, the financial destabilization of the South East Asian countries, the reversal of the dot.com upswing, the corporate crisis not merely undermining the US economy but also eroding confidence and trust in the key institutions of capitalism and the credibility of captains of economy in the wake of scandals involving Enron (USA), World Com (USA), Xerox Corp. (USA), Vivendi Universal (France) ABB Ltd. (Switzerland), Anderson. And then a decade of long-rising universal protest against globalization as an instrument for the universalization of an unjust and exploitative economic order. All these episodes have brought into sharp focus the failings of the capitalist system, only recently eulogized as mankind's final destiny.

Fortunately, the tone and temper of the current intellectual and political debate is changing. Two crucial strands of thought can be clearly discerned: namely, (a) a re-discovery of the critical relevance of morality to economic decision-making, and (b) the incapacity of the market-mechanism alone to ensure economic growth, stability and the well-being of all human beings and national and global economies.

The inherent weakness of the secular, liberal economic model has been exposed. Furthermore, the weakness of an exclusive reliance on 'efficiency'/'growth' criterion is being increasingly acknowledged in informed circles. The search for new paradigms that can simultaneously focus on 'efficiency with equity', 'growth with justice', and 'wealth with well-being' goes on.

There is also another dimension to this debate that is equally important. The centrality of the market mechanism is not in dispute. What is unacceptable however is "market fundamentalism", as George Soros one of the icons of capitalism has put it? The market cannot be allowed to be the lone arbiter of economic decision-making. Instead, it must be constrained and guided by moral values and social objectives. Non-market institutions have a role to play as an integral part of the socio- economic matrix. The state too has a positive, although not totalitarian or authoritarian, role to play to ensure not only the efficient working of the market but also the achievement of the moral and social goals of society. The bubble of market fetishism has burst with the crumbling of corporate capitalism and the failure of the Western economic ideology to eliminate poverty, extreme economic inequalities, and gross injustices from human society, both global as well as in developed countries. Within such an intellectual landscape the publication of Professor Syed Nawab Haider Naqvi's book Perspectives on Morality and Human Well- Being: A Contribution to Islamic Economics is like a breath of fresh air. It represents an incisive effort to clinch the issues and set the debate in right perspective.

Perspectives on Morality and Human Well-Being goes to the heart of the problem: economic problems, like all human problems, can be equitably solved only with reference to the moral desiderata. The scope of the present study is comprehensive. Prof. Naqvi surveys the moral landscapes of secularism and three major religious traditions: Judaism, Christianity and Islam. Avoiding the brow-beaten track of polemics, he strives to make a rigorous and scientific inquiry into the parameters developed or proposed by these four major cultural and historical movements of human history. Instead of pontificating he leaves judgment to the reader, providing the much needed light to illumine the horizon and facilitate choice. It is the reader who will derive his own conclusion, but the guidelines and lamp-posts are very clear.

Prof. Naqvi has been grappling with the crucial yet generally ignored dimension of the relationship between economics, ethics and religion. His two earlier works Ethics and Economics: An Islamic Synthesis (1981), and Islam, Economics and Society (1994) were valuable preludes to the present study, which reflects his rendezvous with maturity. No human effort can present the final word, and the present work never assumes to be that chivalrous. But Perspectives on Morality and Human Well-Being does represent Professor Naqvi's mature thinking and deserves to be acknowledged as a high water mark in his intellectual journey to Islamic Economics. Three characteristics can be clearly discerned in the present study:

Firstly, he delves, diligently and objectively, into the philosophic premises of contemporary economics and has come up with an honest appraisal of their positive and negative dimensions. He takes economics, and contemporary economic thinking, seriously. As a seasoned researcher he tries to sift the grain from the chaff. He affirms the importance of the economic forces and of the factors that underlie growth. But he is very clear that growth, while necessary, is not enough. And this leads him to bring in the dimensions of justice, sharing and sacrifice as integral to the economic calculus. This becomes possible only in a framework in which ethics and economics are structurally integrated, and not merely juxtaposed or at best one acting as a mere appendage to the other.

Secondly, the book focuses on the sources of morality, both secular and religious, and powerfully demonstrates that the religious tradition, particularly the Islamic one, provides an appropriate framework for both private morality and public policy. His exposition of the Islamic moral strategy represents an acceptable and workable formulation in our times. The merit of discussion lies in raising the right questions, surveying the vast landscape of debate and discussion, past and present, and putting forward a formula that can be a basis for further discussion, research and policy formulation. The present work serves that function both ably and effectively.

Thirdly, this work represents a worthwhile shift from simple theoretical discussions and paves the way to evaluating the worth of specific policies on the basis of empirical information. An effort has been made to construct a profile of the contemporary Muslim world in the context of the global situation and to assess its worth in the light of the value-criteria based on the author's formulation of Islamic policy objectives.

In my view Prof. Naqvi has covered fresh ground in all these three areas and as such the present work represents a landmark contribution towards the evolving discipline of Islamic Economics.

I have a couple of observations, however. I place them on record as items for future elaboration. The author's discussion of Maqaşid al-Shari'ah is relevant and useful, but the question of their re-formulation in the context of contemporary challenges is a very sensitive issue. To deconstruct and reconstruct in fundamental areas of ulus is a gigantic task. There is no denying the need to build on what the luminaries have achieved in the past. But, as the author himself notes, the process has to be authentic as well as creative. In this context, the role of the Mu'tazilah remains controversial. Their contributions in fields of philosophy, morality and law, although important and path-breaking, remained overtly influenced by aspects of Greek philosophy. As such most of their innovative ideas never received complete acceptance by the Ummah. That is why the real influence on the mainstream Muslim thought remained marginal.

Similarly, the works of some writers like Zia Gokalp, Sir Syed Ahmad Khan etc., lack clarity and erudition, and their command over and understanding of the Qur'an and the Sunnah and the science of Islamic jurisprudence is problematic. The door of ijtihad is open and must remain open to ensure the vitality and resilience of the Ummah. But competence and command over the original sources are equally important requirements for this challenging task, along with understanding the problems of the time. True, the forces representing conservatism have not managed to respond creatively to fresh challenges; yet also telling is the failure of the force of liberalism, which lacks vision, a commitment to original sources, and the competence to comprehend the ethos of tradition. Moreover even their understanding of the spirit and challenges of the modern age remains superficial, even somewhat slavish. The middle path then is the right option. Faith, fortitude and loyalty to Divine Principles should go hand in hand with creativity, flexibility and the ability to face the ever-changing intellectual, economic, technological and civilizational challenges. Perhaps what is needed is faith with fortitude, confidence with humility, loyalty with openness, and innovations rooted in tradition. This should be the defining character of the contemporary Islamic debate.

Prof. Naqvi has some strong opinions on some of the issues that emerge from his survey of the intellectual debate of the medieval period of Islamic history as well as the policy prescriptions that, in his opinion, are a logical demand of the empirical profiles based on UN data and definitions. Some of his recommendations (particularly on population policy) may not carry universal support, but that is not needed or even expected. His contribution lies in his painstaking examination of the issues and his bold suggestions to set the Ummah along the path to progress. Most of his observations will be endorsed by a large number of Islamic economists and thinkers. But as he disagrees with some of his colleagues, they too can express their reservations in respect of some of his suggestions and formulations. Therein lies the merit of debate and shūrā. Islamic Economics is not a body of agreed ideas; it is not a closed system. It represents a new approach to economics and society and is passing through a creative phase of discussion, dialogue, debate and reconstruction of thought and policy. Prof. Naqvi is a key participant in this resounding process. He has broken some new ground, and has shed light on old and new issues in Islamic economics. He has also stepped on some toes. That is part of the game. Yet his positive contributions are enough to assure him a place of distinction in this galaxy of creative writers and thinkers. He has definitely furthered the debate and improved the level of discussion. He has raised some pertinent questions that cannot be ignored. The answers lie in research, discussion and experimentation. Here, it is effort that is its own prize. It is the process that is important, and as long as it moves upwards and onwards, we have enough reason to thank Allah for making us participants in this effort to make the world a better place to live in for all human beings. Let us hope and pray that this intellectual odyssey brings us ever closer to our Lord, perhaps also towards our destiny, both now and in the hereafter.

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