**M**USLIM **A**CTIVIST-**E**CONOMIST

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By Senator Professor Khurshid Ahmad

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The Islamic resurgence has put Islam in the headlines and brought a great deal of scholarly as well as media coverage. While one man, the Ayatollah Khomeini, has come to be equated with the resurgence of Islam in the popular mind and imagination, in fact, the reassertion of Islam in Muslim life is a broad based, complex, multi-faceted phenomenon which has embraced Muslim societies from the Sudan to Sumatra Its leaders and organizations are as varied as its manifestations.

Contemporary Islamic revivalism has included a greater emphasis upon reli­gious identity and values in private and public life. As a result, organizations like the Muslim Brotherhood and the Jamaat-i-Islami, which combine both the private and public emphases, best rellect the dynamism and leadership of contemporary Islam. Khurshid Ahmad of Pakistan is among the dominant figures in this select group. A trained economist and an early follower of Mawlana Mawdudi (1903- 1979), the founder of the Jamaat-i-lslami, he has been a leader of the Jamaat, a member of the cabinet and senate of Pakistan, a father of modern Islamic eco­nomics, and an internationally recognized Islamic activist.

Even though the economic dimension of the Islamic resurgence does not re­ceive much attention in the discussion of the Islamic revolution, it is, neverthe­less, an important part of contemporary Islam. Islamic economics involves both conceptual developments and concrete programs. During the past decade Islamic economic institutions (banks, finance houses, insurance) and taxes have been in­troduced in many countries As in other areas of the resurgence, the interrelated emphasis on theory and practice has required leaders who are both theorists and activists. Khurshid Ahmad has been one of the leading figures in the emergence of Islamic economics as an intellectual discipline and as a foundation for new institutions and programs. He has combined an active participation in one of the major Islamic movements of the modern era with a career as an economist, and he has also worked in academia, with governments, and with financial institutions in developing economic theory and practice within an Islamic framework.

Khurshid Ahmad reflects in his life and thought the basic themes and dynamics of the emergence of contemporary Islamic economics. It is important, then, to know his basic biography since he is an activist as well as a theorist, and his life is as important as his thought in reflecting the nature of Islamic economics. It is equally important to situate Khurshid Ahmad within the context of the lamaat-i- Islami, a movement which has shaped his life and thought and, thus, informed his understanding and formulation of Islamic economics. This paper will examine Khurshid Ahmad's life, the Jammat-i-Islami and his connections with it, and the fundamental ideas of Islamic economics as seen by him.

**Khurshid Ahmad: Basic Biography**

Khurshid Ahmad was born in Delhi, India, in 1932. His father, Aziz Ahmad, was a well-to-do businessman who was involved in several projects, among them the financing of magazines. He was keenly interested in science and Marxism. He was also active in Muslim politics during the pre-independence period, serving as counsellor to the Muslim League in Delhi. Among Aziz Ahmad's friends was Abul Acla Mawdudi, a journalist and writer on religious topics, who would later found the Jamaat-i-Islami (the Islamic Society), which came to play a central role in the life and development of Khurshid.

Khurshid had a traditional Islamic education. As a young boy he attended the Anglo-Arabic higher secondary school in Delhi, where he was an excellent stu­dent and already showed an inclination to political activism. Influenced by his father who participated in the Pakistan movement, he was elected President of the Children's League in Delhi in 1946. As a student leader he led demonstrations for Pakistan's independence regularly in the Final months before partition. In 1948, after the partition of the Indian subcontinent and the creation of Pakistan, Aziz Ahmad and his family emigrated with millions of Muslims to West Pakistan, trav­elling first to Lahore for a few months and then onto Karachi, where the family settled. Mawlana Mawdudi, the founder of the Jamaat-i-lslami, who was also in Lahore, became a regular visitor at the Ahmad home in the Muslimtown section.

When the family moved to Karachi, Khurshid enrolled at Government College of Commerce and Economics. It was here that he developed a serious interest in economics and the Jamaat, the twin passions of much of his life's work. In 1949, he wrote his first article on Islam and socialism, which was published in the Muslim Economist. In it he explored the relationship of his religio-cultural upbringing and Islam to social justice, in particular, the rights of labor and the poor. This was also the time when he discovered Mawlana Mawdudi, the religious scholar.

He was deeply impressed by Mawdudi's discussion of the conflict between Western civilization and Islam. Khurshid had been exposed to Western thought through his father's interest in political science and his schooling. In fact, he had written his first article in English. The young student was drawn to the writings of two other great Muslim thinkers who were schooled in both Western and Islamic thought, and who wrote about the contemporary relevance of Islam Muhammad Asad (formerly Leopold Weiss), an Austrian Jewish convert to Islam, had moved to Pakistan and had written Islam at the Crossroads, which greatly impressed Khurshid. Muhammad Iqbal (1876-1938), the poet-philosopher and co-founder of Pakistan, who had earned a doctorate and a law degree in Europe, had domi­nated the first decades of the twentieth century subcontinent as a great poet of India-Pakistan. Although Khurshid, like most South Asians, had memorized Iqbal's poems as a child, it was only now, as a college student, that he discovered Iqbal, the prolific Islamic modernist thinker and author who used both poetry and prose to explore such themes as the relationship of Islam to Western science and philosophy, the relevance of Islam as a comprehensive way of life, the need for reinterpretation and reform to renew Islam, and the need to revitalize the Muslim community. These latter themes were synthesized in Iqbal's *The Reconstruction of Religious Thought in Islam.*

Khurshid Ahmad's years at Government College in Karachi proved to be a sig­nificant turning point, for it was here that he combined the intellectual and the religious, embarking on the path of a scholar-activist. He also became active in the Jamiat-i-Islam-i-Tulaba (the Islamic Student Association), the student wing of Mawdudi's Jamaat-i-Islami. Three fellow students were particularly influential in attracting him to the Tulaba: a fellow student of economics, Zafar Ishaque al- Ansari, who would later earn a doctorate in Islamic Studies at McGill University, teach at the University of Petroleum and Mining Engineering in Dhahran Saudi Arabia, and finally become Director of the Islamic Research Institute in Islama­bad; Kurani Murad, who would train in science, write on Islam, succeed Khurshid as Director of the Islamic Foundation in Leicester, England, and iater become deputy Amir (leader) of the Jamaat in Pakistan; and Khurshid's older brother, Amir, who would study science and then rise to the rank of Vice-Admiral in Pakistan's navy, prior to his death in 1985. Reflecting on this early exposure to the Islamic Student Association, Khurshid Ahmad has remarked that it, "determined the future course of my life.[[1]](#footnote-1) In the fellowship of the Tulaba, Khurshid deepened his understanding of Islam and formulated his future activist orientation through his reading and discussion of Mawlana Mawdudi's w tings, in particular, *Let Us Be Muslims* The experience moved him emotionally i: well as intellectually:

**It covers the fundamentals of Islam (faith, prayer, worship) in a manner which moves the souland the consciousness that to be a Muslim is some­thing different. That is, that it is not just belief *(ciqidu)* and prayer bu llso to play a new role in life, to have a mission to change the world.[[2]](#footnote-2)**

In December 1949, he officially became a member of the Islamic Student Association.

The Tulaba consisted of serious minded students who held training programs in religious beliefs, prayer, discipline, and social etiquette. In 1950, he was elected head of the Tulaba in Karachi. From 1953 to 1955, he served as President of the All-Pakistan jamiat-i-Tulaba-i-Islam. He introduced two major changes A bi­weekly student newspaper, *The Students' Voice,* addressed current issues such as whether Islam could provide the basis for Pakistan's constitution and studi nt con­cerns. Shortly after it published an open letter to the Prime Minister on student problems, student riots broke out in Pakistan. The second change, conducting weekly meetings at the university instead of private homes or mosques, gave the Islamic Student Association a higher profile and reinforced the image of Tulaba as a student-based and student rights organization. Tulaba became a center of cam­pus politics with a reputation for excellent organization and dedication. It re­cruited students from the first day of class by replacing a British inspired freshmen orientation (which emphasized drinking and hazing) with an "Introduc­tion Day," on which members of :he Islamic Student Association received new students and brought them to their classes and the library. New student: were assisted with books and given other means of support as well as offered opportu­nities to become involved in campus study groups, debates, and publications. Their recruitment and organization techniques paid off. In 1953, the Isla ic Stu­dent Association won its first campus-wide election at the Urdu College. By 1960, Islamic Student Assocations in Pakistan were winning from 60 to 80 per­cent of the student elections.

For Khurshid Ahmad, the 1950s and the early 1960s were a long formative period of development both academically and Islamically. He earned his B. A. in Commerce (First Class) in 1953, M.A. in Economics in 1955, L.L.B (First Class) in 1958, and M.A in Islamic Studies (First Class) in 1964 During that period, after serving three years as national President of the Islamic Student As­sociation, he formally joined the Jamaat-i-lslami as a full member in 1956. In addition to serving as editor of *The Student's Voice* (1952-1955), he was the editor of three other Jamaat publications: *The New Era* (1955-1956), *The Voice of Islam* (1957-1964), and *Chiragh-e-Rah* (1957-1968). From 1955 to 1977, Khurshid taught economics in the Faculties of Economics and Commerce at the Urdu Col­lege and in the Department of Economics at Karachi University. Increasingly, in the late 1960s and the 1970s, as a member of the Jamaat, he combined teaching and writing as an economist with *daf-wa,* the spread of Islam nationally and inter­nationally. Thus, understanding his life, thought, and activities requires an appre­ciation of the nature and ideological outlook of the Jamaat-i-lslami. which has provided the inspiration, motivation, and context for his life's work.

**The Jammat-i-Islami Experience**

The Jamaat-i-lslami was founded in Lahore, Pakistan, in 1941 by Mawlana Mawdudi as an ideological rather than a political party. Mawdudi, who had moved to Lahore in 1938, believed that Islam was a universal and comprehensive way of life that was to govern state and society. Critical of Muslim dependence upon the West, he advocated an Islamic revolution, a gradual Islamization of all aspects of Muslim life: politics, law, economics, education, and social life. He had for a number of years been developing and disseminating his interpretation of Islam in his journal *Tarjuman al-Quran* (Exegesis of the Qur'an). Now, gathering around him seventy-five faithful followers, he set about realizing that vision. His goal was to train and produce a dynamic nucleus, a vanguard of true believers who would constitute a new elite prepared to lead and implement a true Islamic society on the subcontinent.

Formation, indoctrination, discipline, and religious propagation were corner­stones of the Jamaat. Its ideology and program came directly from the prolific writings of their leader which were based on two principles-the unity and the sovereignty of God: "The belief in the Unity and sovereignty of Allah is the foundation of the social and moral system propounded by the Prophets.[[3]](#footnote-3) That system was delineated and preserved in Islamic law (the Sharica), a sacred law based upon God's revelation (the Qur'an) and the example (the Sunna) of the Prophet Muhammad. Thus, Islam is an integrated way of life. Mawdudi believed that imitation of Western secularism (the separation of religion and the state), nationalism, capitalism, and Marxism were among the major causes of the de­cline of Muslim societies. He believed that health, vitality, and power of the Is­lamic community (umma) will only be restored by a recognition that Muslims have their own divinely revealed and mandated Islamic alternative.

The Jamaat recruited its members from schools, universities, and mosques. It attracted the urban middle class in particular: students, merchants, professionals. Modern learning and religious commitment were combined in an effort to pro­duce a new educated elite. Its message was propagated through student groups, worker organizations, research institutes, publications (newspapers, magazines, journals), preaching, social services, and youth centers. As a result, Mawdudi's impact has been impressive: he has provided the common understanding of Islam that has informed the training and activities of the Jamaat; further, through his systematic presentation of Islam, he has had a broad impact on Muslims within the subcontinent and, through translation, throughout the greater Islamic world. In Pakistan, he is among the most widely read authors, providing middle class Muslims with an intelligent and coherent explanation of Islam which speaks to modern concerns and issues. Internationally, Mawdudi and the Jamaat have long been formative influences ideologically and organizationally. He is commonly regarded as among the most significant Islamic ideologues (along with Hasan al- Banna and Sayyid Qutb of EgypL's Muslim Brotherhood) whose writings may be found from Morocco to Indonesia and beyond.

From Khurshid Ahmad's early days as a youth leader, editor, and professor of economics, as well as editor and translator of Mawlana Mawdudi's works to the present, he has attempted to realize and to extend the message of Mawlana Maw­dudi and the Jamaat. He has authored or edited some twenty-four books in Eng­lish, written sixteen books in Urdu, translated and edited ten works of Mawdudi, and authored many chapters and articles. He has often averaged three to six months a year lecturing at universities, participating in international ecumenical gatherings, speaking to Muslim audiences and helping Muslims in Europe, Africa, Asia, and America organize their communities.[[4]](#footnote-4)

Like his mentor, Khurshid Ahmad believes that Islam is a divine y revealed code of life. The comprehensive guidance of Islam and its integral relationship to all aspects of life are rooted in the doctrine of *tawhld,* the unity or oneness of God. Absolute monotheism is the essence of Islam; the belief that there is one omnipotent, omnipresent Lord of the universe, creator and sustainer of the world,

**points to the supremacy of the law in the cosmos, the all pervading unity behind the manifest diversity. It presents a unified view of the world and offers the vision of an integrated universe. It is a dynamic belief and a revolutionary doctrine. It means that all men are the creatures of God—they are all equal.[[5]](#footnote-5)**

Ahmad believes that man's vocation is to serve as God's vicegerent, representa­tive *(khalifa),* on earth, to fulfill God's Will by establishing a new order of equity and justice, peace and prosperity. This duty is incumbent upon both the individual and the Muslim community. Thus, according to Khurshid, individual rights are counterbalanced by Islam's emphasis on social responsibility. Similarly, Islam establishes an equilibrium between the material and spiritual aspects of life. Avoiding the Western pitfall of separation of the sacred and the secular, Islam is a complete way of life: "Islam provides guidance for all walks of life—individual and social, material and moral, economic and political, legal and cultural, na­tional and international.""[[6]](#footnote-6) It is this holistic vision of the world which undergirds the multifaceted, yet religiously motivated and integrated, career of Khurshid Ahmad. It also accounts for his intellectual and ecumenical dialogue with the West despite his deep criticism of it.

One of the characteristics of contemporary Islamic revivalism is its criticism of the West and its assertion of the self-sufficiency of Islam Mawdudi, who had been self-educated in English and Western literature, had tended to cite Western sources in constructing his indictment of the West and its values, and its hostility to Islam. In contrast, Islam held the answers to the failures of the West and Muslim decline. Khurshid Ahmad shared this indictment of the West. However, he repre­sented the next generation, which had far more exposure to and mastery of West­ern education. Though critical, he also appreciated the importance of science and technology and the fact that Muslim societies were part of an international politi­cal and economic system. For Khurshid Ahmad, knowledge of the past was neces­sary not only to understand the feelings of hostility and mistrust towards the West but also to inform efforts to develop better relations and cooperation with it. His writing of *Islam and the West* in 1967 signalled the acceptance of this important distinction by Mawlana Mawdudi, who wrote in his Foreword:

**The call of our times is that, with a view to achieving world peace and international amity, mutual relationship among different nations be recon­structed. . . . the need for the establishment of a relationship of the people of Europe and America with the Islamic fraternity, on new foundations of good will and good-cheer, stands out as of paramount significance.[[7]](#footnote-7)**

While Khurshid critically reviewed the history of confrontation between Islam and the West, the vilification of Islam and the Prophet Muhammad, the impact of European colonialism (economic exploitation, political and cultural dominance, the imposition of Western education and Christianity, the attacks on Islam perpe­trated by missionaries and Western scholars of Islam), these were now presented as the causes for Muslim distrust which must be understood as a prerequisite for the new task at hand, that is, mutual cooperation. In contrast to radical militants, Khurshid Ahmad did not call for a total rejection of the West. He has spent a major portion of his lime mastering Western knowledge, from history and religion to science and economics. Instead, he argued self-confidently that the basis for better relations was a redefining of the relationship of the West to the Muslim world from that of master-servant to that of equal partners. This would enable the two parties to co-exist and interact without Muslims having to pay the price of domination and assimilation:

**If the only practical ground of cooperation is the assimilation of the Western culture and rejection of Islam as we understand it, then there is no ground for any meeting. But if the cooperation is to be achieved on equal footing, then it is most welcomed."[[8]](#footnote-8)**

Khurshid Ahmad's activities from 1967 to the present have reflected this open­ing to the West. While retaining his position as a member of the Foreign Relations Department of the Jamaat, he moved to Great Britain in 1968, where he resided permanently until 1978. During that time, his assignment was to engage "in worldwide dcawa," i.e.. propagation of Islam in Europe, Africa and America.[[9]](#footnote-9)

He helped to organize, and served on, the Executive Council of the Islamic Coun-cil of Europe; he was a research scholar at the University oi Leicester (1969-72); and he established the Islamic Foundation in Leicester. The Foundation, though legally not affiliate[[10]](#footnote-10) with ihe Jamaat, is, nevertheless, inspired by its outlook and ideals. It publishes :nd distributes Islamic books (including tew translations of Mawdudi's writings), publishes journals and bibliographies of Western and Mus­lim materials on Islam, conducts conferences, and engages n ecumenical pro­grams. Khurshid o ten travelled six months out of the year establishing and/or serving as a trustee of Islamic Centers in Europe and Africa, lecturing at univer­sities and to Musi ; organizations in Europe, America, and Africa, and initiating and participating in international ecumenical dialogues. The breadth and diversity of his activities are reflected in the offices which he held during that time. Among them were Director General of the Islamic Foundation, Leicester, member of the Advisory Council, Centre for the Study of Islam and Chri tian-Muslim Rela­tions, Vice-President, Standing Conference on Jews, Christians, and Muslims in Europe.

Events in Pakistan led to his return in 1978 to serve in the cabinet of General Zia ul-Haq. In July 1977, Zia ul-Haq had seized power from Prime Minister Zulfikar Ali Bhutto (1971-1977). Bhutto, as Prime Minister, hud increasingly appealed to Islam to attract Arab oil money and to enhance the legitimacy of his socialist policies. At the same time, a coalition of opposition forces, representing a spectrum of religious and more secularly oriented panic tad joined together in the Pakistan National Alliance (PNA). Placing themselves under the umbrella of Islam, they rejected Bhutto's Islamic socialism and pron e l an Islamic system of government.

When Zia ul-Haq seized power, he promised an Islamic System (nizam-i- Islam) in order to legitimate his rule. Also, he invited members of the PNA, in particular those associated with religious organizations like the Jamaat-i-Islami, to join his govern . tit. Khurshid Ahmad, along with two other Jamaat members, became a government minister. He was Federal Minister (Planning, Development and Statistics) a; Deputy Chairman of the Planning Commission in August 1978. Although he and other members of the PNA resig ed in April 1979, Khurshid (and the Jamaat) remained actively involved, be h as an adviser to the government and as a leader of the Jamaat, in Pakistan's ex periment in introduct-ing a more Islamically oriented system of government.

Khurshid was, at the same time, increasingly involvec ternationally in the Islamic revivalist tide that swept across much of the Muslin world. Because of his particular expertise, a primary focus of his activities was the development of Is­lamic economics and the implementation of Islamic reforn While a professor at Urdu College and Karachi University, teaching basic coi es in economics and comparative economic systems, he had begun to introduce slamic perspectives on economic problems and to eventually speak of an Islamic economic system. While Islamic universities such as al-Azhar in Cairo and L mm al-Qura in Mecca taught about the economic teachings of Islam, he undertoc a systematic effort to develop Islamic economics. He had served as vice-president of the First Interna­tional Conference on Islamic Economics in Mecca in 196f ; ater he lectured and wrote on Islamic economics, created and became chairman :)f a think-tank, the Institute of Polic Studies, in Islamabad, chaired the Second International Con­ference on Islan Economics in Islamabad, became chairman of the Interna - tional Institute of Islamic Economics, at the International Islamic University, Islamabad, served as a member of the Supreme Advisory Board of the Interna­tional Centre for Research in Islamic Economics in Saudi Arabia, and lectured and published books and articles on Islamic economics.

**Fundamental Ideas of Contemporary Islamic Economics**

In his full life of religious and political involvement, Khurshid Ahmad has par­ticipated in the creation of the contemporary discipline of Islamic economics. This has not been done *in addition* to his other activities but as a direct part of his active involvement in the Islamic movement. Like other contemporary Islamic activist thinkers, Khurshid combines theory and practice, not because he believes that this is the most efficient or effective way of operating but because he believes that it is the only way for a Muslim professional. His roles as a believer, as a member of the Jamaat-iTslami, and as an economist are combined in many im­portant ways.

As an economist, Khurshid has played an important role in the evolution of economic thought and programs in the Muslim world. He has himself described the major lines of transition:

**Initially the emphasis was on explaining the economic teachings of Islam and offering Islamic critique of the Western contemporary theory and pol­icy. During this phase most of the work was done by the Llama, the leftists and Muslim social thinkers and reformers. Gradually the Muslim econo­mists and other professionals became involved in this challenging enter­prise. Perhaps the First International Conference on Islamic Economics [held in 1976] . . represents the watershed in the history of the evolution of Muslim thinking on Economics, representing the transition from "economic teachings of Islam" to the emergence of "Islamic Economics.[[11]](#footnote-11)10**

This statement provides both a description of the changes taking place in the intellectual world of Islam and an insight into Khurshid's perceptions of those changes. It is clear that this transformation is something which he approved and came to constitute the program and challenge to which he devoted his future ac­tivities as a Muslim economist.

Khurshid and other contemporary Muslim economists would maintain that the fundamental values and message of Islam are no different than they have been since the clays of the Prophet Muhammad. What is new is the approach and method; the different approach can be seen clearly in Khurshid's works.

The more traditional approach concentrates on "the economic teachings of Islam." There is an effort to search out all of the verses of the Qur'an which have specific economic implications. This is supported by a similar collecting of the Traditions *(hadith)* of the Prophet Muhammad which have an economic message. The description of the plans for a conference on "The Place of Economics in Islam," held in New Jersey in 1968, provides an example of the more traditional approach. Planners said,

**[There was to be] a classified presentation of relevant verses from the Quran and selections from the *lladith* literature on the subject. In this way it was hoped that prior to entering into the details of specific issues and practices participants in the conference would be reminded of the basic sources on which Muslim economic thought is based."[[12]](#footnote-12)**

This approach has as its foundation a vast aggregation of separate propositions and specific cases which are then used to provide the legitimizing proof for partic­ular positions. From the perspective of many Muslim intellectuals in the decades since World War II, this methodology had the advantage of grounding the presen­tation in explicitly Islamic sources and fundamentals. It emphasizes the effort to go beyond apologetically trying to show that Islamic teachings and some Western concepts are compatible.

At the same time, this approach has some problems. It tends to result in a collection of discussions rather than a more holistic and integrated analysis. In addition, the traditional approach involves the scholar in many of the traditional debates of Qur'anic study and *hcidith* analysis. For example, old arguments about abrogation (*naskli*) of one *hadith* by another or of one Qur'anic verse by another become the necessary starting points for analysis.[[13]](#footnote-13) These debates are regarded as of critical importance in presentations of "the economic teachings of Islam."

Islamic economics, however, is a more holistic enterprise. Muslim economists like Khurshid Ahmad are aware of specific Qur'anic verses and traditions, but this is the foundation for their perspective rather than the starting point for their analy­sis. Khurshid makes this distinction clear in his definition of the "first premise" of Islamic development economics: "The first premise which we want to establish is that economic development is an Islamic framework and Islamic development economics are rooted in the *value-pattern embodied in the Quran and the Sun- nah"* [emphasis added]."[[14]](#footnote-14) In Islamic economics, Khurshid speaks of the broader Qur'anic "value-patterns" rather than the specific provisions of particular verses. This enables him to present a more broadly integrated model of Islamic econom­ics rather than a list of Islamic characteristics and teachings.

Certain basic themes and beliefs provide the foundation for Khurshid Ahmad's approach as an Islamic economist. These are often consciously distinguished from basic assumptions of Western economics. However, Khurshid's perspective is not simply apologetic or defensive. It is an attempt to create an intellectual discipline on an Islamic basis so that it can provide guidance for operational pro­grams and activities.

The first principle of Islamic economics is that it is not a separate system de­scribing a distinct aspect of human experience. Islam is seen as a comprehensive system and as a total way of life. In this framework, economics as a discipline is only part of the picture and must be integrated into other aspects of analysis from the very beginning of the process.

The comprehensive nature of Islam was one of the major keystones of the teachings of Mawdudi, and Khurshid maintains this principle. The implications of this comprehensiveness were clearly spelled out in essays by Mawdudi which Khurshid edited and published recently. It is clear that Khurshid shares these views. In an address on "The Economic Problem of Man and Its Islamic Solu­tion," Mawdudi states that

**the economic problem of man which was, indeed, part of the larger problem of human life, has been separated from the whole and looked at as if it were an independent problem by itself. And gradually this attitude has taken such a firm root that the economic problem has come to be regarded as the sole problem of life. This . . . has made its evolution infinitely difficult.'[[15]](#footnote-15)**

The human economic problem is defined in simple terms which are similar to those in any economic system:

**with a view to sustain and advance human civilization how to arrange eco­nomic distribution so as to keep all men supplied with the necessities of existence and to see that every individual in society is provided with oppor­tunities adequate to the development of his personality and the attainment of the highest possible perfection according to his capacity and aptitude.[[16]](#footnote-16)**

Within this perspective, economic problems arise when the economic dimension of life is separated from the rest. Problems of distribution arise not from ineffi­ciencies but from immoral acts by humans.

The basis and position of Islamic economics is defined by Khurshid:

**Islam does not admit any separation between "material" and "moral", "mundane" and "spiritual" life, and enjoins man to devote all his energies to the reconstruction of life on healthy foundations. It teaches him that moral and material powers must be welded together and spiritual salvation can be achieved by using the material resources for the good of man, and not by living a life of asceticism.[[17]](#footnote-17)**

In this broad perspective, two key concepts set the basic framework for analy­sis. One is the unity and sovereignty of God, or *tawhid,* and the other is the stewardship or *khilafa* of humans operating in God's creation. The delineation of the economic implications of *tawhid* and *khilafa* represent the primary focus of thinking and analysis in contemporary Islamic economics.

*Tawhid* means that there can be no other source of authority than God and that there can be no other focus for ultimate human loyalty than God. These are impli­cations accepted by all Muslims. However, people involved in the contemporary Islamic resurgence have drawn more limiting conclusions from *tawhid* analysis than the more general, inclusive Islamic modernist thinkers of the 1960s had done. In political terms, people like Khurshid emphasize that while state institu­tions are necessary and that while national communities legitimately exist, loyal­ties to states or nationalisms must be subordinated to allegiance to God and the global community of Muslims.

In more economic terms, Khurshid's discussion of economic development in Islamic economics shows that *tawhid* sets the goals of development: "The devel-opment 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.""[[18]](#footnote-18) In concrete policy ten is, this means, for Khurshid, that human resource development—education, vocational training, improvement of the quality of life—is the objective of development policy.

In this perspective, while industrialization programs are not rejected, policies which regard industrialization as the leading element in development are seen as unsuitable. The development of the industrial sector must be placed in the broader context of creating conditions of social and economic justice for al citizens in the society. Property can be possessed and used for investment but, in the Islamic model, may not be used to gain advantage over or exploit others who may be in need. In this way, the emphasis is on "God-conscious" planning.

The economic role of human beings is also seen in this way. In Islamic eco­nomic analysis, the basic operating unit is not "economic man." Instead, humans are seen as the direct agents or representatives of God in God's creation. The concept of Muslims as God's *khalifa* (or human stewardship, for which the term is *kliilafa)* is an important part of Khurshid's presentation of Islamic economics. For him, *khilafa* is the "unique Islamic concept of man's trusteeship" in moral, politi­cal, and economic terms.[[19]](#footnote-19) It is the source of the Muslim vocation and mission:

**This exalts man to the noble and dignified position of being God's deputy on earth and endows his life with a lofty purpose: to fulfill the Will of God on earth. This will solve the perplexing problems of human society and estab­lish a new order wherein equity and justice and peace and prosperity will reign supreme.[[20]](#footnote-20)**

The concept of *khilafa* provides the basis for the creation of an economic system in which cooperation and mutual obligations replace competition as ihe dominant feature of human economic interaction. Thus, Islamic economics, as defined by Mawdudi and Khurshid, affirms private property as part of the human agent's management responsibilities. Both scholar-activists also recognize and accept that there can be competition and differing successes in obtaining material goods.

In this framework, Khurshid rejects the concept of private ownership which allows an absolute right of an owner to manage property in any away. (He also sees a socialist system where all means of production are nationalized as a threat to human initiative.) Instead, he argues that:

**Islam's most important contribution in the field of economics lies in chang­ing the *concept* of ov nership. No one has the right to destroy property. If misused it can be taken away. If it is not needed it must be passed on to others.[[21]](#footnote-21)**

Ownership is, in other words, stewardship of God's property rather than an abso­lute right of the individual human. The concept of stewardship means that those who succeed in gaining wealth must do so without harming others and then must use that wealth to help oilier human beings.

Some of the more familiar aspects of Islamic economics such as Islam's alms tax or tithe (*zakat)* and the banning of usury (*riba*) are part of these religious obligations or duties. One of the Five Pillars of Islam is the giving of charitable support to the less fortunate. *Zakat* is a "compulsory levy ... on accumulated wealth, trade goods, various forms of business, agricultural produce, and cattle. Its purpose is to create a fund for the support of economically depressed classes."[[22]](#footnote-22)

Similarly, the well-known Islamic prohibition against usury *(riba),* which tradi­tionally has included banking interest, is based on the overall obligation of Mus­lims to help one another. Mawdudi and Khurshid both argue that interest has damaging effects:

**Usury develops miserliness, selfishness, callousness, inhumanity and finan­cial greed in the character of man .... It increases a tendency among the people to hoard money and spend it to promote their private interest only. It blocks the free circulation of wealth in the society, and diverts the flow of money from the poor to the rich."[[23]](#footnote-23)**

In this way, it undermines the function of human stewardship of God's resources.

Another major characteristic of Islamic economics, as it has developed in re­cent years, is that it has been consciously programmatic. Past discussions which aimed at presenting the "economic teachings of Islam" tended to remain in the realm of theory. Much of the scholarship was in the hands of the traditionally- oriented ulama who were not practicing businessmen or government officials. With the growing involvement of professional economists like Khurshid Ahmad in the debates, there was an increased emphasis on actual projects rather than doc­trine. Khurshid was, for example, one of the early advocates of Islamic banks and financial institutions and has played an important role in their establishment and rapid growth. In the past decade, more than one hundred Islamic banks or invest­ment groups have been created in many different parts of the world with some relatively high degrees of success and profitability."[[24]](#footnote-24) This programmatic activism is an important part of the emergence of Islamic economics.

A final major characteristic of Islamic economics, as developed in the work of Khurshid Ahmad, is that it is a value-oriented discipline. Khurshid, as many other Muslim social scientists, rejects the idea that economic analysis can take place in "a climate of positivistic objectivity and of complete value-neutrality. Most of the economic thinking that masquerades as value-neutral turns out, on closer scru­tiny, to be otherwise."[[25]](#footnote-25) The experience of many Muslims with Western economic planners and analysts over the past few decades has tended to confirm this belief. The value commitment of the so-called value-free Western economic analysis be­comes apparent when it is applied in non-Western contexts.

Muslim economists like Khurshid firmly believe that economics is not a value- free academic discipline. They see the effort to develop a value-free system of analysis as being, at best, counter-productive and, at worst, satanic. They believe that economists have a moral responsibility to work for economic justice and the betterment of humanity. This, then, points to a positive characteristic of Islamic economics:

**The 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* is that of the social sciences is to move them from a stance of pseudo-value-neutrality towards open and manifest value- commitment and value-fullillment.[[26]](#footnote-26)**

In this way, the emergence of Islamic economics reflects a rejection of some of the basic assumptions of traditional Western scholarship, just as it represents a move away from the traditional Muslim approaches to economic subjects. Khurshid views his work as a mission, that of bringing a more effective program­matic awareness to Muslims and a recognition of the importance of value-com-mitment to economists in all societies.

The fundamental ideas of contemporary Islamic economics lead Khurshid Ahmad to the position of being a Muslim activist-economist. Islam, for him and in Islamic economics, is a comprehensive system in which no sector can be viewed as autonomous. Its basic concepts of *tawliid* and *khildfa* provide an effec­tive conceptual foundation for a programmatic and value-committed discipline which represents an important part of contemporary intellectual life and policy making in the Muslim world.

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1. Khurshid Ahmad, notes from an interview at Islamic Foundation, June 1988, p. 2. [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. Abul Ala Mawdudi, *The Islamic Law and Constitution*, (Lahore: Islamic Publications, 1977), 6th ed., p. 130. [↑](#footnote-ref-3)
4. Khurshid Ahmad, interview June 1988. [↑](#footnote-ref-4)
5. Khurshid Ahmad, The Religion of Islam (Lahore: Islamic Publications, 1967), pp. 6-7 [↑](#footnote-ref-5)
6. Ibid., p. 18. [↑](#footnote-ref-6)
7. Syed Abul Ala Mawdudi, in Khurshid Ahmad, Islam and the West (Lahore: Islamic Publications, 1967), p. v. [↑](#footnote-ref-7)
8. Ibid., p. 61. [↑](#footnote-ref-8)
9. Khurshid Ahmad, Interview June 1988. [↑](#footnote-ref-9)
10. [↑](#footnote-ref-10)
11. 10 Khurshid Ahmad, "Introduction," in *Islamic Economics: Annotated Sunn* v *in English and Urdu,* compiled by Muhammad Akram Khan (Leicester, England: The Islamic Foundation, 1983/1403), p. 7. [↑](#footnote-ref-11)
12. “Introduction,” Contemporary Aspects of Economics Thinking in Islam (American Trust Publications, 1973), p. xv. [↑](#footnote-ref-12)
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15. Syed Abul Ala Mawdudi, Economic System of Islam, ed., Khurshid Ahmad. (Lahore: Islamic Publication, 1984), p. 9. [↑](#footnote-ref-15)
16. Ibid., p. 13. [↑](#footnote-ref-16)
17. Khurshid Ahmad, The Religion of Islam, p. 16 [↑](#footnote-ref-17)
18. Khurshid Ahmad, “ Economic Development,” Islamic Perspectives, p.232. [↑](#footnote-ref-18)
19. Ibid., p. 230. [↑](#footnote-ref-19)
20. Khurshid Ahmad, The Religion of Islam, p. 8. [↑](#footnote-ref-20)
21. “Movement That Intends to Shape Own Future,” (interview with Khurshid Ahmad), Arabia: The Islamic World Review, No. 6 (February 1982/Rabi al-Thani 1402): 54. [↑](#footnote-ref-21)
22. 1. Mawdudi, *Economic System,* p. 91. [↑](#footnote-ref-22)
23. Ibid., pp. 165-66. [↑](#footnote-ref-23)
24. See, for example, the article in *The Christian Science Monitor,* 8 February 1988. [↑](#footnote-ref-24)
25. Khurshid Ahmad, "Economic Development," *Islamic Perspectives,* p. 226. [↑](#footnote-ref-25)
26. Ibid [↑](#footnote-ref-26)