

Foreword

Islam and the Path to Human and Economic Development

Most people do not make a connection between the religion of Islam and the vital issues of economic and social development; and when they do, it is often to disparage Islam as a hindrance, even a retrograde force, in the progress of Muslim societies. The attempts by Muslim social scientists and economists in the past decades to develop a coherent discipline of 'Islamic Economics' have not gone beyond the confines of the academic world, and, with the limited exception of Islamic banking, have not had a serious impact on either policy planners or the general public. They have also failed, I believe, to make the case that Islam has something distinctive to offer to the resolution of the myriad problems that face humanity, both in the rich and the developing world: from poverty eradication, income inequalities, good governance in the poor countries to the problems that affect the rich world of overconsumption, alienation and social fragmentation. At its heart, the inability to argue convincingly for a uniquely Islamic pathway to development has been because those who appear to advocate such a course have been unable—or unwilling—to base their case on a fundamental shift in their frame of analysis. That is until now.

Abbas Mirakhor and Hossein Askari have written a pioneering and profoundly significant work. Both writers have a long and distinguished record of scholarly achievement and have occupied prominent positions as policy-makers and advisers to a variety of international agencies and national governments. Their work combines academic rigour, a thorough understanding of the evolution of economic and social theory and policy in the western world, together with remarkably fresh insights into the moral and spiritual universe of Islam and its significance to the outer world of material achievement. It is in the way that they have woven the spiritualised precepts of Islam into the articulation of an alternative understanding of the nature, meaning and purposes of economic development that sets this work apart. In the process Mirakhor and Askari have set markers for a new field of inquiry in economic development.

The authors demonstrate how economic theory became progressively distanced from its rooting in moral and political philosophy, until a reaction of sorts set forth with the rise of the New Institutional Economics of the post war era. This opened economic development theory once again to a greater concern with the ethical component of economic activity, a position best exemplified in the work of writers such as Amartya Sen. Nevertheless, Mirakhor and Askari emphasise that in each era where a particular school of economic theory prevails—for example the neo-classical economics that dominated economic theory and policy in the 1950s and 1960s—there are implicit underlying conceptions of *homo economicus*. These are the basic assumptions and postulates that drive the economic decisions of the irreducible individual. But this basic building block of all economic theory is not an invariant factor. It is one that changes with the age, and reflects the circumstances, values and assumptions of that age. However, the models of *homo economicus* that have evolved to explain economic behaviour have all tended to reflect the increasing secularisation of society, where moral decisions are no longer embedded in the sense of the sacred. So that even when moral considerations appear to prevail—such as in Sen’s thesis of “development as freedom”, Giri’s emphasis on self-development or even in Mahbub al-Haq’s derivation of a human development index—there is no connection to an overarching spiritual framework for guiding human action and for setting the permissible limits and boundaries to such action. While a number of scholars have recently resurrected the moral writings of Adam Smith and their integral role in the formulation of his economic theories, Askari and Mirakhor point out that Smith’s moral views were rooted in a strong belief in the Divine, and cannot be properly understood except when viewed through the prism of a man of faith.

The great achievement of Askari and Mirakhor’s work is that they have brought back the great spiritual traditions of Islam right into the heart of the debate on economic development. And this is a sea change from the sterile debates on the nature of interest in Islamically acceptable transactions, or the convoluted, apologetic attempts to find a place for Islamic teachings in the framework of prevailing theories of development. These have dominated the discipline of Islamic economics for too long and have contributed in no small measure to its very restricted audience and its inability to seriously affect the course of economic development.

Mirakhor and Askari’s work is truly path breaking and deserves to be recognised as such. By establishing what they call the “Metaframework” and

the “Archetypal Model” as an integral component of an alternative perspective on the idea of economic development, they have affirmed the primacy of the moral vision that must form the basis of humankind’s economic relations and transactions. In this respect, they have built on key Quranic terms and ideas and developed them into directions that could form the basis for a new theory of economic development in Islam. Their arguments are original, well reasoned and convincing as well as being authentic to the traditions of Islam. They construct the model of a human being whose economic actions are guided by both inspiration and the pursuit of virtues, and not only self-interest. And these actions take place in a framework where the both the Divine and the normative human archetype are ever present. Notions of *walayahh* (cherishing concern), *khilafa* (vice-regency), *karama* (dignity) *tazkiyya* (purification or making whole), *iman* (faith-in-action), *taqwa* (God-awareness)—all Quranic terms with a deep font of meaning—establish the moral identity of the spiritually-charged human being and govern his or her actions. They are related to the Divine sanction by which humanity organises its affairs and manages the earth as its custodian, as well as the way in which individuals expand their self-awareness through mindful acts of worship and correctly transacting with others.

Islam’s moral universe shares a great deal with the other great spiritual traditions of mankind, and Mirakhor and Askari continually stress the interconnectivity of these, drawing on the many instances where both Christianity and Judaism reach the same or similar positions as Islam. The balance between the inner drive of individuals for self-awareness and fulfilment in the Divine Oneness (or *tawhid*), and the needs of a community that organises itself to best serve these goals is the desirable end state for humanity. Economic development that is fair, dynamic and harmonious becomes the natural concomitant to this balanced state of affairs.

Askari and Mirakhor continue by examining the institutional and broad policy implications of their case, what they call the rules-basis of comprehensive development in Islam. They anchor their argument on a decisive verse in the Quran, which confirms humankind’s ability to attain a felicitous state of inner and outer plenitude if people cultivate an ethic of faith-in-action and the commitment that that would imply in terms of the pursuit of the virtues, not least the ideals of a Just Society.

Mirakhor and Askari raise a host of challenging issues and questions that can be the basis for a serious re-examination of the ideals of economic development in light of the worldview of Islam. The directions to which they have pointed can be pursued by any number of scholars and researchers, both Muslim and non-Muslim, to elaborate further on such relationships. It would be possible then to formulate a theory of human beings that privilege humanity as moral actors working in the framework of a divinely-ordered world and pursuing the ideals and virtues that elevate humankind.

It has been a great privilege for me to be afforded the opportunity to write the foreword to this book of riveting importance.

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