



What Muslims think about money and the new global economy

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Abstract

The aim of this study is to examine the relationship between worldwide economic integration and the notion of human unity. This book explores the ideas of increased specialization, division of labor, and the removal of obstacles to the unrestricted flow of capital, goods, services, and labor. To do this, an examination is carried out on the teachings and theories proposed by conventional Muslim scholars, along with the direction offered by the Qur'an and Sunnah. An analysis is conducted to evaluate the level of congruence between these teachings and perspectives and the guidelines of the New Global Economy. The purpose of this analysis is to improve understanding of the New Global Economy. This argument posits that based on the philosophical underpinnings of Islam and the academic contributions of Muslim individuals, the advancement of justice is an essential requirement for attaining the desired level of global economic integration. Unfortunately, the requirement to guarantee fair treatment for all individuals is disregarded in the execution of the growing global economy paradigm. This provides additional clarification on the opposition to globalization. The author emphasizes the importance of Muslim nations adopting globalization and integrating ideas of justice into their core ideals and practices. However, this alone will not be adequate. Furthermore, it is crucial for individuals to actively work towards promoting justice in their respective economies while also employing a wide range of strategies to effectively navigate the obstacles and challenges presented by globalization.

The World Economies Being Joined Together

The field of neoclassical economics has seen a number of significant changes in recent decades, which has led to the development of the idea of a new global economy. Both socialism and Keynesian economics enjoyed substantial levels of popularity throughout the decade of the 1950s. According to the prevalent concept, development cannot be simply driven by monetary markets and their associated prices. It was essential for the state to take the lead in this matter. After the failures of socialism throughout the 1970s and 1980s and the difficulties encountered by the welfare state,



the idea of an unduly dominating state in economic concerns has been abandoned. This is due to both of these factors. The Keynesian economic framework suffered a setback in the 1970s as a consequence of stagflation, in addition to the difficulty that governments faced in efficiently adopting Keynesian policies in order to address the problem of unemployment. Because of this particular line of reasoning, the discipline of neoclassical economics is undergoing a period of resurgence. The school of thought known as neoclassical economics maintains that in order to speed up development, there must first be a removal of limitations and a deregulation of markets. It has been suggested that a smaller part for the government to play in the economy would be preferable. The neoclassical economics paradigm, which places an emphasis on trade liberalization and the unrestricted flow of information, money, labor, and technology, has been accepted as the guiding economic theory for the present global economy. As a result of the primary Western powers, the International Monetary Fund (IMF), and the World Bank adopting this strategy, governments are being strongly pushed, and in some cases coerced, to undertake economic liberalization, with a particular emphasis on trade liberalization, as a means to foster the expansion of global trade. This is being done as a means to facilitate the growth of global trade. The potential for new market opportunities, technological advancements, and the distribution of managerial skills are the three pillars upon which the argument in favor of trade liberalization is founded. It is considered that these characteristics contribute to increased levels of productivity and an improved quality of life. As a direct result of this, the economies of all countries will see a quicker pace of expansion, which will make the process of global economic integration easier. Any nation that deviates from the rules that have been established will find itself at a disadvantage, and in the long term, it will hurt its own interests. Even though it displays conceptual variances and even some practical differences, the neoclassical economic theory of liberalization has been included into the framework of the new global economy. This is despite the fact that the theory was developed in the 1970s. It is now abundantly clear that achieving holistic development might be difficult if one focuses exclusively on economic factors to drive decision-making. It is for this reason that it is said, and with good reason, that the process of development requires the incorporation of essential social goals, such as the elimination of poverty, enhancement of living conditions, and broadening of accessibility to improved education and healthcare, along with economic advancement. Due to the existence of



market failure, which makes the achievement of these goals impossible in the absence of intervention by the government, the necessity of good governance, which is frequently ignored in neoclassical economics, is being brought to the forefront of public discourse. The rise of the New Global Economy is indicative of a fundamental ideological shift in economics because it not only places a higher priority on the interconnectedness of economies around the world through more deregulation, but it also extends upon the restricted scope of neoclassical economics. Neoclassical economics ignored a variety of socioeconomic and political issues in the past, but this expansion takes into account such factors. These factors play an important part in supporting faster growth and were previously ignored by Neoclassical economics. This new development is certainly worthy of praise. This line of inquiry deals to the extent to which Islamic economic analysis combines socioeconomic and political components, as well as the function of integration and liberalization within Islamic doctrine.

The new world economy and Islam

Within the arena of Muslim intellectual debate, the idea of working toward the unification of economies around the world is not a novel one. The fundamental idea of the unity of humanity has important ramifications within the Islamic faith. These ramifications derive from the central doctrine of Tawhid, which asserts that God is one and that there is only one God. If there is such a thing as a singular deity, then it stands to reason that all of mankind must be a singular entity as well. Because it seeks to bring people closer together, religion does not make room for distinctions that are founded on factors such as nationality, ethnicity, or skin color. According to the scriptural reference in al-Qur'an (10:19), it is said that the initial creation of humanity was distinguished by their unity as a single nation (ummah). This was the case when they were given their physical bodies. The subsequent appearance of discord and disparities among individuals, on the other hand, led to the later fragmentation and separation of those individuals. Conflicts of interest, prejudices, exploitation, and abuse of authority are all factors that may be traced back to the expanding gulf that exists between humanity. According to verse 11:119 of the Qur'an, the primary purpose of Islam is to serve as a means toward achieving the union of all persons. The process of bringing humanity together can be accomplished in a number of different ways. One approach that might be taken to reduce the number of instances of prejudice, misunderstanding,



and conflict is to work toward developing understanding between different groups by increasing the amount of communication and collaboration that takes place. Taking into account the main significance of economics in the realm of human existence, the process of merging the economies of many countries has the potential to speed up this progression. This is a possible benefit. The growth of increased interdependence will be made easier as a result of this. Nonetheless, the achievement of economic integration would be difficult in the absence of the elimination of all man-made impediments through liberalization. This would make it possible for free and unfettered movement of information, money, workforce, commodities, as well as capital and technology. This would be necessary in order to achieve economic integration.

WHAT INTEGRATION HAS TO DO WITH JUSTICE

Islam teaches that fairness and equality are fundamental to healthy human relationships, and that a failure to uphold these values can stymie attempts at social cohesion. The Holy Qur'an explains in verse 57:25 that the fundamental reason God sent prophets to humanity was to set up a just society. The Qur'an is the source for these details. The Prophet (peace and blessings of God be upon him) said that injustice is "absolute darkness," that it worsens people's plights, breaks up communities, and ratchets up strife and tension. Moreover, the Prophet described injustice as "absolute darkness." As a reflection of its commitment to justice and fairness, Islam, during the height of Muslim cultural success, attempted to assimilate other economic systems into its sphere of influence. The number six in numerical form. In order to fund their military campaigns, the Sasanians and the Byzantines levied heavy taxes and customs, which had a chilling effect on commerce and delayed the pace of development. The issue is exacerbated by the protracted tribal battles that have been occurring across Arabia. When Muslims were in power, the area underwent a period of transformation into a massive unified market with low taxation, rising economic monetisation, and unrestricted and secure mobility of individuals, capital, and goods. Substantial growth in economic activity led to an extending sphere of influence that reached all the way from the western regions of Morocco and Spain to the eastern territories of China and India. Thus, it now included the southern parts of Africa and the northern parts of Central Asia. Currency issued by Muslims has been discovered in a number of different countries, including Russia, Finland, Sweden, and Norway, as well as the



British Isles and Scotland, lending credence to the idea that trade between these regions flourished between the seventh and eleventh centuries. These coins, unearthed in digs, contribute to the historical records previously available, providing more evidence of the breadth of this commercial development. In addition to paving the way for trade, agriculture, and the arts, this phenomenon also aided in the development of industrial expertise, which led to an extraordinary improvement in the aesthetic value of manufactured goods. During this time, everyone saw a significant increase in their personal incomes. As a direct result, it was found that the rate of development was dispersed over a number of countries rather than being concentrated inside a single institution.

NEGOTIATIONS VS. JUSTICE

Both Islam and the New Global Economy want to unify the world's financial systems. However, there is another way to achieve this kind of integration. While the agreements that underpin today's global economy are motivated by self-interest, Islam places a premium on justice that is grounded in moral principles. The two entities broke apart at this point. The current economic situation of the world is rooted in the secularist paradigm of Neoclassical Economics, which places a premium on the pursuit of pleasure and wealth maximization driven primarily by self-interest and disregards moral assessments. It is essential to first distinguish between what is morally virtuous and what is morally repugnant, fair and unjust, and aesthetically pleasing and unappealing, in order to uphold the ideals of justice. The next step requires settling on a monetary value. How should one go about making decisions that affect value? Getting to the bottom of this crucial question is essential to establishing justice. Every major world religion, including Islam, teaches that human evaluations of worth should be based exclusively on divine law. Because it avoids making value judgments, neoclassical economics is seen as lacking a moral basis for the promotion of justice. Without moral standards, self-interest would be the primary criterion for deciding what is good or bad, and this is what all parties would work toward during talks. Due to their greater economic and political weight, people from privileged backgrounds often stand at a huge advantage in these negotiations, and might use this advantage to intimidate weaker and more powerless parties into giving in.



WHAT WILL HAPPEN IN THE FUTURE

In view of the unjust practices of the industrialized world, it is worth considering whether Muslim nations should resist the process of liberalization. Engaging in such an action would be highly undesirable. The achievement of justice is an unattainable objective through the act of secluding oneself within a cocoon. The acquisition of this item is exclusively attainable through arduous means. The cohesion among nations adhering to the Islamic faith can prove to be beneficial in this endeavor. Therefore, the Islamic Development Bank (IDB) and the Organization of Islamic Conference (OIC) are essential. Nevertheless, it is imperative to acknowledge that the impediments to trade imposed by Western nations do not constitute the principal determinant hindering the expeditious progress of Muslim countries. The aforementioned constraints represent but one facet of the issues that they encounter. This difficulty can be effectively addressed through collective action and concerted effort. As per Ibn Khaldun's analysis, a significant challenge encountered by societies is the limited educational attainment and technological aptitude prevalent among their populace. These factors are crucial in facilitating and achieving developmental progress. The ability of Muslim nations to fully capitalize on the advantages of globalization is contingent upon their capacity and willingness to enhance their production capabilities and expand their exports. The societal institutions and ideals, the political power (referred to as "wazi" in Ibn Khaldun's language), the economic structure, and the presence of domestic justice are all significant variables pertaining to development. Undoubtedly, Islam offers a set of ideals that actively contribute to the cultivation of prosperity and well-being. The numerical value of 45. Individuals who do not presently exemplify these concepts must be instructed in them. However, it is important to note that Muslim nations currently face a deficiency in their educational infrastructures. The suboptimal utilization of resources in Muslim economies can be attributed to the presence of corruption. In contrast to the tenets of Islam, the economic systems in numerous countries have demonstrated repressive characteristics. This has emerged as a significant obstacle to progress, deterring both investment and innovation. The numerical value provided by the user is 47. In nations with a predominantly Muslim population, individuals who are economically disadvantaged and marginalized face significant barriers in accessing the legal system. Typically, families who possess



property exert influence over the political and economic structures in order to promote their own interests, often at the detriment of societal advancement. While it is crucial to prioritize protection during the initial phases of development and make efforts to achieve a substantial level of it considering the prevailing global circumstances, an excessive emphasis on protection could potentially hinder our progress. The diminished presence of international competition will diminish the impetus for our industrial and agriculture sectors to enhance their productivity. In order to effectively address the problems posed by competition, it will be imperative to adopt a deliberate approach that entails a substantial deceleration of the pace at which urgently needed social, political, and economic reforms are implemented. Furthermore, the implementation of protectionist measures leads to an increase in expenses for importers in relation to the acquisition of imported goods and services. Based on Islamic principles, this can be considered as an act of injustice. While temporary allowance of injustice may be deemed necessary for the greater welfare of society, it is imperative to acknowledge that no one possesses the legitimate authority to perpetuate systemic injustice upon the general population. Trade restrictions are often implemented with the primary objective of serving a limited number of special interests, rather than prioritizing the overall welfare of society. According to Ibn Khaldun, the presence of justice is crucial for societal advancement. He posited that the implementation of liberalization measures would not only contribute to the improvement of development and efficiency, but also serve as a catalyst for the promotion of justice. Hence, there is no justification for harboring excessive apprehension towards globalization. The subject matter encompasses both challenges and opportunities. As previously mentioned, Muslims have played a prominent role in the advancement of globalization. During the period characterized by Muslim rule, the entire region underwent significant economic integration, resulting in the establishment of an extensive common market. This development played a crucial role in fostering overall progress and a substantial improvement in the quality of life for the populace. What potential sources of concern can globalization give rise to? While advocating for the pursuit of justice is of utmost importance, it is imperative to concurrently prioritize the implementation of requisite political, legal, economic, and social transformations. This approach will enable us to efficiently harness our



resources and effectively confront the multifaceted difficulties arising from globalization.

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