



ISLAM AND THE PATH
TO HUMAN AND
ECONOMIC
DEVELOPMENT

*Abbas Mirakhor
and
Hossein Askari*



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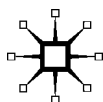
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Softcover reprint of the hardcover 1st edition 2010 978-0-230-10388-7
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First published in 2010 by
PALGRAVE MACMILLAN®
in the United States—a division of St. Martin's Press LLC,
175 Fifth Avenue, New York, NY 10010.

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ISBN 978-1-349-28831-1 ISBN 978-0-230-11001-4 (eBook)
DOI 10.1057/9780230110014

Library of Congress Cataloging-in-Publication Data

Mirakhor, Abbas.

Islam and the path to human and economic development / Abbas
Mirakhor and Hossein Askari.
p. cm.

1. Islamic sociology. 2. Economic development—Religious aspects—
Islam. 3. Economics—Religious aspects—Islam. 4. Islam—Economic
aspects. I. Askari, Hossein. II. Title.

BP173.25.M565 2009
338.90088'297—dc22

2009049010

A catalogue record of the book is available from the British Library.

Design by Newgen Imaging Systems (P) Ltd., Chennai, India.

First edition: August 2010

10 9 8 7 6 5 4 3 2 1

May Allah (SWT) accept this effort as a modest contribution in walayahh. May He guide our children—Hassan, Cyrus, Hashem, Afsaneh, and Sonya—to His path. And may their development be complete and their journey filled with peace, blessings, and much happiness.

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Foreword

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 in 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 rigor, 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 spiritualized 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 postwar 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 emphasize that in each era where a particular school of economic theory prevails—for example, the neoclassical 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 behavior have all tended to reflect the increasing secularization 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. Although many 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’s and Askari’s work is truly path-breaking and deserves to be recognized 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 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 organizes 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 fulfillment in the Divine Oneness (or *tawhid*), and the needs of a community that organizes 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 reexamination of the ideals of economic development in light of the world view 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 have been afforded the opportunity to write the foreword to this book of riveting importance.

ALI A. ALLAWI
Cambridge, MA
December 2009

Preface

Muslims have recently begun to search for a genuine Islamic paradigm to guide them in developing their societies. Their ardent search is no more than a few decades old, and it is still in its nascent stage. This book is a modest effort in support of this pursuit.

There is a large cognitive deficit between the holistic vision of the Quran for human and societal development and the results achieved by Muslim societies of today. We try to draw out the Quranic vision, which we refer to as the “Metaframework.” The experience of the earliest society organized by the Prophet, the most perfect human receptor of the vision embedded in the Metaframework and the one human being who best understood the objectives of the Quran for mankind, we identify as the “Archetypal Model.” Whereas the Metaframework applies to the whole of humanity in the abstract and at all times and in all places, the Archetypal Model is an operationalized blueprint that takes into account the actual conditions and experiential mode of specific societies. Every path of development followed anywhere and called Islamic must contain the essence of the Archetypal Model. Together, the Metaframework and the Archetypal Model represent the Islamic paradigm.

In another sense, this book is a modest effort to understand one verse of the Quran in which the Creator specifies the necessary and sufficient conditions for the holistic development of human societies. In verse 96 of Chapter 7 of the Quran, we are told that a human society will be on “automatic pilot” on the path to full development, at the level of both its individual members as well as their collectivity, if the members of that society are rule-compliant and are in constant awareness of the ever-presence of their Cherisher Lord Creator. Today’s development theories consider operative rules in societies as the institutional structure underpinning the path of economic and social progress. We endeavor to flesh out these rules from the Quran and from the sayings and doings of the Prophet as he implemented them in the society he organized in Medina, and to understand how complying with these rules paves the path to development. Before

doing so, however, we begin by placing the Islamic paradigm of development within the historical context of Western development thinking.

Although the literature on economic development has a rich history spanning more than three centuries, the early discussions were narrowly focused on the development of the market-oriented economies of the West. Attention to less-developed economies has been largely a post-World War II phenomenon. In the early post-WWII period, economists defined economic development as a combination of rapid economic growth and structural transformation. Countries that had low levels of per capita income needed to grow faster to catch up with the developed, or industrial, countries of the West. To achieve this, they would benefit from a transformation of their economies from an agrarian to an industrial base, where the level of productivity and its growth were significantly higher.

Given that narrow definition of economic development, most early post-WWII theories of economic development focused on how rapid growth and structural transformation could be achieved. It was not until the late 1970s and early 1980s that economists, inspired by the pioneering contributions of Mahbub ul Haq and Amartya Sen, began to question the popular definition of economic development and the path for its achievement. They argued that development was much more than an increasing level of per capita income and a simple structural transformation. For the first time, human development, including education, healthcare, poverty eradication, a more even income distribution, environmental quality, and freedom, was seen as an integral component of the economic development process.

The metamorphosis of economic development theories incorporating human development has also been reflected in the topics covered in the World Bank's annual flagship publication, *The World Development Report* (first published in 1978, with its history recorded by Shahid Yusuf in 2009), and by the United Nation's initiation of a *Human Development Index* in 1990. Although economic growth is still a necessary condition for economic development, it is no longer deemed sufficient. In other words, although man needs bread to live, he does not live by bread alone! Following the footsteps of Mahboub ul Haq and Amartya Sen, some authors have introduced additional components of human well-being, such as the need for sharing with the less advantaged and of belonging to a group, and the avoidance of opulent living. Others have added the importance of sustainability and natural resource management to benefit current generations in less-developed countries and to support future generations.

Thus, through the passage of time, economists have come to see the process of economic development as much more than the quest for increasing economic prosperity. While economic growth merely signifies more

output, our understanding of what determines growth has also gone through a transformation. The Solow-Swan neoclassical model of economic growth attributed economic growth to inputs of capital, labor, and technical change (embodied in capital). Paul Romer and others enhanced the Solow approach by giving technology an endogenous role, incorporating the importance of education and human capital in the growth process. At the same time, the role of institutions in the growth process and especially those of the rule of law, of rule-compliance and trust, based on the work of Douglas North and others, became increasingly recognized.

While the definition of economic development and the policies for its achievement have gone through a metamorphosis in the West, the concepts of economic and human development in Islam are not time dependent, because Muslims believe that the Quran is the divine word of God. Islam is an immutable rules-based system with a prescribed method for humans and society to achieve material and nonmaterial progress and development grounded in rule-compliance and effective institutions.

In this book, we briefly survey the evolution of the Western concept of development before exploring the path to development in Islam. The Western concept of development provides the context and benchmark for comparing and assessing Islam's concept of development. The Western approach, now recognizing the wider dimensions of human development and the role of institutions and rules, has moved over time toward the vision and the path of development envisaged in Islam, emphasizing human solidarity, belonging, well-being, sharing, concern for others, basic human entitlements, and modest living. The focus in this book is on the Quran's view of development and the conditions necessary for individual and collective human progress. In Islam, development is composed of three interrelated and interdependent dimensions: individual human self-development, the physical-material development of the earth, and the development of human society as a whole. The most important of all these is the first without which the other two would not progress as envisioned.

More often than not, it is the lack of sufficient knowledge of the principles and institutional requirements of Islam that has created a gulf between the ideal vision and actual practice. While the Quran presents clear rules of behavior (institutions) for a balanced, holistic development of the individual and of the collectivity, these have been poorly understood and practiced. Centuries spent in the search for and articulation of the developmental vision of the Quran for humans led to the emergence of societal forms that in practice were antithetical to the vision articulated by the Quran and operationalized by the Prophet. A reversal has begun over the past few decades, initiating ardent efforts to understand the institutional requirements of an authentic Islamic vision for human development.

It is hoped that this book will make a modest contribution to this continuing effort and to an understanding that all claims, or pretensions, to Islamicity on the part of any society must be validated by the existence and effective operations of the institutional structures (rules of behavior) mandated by the Quran and operationalized by the Prophet. A reading of this book should confirm that in today's Muslim societies the most important core elements of an Islamic institutional structure are, by and large, notable for their absence.

Acknowledgments

We acknowledge the enormous contributions of Professor Iris Samawi Hamid for his earlier draft of chapter 3. We thank Dr. Parviz Morewedge and Global Scholarly Publications for allowing us to borrow freely from an earlier publication. We are grateful to Anwar Aridi for compiling the glossary and compiling the endnotes. We thank Kristin Devine for her copyediting, indexing and for cleaning up the manuscript. The manuscript has been enhanced by our editor, Farideh Koochi-Kamali and her associates at Palgrave Macmillan, Robyn Curtis and Heather Faulls, and by our copy editor, Rohini Krishnan. We are indebted to our wives for their encouragement, understanding, and support. We remain responsible for any remaining shortcomings.

Chapter 1

The Evolution of the Western Concept of Development

The concept of development in the West, which has evolved over a number of years, today can mean quantitative growth, qualitative improvement, and expansion in the capabilities, capacities, and choices of individuals, groups, or states. Development is conceived as more than a quantitative change in some index, such as a higher level of per capita income; it is about being more, not having more. To appreciate the context for Islamic thinking on development, it is helpful to briefly review the historical origins and evolution of the Western concept of development. There are two distinct periods marking the evolution of the development concept in the West: the first period is from 1700 to 1945, covering largely the development of the capitalist economies of the West, and the second is after WWII, focusing on the less-developed economies.¹

The Early Roots of Development (1700–1945)

The concept of development can be traced to the eighteenth-century writers of the Scottish Enlightenment, especially Adam Smith, who formulated the first systematic idea of economic development. The Scottish Enlightenment itself was a response to the challenge posed by seventeenth-century philosophers, such as Thomas Hobbs, who saw mankind as aggressive, self-absorbed, and given to extremes. In the natural state, where there is no organized government, this leads to intense competition, “a war of all

against all,” to gain the greatest possible advantage. In this view, a major challenge for society would be to establish social, political, and economic order. The solution, according to Hobbs, was a powerful sovereign—a Leviathan—to whom all citizens would “submit.”

During the late seventeenth century, the debate focused on the nature of human history as mirroring the life cycle of all living organisms, thus exhibiting the stages of germination, growth, maturity, and decay. The Scottish Enlightenment countered this pessimistic view with its belief in the progressive unfolding of human potential through effort and cooperation. An important member of this school, Francis Hutcheson, believed that the need to be loved and respected by others would balance humans’ self-love and thus allow cooperation between humans.²

Deeply influenced by Hutcheson, Smith believed continuous material improvement could be assured as a result of individual decisions motivated by self-love and moderated by the moral value of “sympathy” for others. Sympathy is the quality that each individual would take to the market as a mechanism that would translate the self-love, or self-interest, of each market participant into love for others. If individuals entering the market were devoid of sympathy and cooperation, progress would be undermined. The dimension of the self that is a reflective judge of a person’s own actions and sense of duty would create an appropriate balance between the interests of the self and those of others. This guidance by an “invisible hand” would lead to positive economic and social change. The separate self-love of all individuals would be galvanized toward the benefit of all, leading to a stable social order.³

Driven by self-love and regulated by sympathy, each individual would be directed to the most productive economic activity. This division of labor would be one of two drivers for increasing the “wealth of nations.” The other driver would be capital accumulation motivated by self-love in pursuit of profit. Increased productivity of labor leads to a surplus in output beyond wages, rents, and profits, thus creating a source of funds for investment in machinery and equipment. The notion of increasing returns based on the division of labor that creates gains from specialization provided the basis for Smith’s optimism. Labor productivity could either be increased through the expansion of skills and the dexterity of labor because they produce the same commodity repetitively, or through the adoption of new technology and the deployment of new machinery and equipment, namely, the accumulation of capital. The accumulation of capital, requiring savings, was deemed necessary for sustained growth. Smith considered frugality and savings an integral part of human nature, stemming from one’s desire to improve one’s material conditions. An important element of Smith’s vision is the limited role of the state to guarantee the sanctity

of property, to create the conditions allowing free and voluntary exchange, and to ensure that commitments generated from contracts of exchange are honored. Under such circumstances, the only limit to continuous material progress would be the size of the market; this limit could be removed through trade among nations. Trade would benefit all trading nations, and all nations would be mutually enriched, resulting in global peace and tranquility.⁴

Smith's optimistic vision was challenged by Thomas Malthus, who argued that human passion, especially passion between the sexes, would always overwhelm the self-love that motivates the pursuit of self-interest. This passion, geared to instant gratification, would lead to a geometric rate of increase in the population, which would soon outstrip the means of subsistence (food), which grows at an arithmetic rate. Malthus, therefore, rejected the idea that self-interest would lead to continuously expanding material wealth. David Ricardo's analysis of wages, rents, and profits (distribution issues) led him to argue that in the evolution of market capitalism a stage would be reached where the economy would no longer grow. This would be the result of diminishing returns to agriculture as production expanded into less and less productive lands. This process would squeeze producers' profits, which would, in turn, reduce investment and place the economy in a stationary state. At about the same time, appalling conditions and misery resulting from a series of crises in the latter part of the eighteenth century and the early decades of the nineteenth century in England and in France led to serious social and political turmoil.⁵

Faced with such turmoil, French thinkers at first questioned and then rejected the idea that linear automatic progress was possible through the free workings of the market. The emphasis of the French thinkers of the time was on how to bring about a just social order. Among them, Henry de Saint-Simon and his followers focused on the possibility of social engineering to create order and progress. They rejected the idea that driven by self-love, men of industry would have any concern for society. They saw the operations of the free market without government interference as the foundation of social disorder. Saint-Simonians envisioned humanity as a collective entity with a history of progressive development of social relations characterized by phases of order and disorder. Each phase of disorder meant that old social and economic relations would decay and break down, creating conditions for the emergence of an improved social order with widening social relations and greater awareness of the common good. This would mean that improvements in the prosperity of each member of society would depend on the prosperity of all, with morally aware elites serving as agents of change and transformation.⁶

The most celebrated member of the Saint-Simonians, August Comte, believed that progress was dynamic and the logical goal of humanity, but that it had to be achieved with social stability and order. The social order, just as the natural order, had static laws that would regulate the dynamics of social progress. To achieve ordered progress, these laws would have to be understood through the method of positivism, namely, devoid of metaphysical assertion. Thus, a science of social order could be created through the application of social laws. In this way, a system of objective knowledge would become the basis for human action to control the forces that create disorder. Socially conscious industrialists would be in charge of utilizing the wealth of society as a temporal power to serve as agents of progress. Humanity would progress to reach a stage where universal love, as opposed to self-love, would become the main social instinct and the arbitrator between social order and progress.

Influenced by Saint-Simonians, John Stuart Mill argued that societies were either in a desirable steady state or in a transitional state. The transitional state was characterized by disorder caused by the inability of those in power to manage change and maintain social order. This state of chaos would continue until growth of knowledge and human understanding, gained through education and the exercise of individual liberty and choice, would bring about a new social order, namely, a stationary state. Mill distinguished between progress and development. Whereas development was a process that led to ordered social and economic improvements, progress was chaotic. A development process designed to manage and mitigate the chaos of progress would lead to a stationary state in which human beings adapt by preserving nature against the chaos of progress. To avoid chaos, Mill believed progress had to be steered toward a stationary state. He suggested that chaotic progress that leads to “unlimited increase in wealth and population” would lead to the earth losing a “great portion of its pleasantness—for the mere purpose of enabling it to support a large, but not a better or happier population.” Mill believed that societies in which conditions for development, or ordered progress, do not exist could be guided by more developed societies.⁷

In Germany, development was seen as being of two kinds according to Friedrich Hegel: natural and intentional. The first is an inherent process, which is repetitive and without change, much like the growth process inherent in natural organisms. A seed, for example, holds within itself the potential to grow into a plant; a cycle of germination, growth, maturity, and decay is a continuous and repetitive process. Every being contains within itself the potential to develop. Hegel made a distinction between “being-in-itself” and “being-for-itself.” The first is the characteristic of a plant. As self-conscious beings humans have the potential to develop

into “beings-for-themselves” through the conscious exercise of their will, despite the influence of external forces. In the case of the plant, however, nothing interferes with the process of its development from a seed to a plant; the plant is hence a “being-in-itself.” In humans, thought is capable of uniting itself with the body to move from a state of “being-in-itself” to that of “being-for-itself.” The consciousness of the spirit, whose essence is freedom, is the force behind development. For Hegel, human development is, qualitatively, a process of change in which consciousness becomes exposed to the essence of freedom. When the goal of economic and social progress is established, the process of change culminates in the emergence of the state. Individuals in such a state would obey the laws of the state as the culmination of their own human reason.⁸

Hegel saw institutions of society as crucial for human development because they allow individuals a sense of self-worth and lead the individual to regard others as worthy. Hegel saw the family as an important ethical-social institution for individuals to learn self-knowledge, altruism, love for others, trust, sharing, and obedience. He viewed the collectivity of social institutions as constituting the civil society that intermediates between the state and the individual to give individuals a sense of themselves as a part of the larger whole. He considered these institutions to be central to human happiness because they provide satisfaction to individuals by allowing them self-identification with their social roles and interests. Hegel incorporated Comte’s idea that love was the means of development embodied in the state, providing freedom for individuals to express their uniqueness through their association with the structures of civil society. Through experience with German bureaucracy, however, Karl Marx was convinced that the state did not, and could not, function as the agent of development. According to Marx, the various structures of civil society use the apparatus of the state to promote their own economic and social interests. In particular, neither the state nor its bureaucracy is interested in meeting the needs of the growing poor and destitute, who are the product of the capitalist system. Marx believed that the capitalist mode of production could only create class conflict. This, in turn, would lead to the consciousness of the masses of their own alienation, which would motivate them to replace capitalism with leaders who understood the shortcomings of capitalism.

Between 1820 and 1840, a number of continental European thinkers had theorized that capitalist development would unfold into a struggle between capitalists and working classes. In particular, Léonard Simonde de Sismondi, a Swiss economist, envisioned such a struggle as early as the 1820s. In 1842, a French intellectual, Eugène Buret, published a book titled *The Misery of the Working Classes in England and France*, depicting

the growth of the economy as a process whereby capitalists increase wealth by depressing the wages of the working class. While these writers had influenced Marx, it was Friedrich Engels who impressed him the most. Engels presented a moral argument that market capitalism was built on selfishness and greed and thrived on competition. The needs of competition created conflict between, and among, all individuals. Competition-driven trade was the source of profits that, in essence, were little different from interest on money, which was condemned as “receiving without working.” Profits and interest were the drivers of the accumulation of capital and of the concentration of wealth in the hands of a few. This would lead to bigger producers driving out smaller ones, thus shrinking the middle class. This process would continue until only two classes, “millionaires and paupers,” would emerge. To Engels the solution was the socialization of property and capital. Deliberate development under socialism would then proceed through rational, intentional, and centrally organized planning.

Collaboration between Marx and Engels during the period from 1844 to 1848 produced *The Communist Manifesto* (1848), describing a process for the emergence of a new social-political-economic system that preserved the human-liberating character of capitalism without private property and competition. Capitalism, it was argued, was a powerful destabilizing force, which, through its accelerated process of transformation, competition, and greed, dissolved traditional self-identities historically related to social institutions, such as religion, gender, nationality, profession, or hereditary factors. Marx and Engels maintained that capitalism ultimately reduced the value of human beings by treating most of humanity as commodities to be used as labor to produce surplus value for capital accumulation and profit. The value created by labor—the difference between what was sold in the marketplace by the capitalist and the wages paid to the worker—was the “surplus value,” namely, the source of profits. Along with interest, profits were the drivers of capital accumulation. Thus, under capitalism, liberation from social constraints prompted the emergence of a new form of slavery in which individuals had little control over their own time and labor. This would, in time, lead to the alienation of workers, solitude, and a life of emptiness. The result would be not only physical and economic deprivation, but also spiritual poverty.

In the 1870s, economic growth in Germany, which had lagged behind England and France, picked up momentum. Massive industrialization through modern corporations, and active stock market and commodity exchanges made Germany the new leader in economic growth. This growth was accompanied by boom and bust cycles in stock market and commodity exchanges. These phases of instability created widespread dissatisfaction with the capitalist system, the exploitations of speculators,

and the resulting losses for farmers and the working class. There were vociferous calls for greater state control and regulation of markets. It was against this background that Max Weber enunciated his defense of market capitalism.

In his book, *The Protestant Ethic and the Spirit of Capitalism* (1906), Weber argued against those who considered capitalism a system driven by greed and the pursuit of selfish interests. Capitalism, Weber argued, was the most efficient economic system because it was guided by the rational calculations of all participants in the economy to find the most efficient means to gain control over the self, society, and nature. Weber accepted the possibility that some market participants could lose sight of the real meaning of life and become trapped into pursuing material gains at the expense of their own happiness. Nevertheless, he saw no better alternative in socialism-communism and considered systems that proposed an economic model without private property, competition, division of labor, and specialization mere fantasy. Weber warned about the tendency of capitalism to dehumanize the economic process to the point where society would be transformed into a mega machine with individual humans as its cogs. Weber considered the goal of economic development to be improvement in the wellbeing of the German people as a whole rather than that of individuals or groups. He envisioned economic growth as a means for increasing German national power. Unlike Smith, who thought free international trade would promote peace and security among nations, Weber argued that nations always compete with one another for power.⁹

While Marx and Engels had considered competition an evil force of capitalism, George Simmel saw competition as a positive, integrative force, one that compelled businessmen to focus on the feelings and thinking of their customers to gain their loyalty. Whereas Marx and Engels viewed capital as the main reason for the exploitation of labor, Simmel considered money to be an instrument facilitating the development of a calculative mind and enhancing its capacity for abstract thought. Money, Simmel argued, was an instrument of integration in human societies. A major characteristic of a modern money economy was that the complexity of production and distribution created a greater variety of means to satisfy a given end.¹⁰

As a student of both Weber and Simmel, George Lukács had become aware of the strengths and weaknesses of capitalism, including its positive aspect of nurturing individuality and its moral and spiritual shortcomings. Unlike Weber and Simmel, however, Lukács saw no redeeming qualities in capitalism. There was a need for an alternative system; the Russian Revolution of 1917 pointed the way. In his book, *History and Class Consciousness* (1923), Lukács focused on explaining why communist

movements in Europe had failed to create a communist revolution. He argued that while Marx had correctly analyzed the alienation of workers under capitalism, there was such an insidious numbing of the minds of workers that they were no longer able to discern their real interests. Alienation had led to total passivity. Intellectuals who, according to Marx, were to guide and lead the proletariat revolution could no longer visualize society as a whole and were thus unable to envision the possibility of its radical transformation. The role that civil society was to play in Hegel's vision was assigned to the communist party in Lukács' view. Ultimately, Lukács envisioned a universal communism, which would transcend all sources of fragmentation, such as gender, culture, nationality, and religion.¹¹

Hans Freyer's firsthand experience with the humiliation of the German defeat in WWI provided the motivation for proposing a powerful national socialist state. The heavy human and economic toll of the war, the costly war reparations, and the postwar political instability had created considerable anxiety and dissatisfaction among Germans. The economy was suffering from low growth and high unemployment even before the 1929 crash imposed additional burdens forcing the German government to reduce welfare expenditures. As a result, two different social movements were gaining strength—communism and national socialism. Hegel had envisioned the state and its apparatus as a powerful force that would place the interests of society above the interests of individuals or groups. Similar to Lukács before him, Freyer observed that capitalism had created a fragmented consciousness in society. As a result, each class in civil society used the apparatus of the state to its own benefit, leaving the state powerless to look after the interests of society as a whole. Unlike Lukács, however, Freyer believed that the growth of a welfare state and the numbing of class-consciousness under capitalism ruled out the possibility of a communist revolution. What was needed was a revolution from the right to create a powerful state that would subordinate the interests of fragmented groups for the good of society. The collective spirit of the nation's culture would provide both meaning and identity to a person's life through a common collective purpose—to create a powerful nation state, capable of harnessing individual and group interests and of directing them toward achieving the well-being of society as a whole.¹²

At a time when communism and national socialism were picking up momentum, Joseph Schumpeter was a voice in rigorous defense of capitalism. In his book, *The Theory of Economic Development* (1911), Schumpeter argued that capitalism was the most powerful instrument for the generation of improvements in material well-being. As so many before him, Schumpeter argued that the most important characteristic of capitalism was its transformative power; it had a dynamic ability to generate change.

The force behind this ability was the entrepreneur, the rare individual who had a creative mind motivated by the psychology of success and not by economic gains alone. Those who would normally be satisfied with the status quo would willingly follow the entrepreneur's leadership. The dynamism created by entrepreneurial innovations was capable of leading to higher levels of productivity and economic expansion that, in turn, would bring about economic and noneconomic progress. The path of evolution may be toward socialism, Schumpeter argued, not because of the inherent shortcomings of capitalism but because of its unintended adverse effects.¹³

Achieving ordered progress had been a long-sought objective among European intellectuals, particularly the Scottish Enlightenment. Smith and his classical followers believed that such development was possible through the harmonization of individual self-interest with the interest of society. The instrumentality of division of labor, specialization, competition, capital accumulation, technology, and a limited role of state would make ordered progress possible. Smith and his classical followers focused on labor and cost of production as the basis for value and price, which, in turn, led Marx to the theory of surplus value, exploitation, and alienation. The Marginalist Revolution of the 1870s seriously challenged the idea of assessing value in the production process. The rebuke of the labor theory of value was led by three economists credited for their contribution to the emergence of the neoclassical school of thought and the Marginalist Revolution: Stanley Jevons, Carl Menger, and Leon Walras. They published their major works during the 1870s, arguing that it was misguided to base explanations of price and value either on the labor content of commodities or on the cost of production. Alfred Marshall offered the most articulate presentation of these ideas in his *Principles* (1890). A chief characteristic of this school was the concept of an economy as an analogue of the physical system, imitating Newton's physical mechanics. Just as homogeneous particles of matter and atoms constituted the building blocks of Newton's universe, marginalists conceived of individual market participants as the homogenous elements and the primary units of the economic system. Just as gravity was the unifying principle of Newtonian physics, marginal utility—the pleasure consumers derive from consuming the last unit of the commodity—became their principle of unity.¹⁴

Although the contribution of the marginalists to the evolution of development thinking was not pronounced, their revolution transformed economic thinking. Their basic assumptions became the most important basis of the new paradigm. Given these assumptions, neoclassical economists showed that a market economy would ultimately reach a state of balance or equilibrium (*Walras*). It was not shown, however, whether such equilibrium was unique or stable. This task was left for Kenneth Arrow and

Gerard Debreu to complete in the mid-twentieth century. Another member of this school, Vilfredo Pareto, demonstrated that, under the above assumptions, it was feasible for the economy to arrive at a unique position, namely, the best it could achieve. Given the preferences of individuals, this position would be characterized by a situation in which no one could be made better off without making someone else worse off. While Walras was interested in demonstrating that equilibrium could be achieved for a full economy characterized by competitive markets, Marshall's *Principles* (1890) focused on the question of how equilibrium was achieved in markets for individual commodities. Prices in these markets, Marshall showed, were determined by the intersection of a downward sloping demand curve and an upward sloping supply curve. The demand curve was downward sloping because each additional unit of output consumed would bring less additional satisfaction than the previous unit, with the consumer willing to consume the additional unit only at a lower price. Similarly, the supply curve was upward sloping because each additional unit of output produced would cost the supplier more than the unit before it, therefore, the producer would be willing to supply the additional unit only at a higher price. At the intersection of the two curves, supply and demand would be equal at an equilibrium price.

The neoclassical theory that a competitive market economy was capable of automatically achieving equilibrium in each individual commodity market, as well as for the economy as a whole, achieved a strong foothold in economics well into the first few decades of the twentieth century. The Great Depression, however, was a wake-up call and provided a major challenge to neoclassical thought. The most powerful rebuke came from John Maynard Keynes who argued in his *General Theory* (1936) that there was no assurance that a capitalist market economy would always produce a state of equilibrium. Such a state would be feasible only if planned savings and planned investments were equal in the whole economy. Since two different groups of people undertook the savings and investment decisions, there would be no assurance that their plans would coincide. This would mean that the economy would, generally, be in a state of disequilibrium—either inflationary, if planned investment was larger than planned saving, or recessionary, if planned savings exceeded planned investment. As a result, Keynes argued, state intervention was needed to bring the economy into equilibrium through fiscal and monetary policy.

Three years after Keynes' *General Theory*, Roy Harrod published the results of his study on the long-run nature of equilibrium for a competitive market economy (1939). He demonstrated the intrinsic instability in the long-run growth of capitalism. Harrod extended Keynes' short-run static analysis to the long run to derive necessary conditions for an economy

to grow steadily without repeated recessionary and inflationary states. Assuming that output production required fixed ratios of inputs, labor, and capital, that the growth of output depended on an increasing per capita stock of capital to keep the additions to the labor force fully employed, that technology was there to increase productivity of labor, and that factors were not substitutable, Harrod showed that income has to grow at a rate such that the rate of savings would exactly equal the rate of investment. If this condition were met, the economy would grow on a path that represented steady-state equilibrium. He also showed that there was no guarantee that such equality could be achieved or be stable. This meant that a market economy's equilibrium was on a "knife-edge," requiring equality of savings and investment. Any deviation would take the economy further away from its steady-state equilibrium path and lead to inflation or recession. Just as Keynes had shown the short-run static instability of market capitalism, Harrod thus demonstrated that instability is an inherent characteristic of market capitalism in the long run also. The implication was clear that to avoid the emergence of either inflationary or recessionary disequilibrium, government intervention was necessary. Later, Evsey Domar (1946) confirmed Harrod's results. The challenge presented by what became known as the Harrod-Domar knife-edge problem laid the foundation for postwar neoclassical growth models, which were to become the dominant development-as-growth paradigm for much of the twentieth century.¹⁵

In reviewing the evolution of the concept from Smith to the period immediately before WWII, four important strands of thought emerge. First, virtually all thinkers saw development as a broad concept of well-being for the individual and society. Second is the emphasis placed on ordered progress and development—without a stable social order progress and development would not be achieved. Third is the concern with the best way of creating such a social order. Fourth is a preoccupation with ethics and morality.

Differences among the thinkers emerge on how harmony can be achieved between the self-interest of individuals and the well-being of society as a whole. What is the "self?" Is the self, in its essence, a calculating egoist motivated by "self-love" only, or are there "other-regarding" motivations and sentiments that regulate the pure egotism of the self? What is the role of ethics and morality in ruling the behavior of individuals in the market place? These thinkers developed alternative visions of the form and role of governments in European societies in response to these events. While all of them acknowledged the dynamic-transformative power of capitalism, most were concerned with the potential of the same power to rob individual lives of meaning and purpose. Most continental European intellectuals of the nineteenth century considered the expansion

of capitalism inevitable and searched for ways to balance its adverse impact. One solution was the creation of a welfare state where the government used its power to tax, subsidize, and mitigate the worst of the negative impacts of economic expansion on the lives of people who were incapable of coping with rapid changes and adverse shocks inherent in the dynamism of a competitive market economy.

There were also more extreme solutions in the form of revolutions. Those who proposed revolutionary solutions had a common view of the devastating effect of the expansion of industrial capitalism on the lives of people and of its “dehumanizing effects.” Marx and Engels envisioned an inevitable socialist revolution, which would culminate in communism. Here the interests of the proletariat would become the interest of society. The other extreme solution, national socialism, was fed by sources as diverse as Marxian thought and Weberian analysis culminating in the solution proposed by Freyer. Ostensibly, a powerful national-socialist state in the constant throes of preparation for war was the solution to all the problems created by industrial capitalism. Such a state would allow the preservation of cultural values while creating a self-identity of the individual in harmony with the interests of the state. Despite an energetic defense of capitalism and the vigorous critique of socialism and communism advanced by intellectuals such as Max Weber, George Simmel, and Joseph Schumpeter, Europe was moving toward a confrontation between two alternative forms of totalitarianism. Communists had already succeeded in establishing a government in Russia and national socialism was beginning to make momentous progress in Germany.

The emergence of neoclassical thought and the Marginalist Revolution of the 1890s were important because they represented a break from the concept of economics as an ethical-moral discipline. The power and popularity of this paradigm focused intellectual efforts solely on material gains as the essence of development. It was only toward the end of the twentieth century when, once again, ethics and morality entered into Western development thinking.

The Emergence of the Modern Concept of Development (post-1945)

In the aftermath of WWII and given the success of the US-sponsored Marshall plan in the reconstruction of Europe, the attention of a number of Western economists turned to the problem of underdevelopment. For most of these early development economists, the evolution and progress

of Western economies provided the blueprint that would serve as a model for underdeveloped economies. They particularly favored industrialization and government intervention to induce rapid economic growth, which to them was synonymous with economic development.

Paul Rosenstein-Rodan (1943) was one of the earliest economists to address underdevelopment. He saw industry, with its strong backward and forward linkages to other industries, with a higher productivity than agriculture, and with its increasing returns, as the vehicle for rapid economic growth. Big industrial investments would create a powerful impulse for the expansion of complementary projects and industries. This “big push” would have to be initiated by governments, because the scale of these strategic investments would be too large for the small private sectors of these countries to undertake. Particularly important were social overhead capital or infrastructural projects—roads, bridges, schools, hospitals, public utilities, and communication—with large social benefits and positive economic externalities for society as a whole.¹⁶

Ragnar Nurkse (1953) believed that the problem of developing countries was low productivity because of an insufficient level of capital, machinery, and equipment, which, in turn, was the result of low capital accumulation, itself a consequence of low investment caused by low savings. It was the low level of income that generated low savings. Low income, in turn, was due to low productivity. Hence a vicious circle, or a low-level equilibrium trap, was at work. To create a large enough impetus for the economy to break out of the vicious circle, governments would have to undertake large-scale investments in a sufficiently wide spectrum of industries. Such investments would lead to an expansion of the supply of goods and services. Increased income would generate additional demand for an expanded supply of goods and services; thus a virtuous circle—increased employment and productivity, higher income, higher savings, higher investment, higher capital accumulation, and higher productivity—would be initiated. Realizing that average developing countries would not have the funds available to undertake these massive investments, Nurkse suggested “forced savings” to be generated through the imposition of taxes.¹⁷

Arthur Lewis (1954) also believed that industrialization was the way for underdeveloped countries to break out of their low-level (income) equilibrium trap. This, however, required an increase in the rate of savings to provide funds for higher investment and capital accumulation to raise productivity. Lewis argued that a major difference between developed and underdeveloped countries was that the latter had a relatively large agricultural sector (low labor productivity) where the major part of the labor force was employed, and a relatively small manufacturing and industrial sector (high labor productivity). The wages of labor were lower in the agricultural

sector, indicating an oversupply of labor in this sector, or “disguised unemployment.” Lewis argued that if labor were to be withdrawn from agriculture, the productivity of the remaining agricultural workforce would increase along with wages. To make this possible, governments in these countries would have to create employment opportunities in the industrial sector to absorb the labor released by the agricultural sector. As long as surplus labor existed in the agricultural sector, the real wages of labor (in terms of food) in the industrial sector would not increase, affording industry expansion prospects without increasing labor costs. The expansion in the industrial sector would lead to an increase in profits since wages in this sector were not increasing. Thus, a virtuous circle of rapid growth would be set in motion creating the opportunity to break out of the low-level income trap.¹⁸

For Lewis and a number of other economists, developing countries that had a colonial past were presumed to have an enclave economy, where colonial policy promoted the growth of sectors that were owned and controlled by the colonial powers and left the remaining sectors neglected, resulting in a two-sector, or “dualistic,” economy. The more advanced sector, or region, invariably the more dynamic and export-oriented sector, attracted the better-educated and better-trained workers, while in the traditional sector, higher fertility meant decreasing wages and incomes. Lewis considered the migration of rural or traditional workers to the industrial sector a positive factor, but Gunnar Myrdal (1957) believed that any stimulus to growth, which would mean higher wages and income in the nontraditional sector, would attract the more able and productive out of the traditional sector, leaving only the very young and the less productive workers behind. This would initiate a dynamic of ever-worsening income inequality in the country. Myrdal referred to this process as “cumulative causation.” This was an alternative explanation to the prevailing view that income inequality was due to differences in resource endowments. Myrdal argued that any stimulus to growth would have an accumulative effect on the two sectors of the economy, favoring the progress of the more advanced industrial sector (region) while exacerbating the poverty and backwardness of the traditional (rural) sector or region. This, Myrdal called the “backwash effect.” On the other hand, stimulus to the growth of the more industrialized sector or region has the potential to create a “spread effect,” with positive externalities for the rest of the economy. The net of these two effects would determine whether the broader economy would grow. Myrdal believed that in most developing countries the “backwash effect” was strong and the “spread effect” weak. Moreover, in these countries, governments were either too weak or too corrupt to undertake policies that would correct the resulting inequalities.¹⁹

An important contribution of Myrdal to the evolution of thinking on economic development was the role of institutions. He believed that the existence of a strong efficient state in most industrial countries was a major underpinning of their development. Most developing countries, however, suffered from weak governments and institutions and required radical institutional reforms before they could make rapid progress. An additional insight of Myrdal—shared by Raul Prebisch and Hans Singer—was that free international trade often worked to the detriment of developing countries. In the early 1930s, Prebisch had discovered that falling prices, in response to the precipitous fall of demand during the Great Depression, had been much larger for primary exports. He noted, for example, that in 1933, Argentina had to export 70 percent more of its agricultural and primary products in order to be able to import the same amount of manufactured and industrial products. The worsening “terms of trade” for developing countries, Prebisch (1950) argued, was due to the fact that the supply of manufactured products was more responsive to price changes than was the supply of agricultural and other primary commodities. As a result, the developed countries gained much more from international trade because developing countries would have to sell more and more raw materials and primary commodities to buy the same amount of manufactured products, resulting in their progressive impoverishment.²⁰

The solution for the developing countries, Prebisch argued, was “development from within,” or what became known as “import substitution.” Using this strategy, a developing country would substitute domestically produced manufactured goods for those imported from advanced countries, thus reducing the degree of dependency and increasing the resilience of the economy to adverse movements in the terms of trade. In addition, this import substitution strategy would facilitate the transfer of technology from the industrial sector to the agricultural sector, increasing its productivity. Singer advocated similar views. Recent scholarship has shown the originality of Singer’s analysis and contribution to what became known as the “Prebisch-Singer thesis,” the idea that the terms of trade between primary commodities and manufactured products had worsened over a long period. Aside from industrialization, Singer’s policy recommendation to developing countries included investment in human capital, technology, science, the well-being of children, food security, and institution building.

While Albert Hirschman agreed with the essence of “big push” and “balanced growth” strategies, he believed that the resources required to successfully implement such strategies were beyond the reach of a typical developing country. Instead, Hirschman (1958) advocated a focus on a few

key industries with critical strategic linkages to the rest of the economy. In the priority sector, where the key industries were located, excess capacity would be created, thus reducing the price of products while creating shortages in the rest of the sectors. Such a process would not only increase employment in existing industries, but also create new industries, further expanding employment, income, and growth.²¹

Walt Rostow saw the growth of developing countries from a traditional society to sustained high growth, as consisting of five stages: (1) the traditional society; (2) the stage of precondition for take-off; (3) the take-off stage; (4) the drive to maturity; and (5) the age of mass consumption. During this process, each stage provides the preconditions for the next. The process described by Rostow was a blueprint of the process for the development of capitalism as it had unfolded in England. Little effort was made to determine if preconditions for the emergence of each stage in the evolution of capitalism in England matched those of postcolonial developing countries.²²

While all these economists saw economic growth as development, the Harrod-Domar model concluded that, under a set of given assumptions, there is no guarantee that a competitive market economy could achieve a steady path of long-run growth; any deviation from the conditions that defined the path would take the economy further away from the path. Therefore, if the economy achieved such a path, it would be poised on a knife-edge. In addressing this problem, Robert Solow (1956, 1957) argued that the Harrod-Domar assumption of the nonsubstitutability of factor inputs and the fixity of factor-output proportions (capital-output and labor-output ratios) were the main reasons for their results. Solow showed that relaxing these assumptions would avoid the knife-edge problem and would allow the economy to achieve a stable, steady equilibrium path of long-run growth. As the economy grows and capital intensity increases over time, the growth rate of the economy declines. Therefore, countries with higher capital-labor ratios would grow more slowly. Over time, as developing countries with lower capital intensity grow faster, there is a catching-up process that creates the potential for the “convergence” of the growth rates of the two groups of countries.²³

In 1957, Solow made a further contribution by decomposing the output-input relations to obtain the contribution of each element of the production process to the growth of output—the contributions of labor and capital, and what could not be attributed to these, the residual, was attributed to technology. Although the attribution of the residual to technology was somewhat arbitrary, this factor is multidimensional and can include any variable that contributes to the productivity of factor inputs. The term is today referred to as total factor productivity (TFP), that is, the

residual that remains after taking account of the contribution of labor and capital to the growth of output.

In his 1956 paper, Solow had focused on solving the Harrod-Domar model's knife-edge problem and on finding the conditions for long-run steady state growth of developed competitive market economies. His 1957 paper was similarly focused on developing the growth accounting framework to explain the contribution of capital and technology to economic growth. He did not intend to analyze the process of economic growth in developing countries. Nevertheless, an important implication of his theory provided grounds for the extension of his work to economic development. As noted earlier, Solow concluded that as countries approach their steady-state growth path, they grow more slowly because capital accumulation increases capital intensity, thus slowing growth until the economy reaches a point where there is no further capital accumulation.²⁴

Solow's model led to the understanding that "there exists a unique and global stable growth path to which the level of labor productivity (and per capita output) will converge, and along which the rate of advance is fixed (exogenously) by the rate of technological progress." In other words, the closer an economy gets to its stable state, the slower its growth, as would be the case for advanced countries which have a larger stock of capital. Since the two groups grow at different rates, with developing countries growing faster because of their higher growth of productivity, at some point their growth should converge. The idea that under conditions specified by the Solow model, being behind in productivity gives developing countries the ability to grow faster than advanced countries is called "the convergence hypothesis." Given the assumption that countries are similar in all respects except that their initial level of productivity is different, the reasons why countries that are behind in productivity can potentially grow faster are as follows: in these countries (1) replacing obsolete machinery and equipment with more modern technology permits potentially large gains in average efficiency, thus large improvements in productivity; (2) levels of capital per worker are low, therefore, the modernization of capital stock provides a larger increase in the return to capital, thus encouraging faster capital accumulation; (3) large productivity gains are possible as workers shift from low wage (therefore low productivity) sectors, such as farming, to more productive sectors; and (4) growth in productivity will also expand domestic markets rapidly, leading to faster growth of output.

The convergence hypothesis generated a considerable number of empirical studies demonstrating that, while there was evidence of convergence among advanced countries, no convergence existed between advanced and developing countries and instead, empirical evidence suggested a divergence. A substantial body of research demonstrated that changes in the

residual, TFP, were at least as important as those of labor and capital. Solow, and others who followed his lead, assumed that TFP was an indicator of technological change. It has since become clear that there are many other factors besides technology that go into making up TFP. In effect, TFP measures the degree of efficiency with which the economy combines labor and capital to produce output (and income). It is, therefore, a “black box” to which any factor, other than factor inputs, that affects growth is assigned. Importantly, growth accounting provides a framework to determine useful benchmarks that allow the examination of the sources of economic growth. But it cannot provide an explanation of fundamental causes of growth.

Growth accounting performed over a large number of countries over a number of decades has provided convincing evidence that TFP plays a major role in cross-country differences in output growth and differences in per capita income. The question is, however, what factors explain differences in TFP growth. An important factor is technological change. Empirical evidence demonstrates that, contrary to the prediction of the Solow model, the growth rates of advanced countries have not slowed in the longer run, even though there have been considerable short-run fluctuations in these rates. In fact, there is evidence that the growth rates of developed countries have increased and have, at times, accelerated despite significant increases in capital accumulation. One answer to this apparent puzzle is that technological progress must have increased over time at rates sufficient to compensate for the adverse effect of capital accumulation. As noted earlier, Solow assumed that the level of technology was exogenous to his model, and this was one reason why growth in a competitive market economy was expected to slow down because of the diminishing return to capital as the economy approached its steady state.²⁵

In 1986, Paul Romer developed a growth model with an endogenous growth of technology (or growth of knowledge) to address this shortcoming. By endogenous, we mean that knowledge was the result of investment by firms in knowledge generation through research and development (R&D). While each individual firm would still face diminishing returns to investment in knowledge generation, society as whole would experience increasing returns to knowledge. Therefore, it is possible for a competitive market economy to experience sustained positive growth without assuming, as in Solow’s model, that technology is exogenous. Romer argued that while the growth of output depends on factor inputs, namely, labor and capital, it also depends on the stock of knowledge. Knowledge has beneficial externalities for third parties and generates opportunities for innovation, which, in turn, expand the range and availability of products, increasing growth. The mechanism for society to increase the stock of knowledge is

R&D: the higher the level of current investment in R&D, the larger the stock of future knowledge. The externality, or the spillover effect, of past investments in R&D reduces its cost over time.

In 1962, Arrow argued that a chief characteristic of knowledge and information is that once made public, no one could be excluded from its use; its benefits could not be limited to its original creator. Moreover, Arrow argued, there is no diminishing return to knowledge, nor would using it deplete it. Arrow argued that externalities reside in capital—by assuming that the stock of knowledge is a function of society's entire stock of capital—and the productivity of labor increases as workers learn to work with capital. Lucas (1988), however, argued that externalities reside in human capital and that human capital, along with physical capital, has combined effects on the growth of output that is larger the higher the average level of human capital in the economy. Investment in human capital (education and skill enhancement) leads to increases in the productivity of labor, thus counteracting the diminishing return to capital assumed by Solow. These externalities, from investment in the growth of stock of knowledge and in human capital, go a long way to explain why advanced countries with high capital accumulation do not display lower growth rates, and also why there has been little evidence of convergence of growth of per capita output and income between developed and developing countries.

Empirical studies have demonstrated that even after accounting for human capital and technological progress, a substantial portion of TFP variation across countries remains to be explained. Economic historians place a great deal of emphasis on cultural factors. For example, David Landes suggests that the cultural values of hard work, frugality, and investment in education can differ from society to society. However, Joel Mokyr, while agreeing that culture does matter, argues that the major explanation for the rise of Western economies is primarily due to technological process. This success, Mokyr asserts, is supported by historical evidence: "the roots of twentieth-century prosperity" of Western economies "were in the industrial revolution of the nineteenth, but those were precipitated by the intellectual changes of the Enlightenment that preceded them. To create a world in which useful knowledge was indeed used with aggressiveness and a single-mindedness that no other society had experienced before was the united Western way that created the modern material world. It is this useful knowledge that first unlocked the doors of prosperity and then threw them wide open." Nevertheless, Mokyr concludes that "useful knowledge" cannot expand without an appropriate institutional framework to create the incentive structure that properly rewards innovation and entrepreneurial initiatives. In any society, he argues, the most innovative and resourceful individuals will try to achieve fame and fortune. It is the institutional

structure of society that determines where the rewards are more promising: productive economic activity, commerce, finance, or “plunder, extortion and corruption.”²⁶

In the latter part of the twentieth century, economists began to attribute some of the differential in economic performance to the quality of institutions. This explanation for economic performance had its roots in the last decades of the nineteenth and the first few decades of the twentieth century in the writings of scholars who rejected many of the assumptions and the methodology of neoclassical economics and are now referred to as the “old institutional economists.” Although new institutional economics (NIE), developed in the second half of the twentieth century, modified some of the neoclassical assumption, it grew within the neoclassical framework. Nevertheless, the NIE asserts that a satisfactory analysis and explanation of economic performance of countries must go beyond the austere assumptions about human behavior and the lean logic of neoclassical theory. The NIE view of economic development is that in addition to factor endowment, human capital, and technological progress, institutional structure plays a significant role in development. Empirical analysis based on this model has produced results with significant policy implications.

The starting point of why institutions matter in economic development is the question of why the convergence predicted by the Solow-type models has not materialized, and, perhaps more importantly, why countries with considerable resource endowments and access to finance are, nevertheless, economically underdeveloped. Although differences in capital per worker, investment in human capital, and technology may explain differences in the level of per capita income among countries, none of these can be considered a fundamental reason for the underdevelopment of many countries. This is particularly important in the age of globalization since capital is mobile and should move to countries where it is scarce and its rate of return is higher. Moreover, investment in human capital should have higher returns in countries with low investment in education. However, if the institutional structure of a country is weak, its ability to mobilize, organize, and finance growth is constrained.

Moses Abramovitz and Paul David refer to a related concept called “social capability,” which

has to do with those attributes, qualities, and characteristics of people and economic organization that originate in social and political institutions and that influence the responses of people to economic opportunity. It includes a society’s culture and the priority it assigns to economic attainment. It covers the economic constitutions under which people live, particularly the rights, limitations, and obligations involved with property, and all the

incentives and inhibitions that these may create for effort, investment, enterprise, and innovation. It involves those long-term policies that govern particular forms of organization or activity, such as limited liability corporations and financial institutions, and the policies that may support or restrict such organizations. And it covers the policies that provide for the public provision of social services and those that support the accumulation of capital by investments in infrastructure and by public education or research.²⁷

Abramowitz and David's historical analysis shows that the differences in social capability are much more pronounced between developed market economies and less-developed countries than between advanced market economies and less-developed countries.

As indicated earlier, neoclassical growth theory implicitly assumed that economies possessed institutions that provide political stability, guarantee and enforce property rights, and protect and enforce private contracts and the rule of law. In addition to assuming that the countries had a well-functioning market, it was assumed they had in place the financial, legal, accounting, and regulatory apparatus that ensure transparency, accountability, and good governance. Moreover, an important insight of Ronald Coase was that neoclassical theory is valid under the assumption of zero transaction costs.²⁸ Based on this insight, Douglass North argued that while the growth of advanced economies is explained by productivity increases due to division of labor, specialization, technical progress, and the competitive market, the key to their performance is low transaction costs. This was the result of the institutional structure that developed over the last two hundred and fifty years. Conversely, it is the existence of prohibitive transaction costs that represented "the key obstacle that prevents economies and societies from realizing wellbeing." A modern economy relies on impersonal relationships that, by their very nature, involve a great deal of uncertainty. Institutional structure is needed to reduce these uncertainties and their associated costs.

Much of the intellectual effort of major thinkers in the eighteenth and nineteenth centuries was focused on the search for appropriate ways of establishing social order in the face of rapid industrialization and resulting socioeconomic dislocations. Perceptively, North considered that

Establishing and maintaining social order in the context of dynamic changes has been an age-old dilemma of societies and continues to be a central problem in the modern world. Disorder [e.g., via revolution] is endemic to all societies at some point in time; but while most societies quickly reestablish stable order, in others disorder persists for long periods of time and even when order is reestablished, it is extremely fragile. The persistence

of disorder is, on the face of it, puzzling because disorder increases uncertainty. It is not so puzzling when perceived in the context of human consciousness. We have not only a vision of the way an economy and society is working, but a normative view of how it should be working and views about how it could be restructured to work better. This consciousness can lead to the construction of a set of beliefs that induce players to believe that revolution is a perfect alternative to a continuation of what is perceived as a deteriorating condition. At the other extreme, consciousness can lead to the construction of a set of beliefs in the "legitimacy" of a society.²⁹

North argues that after a period of disorder resulting from radical changes and crises, whether social order will be established quickly depends on the stability of the institutional structure of society. Societies with "a heritage of stable institutions will recover rapidly in contrast to those without such a heritage." The collectivity of institutions provides society with the social capability to establish a stable order by reducing uncertainties or ambiguities.

North suggests that societies construct infrastructural "scaffolding" in the form of an institutional matrix to reduce uncertainties. This matrix is composed of "a complex mix of formal and informal constraints that determine the pattern of human interaction." To him social order means a reduction in uncertainties through institutions. North defines institutions as formal and informal rules along with their enforcement characteristics. Uncertainties or ambiguities, which are a characteristic of human interaction, are reduced because these interactions become more predictable when they are subject to rules. Once rules are in place, they then allow coordination among individuals because they now share a belief in the rule and its outcome. It is the ability of rules to reduce ambiguity about the behavior of others that allows coordination in human interaction and the emergence of collective action. North makes a distinction between institutions and organizations. Whereas institutions are formal rules and informal social norms plus their enforcement characteristics, "organizations consist of individuals bound together by some common objectives." More specifically, the institutional structure of a society is composed of constitutions, laws, and rules that govern the society, its government, its finances, economy, and politics; written rules, codes, and agreements that govern contractual relations and exchange and trade relationships; and commonly shared beliefs, social norms, and codes governing human behavior. The clarity of rules, social norms, and enforcement characteristics are important to the degree of compliance exhibited by the members of a society. The higher the degree of rule-compliance, the more stable the social order and the lower the transaction costs in the society. For example, social norms that prescribe trust, trustworthiness, and cooperation have a

significant impact on encouraging collective action and coordination by inducing people to do the things they would not do without the relevant social norms.³⁰

North believes that enough progress has been made in the investigation of the process of growth and development to allow for the pinpointing of the causes of poor economic performance as well as the necessary remedies. Poor performance, North believes, is due to path-dependencies resulting from past institutional structure, reflecting a belief system that is difficult to change either because the needed changes that improve economic performance run counter to the belief system or these changes pose a threat to existing political or business leaders. Needed changes in the institutional structure may also be difficult because while formal rules can be changed by fiat, social norms may be less flexible, and their enforcement characteristics respond much more slowly to attempts to change the norms. While acknowledging that needed changes to improve economic performance may be slow to materialize because of cultural factors and path-dependency, North nevertheless envisions an ideal political-economic institutional structure that, in his view, has great potential for achieving good economic performance and societal well-being. Such an ideal framework would have (1) an institutional matrix that defines and establishes a set of rights and privileges; (2) a stable structure of exchange relationships in economic and political markets; (3) a government that is credibly committed to a set of political rules and enforcement to protect individuals, organizations, and exchange relationships; (4) rule-compliance as a result of norm internalization as well as coercive enforcement; (5) a set of economic institutions that create incentives for the members of the society and organizations to engage in productive activities; and (6) a set of property rights and an effective price system that lead to low transaction costs in production, exchange, and distribution. Contrasted with this ideal institutional structure, North argues that the institutional framework of poor performing economies does not provide the right incentive structure for activities that can improve productivity because of vested interests that resist change and because factor and product markets are ineffective in getting relative prices right. A prerequisite to successful actions to improve economic performance is “a viable polity that will put in place the necessary economic institutions and provide effective enforcement.” Others—acknowledging that institutions are critical to any explanation of economic development—question why similar institutional structures produce different results in different countries. Some have concluded that what matters for good economic performance is how well institutions match their settings and how flexibly they adapt to changes.³¹

The empirical research on the importance of the role of institutions in explaining economic performance has produced the significant result that without an adequate institutional structure, policies to improve economic performance—such as creating an incentive structure for the private sector—would fail to lead to rapid and sustainable economic growth. After reviewing the empirical research on the role of institutions in economic growth, Dani Rodrik concluded that an appropriate institutional framework for good economic performance would be composed of “property rights; regulatory institutions; institutions of macroeconomic stabilization; institutions for social insurance; and institutions for conflict management.”

The fact is that growth rates have not improved substantially in developing countries and where higher growth has occurred, critics have charged “they have exacted intolerably high costs in human suffering and cultural destruction.” A critic of economic development theory and a pioneer in the new field of “ethical development,” Denis Goulet attributes the failure of development models to the fact that they were (1) “exported from the US and Europe to societies culturally, psychologically, socially and politically uncongenial to them”; (2) distorted at their point of origin, since even in those societies “development cannot mean maximum economic growth, uncontrolled urbanization, centralized industrialization or high mass consumption.” Quoting Eric Fromm that “having more often gets in the way of being more,” Goulet suggests that “many students of US society discern an intrinsic connection between excessive competition and the pervasive loneliness and alienation which afflicts that nation’s people... clearly personal happiness and societal development must lie elsewhere than in the mere abundance of goods. The US model of affluent growth is being challenged not only on psychological grounds, but on economic and technological grounds as well. Americans who long considered themselves as ‘developed’ now suspect that they are not.”³² While Goulet saw the need for a new development model, he believed that there were obstacles because of “the worldwide paralysis of locative imagination,” not least in the global institutions, which muddle through in their own paralysis of imagination and leadership. Even though the leading development model is questioned and challenged in industrial countries, there is a “dissonant phasing” in which the developing countries continue to look to industrial countries as models even though “industrial civilization is revealing itself to be empty in rich countries.” These developing countries “brook no sermons from the rich about limits to growth for they have tasted just enough industrial growth to know that in its wake it brings power, prestige and bargaining leverage.”³³

Goulet also enumerated a number of other domestic obstacles in developing countries, such as the vested interests of the ruling classes to keep

their countries dependent on rich world partners and to oppress their citizens. In turn, “the oppressed people acquire a vested interest in their own servitude.” This creates a psychological inertia because the poor and the oppressed come to identify with “the demeaning stereotype ‘as their own self-image.’ A new self-image conferring a sense of worth must replace that of people who are weak, inferior and worthless.” These countries also lack leaders who have “an intuitive grasp of the larger historical dimensions,” an ability to forge “multiple class alliances,” have “moral and physical courage” and are able to communicate their own vision of development and learn quickly from their mistakes. Such leaders should also be able to elicit “from the powerless a creative and critical formulation of their hopes and needs.” Goulet believes that the “message from below,” based on studies in developing countries is that “the most basic need of the poor people is the freedom to define their own needs, to organize to meet them, and to transcend them as they see fit.

Not surprisingly, the term ‘transcendence’ is now beginning to appear in development writings. Development specialists belatedly acknowledge the central role religious beliefs and normative values play in conferring upon Third World populations a sense of identity, cultural integrity, and a meaningful place in the universe.” Goulet takes development researchers to task for their “secularizing biases” that have created two myths: “(a) that traditional values cannot harbor latent dynamisms suited to promoting development, and (b) that a reductionist form of rationality based on science and technology is an essential ingredient of modernity.”³⁴

Summary

We have traced the evolution of the concept of economic development—from a concern for social order, the role of civil society, culture, and state to development as material well-being. This focus sharpened particularly after WWII with development conceived as economic growth, depending on physical inputs, technology, and other factors that improved efficiency and productivity. Nevertheless, growth rates have not improved significantly in developing countries or, where they have, massive inequalities in well-being were also created. As we will see in the next chapter, these realities may have motivated a quantum change in the conception of the development process.

Chapter 2

Development as Human Well-being

The new institutionalism in Western economic thought was developed within the neoclassical economic framework, although it incorporated the modification of a number of neoclassical assumptions, including those regarding information, transaction costs, and, most importantly, rationality. Douglass North argued for the notion of bounded rationality first proposed by Herbert Simon who had noted that a critical assumption of utility theory in neoclassical economics was based on the improbable—that a rational individual is capable of large, elaborate, and, often, instantaneous calculations before making decisions. This assumption is needed to justify a further assumption that individuals, as consumers or as producers, behave in a manner so as to maximize satisfaction and profits, respectively. Simon argued instead that, in reality, individuals operate within a “zone” of rationality rather than full rationality because of constraints. Consequently, both the power and the scope of rationality are bounded. As a result, rational individuals do not aim to maximize satisfaction, but to find a limited-scope-zone of operation within which the individual turns over part of the required immense calculation to habits, rules, social norms, and customs, namely, institutions. Thus the individual aims to “satisfy” rather than to maximize utility. The assumption of bounded rationality allows individual behavior to be influenced by cultural values, norms and rules of behavior.¹ To a degree, bounded rationality modifies the image of the “rational individual” into “the free-standing, self-contained individual,” which the anthropologist Marilyn Strathern argues is the result of “Euro-American” thinking “of individual persons as relating not to other persons but to society and to think of relations as the fact of the individual personhood rather than integral to it.” As can be discerned from

the previous chapter, the individual-society link and its implication for “personhood” ran throughout development thinking over the last three centuries. This mode of thinking is so binding that in a framework in which “self-interest” is the only motive, the anomalous behavior stemming from “other-regarding” needs the separate label of “altruism” to distinguish between “self-interested” and “other-interested” motives. This, of course, creates difficulties in the understanding of cultures and societies in which “the motives of selves are always thought to be other-directed.” In a culture where motivation is thought to stem from self-interest, even in “altruistic” actions, the concept of motivation for acquiring wealth would be quite different from that of a culture where wealth is acquired to be given away.²

Since institutions are defined as rules and norms, some form of rationality assumption is necessary to motivate rule-compliance. The view of the new institutionalists on rationality is still evolving; nevertheless, the broad, basic idea of understanding rationality “as the capability to perceive means/consequence connections” remains essential since rules and norms are end-directed. This concept is different from that of “rational economic man” described by the cultural anthropologist, Mary Douglas, and the social scientist, Steven Ney, as

a male person, . . . he has no family or friends, no personal history; his emotions are not like ours; we don't understand his language, still less his purposes. The popular model of economic man is a rank outsider, . . . he is selfish and unmannered, . . . We all love to speak scathingly of him. Judging from the bad press he receives, we actually dislike him a lot and cannot believe anyone could really be so greedy and selfish. He is logical, but even that is unattractive. His shadow stretches across our thoughts so effectively that we even use his language for criticizing him . . . Where did someone without social attributes come from in the first place, and why has he expanded from a small, theoretical niche to become an all-embracing mythological figure?

Douglas and Ney argue that, closely tied to the idea of objectivity, the idea of rational man grew out of a need for a “single, nonpolitical, flexible model” as a tool to explain the “Western philosophical and social science theories.” The idea of rational economic man works like a microcosm in social theories. And, while the idea came “out of economics . . . its hold on western social thought has to do with many other institutional settings and is much more comprehensive.”³

Douglas and Ney explain that the idea of “economic man” suited the marginalist and neoclassical paradigm of equilibrium based on the Ricardian notion of diminishing marginal productivity of land and

capital. As an underlying theoretical concept, diminishing marginal utility—requiring an upper limit to satiability—provided the explanation for the responsiveness of demand and supply and led to the notion of market equilibrium. Douglas and Ney believe that the marginalists' revolutionary idea of focusing on wants and desires instead of the classical notion of relations between factors of production became intellectually irresistible. It was a self-regulating mechanism that brought equilibrium to the wants and desires of individuals and matched the self-regulating mechanism for the economy through the market. The rational individual in the market need only be concerned with prices, the psyche of the person "was invoked to link up demand and supply in order to stabilize the system and make the machinery work." Such a rational being "in the middle of market theory has little or nothing to do with prescribing politics or morals." Keynes had only to extend the idea of diminishing return to consumption and to explain nonfull employment equilibrium.⁴

This successful mapping of diminishing wants onto physiology and onto psyche came originally from mapping on the productivity of land. But Douglas and Ney argue that "though economic man fits well with professional needs for thinking about us, he is still the wrong model for the rational being. He arrives as a stowaway in our theoretical baggage. He is not located in economics; pervasively, in one field after another, the idea we have about poverty and well-being—and about justice, educational theory, charity and risk—reinforce each other, and in each sphere his familiar face contributes to the aura of intellectual respectability." For one thing, as a social being, humans need to communicate, namely, to be able to read signals and respond to others of their kind. Economic man is devoid of this need and capability. To demonstrate that the idea of economic man has permeated other fields of social science, Douglas and Ney point out that in these other fields the dimensions left out of economic man are simply added to the materialistic-egoist characterization of a person in economics. In sociology, for example, to make room for the social function of a human being, the social dimension supplements the idea of economic man. Emil Durkheim supplemented the economic idea of the egoist-materialist individual with a moral-social dimension. Thus, his phrase *Homoduplex* refers to "the idea that a person is always split between egoist principles, which correspond to the economists' idea of economic man, and moral conscious, which refers to a person's decisions to the larger unit."⁵

Douglas and Ney view the ideas of the old institutionalists and the German historical school founded by Wilhelm Georg Roscher (1817–1894) as a reaction to the abstract, axiomatic, formal, and deductive methodology of economics. The historical school had the view that economics should examine the whole of society through a careful historical analysis. While

classical and neoclassical economists were only concerned with the market and paid very little attention to the other institutions of society, the old institutionalists argued that even the market itself cannot operate successfully without norms and rules (institutions) and that the economy should be studied from the perspective of evolutionary institutions.⁶ The new institutionalists combine the neoclassical view of the individual as utility maximizing with the old institutionalists' idea of individuals as committed to moral values and cultural loyalties. The first requires an appropriate incentive structure to motivate self-interest in corrective and cooperative action, the second needs an appropriate institutional structure to encourage trust and social commitment. The new institutionalism focuses on transaction costs as the reason for the development of institutions, which "are put together piecemeal and episodically, by a mixture of chance and intelligent opportunism, not deliberately designed, not engineered, but strengthened by habits and convenience." These institutions are founded on "conventions" that societies adopt to deal with coordination problems. Which convention is adopted depends on its ability to reduce transaction costs and on how well it deals with path-dependency; this would explain the evolution of institutions as small changes but "highly consequential slithers." Ascending to the NIE, it is possible to design institutional incentives, namely, "rewards and penalties that will help other people to resist path dependency and fulfill the cultural purposes for which institutions have been set up."⁷

Douglas and Ney argue that conceiving of institutions as "vehicles for moral purposes" means that institutions should be considered "a way of living." This would mean that humans should be conceived of as social beings who are "exposed to the influence of other persons through the culture-bearing institutions." But such a person is missing in the social sciences, whose history of the evolution of ideas about humans is essentially based on the idea of "economic man." This concept of the human as rational economic man creates "intellectual conundrums about poverty and collective choice, and practical dilemmas about dealing with other persons whose political behavior we cannot even start to understand. We have noticed some perverse effects. Social sciences proceed as if rational humans are not primarily social beings... the theoretical posture seems to be justified because it protects objectivity, yet it is no protection against subjective bias, as we observe when we see how heavily biased are the social sciences against institutions."⁸ To compensate for the "missing person," Douglas and Ney suggest that there is a need for "a new theory of the person" that envisions "rational persons fully empowered to espouse political and moral choices, able to choose to abide by them or choose to abandon them, according to circumstances. These choices sum up the predilections

of a lifetime, past hopes dashed or expectations fulfilled. The political and moral choices are about how to live in society.” Such a theory of the human being is necessary if many important issues of our time are to be faced “squarely or fairly.”⁹ Our review of ideas presented earlier confirms the views of Douglas and Ney regarding the “missing person,” particularly development ideas that were based on the marginalists and on neoclassical concepts, including post-WWII theories of economic growth and development.

Although somewhat different from the “missing person” of Douglas and Ney, the focal point of Mahbub ul Haq’s perspective on economic development was again the concept of the “missing person.” He argued that all development and growth models of post-WWII considered humans, whether as labor or human capital, an input into the production process, therefore, a means for development. What was missing, he asserted, was the consideration of the human as the end of the development process. Initially, in cooperation with Paul Streeten, he developed the idea of “basic needs,” which laid the foundation for his later work on “human development,” culminating in the publication of the *Human Development Report* in 1990. As he says in his book, *Reflections on Human Development* (1995), “After many decades of development, we are rediscovering the obvious—that people are both the means and the end of economic development.”¹⁰ In his foreword to this book, Streeten defines “human development as widening the range of people’s choices. Human development is a concern not only for poor countries and poor people, but everywhere. In the high income countries, indicators of shortfalls in human development should be looked for in homelessness, drug addiction, crime, unemployment, urban squalor, environmental degradation, personal insecurity and social disintegration.” Aside from the recommendation that economic development should focus on humans as ends as well as means, Mahbub ul Haq concentrated on enhancing human productivity as a means of development, arguing that the labor force is productive when it is well-nourished, skilled, and well-educated.

Mahbub ul Haq asserted that adding the missing human as the end of development is more than adding another dimension to development. His revolutionary perspective was to make humans the “principal object and subject—not a forgotten economic abstraction, but a living, operational reality, not helpless victims or slaves of the very process of development they have unleashed, but its masters.” He traced his ideas to Aristotle in his emphasis on the distinction between good and bad systems in allowing people to lead “flourishing lives.” He also evoked the ideas of Emmanuel Kant, Adam Smith, Robert Malthus, Karl Marx, and John Stuart Mill, all of whom had expressed views focusing on humans as ends and not

only as means of economic development. He envisioned his own concept of development as one that enlarged “people’s choices” and distinguished between development as growth and his own idea of development. The “first focuses exclusively on the expansion of only one choice—income—while the second embraces the enlargement of all human choices—whether economic, social, cultural, or political.”¹¹ In response to the argument that focusing on economic growth (therefore on income) would also expand other choices, Mahbub ul Haq responds that it may not necessarily be so because income distribution may be so skewed toward the rich that there is not even a trickling down of growth to the poor. The fruits of economic growth may also fail to reach the poor because of the expenditure policies of governments who use additional income resulting from growth for non-productive purposes, including for the military.

He argues that

There is no automatic link between income and human lives . . . The human development paradigm performs an important service in questioning the presumed automatic link between expanding income and expanding human choices. Such a link depends on the quality and distribution of economic growth, not only on the quantity of such growth. A link between growth and human lives has to be created consciously through deliberate public policy—such as public spending or social services and fiscal policy to redistribute income and assets. This link may not exist in the automatic workings of the marketplace, which can further marginalize the poor.

“Conscious public policy is needed to translate growth into people’s lives.”¹² Deliberate policy to ensure that the quality of economic growth is such that it leads to the “flourishing” of human lives, “may require a major restructuring of economic and political power, and the human development paradigm is quite revolutionary in that respect.” The change in the power structure is needed to create a stronger link between increasing human choices and income growth. In turn, this

may require far-reaching land reform, progressive tax systems, new credit systems to bank on poor people, a major expansion of basic social services to reach all the deprived population, the removal of barriers to the entry of people in economic and political spheres, and the equalization of their access to opportunities; and the establishment of temporary social safety nets for those who may be bypassed by the markets or by public policy actions. Such policies are needed (i) to move people to the center stage of the economic development process; (ii) to improve human capabilities in terms of health, education, skills, and equitable access to opportunities; (iii) to give political, cultural, and social factors as much importance as the

economic factor; and (iv) to expand the income of the society in a way that “the character and distribution of economic growth are measured against the yardstick of enriching the lives of people.”¹³

Mahbub ul Haq envisioned the human development paradigm to have four essential components: equity, sustainability, productivity, and empowerment. By equity he means “people must enjoy equitable access to opportunities,” and he considers access to political and economic opportunities “a basic human right in a human development paradigm.” By sustainability he means that the present generation has an obligation to ensure the sustainability of human life for the future. To do so, the present generation must ensure that the stock of physical, human, and natural capital they inherited is replenished and regenerated in such a way that the future generation will have “the capacity to produce a similar level of human well-being.” Lest misunderstood, he is quick to add, “What must be sustained are worthwhile life opportunities, not human deprivation.” Therefore, sustainability should not mean “sustaining present levels of poverty and human deprivation,” and the present must be changed if it “is miserable and unacceptable to the majority of the world’s people.” As the third part of the human development paradigm, the enhancement of productivity through investment in human capital is essential so that people are able “to achieve their maximum potential.” As the fourth component of the human development paradigm, Mahbub ul Haq considers the empowerment of people “to exercise choices of their own free will.” To him the concept of empowerment is comprehensive, implying “a political democracy in which people can influence decisions about their lives. It requires economic liberalism so that people are free from excessive economic controls and regulations. It means decentralization of power so that real governance is brought to the doorstep of every person. It means that all members of civil society, particularly non-governmental organizations, participate fully in making and implementing decisions.”¹⁴

To give empirical content to the concept of human development, Mahbub ul Haq and his team devised the Human Development Index (HDI) and presented it as part of the 1990 UNDP’s *Human Development Report*. The HDI was an attempt to devise a technical means to provide an indication of a society’s level of human development and to measure its progress through time. In its initial formulation, the HDI included three variables: (1) per capita gross domestic product (GDP), calculated at the real purchasing power exchange rate; (2) literacy rates; and (3) life expectancy at birth. This was the first major attempt to focus attention away from the growth of GDP as the measure of the development and progress of countries. By introducing literacy and life expectancy, the HDI broadened

the information base of the meaning of development. Any increase in HDI could be interpreted as an improvement in the society since progress on education and health benefits the society as a whole. To a degree, the inclusion of health and education in the original HDI corrected the distributional ambiguity contained in per capita GDP as the only indicator of economic progress since this can conceal large income inequalities. The HDI also made it possible to produce a ranking of countries that would give some indication of drawbacks to affluence by showing “the troubles of overdevelopment—or, better, maldevelopment—as well as those of underdevelopment. Diseases of affluence can kill, just as the diseases of poverty can. Income statistics, by contrast, do not reveal the destructive aspects of wealth.” It is thus possible for a country to rank low in terms of per capita GDP but high in terms of HDI.¹⁵

Whereas the notion of “human development” was the culmination of efforts, under the leadership of Mahbub ul Haq, born of frustration with the failures of successive development theories to improve human well-being, the concept of “development as freedom” was Amartya Sen’s effort to further modify, expand, and enhance the meaning of development. As a member of the original team of scholars that produced the HDR in 1990, Sen expanded the theoretical and empirical dimension of human development from its definition as “both the process of widening people’s choices and the level of their achieved well-being,” to its culmination as “freedom.” The 1990 HDR had identified well-being as including, among others: access to income; health, education, and long life; political freedom; guaranteed human rights; concern for the environment; and concern for participation. Under the influence of Sen and his colleagues, this view was revised to suggest that the goal of development is “to secure the freedom, well-being and dignity of all.”¹⁶

Sen notes that in an age of “unprecedented opulence” there is also “remarkable deprivation, destitution and oppression.” In both rich and poor countries there are, in one form or another, problems of “persistence of poverty and unfulfilled elementary needs, occurrence of famines and widespread hunger, violation of elementary political freedoms as well as of basic liberties, extensive neglect of the interests and agency of women, and worsening threats to our environment and to the sustainability of our economic and social lives. Overcoming these problems is a central part of the exercise of development.”¹⁷ Sen argues that it is the individual agency (the capacity for human beings to make choices and to impose those choices on the world) and social arrangements that, deeply complementing each other, determine the extent to which problems and deprivations can be successfully addressed. Freedoms of various kinds are essential to the exercise of human agency. Social arrangements, in turn, determine the extent

of human freedom and agency; individual freedom has to become a social commitment so that human agency can become effective in solving problems. Sen conceives of the expansion of freedom “both as the primary end and as the principal means of development. Development consists of the removal of various types of ‘unfreedoms’ that leave people with little choice and little opportunity of exercising their reasoned agency. The removal of substantial unfreedoms, it is argued here, is constitutive of development.” Freedom is multidimensional and “instrumental effectiveness by freedoms of particular kinds to promote freedoms of other kinds” serves to promote freedom as the “preeminent objective of development.” These instrumental freedoms include political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security.¹⁸

Sen’s concept of political freedoms is comprehensive and refers to people’s freedom “to determine who should govern and on what principles, and also include the possibility to scrutinize and criticize authorities, to have freedom of political expression and an uncensored press, to enjoy the freedom to choose between different political parties, and so on. They include the political entitlements associated with democracies in the broadest sense [encompassing opportunities of political dialogue, dissent and critique as well as voting rights and participatory selection of legislative and executives].” Economic facilities refer to opportunities available to individuals in the process of production, exchange, or consumption. These, in turn, depend on the individual’s economic entitlements, which depend on resources they own or control. How income and wealth are distributed in a society determine the economic entitlement of individuals. Social opportunities refer to those factors that affect the ability of the individual to “live better” and include access to health and educational facilities. The degree to which social interactions take place with openness and trust determines the strength of the freedom people expect in dealing “with one another under guarantees of disclosure and lucidity.” Therefore, “transparency guarantees deal with the need for openness that people can expect.” Finally, protective security refers to the social safety net a society needs to protect the most vulnerable. Social arrangements enhance and guarantee the substantive freedoms of individuals and involve many institutions of society, including “the state, the market, the legal system, political parties, the media, public interest groups and public discussion forums, among others.” Aside from these organizations of society, social values and prevailing mores influence freedom by affecting “social features such as gender equity, the nature of childcare, family size and fertility patterns, the treatment of the environment and many other arrangements and outcomes. Prevailing values and social mores also affect the presence or absence of corruption, and the role of trust in economic or political relationships.”

Sen considers the individual an active agent of change whose freedom to act as such an agent is essential to the notion of development “as a process of expanding the real freedoms that people enjoy.”¹⁹

Progress of any society must include the enhancement of freedom, which only free people can assess. The success of a society’s development process is determined by the substantive freedoms its people enjoy and the extent to which individuals in the society can effectively take initiatives individually and socially. This means that the ability of people to help themselves as well as to influence societal improvement is enhanced when the individual is enabled to act as an agent of change. The freedom of individuals depends on the “capabilities” they have “to lead the kind of lives they value—and have reason to value.”²⁰ While public policy can enhance these capabilities, public policy itself is influenced by the “participatory capabilities” of the individuals. The notion of capabilities has a crucial role in Sen’s concept of development as freedom. He relates capabilities to “functioning,” namely, the ways in which the capabilities acquired by a person are put to use. Development as freedom focuses on the freedom of individuals to develop their own capabilities, a process of removing the constraints that force people to live impoverished lives. Because Sen views the lives of deprived people as largely constrained, development is, therefore, freedom from constraints. Poverty alleviation takes on a central importance in development; those who live the most constrained lives are those who suffer from a failure of basic capabilities. Emancipation from constraints is to Sen the end and freedom the means that allow individuals to expand their capabilities to achieve progress in their lives. Capabilities that make progress possible can range from being well-nourished, healthy, and educated to having self-respect and taking part in the social, political, and cultural life of the community.

Sen’s discussion of “development as freedom” makes significant contributions to various dimensions of the concept of development. His views modify both the substance and direction of the debate about development. They transform the meaning of development from a focus on income and commodities to the inclusion of nonmaterial aspects of human development. In so doing, Sen provides a fresh vision of the role of rationality, ethics, morality, justice, agency, responsibility, social action, and public policy, among others, in promoting human progress. Importantly, he locates the missing person of traditional development within the middle of a society to which the person belongs. Mahbub ul Haq had already underlined one dimension of the missing person, namely, that of people as the end of the development process.

Sen has enriched Mahbub ul Haq’s contribution by including another important dimension of the person, namely, the person’s relationship to his

society. In this context, he asserts that the “person’s evaluation as well as actions invoke the presence of others.” There is a close association between the person and the “public.” In the discussion of this dimension of the human person, Sen invokes the discussion of sympathy so central to Adam Smith’s concept of the behavior of individuals. He argues that Smith’s views are generally distorted, referring to a statement by George Stigler that “self-interest dominates the majority of men.” This distorted view of Smith, summarized by Stigler, ignores Smith’s vast writing; particularly his “conception of the rational person” from which “rational choice . . . based exclusively on personal advantage” is a significant departure. Sen bases his own concept of rational behavior on a broader concept of self-interest that includes sympathy, as part of the person’s own well-being, and commitment to values beyond those of concern to the more immediate well-being of the person. The former does not involve any “sacrifice of self-interest, or of well-being, involved in being responsive to our sympathies. Helping a destitute may make you better off if you suffer at his suffering.” Commitment, on the other hand, requires sacrifices because the person is responsive to values, such as social justice, nationalism, or communal welfare (even at some personal costs). Sen argues that representing Smith’s view as a narrow concept of self-interest is a distortion of Smith’s position, and that a passage that suggests that self-interest, rather than “benevolence,” is the prime motive behind the act of exchange is taken out of context. Smith, according to Sen, argues that benevolence need not be resorted to as an explanation for why a producer would want to sell his product and why consumers would wish to buy it. He suggests that what Smith called self-love is indeed a sufficient “motivation for mutually beneficial exchange.” However, it is important to note that “Smith emphasized broader motivation” in reference to problems such as “those of distribution and equity and of rule-following for generating productive efficiency.” Sen asserts that Smith, far from being “the big guru of self-interest,” held a much broader and richer view of the motivational bases of human behavior: “The variety of motivations that we have reason to accommodate is, in fact, quite central to Smith’s remarkably rich analysis of human behavior.” Sen’s own view is that values play an extensive role in human behavior, denying this would limit human rationality. He explains that through the use of their power of reasoning humans are able to take into account not only their interests and advantages but also their obligations and ideals.²¹

In Sen’s view, the individual’s values may emerge from reflection and analysis, from the willingness to follow conventions, from public discussions, which lead to the recognition and validation of norms and values by the individual, or from an evolutionary selection process, which indicates the importance of the consequential role of these values and norms. These

modes determine the role of values in the behavioral choice of individuals. Similar to the position of the new institutionalists, Sen considers therefore that rules, norms, values, and their enforcement can make a difference to behavior patterns. There are, Sen notes, striking “intercultural variations in rule-based behavior,” and to various degrees, an imitative process is at work in that, often, people’s behavior “depends on how they see—and perceive—others as behaving.” In this regard, Sen notes that the behavior of people in high places, those in positions of authority, strongly influences the strength of compliance with established rules of behavior within society. Whatever their source, Sen considers the role of values, norms, and rules of behavior, as well as the strength of compliance and enforcement as crucial to the working of the prevailing system in any society. In this context, Sen argues that, capitalism, too, makes demands of behavioral ethics, and it is incorrect “to conclude that the success of capitalism as an economic system depends only on self-interested behavior, rather than on a complex and sophisticated value system that has many other ingredients, including reliability, trust and business honesty [in the face of contrary temptation].”²²

Another important contribution of Sen is his emphasis on the individual and corrective responsibility of humans for “recognizing the relevance of our shared humanity in making the choices we face.” In particular, he focuses on the question of “how a compassionate world order can include so many people afflicted by acute misery, persistent hunger and deprived and desperate lives, and why millions of innocent children have to die each year from lack of food or medical attention or social care.” Professing that he is a nonreligious person, Sen argues that “the appalling world in which we live does not—at least on the surface—look like one in which an all-powerful benevolence is having its way.” While he does not judge the theological merit of the “argument that God has reasons to want us to deal with these matters ourselves,” Sen nevertheless “can appreciate the force of the claim that people themselves must have responsibility for the development and change of the world in which they live. One does not have to be either devout or nondevout to accept this basic connection. As people who live—in a broad sense—together, we cannot escape the thought that the terrible occurrences we see around us are quintessentially our problems. They are our responsibility—whether or not they are anyone else’s.”

On the individual and collective responsibilities that flow from a shared humanity, Sen argues that as reflective creatures humans are able to “contemplate the lives of others” and that as “competent human beings, we cannot shirk the task of judging how things are and what needs to be done,” particularly in terms of miseries “that lie within our power to help remedy.” These responsibilities are both personal and social and require

freedom for their exercise. “Responsibility requires freedom.” But the need for the exercise of responsibility is highly dependent on social circumstances and the degree of social support granted to personal freedom in terms of capabilities. There is a two-way linkage between freedom and responsibility with freedom serving as both “necessary and sufficient for responsibility.” Having the freedom and capability to act imposes the responsibility to decide on the individual. Achievement in any society can be judged, in Sen’s framework, on the basis of the freedom and capabilities that allow people to lead the kind of lives they have reason to value. This is the essence of Sen’s concept of development and freedom.²³

A prominent critic of Sen’s theory of “development as freedom,” Ananta Kumar Giri, argues that although Sen has made a significant contribution to development by transcending the neoclassical utilitarian boundaries of the human self and redefining human well-being in terms of capabilities, functioning, and freedom, this is done within the limits of rationality. Giri argues that overcoming the dualism between self and other in Sen’s work “is crucial for realizing human well-being but calls for the work of a creative and reflective self, a matter which has received little attention from Sen.” To understand the meaning and dimensions of what Sen refers to as “momentous engagement with freedom’s possibilities,” awareness of an ontological concept of the self is imperative in the quest for human well-being. Giri argues that “cultivating a reflective and creative self which learns to be critical of the arbitrariness of free will, to struggle for denied freedom and suppressed dignity, to be responsible for the other, and to build appropriate social institutions where such a dialogical relationship between self and other is nurtured and sustained,” requires an ontological commitment. Reflection and deliberation critical to the pursuit of human well-being “is not only and solely rational: it is spiritual too. There is a danger to human well-being when it is made solely rational as it then lacks the resources to interrogate the starting point of rationality and the varieties of social sacred which through the technology of power present themselves as the transcendental sacred—as the unquestioned gods of the secular modernity.”²⁴

Giri goes on to criticize Sen’s neglect of an ontological self since he advocates a secular state with a pluralist social, cultural, and political environment as being necessary for human well-being. Sen does not provide an answer to the question of how conditions can be created and facilitated so that individuals, groups, religions, and other autonomies can symmetrically treat each other fairly. Such a pluralist-secular state, Giri argues, requires an “existential preparation,” which cannot be achieved solely on the basis of “reasoned deliberation.” Such an existential preparation requires an “ontological striving,” which is “facilitated by building

appropriate institutions of self-learning, mutual learning, dialogue and the public discursive formation of will.” Such striving is necessary because “the realization of the positive agenda of secularism that Sen pleads for requires a spiritual foundation in as much as it begins with a study by religions of each other and then acceptance of these as worthwhile modes of being and becoming, even though the self does not convert herself to the other points of view.” Therefore, Giri argues that a desirable social order must begin with a desirable self whose emergence requires an ontological striving and appropriate self-cultivation. While Sen focuses on negative freedom, namely, the absence of interference by others (including the state), Giri maintains that human well-being and development must also be concerned “with enhancing the positive freedom in one’s own life and the lives of others. But this requires self-preparation, cultivation of self.”²⁵

Freedom must include not only the removal of external obstacles (negative freedom), but also the internal fetters facilitated by self-development. This is necessary if individuals are to have the responsibility of being agents of change. Giri places great emphasis on self-development as the missing dimension in Sen’s definition of development as freedom, with self-development being necessary on “the part of free agents where they do not just assert the self-justificatory logic of their own freedom but are willing to subject it to a self- and mutual criticism.” It is this self-development that empowers individuals, rich or poor, to understand the role of freedom and responsibility in human development. Giri maintains that in Sen’s concept “freedom is an end state, but without the self-development of actors and institutions from freedom to responsibility there will be very little resources left to rescue human well-being from the tyranny of freedom.” While Sen considers freedom of choice central to human well-being, Giri maintains that freedom of choice requires self-knowledge “as an aspect of discovery of self and experiment with oneself that accompanies the exercise of freedom of choice.” This process represents a self-transformation, because as individuals gain more self-knowledge, their initial positions in making choices modify and transform to a new position rather than a self-justificatory repetition of the initial position. Self-development as part of human development, Giri argues, is also essential to Sen’s position on sustainability. Indeed, “the challenge of self-development has an epochal relevance” to the demand of sustainability as a concern for future generations as well as for the disadvantaged in the present generation.²⁶ In sum, Giri suggests that Sen’s idea of development as freedom lacks an adequate treatment of the self. Such a treatment is necessary for human freedom and well-being.

Raff Carmen argues that for Sen’s ideas to be meaningful, Sen’s capabilities and functionings have to be demonstrated to be workable and

“working” concepts. The crucial question is that if development as freedom means expansion of choice, how are those who are excluded by their poverty going to choose? It is fine to suggest that they ought to have the freedom to choose “to move out of the vicious circle of exclusion, powerlessness and despair,” but in actuality they are powerless and incapable without the ownership of “the factor economic and control of factor politic,” which are necessary for them to become “capable” and to have the “ability to choose.” “Those whose ‘ability to choose’ is assumed to depend, precisely, on state and/or NGO intervention, provision, delivery, assistance, projecting and targeting, are left high and dry.” Hence, Carmen argues, the choices—rather than being those of the poor, excluded, deprived, and powerless—are “those of the planner and policymaker first and foremost.”²⁷

Interpreting freedom, “more in the sense of the ever present possibility for [self] liberation, in solidarity with others, rather than the state [of being free],” Carmen argues that, in Sen’s concept, well-being capability is a subset of “agency capability and freedom” and, as such, “besides being abstract, are snapshots at a given moment.” These static concepts need to be considered dynamically within a concrete context and a clear definition of psychological-pedagogical conditions. Aside from the need for precise methodological proceedings that operationalize these abstract concepts and make them real, “human learning,” cooperation, and solidarity with others can enhance them. Carmen suggests that the concept of agency as “the ability to act” and the derivative concepts of agency capability and agency freedom belong to “human agents by virtue of the simple fact of their being human[s], and provided they act in solidarity.” He places great emphasis on the need to broaden Sen’s abstract concepts to incorporate the notions of cooperation and solidarity, particularly in the case of the poor and powerless who have only themselves; for them solidarity, and “learning-with others” provides capabilities and agency with “stupendous significance.” Instead of the “culture of power” which is isolationist and excludes “the other,” the “power of culture” derived from cooperation and solidarity becomes a compelling transformative vehicle that leads to a “dynamic, creative capacity to learn in solidarity with others.”²⁸

Carmen also suggests replacing the concept of “capability” with that of “capacitation.” To become “capable” so as to be able to “function,” humans, especially the poor and powerless, have to avoid actions by others—the state, donors, and international agencies—to empower them to have control over resources. Capacitation, on the other hand, “does not have to wait until power—income and employment and the freedom to choose which naturally goes with them—is delivered, provided and transmitted to them. ‘Capacitation’ has the power—by virtue of ‘learning’ in solidarity with others—to autonomously generate employment and

income. That is important!" Capacitation, according to Carmen, has "a 30-year history of successful employment generation [and hence, hunger and 'poverty alleviation' of a more usual kind] on three continents [Latin America, Europe, and Africa]." The notion of capacitation accompanied by organizational and entrepreneurial learning "is well within the reach of autonomous human agents." The basic idea, first enunciated by the Russian school of social psychology, involved in the process of capacitation is to create an environment in which "the need learns to know itself." Instead of instructors, teachers, and trainers who teach, "it is the object which teaches." Capacitation is a process that facilitates the transition of the skills of a small producer, or artisan—an inborn ability—to complex "entrepreneurial skills, increasingly needed in a globalized, 'developed' world." Capacitation is development "from the inside-out," and a practical approach that "could well be seen as a necessary complement of Sen's philosophically circumscribed capabilities discourse." Poverty for Carmen is not a monolithic concept. Although there are segments of the poor, such as the elderly and chronically ill—as well as misfortunes in the form of natural and manmade disasters—that require direct domestic state and outside assistance and aid, there is a vast majority of the poor "for whom poverty is or can be, however unfortunate, a transient phenomenon. For them, the solution is not provision, delivery of services or other forms of assistance [assistencialism and clientelism]. What is needed, instead, is an opportunity for group/organizational learning capable of pulling them out of their predicament."²⁹

Another critic, John Cameron, argues that Sen is mostly preoccupied with the problem of poverty and has little to say about the opulence of the rich. He suggests that, in order to provide the required resources to address the deprivations and the miseries of the bottom end of income distribution and to facilitate their capability development, an ethical critique of opulence is also necessary. He argues that this is the result of the need on Sen's part not to deviate far from the logical positivism of the main stream "neoclassical economics that logically concludes that any degree of inter-personal inequality is consistent with an efficient, stable and equitable economy if market forces were freely operating." This conclusion is underlined by the "new welfare economics," itself a neoclassical discipline, where "nothing could be said scientifically and nothing needs to be said about inter-personal inequality if it were the outcome of open market forces." Despite his desire for maintaining open communication with and seeking acceptance from neoclassical economists, Sen nevertheless rejected "the neoclassical premise of the impossibility and impermissibility of interpersonal comparisons of welfare." Thus, Sen maintained that "formal economics could and should contribute to discussions on the justice of

inequalities between individuals' incomes—even if those incomes were the outcome of open market forces.”³⁰

Sen's work on poverty and famines (1981), focusing on the “moral horror at people dying when there was food available to keep them alive,” provided him with a strong claim “that market forces could be blindly unjust. There is no clearer unnecessary loss of welfare/well being/capabilities/functionings for a person than to die at a relatively early age from hunger or its physical consequences.” This led to the development of Sen's concept of “entitlement,” indicating “that people have rights to commodities that enhance their basic capabilities, and rights to express those capabilities as fuller functionings consistent with achieving higher well-being.” The focus of Sen's framework and its policy relevance is on the most deprived and vulnerable, where “likely physiological damage to capabilities over a life-time is clear.” This approach allows Sen to avoid taking unambiguous position on “the ability of higher incomes to increase capabilities, the range of choice of functionings across one's life time.” This also allows the policy conclusion “that only a limited redistribution of resources [is] needed towards the poorest to ensure an acceptable degree of inequality.”³¹

Cameron argues that development must be concerned with both poverty and opulence as dimensions of inequality. He suggests that there are voluntary and involuntary methods for more substantive income redistribution. The first could be implemented if the opulent would recognize that their lifestyle and consumption pattern is damaging to their own functioning and human well-being. If they could become conscious of social obligations, then they could also benefit the well-being of others by changing their consumption pattern. It could also be that with a strong “critique of capabilities and functionings among the opulent . . . a more revolutionary global redistribution of resources” could be advocated. Furthermore, he argues that “If the case can be made that additional income actually damages the capabilities of the recipient, with the resulting choice of functioning being ethically unsound, and the income recipient not recognizing the damage to self and society, then the case can be made for the additional income being compulsorily redistributed . . . Any consequent redistribution would be towards people with clear capabilities development need and restricted functionings. These actions would be in the spirit of the more radical tradition of economists and social philosophers that opulence can damage human well-being of both rich and poor.”³²

The idea that the human development capability of those who live opulently may be damaged by their patterns of functioning finds resonance in the book by Peter Whybrow, *American Mania: When More Is not Enough*. He maintains that “There is considerable evidence suggesting that unchecked consumption fosters our social malaise, eroding self-constraint

and pulling the cultural pendulum toward excessive indulgence and greed.” Along with the skewed distribution of wealth and unchecked consumption, “the delicate balance between individual desire and social responsibility—the bedrock of a healthy society—is increasingly threatened. . . . We live in a culture in which our acquisitive cravings have been promoted beyond our needs, and the demand and strain, which that craving now inflicts on mind and body. . . . Thus, do we promote our own sickness.”³³ The mismatch has created “the nightmarish paradox of the American dream. . . . a Faustian exchange where our affluence and material comfort are trade-offs against a competitive, unstable workplace, diminishing time for family and community life, fragmented sleep, obesity, anxiety, and chronic stress. This mismatch is not unique to American life: it is emerging rapidly in many industrialized nations. . . . American culture is well ahead of the curve.”³⁴ One of the symptoms of material abundance in the face of declining community life is “psychic malnutrition,” defined by Robert Lane, in a passage quoted by Whybrow, as “a kind of famine of warm interpersonal relations, of easy-to-reach neighbors, of encircling, inclusive memberships, and of solitary family life.”³⁵

Whybrow argues, “One thing is clear: the pursuit of happiness through the accumulation of material wealth is proving to be a blind alley. The purchase of luxury, the Americans have discovered, does not substitute for neighbors in building happiness and security. It is intimacy, not materialism that buffers the stress of every day living. Meaning is found in social bond.” He explains that, as a psychiatrist, he believes that “in the language of brain biology, it is predictable that during times of abundance, unless the prudence of frontal lobe reasoning imposes collective constraint through cultural agreement, human social behavior will run away to greed as the brain’s ancient centers of instinctual self-preservation engage in a frenzy of self-reward.” But, while much has been invested in self-oriented-reward behavior and the infrastructure of society’s “psychic support” has eroded, “indices of social and behavioral unrest, such as school violence or the number of young people in prison, suggest that our cultural need for sustainable, tightly [knit] communities—for the social anchors that can successfully instill empathic understanding and civic concern across generations—has never been greater.” He recognizes that “To sustain a civil society we must share with each other.” Sharing is easier, more generous, and flows more smoothly “when values are shared and when recipients of the social benefits seem like us.” The greater the fragmentation of communities and society, the greater the shift toward self-interest, smaller sharing, and social concern. The momentum of this trend toward less social concern, lower sharing, and greater self-centeredness increased during the closing decades of the twentieth century. The importance of intimacy,

personal attachment, empathic understanding of friends and family, and social solidarity is underlined through “the social networks of community that act as vital buffers when we are challenged by uncertainty and stressful circumstance.” Whybrow emphasizes the role of personal responsibility in finding “an optimum balance between self and society . . . Such responsibility cannot be contracted out to others—be they governments or corporations.”³⁶

In analyzing the malaise of opulence and affluence in an advanced industrial society, Whybrow echoes the earlier works of psychologists and social scientists. For example, they suggest that “relatively speaking, the desire for money does not necessarily bring happiness; instead too much emphasis on this aspect of the American dream may be an organismic nightmare.” They also report studies by other psychologists that confirm the “negative relationship between the centrality of financial success aspirations and well-being.” Individuals seeking financial success “may be more likely to focus on contingent, external goals and fleeting superficial satisfactions unrelated to inherent needs” than on personality growth and well-being. The studies also showed that “whereas the relative centrality of aspirations for self-acceptance, affiliation, and community feeling were associated with greater well-being and less distress, this pattern was reversed for financial success aspiration.” The high financial success aspirations were shown to be “associated with less self-actualization, less vitality, more depression, and more anxiety.” Their studies seem to confirm the distinction Erich Fromm (1976) had made between “having” and “being.” The first represents “consummatory orientation,” which reflects “alienation from the actualizing tendencies of the self.” The second represents an “experiential orientation of life.”

Baumeister and Leary (1995) have emphasized another dimension of well-being as “the need to belong.” They argued that this need has been underappreciated. Their own study showed that the need to belong “appears to have multiple and strong effects on emotional patterns and on cognitive processes. Lack of attachments is linked to a variety of ill effects on health, adjustment, and well-being.” They argue that “a great deal of human behavior, emotion, and thought is caused by this fundamental motive” of belonging, a lack of which can “constitute severe deprivation and cause a variety of ill effects.” This is consistent, they argue, “with the view that belongingness is a need [as opposed to merely a want].” They go on to identify two dimensions of this need: (1) “people seem to need frequent, effectively pleasant or positive interactions with the same individuals,” and (2) “they need these interactions to occur in a framework of long-term, stable caring and concern.” They conclude that “the present state of empirical evidence is sufficient to confirm the belongingness hypothesis.

The need to belong can be considered a fundamental human motivation.” Interestingly, they find implications for this hypothesis for cultures and religions. They suggest that “many aspects of human culture are directly and functionally linked to enabling people to satisfy the psychological need to belong.” Also, they surmise “that cultures use social inclusion to reward, and exclusion to punish, their members as a way of enforcing their values.” Similarly, they underline the role of belonging in religion. They point to a study by Stark and Brainbridge (1985) that provides “evidence suggesting that the need to belong may be a more compelling factor than the need to believe.” The evidence suggests that “many people do not fully grasp or understand the theological belief structure of their own religion,” but they do grasp the importance of belonging that religions provide. Finally, they conclude that there are “multiple links between the need to belong and cognitive processes, emotional patterns, behavioral responses, and health and well-being. The desire for interpersonal attachment may well be one of the most far-reaching and integrative constructs currently available to understand human nature.”³⁷

No dimension of opulent functioning stressed by Cameron is as demonstrative of his point that “opulence can damage human well-being of both rich and poor” than overconsumption and consumerism, a result of the emphasis on development as “having” rather than “being.” An eloquent critic of the culture of acquisitiveness and “having” was the late Pope John Paul II, who staunchly criticized “a style of life that is presumed to be better when it is directed toward ‘having’ rather than ‘being,’ and which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself.” He underlined the distinction between “being” and “having” by relating these concepts to freedom. “A person who is concerned solely or primarily with possessing and enjoying, who is no longer able to control his instincts and passions, or to subordinate them by obedience to the truth, cannot be free: obedience to the truth about God and man is the first condition of freedom, making it possible for a person to order his needs and desires and to choose the means of satisfying them according to a correct scale of values, so that ownership of things may become an occasion of growth for him.”³⁸

The pope also warned of the danger of a “radical dissatisfaction” that lurks in the idea that “the more one possesses, the more one wants, while deeper aspirations remain unsatisfied and perhaps even stifled”; At present, “under development of many” exists side-by-side with “super development” for the few. The latter leads to “a throw-away society and to enormous waste.” He urged “material goods and the way we are developing the use of them should be seen as God’s gift to us. They are meant to bring out in each of us the image of God. We must never lose sight of how

we have been created: from the earth and from the breath of God... True development must be based on the love of God and neighbor." He urged all to work to promote human solidarity. He suggested that true development must respect the moral, cultural, and spiritual dimensions of the human person, otherwise "material gains, goods, and technical resources will prove unsatisfactory and even debasing."

Economics has been primarily about resource allocation, production, exchange, and distribution. Consumption—while considered as an important macroeconomic variable and an equally important expression of a person's preferences—had not attracted much attention from economists. Since the 1970s, however, other social scientists have had much to say about consumption. Much of this literature echoes the late pope's view that acquisitive behavior, and its consequences, result from the culture and cultural system that value "having" more than "being" and that see the acquisition of wealth as the ultimate end and a full measure of a successful life.

Two publications, *Confronting Consumption* (2002) and *Ethics of Consumption* (1998), collections of essays by philosophers, ethicists, sociologists, and economists, are examples of recent focused attention on consumption behavior. As an echo of the view expressed by the pope, for example, Weatherill (1993), studying the probate inventories from late seventeenth- and early eighteenth-century England, asserts, "Material goods themselves contain implicit meanings and are therefore indicative of attitudes."³⁹ The array of material possessions in the period studied represent, in her interpretation, the worldview of people during that period. Sociologist Jean Baudrillard (1999) suggests that "Consumption of objects is a behavior of a code of social values."⁴⁰ Observing the need to study the political economy of consumption, Lizabeth Cohen undertook a study of the relationship between politics and consumption in the United States.⁴¹ She argues that the government promoted the culture of mass consumption during the Great Depression of the 1930s to induce economic recovery. This laid the foundation for government initiatives to directly manipulate consumption during WWII, which continued during the postwar period as policies focused on shifting resource allocation away from the requirements of a war economy and rebuilding a consumer-oriented economy.

The focus on consumption became far more intense with the advent of the concept of "sustainable development." Concerns about environmental degradation and the sustainability of life on planet Earth have become prominent concerns since the 1992 Earth Summit in Rio de Janeiro. These concerns, in turn, necessitated the search for answers to questions regarding the present level of consumption in relation to needs and ancillary questions regarding how much consumption is enough. Without

addressing appropriate levels of consumption in relation to sustainability, the discourse “continues to stress the familiar themes of population [too large], technology [not green enough], and economic growth [not enough of it in right places].” Some have argued that while recognition is implicitly given to “the Consumption Juggernaut” as being on top of the list of major sustainability concerns, it would be politically costly to address the issue. Pragmatic political reasoning combined with the logic of the dominant economic thought—which considers consumption the end purpose of economic activity and holds that consumption meets the needs of individuals who are the only judges of what and how much to consume—lead attention away from the questioning of consumption levels, patterns, and composition, especially in the developed countries.⁴²

To restrain consumerism and overconsumption, however, it becomes necessary to confront the language, meaning, and purpose of consumption in modern society. “Confronting consumption,” as Princen, Maniates, and Conca argue, means questioning the sources and conditions under which the “Cornucopia of Goods” is produced. It means questioning a way of thinking and social construction “that celebrates the individual as consumer yet neglects the collective as rule maker, that celebrates the efficient and the growing yet finds it difficult to entertain the possibility of too much consumption, too much degradation, or too much cost displacement.” It also means questioning the central idea of the industrial political economy, namely, consumer sovereignty. This concept

tends to justify processes that sustain the consumption treadmill and policymakers’ obsession with growth—what turns out to be material growth, not necessarily growth in life quality. And it absolves nearly everyone of responsibility... The reasoning is seductively straightforward: industry only responds to consumers’ wants and needs... If the public really wanted cleaner production, more efficient use, and better management of natural resources, preferences would shift and the marketplace would respond... To suggest that industry should make such corrections is to violate both private choice and public choice, two pillars of an open society and an efficient economy, indeed of democracy itself.⁴³

Princen, Maniates, and Conca argue that confronting consumption means rejecting not only the rhetoric of “the consumer knows best,” but also understanding that the usual efficiency claim that the market—assuming utility and profit maximization—provides the most efficient mechanism of resource allocation refers to a very specific highly subjective value meaning of efficiency: “a material outcome in which the existing distribution of income and power is accepted as given.”⁴⁴ In this case, the only way to make the poor better off is to ensure that the economy grows.

They ask, what if efficiency were to be understood instead “as a condition in which the economy generates the most human happiness over the long run while maintaining the resilience of [the] environmental system and the integrity of close, non commercial, community networks essential to participatory democracy? Clearly, a set of policies might emerge that question prevailing distributions of power, privilege, and prestige. Instead, murky, conservative, timid, and mainstream ideas about a particular kind of efficiency quietly militate against such possibilities, sheltered by the unexamined aura of objectivity.”⁴⁵

Princen, Maniates, and Conca make the case that confronting consumption means taking seriously “systemic problems of excess, to accept over consumption as a real outcome in a political economy that can’t ask when enough is enough. It is to resurrect seemingly outmoded concepts and norms, such as thrift, frugality, self-reliance, simplicity, and stewardship, and put them in a context of ecological and social overshoot.” They urge not only that consumption patterns and behavior be modified, but also that the structure that sustains consumerism be transformed. A “central transformational challenge will be to connect seemingly individual acts with collective structures.” This effort begins by “asking the tough questions, questions about unending material growth, about the purpose of economic activity, about what is being consumed, about who is benefiting at whose expense. But such questions, we must stress, are only ‘tough’ in the context of a sovereign that knows no bounds, a political economy that worships material growth, an environmental ethic that confuses cleanup and amenity with long-term sustainable resource used.” The latter mode of thinking and practice in the service of a mythical sovereign consumer and his attendant “dominant but ultimately narrow and self-defeating idea of progress” will sooner or later “hit ecological and social walls, rending such expansion impossible and such sovereignty illegitimate.” They argue that the growth mania serving the appetite of the “mythical sovereign—the insatiable consumer” will become impossible. “Infinite expansion on a finite planet is impossible biophysically.” They believe that the search for alternatives and challenges to the myth of consumer sovereignty will intensify. Their recommendation for individuals searching for a solution to consumerism and overconsumption is what they refer to as “cautious consuming,” which would “challenge the ethical moorings of a political economy that knows no bounds, that acts as if widespread irreversible degradation and growing inequality can be addressed [by] yet more economic goods.”⁴⁶

Another dimension of human and economic development is the role of the affluent when it comes to the notion of poverty and their responsibility in its eradication. In his book, *Freedom from Poverty*, Thomas Pogge argues

that the international order, with its institutional structure, is designed by and benefits the affluent to the disadvantage of the poor. For example, he suggests that the “unconditional international resource privilege,” which the affluent—through the global institutional structure they have designed, control, and manage—grant a group in power in resource-rich, yet poor, countries (through international recognition as the legitimate government of the country) the right to transfer natural resources to affluent countries to the disadvantage of their own population. When international recognition is granted to any group with enough coercive power to take over the reigns of government, the affluent are recognizing this group as the legitimate government of the country. This legitimacy is granted regardless of how the group gained power, how it exercises that power, or how much support it has among the population of its country. The bestowed legitimacy empowers the group not only to sell the country’s resources, but also to decide how to spend the proceeds. This legitimacy also allows the government to borrow internationally in the name of the people monies, which not only the present generation, but also future generations become obligated to pay back, regardless of how the proceeds are used by the group in power. Pogge argues that this helps explain the puzzle of the poor economic performance of resource-rich poor countries illustrated by “the significant negative correlation between resource wealth [relative to GDP] and economic performance.”⁴⁷ While the present global order does not make it impossible for some poor countries to achieve genuine democracy and sustained economic growth, “central features of the global order contribute greatly to most poor countries’ failing on both counts.”⁴⁸ These features of the global order result in a situation of such global dominance that a substantial portion of humanity has to live in abject poverty so that a fraction of the world population can live in abundance.

Summary

Until the last decades of the twentieth century, development thinking had evolved within a framework of a “missing person,” namely, the human being. During the 1970s, the intellectual and practical field of development totally changed its focus to human beings, both as the means and as the end of the development process. This dramatic change in focus was in large part due to Mahbub ul Haq and his colleagues, and their work in the area of human development. The change in focus culminated with the contributions of Sen to a paradigm shift in development thinking. Sen’s idea of development as freedom assesses well-being in terms of what

people are capable of being and doing. Sen calls distinct aspects of being and doing, or achieving a specific lifestyle or mode of living functionings. In assessing human well-being in the capability space, Sen suggests that functioning as a point in the capability space represents a specific combination of what a person is able to do. Therefore, in Sen's framework, capabilities represent the real opportunities individuals have to lead or achieve a certain type of life. Functionings, on the other hand, represent the actual life they lead. Defining development as a process that promotes human well-being then would mean expansion of capabilities of people to be and to flourish. In this framework, freedom is "the real opportunity we have to accomplish what we value." Consequently, in the development as freedom concept, progress is assessed primarily in terms of whether the freedoms that people have are enhanced.

Giri argues that Sen neglects the development of the "self," maintaining that self-development is a crucial aspect of societal development without which Sen's approach would not succeed. Cameron criticizes Sen for focusing only on the poor and lower levels of income while ignoring or neglecting the upper levels of income and the impact of income inequality on the development of capabilities; he argues that in so doing, Sen de-emphasizes the need for radical income distribution that would correct the patterns of functionings in society. Thomas Pogge argues that affluent functionings damage human well-being and that the behavior of the affluent is a direct cause of the underdevelopment of poor countries. Finally, we should note that a number of writers have enriched the discussion of the development process by adding the sustainability dimension as critical for the survival of future generations.

In the next three chapters we develop the path to human and economic development as indicated in the Quran and by the life of the Prophet.

Chapter 3

The Foundational Elements of Development in Islam

The prevailing Western concept of development can be viewed as a return to the traditions of the Scottish Enlightenment, particularly to Adam Smith. Amartya Sen's contributions revived a considerable portion of classical thinking on the progress of societies. Sen changed the content, meaning, and direction of the discourse on development by demonstrating that reasoned arguments in economics could contain an ethical component. He did so by arguing against the neoclassical dogma that sharply separated "positive" from "normative," and "facts" from "values," as well as by rejecting the neoclassical position on the "meaninglessness" of value claims. The most devastating charge leveled against the neoclassical dogma by Sen is the "narrowing" of Smith's view by "the believers in, and advocates of, self-interested behavior." Support for this view "in Adam Smith is, in fact, hard to find on a wider and less biased reading of Smith. The professor of moral philosophy and the pioneer economist did not, in fact, lead a life of spectacular schizophrenia. Indeed, it is precisely the narrowing of the broad Smithian view of human beings in modern economics that can be seen as one of the major deficiencies of contemporary economic theory. This impoverishment is closely related to the distancing of economics from ethics."¹

In his book, *The Theory of Moral Sentiments*, Smith expressed his remarkable insight regarding rules of conduct

as the ultimate foundations of what is just and unjust in human conduct...Those general rules of conduct, when they have been fixed in our mind by habitual reflection, are of great use in correcting the

misrepresentations of self-love concerning what is fit and proper to be done in our particular situation. The regard to those general rules of conduct is what is properly called a sense of duty, a principle of the greatest consequence in human life, and the only principle by which the bulk of mankind are capable of directing their actions . . . Without this sacred regard to general rules, there is no man whose conduct can be much depended upon. It is this which constitutes the most essential difference between a man of principle and honor and a worthless fellow . . . Upon the tolerable observance of these duties depends the very existence of human society, which would crumble into nothing if mankind were not generally impressed with a reverence for those important rules of conduct. This reverence is still further enhanced by an opinion which is first impressed by nature, and afterward confirmed by reasoning and philosophy, that those important rules of morality are the commands and *Laws* of the Deity, who will finally reward the obedient, and punish the transgressors of their duty . . . The happiness of mankind as well as of all other rational creatures seems to have been the original purpose intended by the Author of Nature when he brought them into existence. No other end seems worthy of that supreme wisdom and benignity which we necessarily ascribe to him; and this opinion, which we are led to by the abstract consideration of his infinite perfections, is still more confirmed by the examination of the works of nature, which seem all intended to promote happiness, and to guard against misery. But, by acting according to the dictates of our moral faculties, we necessarily pursue the most effectual means for promoting the happiness of mankind, and may therefore be said, in some sense to co-operate with the Deity, and to advance, as far as is in our power, the plan of providence. By acting otherwise, on the contrary, we seem to obstruct, in some measure, the scheme, which the Author of Nature has established for the happiness and perfection of the world, and to declare ourselves, if I may say so, in some measure the enemies of God. Hence we are naturally encouraged to hope for his extraordinary favor and reward in the one case, and to dread his vengeance and punishment in the other . . . When the general rules which determine the merit and demerit of actions comes thus to be regarded as the *Laws* of an all-powerful being, who watches over our conduct, and who, in a life to come, will reward the observance and punish the breach of them—they necessarily acquire a new sacredness from this consideration. That our regard to the will of the Deity ought to be the supreme rule of our conduct can be doubted of by nobody who believes his existence. The very thought of disobedience appears to involve in it the most shocking impropriety. How vain, how absurd would it be for man, either to oppose or to neglect the commands that were laid upon him by infinite wisdom and infinite power. How unnatural, how impiously ungrateful not to reverence the precepts that were prescribed to him by the infinite goodness of his creator, even though no punishment was to follow their violation! The sense of propriety, too, is here well supported by the strongest motives of self-interest. The idea that, however, we may escape the observation of man, or be placed above the reach of human

punishment, yet we are always acting under the eye and exposed to the punishment of God, the great avenger of injustice, is a motive capable of restraining the most headstrong passions, with those at least who, by constant reflection, have rendered it familiar to them.²

Adam Smith has been quoted extensively here for at least three reasons. First, this is the Smith economists have ignored. Smith is the author of the self-interest motive that is the basis of utility and profit maximization for the individual consumer and producer at any cost to society, including the impoverishment and exploitation of fellow human beings. The Smith of *The Theory of Moral Sentiments* seems quite different from the Smith of the *Wealth of Nations*. Even his most ardent supporter, Sen, has ignored the Smith of the above quotations. Second, Smith makes clear in his *Theory of Moral Sentiments* that while compliance with the rules prescribed by the Creator is a must, compliance with the market, an instrument for achieving the greatest good, is also a necessity. Economists, however, have focused on what Smith says about the market, considering the market as the only institution of significance. In the earlier quotation, Smith succinctly and clearly shares some of the foundational scaffolding of Islam: belief in the One and Only Creator; belief in the accountability of the Day of Judgment; belief in the necessity of compliance with the rules prescribed by the Creator; and belief that justice is achieved with full compliance with rules. To paraphrase Sen, no space need be made artificially for justice and fairness; it already exists in the rules prescribed by the Law Giver. Third, it is also clear that Smith considers the internalization of the rules, being consciously aware of the ever-presence of the Creator and acting accordingly, as crucial to all human conduct, including economics. Other insights of new institutional economics (NIE) are that rules reduce uncertainty and transaction costs, and that they promote coordination and make collective action possible. In addition, rule-compliance promotes social solidarity. All of these have been elements either directly emphasized or strongly implied by the Quran and in the traditions of the Prophet.

The evolution of the concept of development in the West has achieved its most complete form in current development thinking, providing the benchmark for Islam's concept of development. We begin by presenting the foundational framework of Islam's view on human development and go on to explain the Quran's view of development and the conditions necessary for individual and collective human progress. These views describe what we have coined the "Metaframework," in the sense that the specific objectives articulated would be achieved with the adoption and implementation of institutions—rules of behavior and their enforcement

characteristics—specified in the Quran. There will also be reference to the sayings and doings (the traditions) of the Prophet, who implemented the institutional structure specified in the Quran in Medina. We have referred to this framework as the “Archetypal Model.” It is the ultimate frame of reference for the implementation of the Metaframework, being, in principle, the application and implementation of the Metaframework by the human being who best understood its meaning, substance, and objectives. An important aspect of the Archetypal Model is that it operationalized and, to an extent, localized the conditions necessary for development specified in the Quran. The Metaframework specifies rules (institutions) that are, to a degree, abstract; the Archetypal Model, on the other hand, articulates the operational form of these rules. The Metaframework specifies the immutable, abstract rules that constitute the conditions for achieving a specified set of objectives. The Archetypal Model demonstrates how these rules were operationalized in a human community in which the abstract became operational in the hands of the one human being who was the one and only direct recipient of the Metaframework. The Archetypal Model is a blueprint of the Metaframework and contains its immutable rules—that is, the set of rules that are invariable regarding temporal or spatial factors.

The operationalization of the Metaframework and Archetypal Model in any specific place or time constitutes an Islamic model. The Metaframework specifies general universal laws, the rules of behavior. The Archetypal Model, based on the life experience of the Prophet, provides universal-specific rules of behavior and of organizing a human society based on the immutable rules of the Metaframework. The Archetypal Model contains rules that are applicable at all times and in all places. For example, the Metaframework ordains payment of *zakat*, or taxes, but does not specify the amount, while the Archetypal Model specifies the amount as 2.5 percent annually. This is the universal rule of the Archetypal Model. There are also rules in the Archetypal Model that are time and place specific and require modifications that while preserving the spirit of a rule make its application consistent with the experiential mode in time and place. The Prophet, for example, ruled that brokers or traders could not meet caravans bringing supplies to the market outside of cities to buy their merchandise. The caravans had to be allowed to enter the market before selling their goods. This rule clearly contains a time and place reference. It also establishes, however, a universal rule of noninterference with supplies to allow all market participants to have unhindered access and opportunity to acquire commodities.

The concept of development in the Metaframework has three dimensions: individual self-development called *rushd*, the physical development

of the earth called *isti'mar*, and the development of the human collectivity, which includes both. The first concept of development specifies a dynamic process of the growth of the human person toward perfection. The second concept specifies the utilization of natural resources to develop the earth to provide for the material needs of the individual and all of humanity. The third concept refers to the progress of the human collectivity toward full integration and unity. The Metaframework specifies conditions under which humans can achieve progress. Fundamental to all three is the belief that the Supreme Creator has provided the ways and means to facilitate the achievement of all three dimensions of development.

There are four fundamental concepts supporting the foundational justification for the rule-based system that is Islam. The first concept, *Walayahh*, is the unconditional, dynamic, active, ever-present Love of the Supreme Creator for His Creation manifested through the act of creation and the provision of sustenance. For humans this means sufficient resources to sustain life and divine rules enabling humans to sustain and flourish on this plane of existence. Humans reciprocate His Love by extending their love to other humans and to the rest of creation. Second is the concept of *karamah*, human dignity. The Quran considers humans to be the crowning achievement of His Creation for whose personal and collective development everything else has been created. Humans are endowed with intelligence to know their Creator, to recognize and appreciate the universe and everything in it, and to understand that the reasons for their own existence are contingent upon the Will of their Creator. The third concept is the *meethaq*, the primordial covenant in which all humans were called before their Supreme Creator and asked to testify that they recognize in Him the One and Only Creator and Sustainer of the entire Creation and all other implications flowing from this testimony. The concept of *meethaq*, in turn, unfolds into three basic principles: (1) *Tawbeed*, the One-and-Onlyness of the Creator, which unfolds into the one-and-onlyness of the created and its unity, including above all the unity of humankind; (2) *nubbawah*, the continuous chain of humans appointed by the Creator to remind, warn, cleanse, teach, and induce humans to bring about and uphold justice within the created order through their position of agent-trustee assigned and empowered by the Supreme Creator; and (3) *ma'ad*, the return of creation to its origin and the accountability of humanity (individually and collectively) for acts of commission and omission—success and failure in achieving, establishing, and upholding justice toward their selves, toward others of their kind, and toward the rest of creation. The fourth concept is that of *khalifa*, agent-trustee or *khalifah*, agency-trusteeship. Jointly, *Walayahh* and *karamah* provide the basis for *khalifah*. The Love of the Creator endows humans with dignity

and intelligence so as to manifest *walayahh* through the instrumentality of *khalifah*. *Khalifa* is the empowerment of humans by their Creator as agent-trustee to extend *walayahh* to one another, materially through the resources provided to them by the Creator and nonmaterially through the manifestation of unconditional love for their own kind as well as for the rest of creation. In this chapter, we attempt to explain these concepts in more detail.

In that wide spectrum that includes cosmologies, ideologies, and religions, Islam is among the most misunderstood of phenomena. The Quran and the Prophetic Sayings provide the benchmarks to assess what is really “Islamic.” There are many phenomena, which are either inspired by Islam or claim its name. Such phenomena may be in harmony with Islam in its totality, in part, or not at all. This is particularly important in an age when, motivated by ideology, politics, or sheer entrepreneurship, various writers, speakers, politicians, pseudo-intellectuals, and preachers define Islam as what Muslims do. An objective, fair, and intellectually honest observer must make a distinction between Islam per se and what those who call themselves Muslims happen to practice in some place or time. To what degree does the phenomenon of a given society labeled Muslim reflect the teachings of Islam? Any critical account of the teachings of Islam must take this distinction into account. It is the Quran, the very word of the Supreme Creator, and the person of the Prophet that best define Islam. They also provide the fundamental benchmarks for an objective evaluation of Islam and of the Islamic way of life. There are, of course, methodological issues, particularly relating to the interpretation of the Quran and the authentication of the traditions—namely, *ahadeeth* (singular *hadeeth*)—of the Prophet. These issues are not trivial: both dispassionate objectivity and phenomenological sensitivity—deep experiential familiarity—are required.

There are two crucial interdependent elements of Islam that directly relate to Islam and development: (1) the interconnectedness of the cosmological, spiritual, and legislative aspects; and (2) the dependence of the legislative aspects of life (inclusive of socioeconomic-political dimensions) on the spiritual, and ultimately on the cosmological aspects of Islam. To understand the meaning of Islam, it is important to note that etymologically, the gerund-pattern of “Islam” is an instance of a fourth-order verbal pattern. The fundamental source of the fourth-order “Islam” is *salámah* or *salám*, connoting the verbal idea of “entering safety and security,” or “becoming safe and secure.” From the gerund *salámah*, the corresponding fourth-order pattern “Islam” connotes “making [something] enter into safety and security,” that is, “delivering [something] over into [the] safe-keeping [of someone else].” From this basic idea, in Arabic usage “Islam”

came to be short for “delivering oneself into security.” Instead of saying, “I believe in Islam,” one would say, “I have delivered myself into safety/security [simply *aslamtu* in Arabic].” The two sentences have different connotations; the first says something about a state of mind while the second suggests action, the carrying out of an activity.

Islam is a relational activity. That is, when the gerund “Islam” is translated, as is usually the case, as “submitting” or “submission,” it implies submitting or surrendering to something or someone. Similarly, delivering oneself into safety or security involves delivering oneself into the safety or security of something or someone. The Quran makes clear the object of the intention: “Say (O Prophet): I have been commanded that I deliver myself into the safety and security of the Cherisher Lord of the Worlds” (Verse 66: Chapter 40). In Arabic, “the Cherisher Lord” is represented by the word *Rabb*, which has a proper name, *Allah*. The opening of the Quran makes the identification clear: “Praising is to Allah, the Cherisher Lord of the Worlds” (2:1). So, the activity denoted by the word “Islam” would appear to be the activity of submitting, surrendering, and delivering oneself to the safety and security of Allah, the Cherisher Lord of the universe. “Muslim,” the present participle of the gerund “Islam,” denotes the one who engages in this activity. Islam is thus the activity, and a Muslim is one who engages in this activity.

The Quran refers to Islam as the *deen*, a word rich in meaning, scope, and implication. Consider Chapter 109 of the Quran: “Say (O Prophet): O you all who conceal [the truth]! I do not adore and serve that which you adore and serve. And you do not adore and serve that which I adore and serve. And I do not adore and serve that which you have adored and served. And you do not adore and serve that which I adore and serve. Your *deen* is for you, and my *deen* is for me.” In this context *deen* basically means a way of living and obedience to a set of rules of behavior, a way of conduct in service of something or someone. It covers customs, habits, religion, ideology, cosmology, conduct, and rules of behavior (institutions). The word *deen* is a gerund corresponding to the verb meaning “to follow a way of conduct.” The emphasis is on activity as opposed to mere “belief.” Note that the sense of the word *deen* is neutral regarding divinity or spirituality; it may have a divinity-based or spiritual dimension or it may not. Thus, modern nationalism, liberalism, and communism are all a *deen*. The sense of *deen* is also neutral with respect to scope; it may cover life as a whole or only some of its aspects. The Quran and the Prophet view Islam in the much broader context of a *deen*; Islam is not seen as a religion among religions, but a *deen* among *deens*. Thus the Quran declares: “Who has a better *deen* [way of life] than one who orients himself to the safety and security of Allah, and moreover acts with

true awareness and cognizance?” (125:4); and: “Do they seek better than the *Deen* of Allah? While yet whoever is in the heavens and on earth has delivered itself to the safety and security of Allah, willing and unwilling” (83:3). Islam therefore is rules-based, divinity-centered, and universal in scope. The most crucial feature of Islam as a way of life is that it is Allah-centered and that a certain cosmological commitment to this centrality is fundamental. It is rules-based because adherence to its institutional structure (rules of behavior) determines the degree to which Islam as a *deen*, or a way of life, constitutes the actual behavior of individuals and societies; rule-compliance is a measure of strength of one’s Islamicity. Islam is universal in scope; it transcends temporal, spatial, racial, linguistic, and other criteria of differentiation among humans. Its scope is also universal because it encompasses all dimensions of life, including the social, political, and the economic.

Walayahh is among the richest and most comprehensive words in the Arabic language. It is also a gerund and denotes a relational activity between two things. The most fundamental activity denoted by *walayahh* is being, or working, in the closest possible proximity to someone (the one who is doing *walayahh* is the *waliyy*). That is, when one person has *walayahh* with another, they are so close that one can hardly find anything separating them. From the basic idea of proximity flow a number of dimensions of *walayahh*, the most important being a particular and distinctive notion of polar active-dynamic loving. The kind of love that motivates the activity of *walayahh* also creates affection, fondness, attachment, and devotion between the lover and the beloved. The kernel of love at the heart of *walayahh* manifests itself in a number of ways; one of the most important is *comforting*, providing assistance or support, given out of genuine love for the helped party. This aspect of *walayahh* is frequently a polar one, and the role of each party to *walayahh* has a bearing on the precise manifestation it projects with respect to each party. In a polar relationship, one pole of *walayahh* manifests itself as guardianship and authority; the other manifests itself as allegiance, loyalty, and obedience. If the love that is the essential axis between these two poles weakens or vanishes, then *walayahh* diminishes or vanishes accordingly. One of the most interesting features of *walayahh* is that in the *walayahh*-relationship of guardian to ward, each is a *waliyy* of the other. The axis of an ideal, healthy *walayahh*-relationship is mutual, reciprocal, and symmetrically loving; its manifestation is polar and complementary. When the word *waliyy* is used with respect to the pole of *walayahh* that encompasses guardianship and authority, it may, in most instances, be translated accurately as “comforter,” as in Verse 257 of Chapter 2 of the Quran: “Allah is the Comforter of those who are mu’min [active-dynamic believers]; He

extracts them from all manner of darkness into light.” Comforter here is used in the sense of strengthening-helper.

When the word *waliyy* is used with respect to the pole of *walayabb* that encompasses loyalty and allegiance, it may be translated in most instances accurately as “devotee,” meaning “ardent, strongly attached and intimate follower and lover” as in the expression *waliyy-u-Allah* (devotee of Allah) as expressed in Verse 62 of Chapter 10 of the Quran: “Indeed! The devotees of Allah will have no fear upon them nor will they grieve.” Here fear refers to apprehension regarding the future and the grief that is the result of regrets over the past. The first pillar of Islam is witnessing (*shahadah*) that there is no god but Allah and that Muhammad is His Adorer-Servant and Messenger. This witnessing, *shahadah*, is a conceptual manifestation and application of the principle of *Walayabb* as it involves expression of attitudes toward the Supreme Creator and His Beloved Messenger. This takes place at the level of reality and the response to reality. First, relating to Allah, at the level of reality one is acknowledging and attesting that there really is One, Single, Ultimate source of *Walayabb*, who is the Lover, Comforter, Guardian, and Authority over all. This is independent of any action on the part of the one attesting. At the level of response to this reality, one is pledging one’s love, allegiance, loyalty, and obedience to the ultimate source of *Walayabb*. That is, one’s own active response to the existence of Allah and His *Walayabb* is now involved. Second, relating to the Prophet, at the level of reality, one acknowledges and recognizes that Muhammad is the Messenger and the adorer-servant of Allah. The messengership of the Prophet in itself involves acknowledging him as the adorer-servant of Allah, the supreme *waliyy* and active-dynamic lover of Allah. At the level of response, one is responding to that reality by the pledging of love, allegiance, loyalty, and obedience to the Prophet, Messenger and the greatest *waliyy* of Allah.

In a profound verse of the Quran (196:7), Allah makes clear the dynamics of *Walayabb*: “Say (O Prophet): My Comforter is Allah, who gradually sent down the Book; He receives the Active-Dynamic love of the righteous; indicating that Allah gives and receives *Walayabb*, there is reciprocity in the actions of Allah in giving and receiving active-dynamic love.” This reciprocity means that the *Walayabb* of Allah elicits a response, positive or negative. A positive response returns love and constitutes the fundamental activity of Islam. As the verse indicates, a positive response to *Walayabb*, when complete as that of a righteous person, earns one the title of *waliyy* of Allah. Here *waliyy* is not a “comforter” of Allah but a “devotee.” It may be that the positive response to the love of Allah is reciprocated by the person via the active-dynamic undertaking of comforting Allah’s creatures, in which case *walayabb* returned is that of giving “comfort” to a member

of Allah's Creation as a positive response to the Love of Allah, which simultaneously becomes reciprocated *walayabb* as a "devotee." It is, however, important to note that ultimately, all *walayabb* comes from Allah and returns to Him as is indicated in Verse 44 of Chapter 18: "There! All *walayabb* belongs to Allah the Real." It is also important to note that just preceding this verse is another referring to a lack of recognition of and gratitude for the blessings bestowed upon the person by Allah: "he had no force to help him nor could he help himself." Meaning that by refusing to recognize and acknowledge that all one is given represents the manifestation of the *Walayabb* of Allah, one is left without comforter, helper, and assistant to move one along the path toward the Supreme Creator.

The fundamental idea expressed here is that the ultimate source of all acts of love originates with Allah. Love, help, comfort, mercy, devotion, cherishing, and the guardianship and authority that flow from these, are from Allah alone. The active-dynamic love of parents for their children, for example, is a manifestation of the *Walayabb* of Allah. Therefore, the active-dynamic love of every creature deserves to be directed ultimately to Allah. Seeking help, devotion, attachment, adoration, and the loyalty, allegiance, and obedience that follow from these, in any and all domains, should be oriented ultimately to Allah alone. Just as everything good initiates from the *Walayabb* of Allah, so should the response to that *Walayabb* be directed to its ultimate source, Allah. The love of nature, of parents, and of other humans is ultimately the love of Allah. Obedience to parents (or others) in good, beneficent acts is a manifestation of the love of Allah. But if one is asked to transgress against others one must refuse, again out of love and allegiance to Allah. Behaving justly toward one's fellow humans is the love of Allah; devotion or service to tyrants and oppressors, by contrast, must be avoided at all costs because it is in direct conflict with the love of Allah.

Rububiyyah is the manifestation of the actions of the *Rabb*—The Supreme Creator, Cherisher, Lord, and Sustainer of His Creation—expressing the twin ideas of "cherishing" and "lordship." *Übudiyyah*, on the other hand, also expresses the twin idea of "adoration" and "service" in responding to the *Walayabb* of Allah given through *Rububiyyah*. The *Walayabb* of Allah is universal, comprehensive, supreme, final, and is the source of all other *walayabb*. Thus the positive response to His *Walayabb* must be unique, comprehensive, and final. This is manifested in the acts of *ibadah*, connoting both adoration and service, both of which combine to embrace every aspect of positive *walayabb*. That is, every activity in Islam serves to remove obstacles from the path of humans so that they can adore the One and Only Supreme Creator. When one's action is directed to removing an obstacle—say poverty, disease, or injustice—from the path

of another human to focus on the Creator, it is an act of *ibadah*, that positive, singularly—and ultimately—directed *walayahh*. The kernel of love at the heart of the *Walayahh* that Allah gives to His Creation manifests itself as His Cherishing of His Creation. The essence of love at the heart of the *walayahh*, which the creation returns to Allah in service to humanity and the rest of creation, manifests itself as adoration of Allah. There is, therefore, a polarity between the Creator and the created in the way love or *Walayahh* is manifested: the Creator cherishes His Creation, and His Creation adores its Creator. The first is the *Walayahh* of Allah, or His *Rububiyyah*, and the second is the *walayahh* of creation, or *ubudiyyah*.

The first manifestation of *walayahh* occurs in the *shahadah*: the witnessing of Allah as the One and Only Creator, Sustainer and Cherisher of the creation, and the witnessing of the messengership of Muhammad. The fullest exposition of this principle appears in verses 13–17 of Chapter 3 of the Quran: “Allah has witnessed that there is no ultimate source of *Walayahh* except for Him; so have the angels and those who have knowledge, standing through mutual-interrelational justice. There is no ultimate source of *Walayahh* except for Him, the Exalted, the Wise. Surely the *Deen* unto Allah is Islam [deliverance of oneself into the safety and security of Allah].” Here, there is an interconnectedness of the categories of those who deliver *shahadah* (witnessing and testifying) and the establishing of Islam (delivering oneself to the safety and security of Allah) as the *deen*. Therefore, it follows from these verses that to be a Muslim (to deliver oneself into the safety and security of Allah) one must have knowledge and stand for justice. Since knowledge and justice are at the heart of *shahadah*, and *shahadah* is the manifestation of *walayahh*, it follows that knowledge and justice constitute the central manifestation of doing *walayahh*. In the first of these verses, the specific action tied to knowledge is *qist*—mutual and interrelational justice among humans and between them and the rest of creation. *Qist* is a gerund signifying “acting mutually-interrelationally just.” The importance of *qist* is so crucial to Islam that the Quran declares its establishment as one of the justifications of the mission of all prophets and messengers. In Verse 25, Chapter 57, the Quran says that “Verily We sent our Messengers with clear proofs, and sent with them the book and the scale, so that humans may stand forth (establish themselves) with *qist*.” *Qist* refers to justice in action. It means that humans must make justice manifest when dealing with one another and with the rest of creation.

The Quran uses two words for justice: *qist* and *adl*. The first word is the chief characteristic of appropriate human relations and of human relations toward the rest of creation. It is entirely a human phenomenon; it is not a divine trait. *Adl*, on the other hand, is a feature of Allah’s Actions

that manifests itself in the perfect balance of the cosmos; it characterizes the Action of Allah to place everything in its rightful place. In the human being, *ádl* is the inner balance of the human self toward which one strives. *Qist*, ideally, is the manifestation of the individual human's inner balance (*ádl*) reflected in dealings with other humans and the rest of creation. Any injustice perpetrated by the individual against other humans and against the rest of creation is ultimately an injustice to the self: "They did no injustice to Us; rather they were doing injustice to themselves" (57:2). The Quran makes clear the importance of justice: "Say (O Prophet): My Cherisher Lord has commended me to *qist*" (29:7); and: "Effect reconciliation between them [two fighting parties] with justice and [ensure that you do so] with *qist*. Indeed Allah loves those who do *qist*." Allah loves justice; it is a central part of His Universal *Walayahh*. The response of creation to Universal *Walayahh* must mirror the Justice of Allah. *Qist* and *ádl* manifested by humans is a fundamental manifestation of positive *walayahh* oriented toward Allah. Indeed, manifest justice is a criterion by means of which one may determine whether positive *walayahh* is truly directed toward Allah. "O you who are actively and dynamically believing! Be those who stand for *qist* [mutual, interrelational justice], witnesses for Allah, even if it be against yourselves, your parents, or your close relatives; be they rich or poor, for Allah has greater *Walayahh* [than anyone else] with them. And do not follow your personal whim [desire] lest you deviate from doing *ádl* [inner personal balance and justice]. And, if you swerve or turn away [from *qist*], then surely Allah is well informed of all that you do" (135:4).

The same basic idea is that (1) those who are active believers must, in no uncertain terms, establish and sustain *qist* (mutual-interrelational justice) even if it is against their own interests or those of their relatives; (2) that Allah is both best informed about the interests of the self and others, and that He is best in protecting these interests because of His Active and Dynamic Love; and (3) that *ádl* (inner personal balance and justice) drives *qist*. "O you who are actively and dynamically believing! Be those who stand for Allah, witnesses with *qist*. And do not allow hatred of a people incite you not to do *ádl* [i.e., manifest your inner personal balance and justice]. Do *ádl* [allow your inner balance and justice to manifest mutual, interrelational justice]! It is closer to *taqwa* [ever-conscious awareness of Allah]. Be ever-consciously aware of Allah! Surely Allah is well informed of all that you do" (9:5).

What has been said thus far provides the basis for a working definition of Islam as: the *deen* (a way of life) of positive *walayahh* (or active-dynamic loving) returned in response to the *Walayahh* of Allah given to His Creation. *Walayahh* returned to Allah by humans in the form of service

to His Creation and His Adoration is the essence of Islam. The core activity of *walayabb* is love manifested through knowledge and the upholding of justice. As a corollary to this, it is postulated that each dimension, rule, and activity that Islam contains can be defined and analyzed in terms of *walayabb*. Therefore, *walayabb* is (1) a powerful unifying force by means of which every aspect of Islam can be either defined or at least placed in context, and (2) a criterion for determining the degree to which any given phenomenon is Islamic, that is, to what degree it is in harmony with the essence of Islam, *Walayabb*.

An immediate manifestation of the *Walayabb* of Allah for humans is the highest degree of dignity His Love has bestowed on them as the crowning achievement of His Creation. The Quran unequivocally declares, "Indeed We created the human being in the most beautiful of molds" (4:95). The creation of humans occasioned the praise of the Supreme Creator for His Own Action of creating the human: "So, blessed be Allah, the Best of Creators" (14:23). The *Walayabb* of Allah for humans was manifested in the act of the latter's creation with Allah's own two hands (75:38) and the dignity the Creator bestowed on His Creature: "We have indeed honored (with dignity) the children of Adam, and We carry them in the land and the sea, and We provide them with good things, and We have exalted them over most of those whom We have created" (70:17). That all natural resources and phenomena have been made ready for utilization by humans is stated in at least 14 verses of the Quran (2:13, 32:14, 33:14, 12:16, 14:16, 65:22, 61:29, 20:31, 29:31, 13:35, 5:39, 13:43, 12:45, and 13:45), all indicating that "He placed at your disposal whatsoever is in the heaven and whatsoever is in the earth, all from Him. Verily there is a sign in this [act of *Walayabb* of Allah] for the people reflectively meditate" (13:45).

In addition to all physical-natural resources and phenomena the Supreme Creator made available to humans to signify their exalted dignity, there are four crucial nonphysical endowments that underline the justification for the supreme exalted dignity of humans: (1) the crowning glory of the creation of humans and its completion was achieved when the Creator breathed the human into life with His Own Spirit: "Then He gave him proper form and breathed into him of His Spirit" (9:32). The Creator further honored humans by endowing them with a primordial nature and essence, which the Quran calls *fitrah* (30:30). *Fitrah*, or the primordial nature of humans, is a gift from the Creator to all humans at the time of their creation. It is the crucial essence of human dignity. The reason for the lofty position of *fitrah* is that it carries the immutable imprint of the cognition of the Oneness and Uniqueness of the Creator. *Fitrah*, in effect, constitutes a Meta Consciousness toward which human consciousness

experientially gravitates. Consciousness and Meta Consciousness converge when the cognition of the Oneness and the Onliness of Allah and His Ever-Presence become a permanent, intimate, and fully active fixture of human awareness. This is a gradual process likened to an inner torch of awareness, which grows in luminosity. When fully lit, it is called *taqwa*. At this stage, the human has achieved a convergence between Meta Consciousness and consciousness. At its highest realization Islam itself is the full manifestation of the primordial nature of the human being that does not change.

The entire process of Islam can be summed up as a process by which humans recover their primordial nature, a process of attaining conformity with *fitrah*. The third nonphysical, nonmaterial endowment of the Supreme Creator to His Human Creation is the faculty of *áql*. This word, as used in the Quran and in the traditions of the Prophet, has no exact equivalent in English. The root verb literally means “to bind together.” In English it sometimes is said that a person “has got it together” for people who have their senses and wits about them. The expressions of someone “not having it together” or of someone “becoming unhinged” are used to indicate unreasonable behavior in a person. To utilize *áql* is in a sense to “have it together.” The root verb also means “to restrain” or “to withhold.” Utilizing *áql* restrains one from ignorance, ignorant behavior, or action unsuitable to one’s well-being. Within the Quranic framework, *áql* is the facility with which humans are endowed by their Creator to contemplate, reflect on their relationship with their Creator, with each other, and with the rest of creation, and to act in accordance with the rules prescribed by their Cherisher Lord. In general Arabic usage *áql* has become equivalent to intellect or reason, but this constitutes a major constriction of its Quranic usage. In the latter, the term expresses the idea of “awareness” and “consciousness,” and in the particular framework discussed here it denotes the faculty that allows humans to actively and in full consciousness bind themselves to *walayabb*. *Áql*, therefore, is said to be “that through which *Al-Rahman* is adored and served, and through which the gardens [of paradise] are achieved.” That is, *áql* is the faculty through the utilization of which *ibadah*, that singularly focused *walayabb* toward Allah, is performed. Whatever one earns in the life to come is a function of the exercise of this faculty, which binds one to *walayabb*. The faculty of *áql* is exercised through *tafakkur*, meaning reflective meditation—reasoning, namely, observing, considering, and reflecting on the significance of things and phenomena. In part it also connotes openness and receptivity to real significance of whatever is under observation, free of preconceived notions and dogmas (3:13; 8:30). Those who are able to become fully and consciously aware by using the faculty of *áql*, namely, those who attain an ever-active full consciousness,

are called the *ulil-albab*: “Surely in the creation of the heavens and the earth, and the alteration of night and day, are indeed signs for the ulil-albab who are those who—whether standing, sitting or lying on their side—are doing active remembrance [are ever-actively aware of the presence] of Allah and reflectively meditating and reasoning upon the creation of the heavens and earth, [all the while saying]: our Cherisher Lord! You have not created [all] this in vain!” (191:3).

Last, in recognition and acknowledgment of their dignity, the Supreme Creator has endowed humans with freedom of choice. This gift is so important that all of the prophets and messengers appointed and all of the revelations sent to humanity can be understood as attempts by Allah to persuade humans to choose—through the activation of their faculties of spirit, consciousness, and *âql*—to freely recognize and acknowledge the *Walayahh* of the One and Only and to then return that Love through active *walayahh* (love-service) to the Creation of Allah. This supreme gift of the Creator affords humans the choice of rejecting the reality and existence of their own Creator. In many verses of the Quran, Allah declares that had He wished, He would have made all humans fully aware, conscious, and active believers: “Had your Cherisher Lord wished, the totality of everyone on earth would become active believers” (99:10; see also 35, 107, 146:6; 31:13; 93:16; 3–4:26; 13:32; 8:42). “However messages and messengers are sent, and truths revealed, the choice is left to humans: Say (O Prophet) Truth [has come] from your Cherisher Lord. Consequently, whoever wishes will therefore become an active believer and whoever wishes will therefore reject [becoming an active believer]” (29:18; see also 19:73; 28:81; 29:76; 39:78; 37:74). Humans are given the gift of free choice to recognize, acknowledge, and accept the *Walayahh* of Allah in gratitude for his gifts and to reciprocate His Love through their own *walayahh* extended to the rest of creation through service to the Creatures of Allah, or to reject it all (3:76). In emphasizing this freedom of choice, the Quran unambiguously states that there is to be no compulsion in *deen* since the right way has been clearly designated, as has the wrong, for humans to choose. Even the Prophet was instructed that he was appointed to remind and to warn, but not to compel humans (256:2; 92:6; 99, 108:10; 35:16; 54:17; 39:41; 45:50).

To summarize, human dignity is a supreme honor bestowed on humans and manifested in their creation. In acknowledgment of that dignity, the Cherisher Lord has provided humans with natural-material-physical resources as well as nonmaterial faculties to empower and enable them to return His Love by service to their own kind and to the rest of creation as acts of adoration (*ibadah*) of the Supreme Creator. The nonmaterial, nonphysical faculties are the spirit that is breathed into the

crowning achievement of creation in order for them to become humans; the faculty of *fitrah*, the primordial nature, which is fully aware and cognizant of its Creator, Cherisher Lord and which provides the perfect point toward which the self gravitates; and *dql*, the faculty of active, ever-aware consciousness with which the human binds itself to the Love (*Walayabbh*) of Allah, thus empowering himself to return that love through establishing a *walayabbh* relationship (love-bond) with the rest of humanity as well as with the rest of creation. These gifts commensurate with human dignity have been crowned by the freedom of choice. To underline the importance of this gift, the Quran declares that Allah will not change the conditions of people or take away blessings He granted them unless they choose to change their own selves: “Verily Allah does not change the condition of a people until they change that which is in themselves” (11:13 and 53:8).

The first manifestation of the opportunity provided to humanity by Allah to exercise the gift of freedom of choice was the occasion of *Meethaq*, the original primordial covenant between the Supreme Creator and humanity. On that occasion, all human beings were called before Allah, as the Quran narrates, “And when your Cherisher Lord brought forth progenies-descendants of Adam and took from them testimony—Covenant—[by asking them]: Am I not your Cherisher Lord? They replied: ‘Yes. We testify.’ (this we did) lest you say on the Day of Rising: ‘we were indeed unaware of this.’ Or, lest you say: ‘It was our forefathers, before, who associated [partners with the One and Only Creator] and we were progenies-descendants after them! Will you then destroy us for the deed committed for wrong-doers.’ This is how We explain in detail the signs in order that they may return” (172–174:7). In this covenant there are a number of truth-ideas. The first and most important is humanity’s understanding and acknowledgment of the *Walayabbh* of the Creator and all its implications. It is significant that the question posed to humanity uses the word *Rabb*—Cherisher, Sustainer, Bringer-Upper, Lord—in reference to the Creator rather than other forms of His Name since no other name reflects as well the *Walayabbh* of the Creator for His Creation.

The Quran mentions a number of particular covenants that the Creator made with subsections of humanity. For example, the Quran refers to a number of *meethaq* (covenants) of the Children of Israel (83:2; 12:5; 154:4; 63:2) and those of *Nasara* (Christians) (14:5) and those of the “people of the book” about whom Verse 169 of Chapter 7 says, “Has not the covenant of the book been taken from them that they would not speak anything about Allah save the truth?” The Quran also refers to a covenant of all the prophets (7:33). The affirmative response of humanity

in the primordial covenant and the reference to the Day of Rising (or the Day of Accountability) implies that humanity understood that the testimony implies the understanding, acknowledgment, and acceptance of the Trust-Responsibility of reciprocating the *Walayahh* of the Creator through its own *walayabh* to all members of humanity and the rest of creation. Indeed, the Quran itself gives a glimpse of the heavy weight of this Trust-Responsibility: “Verily We presented—offered the Trust-Responsibility to the heavens and the earth and the mountains but they refused to accept-bear it because they were afraid [of failing in carrying out the responsibility] of it. But the human [accepted it and] carried it. Indeed he was unjust, ignorant [foolhardy, passionate, and rash-in-judgment]” (73:7). The verse also contains a crucial message, which is the declaration by the Supreme Creator and the cognition and acknowledgment by human beings, individually and collectively, of the “unity of humanity.” In its unison affirmative response, humanity testifies to not only the *Tawheed*—the Oneness and the Onliness—of the Creator but the “oneness and uniqueness of itself.” Humanity understands the individuality of its members as well as the terms of accountability for reciprocity of the Love of the Creator in the face of its unity and is fully aware that it is accountable as a corporate collectivity.

A number of verses of the Quran affirm and confirm the unity of mankind, for example, Verse 1 of Chapter 4: “O Humanity! Become actively-dynamically aware [develop the consciousness of the ever-presence] of Allah who created you from a single self and from her created her mate; from the pair He spread-forth multitudes of men and women.” And, again, in Verse 13 of Chapter 49: “O humanity! We created you all from one male and one female, and We made you into various nations and tribes so that you may have intimate knowledge of one another. Verily those [of you] with highest dignity [most honored] unto Allah are those who are most actively-dynamically aware [most conscious of the ever-presence of Allah]. Indeed, Allah is perfectly All Knowing, Fully Informed.” These verses are then capped by Verse 28, Chapter 31: “Neither your creation [was] nor [will] your resurrection be other than as one self.” These verses and those recounting the provision of physical-material as well as nonphysical faculties and facilities created for all humans that empower them economically and spiritually, form the cornerstone of the legislative framework of rules (institutions) for the socioeconomic-political behavior of humans. Resources are created for all humans, who compose one humanity, their diversity does not and should not mean their disunity, and, by the primordial covenant, not only do all humans recognize their own unity, but they also have full cognition of their responsibility to maintain the unity and integrity of the rest of creation through their service to humanity and

to the rest of creation, and to remove barriers to progress along the axis of *walayahh*. It is important to note that any attempt at divisiveness is a serious transgression because it leads to failure in enhancing and strengthening the recognition and actualization of unity.

As noted earlier, ultimate *walayahh* toward Allah—which is *ubudiyah* or adoration of the Creator through service to His Creation—is to be intended for and returned only to Allah and to no one else. That is, no one or nothing should be associated with the ultimate *walayahh* to Allah. The world is built upon and governed through a multitude of *walayahh*-relationships. The sun and the earth, the earth and the moon, a mother and son, a father and daughter, husband and wife, a prophet and the people whom he guides, a leader and a followers, teacher and students, all of these, among innumerable others, are examples of *walayahh*-relationships. But the crucial point is that each of these *walayahh* relationships is relative, not absolute; they are love (*walayahh*) relationships in specific and limited fields of human experience and existence. If love and allegiance are given ultimately to the objects of these limited fields, they become the focal point of *walayahh*, one cuts oneself off from the infinite field that lies outside the infinitely small field toward which one directs love and allegiance. Continuation of this process ultimately cuts one off from recognition of *Walayahh*. To be unjust is to direct ultimate *walayahh* to something or someone other than Allah. To place ultimate *walayahh* in any limited field of experience or existence is *shirk*: associating partners with Allah. On a primary level of understanding, *shirk* is very similar to polytheism: a belief in multiple sources and objects of *walayahh*. *Shirk*, however, is much deeper than mere belief or faith. It is the engagement of one's faculties—physical and spiritual—in adoration of and service to anything other than Allah. Since the unity of creation is a corollary of the Unity of the Creator, any act or thought that creates disunity or discord in the creation—for example, the acceptance of factors, such as race, color, creed, or anything else that compartmentalizes humans for different and discriminatory treatment, is ultimately a reflection of *shirk*. For this reason, the Quran condemns any basis for differentiation (for the purpose of doling out different treatments) among humans except righteousness, that is, complete consciousness of the ever-presence of Allah as reflected in Verse 13 of Chapter 49, and that only Allah can judge.

Walayahh of the Supreme Creator provides the basis for human dignity, which, in turn, empowers humans with the ability to utilize all material resources. Three other nonmaterial faculties of spirit allow humans to dynamically respond to *Walayahh*: (1) *aqil*, which empowers reflective reasoning in humans; (2) *fitrah*, which serves as an ultimate compass

imprinted on the essence of humans; and (3) freedom of choice; all provide full support for humans to be cognizant, fully conscious, and aware of the dignity of their human state. Once humanity made the correct choice by entering into a covenant of cognition of the Unity of the Creator and His *Walayahh* and of the acceptance of the trust-responsibility of returning the *Walayahh* of the Creator through the exercise of the gift of freedom of choice, humanity was then appointed as agent-trustee on earth. This, according to the Quran, was a momentous decision that even the angels questioned: "And when your Cherisher Lord said to the angels: I am making-appointing a agent-trustee on the earth, they said: Will You make-appoint therein one who will [undertake-cause-make] corruption therein and shed blood? He said: Verily, I know what you do not know" (30:2). It is important to note that a true agent-trustee is one who is fully aware of the trust-responsibility of carrying the *Walayahh* (being conscious of the active-dynamic Love of the Creator) and of returning it through the adoration of Allah through service to members of humanity and to the rest of creation so as to remove barriers from their path to becoming perfect *abd* (servant-adorer) of the Creator. This agent-trustee does not conceive of freedom of choice as autonomy to act in discordance with *Aql* (reflective-meditative reasoning).

The autonomy provided by the freedom of choice is exercised through compliance with rules (institutions) specified by the Creator that are necessary for a harmonious existence. Therefore, autonomy here is the exercise of freedom of choice in light of the responsibilities incorporated in the human state. The enigmatic response of the Creator to the angels seems to hint at the ability of humans to choose freely and responsibly in concordance with reflective-meditative reasoning in carrying out the duties of the office of agent-trustee. The hint relates to the possibility of human behavior different from that forecasted by angels in terms of utilizing the natural-material resources of the earth and the nonmaterial gifts of empowerment endowed by the Creator. It suggests the exercise of the freedom of choice by humans to behave on earth in accordance with the rules of behavior prescribed by their Creator, which, in turn, implies action and dynamism on their part to act in accordance with the Will of the Creator.

At the simplest level, Islam is the oral profession of the witnessing, the performance of five daily prayers (*salah*), the cleansing and pruning of wealth, a pilgrimage (required once in a lifetime), and fasting during the month of Ramadan. These, however, can be performed passively, statically, and superficially. At a higher level, the belief becomes active through the progressive expansion of consciousness that increases awareness of *walayahh*. That awareness, in turn, calls forth actualization of

the reciprocity of *walayahh* through active and dynamic service to other humans (to promote human solidarity) and to the rest of creation in adoration of the Creator. It is then that the human becomes an active and dynamic believer. The self in its essential wholeness becomes the agent of the Will of the Creator through the exercise of free choice. Here absolute freedom of choice becomes a vehicle for the self to think, meditate, reflect, intend, and act in accordance with the rules prescribed by the Creator. This state is referred to as the state of *iman*, a word derived from the verb *amina*, meaning safety and security. The state of *iman* is one in which one recognizes, believes, and acts, knowing that one is not only safe and secure, but actively and consciously aware of the source of that safety and security. Whereas Islam is delivering oneself into safety and security, *iman* is actually feeling oneself in the safety and security of the Cherisher Lord. This of course requires cognition and action. Islam is profession and testimony. *Iman* is profession and testimony by the tongue, recognition through the heart, and action through the body: "The Arabs say: we have become actively and dynamically believing. Say (to them O Messenger): You have not become active-dynamic believers. [They should rather] Say: we have entered Islam, for Iman has yet to enter your hearts" (12:49). Therefore, *iman* signifies acting upon and in accordance with belief, faith, knowledge, and consciousness.

Entering into *iman* is entering into a dynamic field of faith and work. Above all, it means a dynamic interaction with one's own self. The Quran identifies three signposts on the continuous spectrum of self-development. The first signpost is the self that surrenders to misdeeds (53:12) at the preliminary stage of self-awareness, when the self realizes that it is doing and saying things—in transgression of rules of behavior prescribed by the Creator—compulsively, in reaction to external stimuli and without resistance, as if obeying an order without question. The second signpost is the blaming self (2:75), recognized when one has made progress in demonstrating a large degree of resistance to the automatic-compulsive response to stimuli; the awareness of the self has strengthened to the point where if one stumbles and responds to rule transgression, the self begins a process of blame and chastisement for the acts of commission of transgressions or the act of omission of what has been prescribed. The final and highest signpost is the self, all of whose thoughts, words, and actions are in full compliance with the rules of behavior expected by the Creator, who then becomes "satisfied." The Creator's satisfaction simultaneously leads to the self being satisfied with itself (27:89).

The Creator has provided two mechanisms to push the self along this continuum: first is an interactive process of cleansing, which the Cherisher Lord initiates. The self responds, and this interaction of cleansing pushes

the self along the path. The person follows the prescription of self-cleansing, which is a process of strengthening self-control through the teachings of the Quran as expounded and exemplified by the Prophet (23:33). In the language of the Quran, the interactive relationship of the two forms of cleansing the self so that it can resist compulsively obeying the impulse to commit misdeeds are *tazkiyah-tazakkiy*. *Tazkiyah* is that aspect of Allah's *Walayahh* relating to causing, affecting, and cultivating the self-awareness to strengthen Allah-consciousness, which then allows the human to draw closer to the Creator and to reach harmony with His Universal *Walayahh*. *Tazkiyah* is thus a cleansing-purification process that is a particular manifestation of Allah's *Rububiyyah*, the active *Walayahh* that emanates from Allah. *Tazakkiy*, on the other hand, is the cleansing-purification process that emanates from the human. Self-awareness involves consciousness of the Creator. *Tazkiyah* is a gift given by Allah; *tazakkiy* is acknowledgment of the gift received and thus the gift reciprocated through strengthening of the self-cleansing and self-purification process.

Through *tazakkiy*, the human makes a free choice to become purified. The dual interactive processes initiate and push forward the process of becoming a perfect human, one who is fully aware of self, fully conscious of its Creator and, through the exercise of the gift of the freedom of choice, fully in compliance with the rules prescribed by the Creator. *Tazakkiy* is a particular case of *ubudiyyah*. The Quran explains, clearly and precisely, the didactical relationship: "Have you not seen those who consider their selves being purified? Nay, it is Allah who [*Yuzzakiy*] purifies whom He wishes, and they shall not be treated unjustly [not even to the extent of the small skin in the groove of a date-stone, *fateelah*]" (49:4). Another verse makes it clear that purification and cleansing is initiated by the Creator, engaged in by the human for the purpose of strengthening Allah-consciousness (namely, *taqwa*): "As to those who avoid major misdeeds and shameful acts, other than those committed unintentionally, your Cherisher Lord's forgiveness is indeed expansive. He is the most knowledgeable about you ever since He composed you from the earth and ever since you were embryos in the wombs of your mothers. So do not [pretend that] you [on your own and independently] purify and cleanse yourselves. He is the most knowledgeable about who is actively aware [and Allah-conscious]" (21:53). These two verses underline the notion that no human is an island so isolated and independent as to embark on self-purification independent of the *Walayahh* and *Rububiyyah* of the Creator. Rather, it is Allah Who initiates and activates the process. Whatever one achieves in self-cleansing is ultimately an outcome of the Grace, Mercy, and Love (*Walayahh*) of Allah. On the other hand, humans are not left without any responsibility in the

cleansing and self-development process. Rather, they are charged with the responsibility of responding to the process of *tazkiyah* positively and freely through *tazakkiy*: “Surely the one who has done self-purification [*tazakkiy*] has indeed achieved salvation” (14:87). That the didactic process of self-purification is a matter of free choice for humans and is ultimately for their own benefit is clearly underlined by the Quran: “And whosoever has done self-cleansing [*tazzaka*] has done purification for his own self; and to Allah belongs the destination [of the process of becoming]” (18:35).

In summary, it is clear that the agent-trustee office bestowed on humans requires the activation of the nonmaterial gifts from the Creator that empower humans to perform their responsibility of agent-trustee. To this end, however, a self-cleansing and purification process is required; one which would allow a judicious and meditative-reflective response from a self who is in control and command of itself. This process of cleansing initiated from the Treasure House of *Walayahh* also activates the process of progression from Islam to *iman*, thus the person moves up the ladder of ascension from a Muslim to a *Mu'min* (believer). From a state of oral submission, the person moves to a dynamic and active state of feeling and believing in the security of *Walayahh* (active-dynamic Love) of the Creator and reciprocating that Love by the adoration of the Creator and service to His Creation. This is why the word believer (*Mu'min*) needs the prefix “active-dynamic.” This is also why it has been said: “*Iman* without commensurate action is like a body without a head.” It is this type of believer about whom the Quran says, “Surely the human is in loss. Except those who actively and dynamically believe while doing righteous deeds and exhort [council] one another to the truth and exhort one another to patience” (2–3:103). And “Allah is the *Waliiy* of those who actively and dynamically believe and extracts them from darkness toward light” (257:2). Also “Those who become active-dynamic believers and do not mix [degrade] their belief with injustice, for them is security and they are rightly guided” (82:6). The reason active-dynamic believers feel secure is because as *iman* strengthens, *walayahh* provides them with the *sakiynah* (tranquility), which increases and strengthens their *iman*: “He it is who sent down the *sakiynah* [tranquility] into the hearts of the active-dynamic believers, that they may add [strengthen] *iman* to their *iman*” (4:48). These humans are told: “Do not feel degraded nor should you feel sadness and you are highest if you are indeed active-dynamic believers” (139:3). “And those who believed [felt secure] in Allah and the Last Day and undertook doing righteous deeds, [for them] there is no fear nor will they experience sadness” (62:10). Here, fear relates to potential losses in the future and sadness relates to regrets over past losses. Clearly only those who believe and act commensurate with their belief, that is, working continuously

at purification and self-cleansing, are capable of discharging the duty of agent-trustee.

The preceding pages have emphasized that believing is not a sterile, static, superficial, and passive verbal-physical expression and pretension to Islamicity. There is a process instituted by the Creator that serves to energize the ascending movement and progress of the self toward its perfection. This is the crucible of the constant testing of the strength of a human's belief by bringing the self face-to-face with its own strengths and weaknesses. The trials of the human state are vehicles by which the self becomes aware and knowledgeable about itself. These tests help the self identify the challenges it faces in achieving self-command. The trials vary in their intensity commensurate with the self's progress. Belief must withstand the constant dynamics of the challenge of being tested in the crucible of trials. Thus, in Verse 2 of Chapter 29 the Quran asks, "Do the humans think that they will be left alone saying: we believe, and they will not be tested?"

In an unambiguous verse, the Quran declares, "Indeed the human is fully cognizant of [the condition of] his self even if he [constantly] gives excuses" (14–15:75). And, at every moment of life in this physical plane of existence, the human behaves in accordance with the state of his dynamic progress (or regress) toward (or away from) perfection. This the Quran proclaims: "Say (O Messenger): Each one acts according to his disposition, but your Cherisher Lord knows best who is on the best-guided path" (84:17). The testing begins early in the every human's evolution and proceeds until the end of experience on this plane of existence: "Verily We created the human from a fluid-mixture [sperm] testing him thereafter We endowed [empowered] him [with] hearing and sight. Verily We guided him to the path then he is either grateful or ungrateful" (2–3: 76). Verse 3 suggests that humans are aware of the *Walayahh* of the Supreme Creator and of all the gifts that accompany the Love of the Creator. They then either acknowledge them with gratitude by acting according to rules (institutions) provided for progress toward perfection, or they do not acknowledge them and become ungrateful by transgressing the rules of behavior, regressing to the point of becoming "like animals or worse," as mentioned in Verse 79, Chapter 7. All the while, and regardless of the path humans choose, they are told: "O human, verily you are struggling hard toward your Cherisher Lord, and thus you will meet Him" (6:84). That this struggle is a continuous and dynamic process is revealed in Verse 126 of Chapter 9: "Do they not see that they are tried every year once or twice? Even then they do not turn repentant to Allah, nor do they remember" (126:9). Humans respond to every test, trial, or tribulation in their life. It is this response that signals the measure of their

progress in becoming self-aware and Allah-conscious. If the reaction-response is rule-compliant, then the trial becomes an occasion for self-development through stronger belief and a feeling of security within the field of *Walayabbh* (Love) of the Supreme Creator. The person is then more able to respond through the demonstration of *walayabbh* (active love) to other humans through service in adoration of the Creator and gratitude for all His Gifts and Blessings. This is self-progress.

The importance of knowledge is so emphasized in Islam that the number of related sayings of the Prophet on the subject is staggering. In one of the most authentic of these sayings the Prophet asserts, "The seeking of knowledge [*ilm*] is obligatory on every Muslim. Ah! Surely Allah loves the seekers of knowledge." Another famous saying is "Seek knowledge, even unto China." The Quran makes clear not only the importance of knowledge but also its unlimited expanse to the point that it exhorts the Prophet to pray: "Say (O Messenger): My Cherisher Lord, increase my knowledge" (114:20). It is obligatory for a Muslim to consider gaining knowledge as a never-ending pursuit. In one saying, the Prophet categorizes useful knowledge as "Three: the Firm Signs [*Ayatu Al-Muhkamah*], the Just Duty [*Al-Faridhatu Al-Ádilah*], and the Established Tradition [*Al-Sunnatu Al-Qa'imah*]."³ Of the many words comprising the vocabulary of the Quran, there is hardly a single word as fundamental as *ayah*, which has been rendered as "sign." An *ayah* is something that stands in relation to something else such that the cognizance of the sign leads to the cognizance of the thing represented by the sign. A firm or unambiguous (*muhkamah*) sign or *ayah* is one whose significance is immediately recognized in relation to what it represents.

There are cosmological dimensions of Islam. They relate to the cosmological *Walayabbh* embracing that cosmic Love that Allah gives to His Creation through His Signs in the macrocosm (the universe) and the microcosm (humans and individual elements of the universe), by means of which creation may achieve recognition of Him. As well, His Signs embrace the response of creation to the cosmic *Walayabbh* that constitutes the recognition of Allah. The process is explained in Verse 93 of Chapter 27: "Say (O Prophet): Praise belongs to Allah; He will show you His Signs so that you may cognize them." And, again in Verse 53 of Chapter 41: "We will show them our signs in the horizons and in their own self until it becomes manifestly clear to them that indeed He is the Real." The fact that the Prophet first mentioned this knowledge (science) is because more of the Quran deals with cosmological *Walayabbh* than with any other topic. The word "just" in the second science (knowledge) mentioned by the Prophet is the translation of the word *adilah*, from *ádl* (justice, balance) explained earlier. This science deals with ethical

and moral qualities, which it aims to balance. For example, bravery is the balance between foolhardiness and cowardice. The knowledge and science of just duty is indispensable for humans as they pursue the path of progress. More specifically, through the progressive learning of the knowledge of just duty, a person learns experientially (through tests and trials) the significance of the rules of behavior prescribed by the Creator for harmonious progress on this plane of existence and an easy transfer to the next.

The knowledge of rules describes the path from Islam to *iman* in its various stages and characteristics such as gratitude, patience, righteousness, honesty, justice, struggle, and forbearance. Much of becoming intimately and experientially familiar with the knowledge of just duty relates to the progress of the self. It empowers and strengthens the working of the spirit gifted to humans. It can be referred to as spiritual *walayahh*, that is, the force of love of the Creator that spurs progress, growth, and development. Spiritual *walayahh* also includes the response of the self to Allah's growth-inducing *Walayahh*, which empowers and strengthens the self-command and control indispensable to the performance of the office of agency-trusteeship. After cosmological *Walayahh*, spiritual *walayahh* is the main topic of the Quran.

The final science mentioned by the Prophet is the Established Tradition (*al-sunnatu al-qa'imah*), which is, specifically, the knowledge of the traditions of the Prophet's practices, which operationalized the Metaframework into the Archetypal Model. The collectivity of these traditions is called "the *Sunnah*" of the Prophet, which includes his sayings and practices relating to rituals and to legal, civil, social, economic, and political rules of behavior that explicate, clarify, and particularize the general-universal rules of the Metaframework. The traditions of the Archetypal Model may be called "legislative *walayahh*," whose main function is to specify rule-compliance as the blueprint of how humans can engage in self-development to cultivate self-command and control; of how humans are to interact with others of their kind and with the rest of creation; and of how to establish a personal life and a collective community of harmony and justice. In short, these traditions specify to humans how to adore and serve the Supreme Creator, that is, how to reciprocate His *Walayahh*. Compliance with legislative *walayahh* reduces the uncertainties of life on this plane of existence, and as belief (*iman*) strengthens on its path of progress toward perfection, the self feels safer and more secure until it achieves the state of full certainty (*yaqeen*) in cosmological *Walayahh*. Compliance with legislative *walayahh* provides the grounding for spiritual *walayahh*, which, in turn, provides the grounding for cosmological *walayahh*.

The three *walayahhs* are so interconnected in the Quran that in practice it is difficult to provide a taxonomy of sciences that fit neatly into any single branch. For example, medicine belongs to cosmological *walayahh* because it deals with the physiological structure of the human body. It is part of spiritual *walayahh* because soundness of body is essential to the cultivation of the self. And medicine is importantly related to legislative *walayahh* because of its dimension of service to humans who need a sound body to serve and adore the Creator. Any science that is beneficial to humanity and the rest of creation finds a place within the scope of *walayahh*. Within this framework, knowing is achieving an intimate understanding of something, someone, or some phenomenon. This mode of knowing is referred to in the Quranic context as *ma'rifa*, signifying direct experiential knowledge, recognition, and awareness that are more specialized than knowledge in general (*ilm*). *Ma'rifa* is often called conjectural knowledge in epistemology. It may also be called phenomenological knowledge and can be contrasted to another form of knowledge known as propositional knowledge. For example, one can live in the tropics and know that snow is white; this is propositional knowledge. But one has to see, feel, and play in snow and get one's socks wet to be able to have an experiential knowledge of snow. The closest word in the English language for *ma'rifa* is cognizance.⁴ Thus, the *ma'rifa*, phenomenological knowledge or cognizance of a given thing, constitutes a distinct knowledge and awareness of that thing. The ultimate aim of sciences is the cognizance of Allah.

The first and primary manifestation of *walayahh*, or active-dynamic loving for someone or something, is the *ma'rifa*, or cognizance of that someone or something. Cognizance is a prerequisite for truly active-dynamic loving (*walayahh*). The essence of any activity of *walayahh* is intimate knowledge or *ma'rifa*. Allah is reported to have said to the Prophet: "I was a Hidden Treasure and Loved that I be cognized. So I created the creation in order that I be cognized." Accordingly, *ma'rifa* or cognizance is not only the essence of positive *walayahh* toward the Supreme Creator, but it is also the very purpose of creation itself. Verse 56 of Chapter 51 of the Quran declares, "And I did not create jinn and humans except that they should adore and serve Me." This act of adoration is ordained because through it a person achieves ever-consciousness of the Supreme Creator, Nourisher, and Sustainer and strengthens certainty. In turn, increased consciousness and certainty further strengthen rule-compliance. The stronger the rule-compliance, the purer any act of *walayahh*, since serving the Lord means serving mankind with the purest of intentions, namely, serving the Supreme Creator through service to His Creation.

Earlier it was pointed out that adoration and service, called *ubudiyah*, is the ultimate *walayahh* on the part of the creation, reciprocating

the *Walayahh* of Allah. It was also noted above that true love is not possible without direct experiential knowledge (*ma'rifa*) or cognizance of the object of love. Therefore, *ubudiyyah*, or the return and reciprocation of the love of the Creator in the form of His Adoration and service to His Creation, is not possible without the cognizance (*ma'rifa*) of the object of *ubudiyyah*, namely, Allah. *Ībada*, therefore, is the vehicle of *walayahh* by which humans demonstrate their *walayahh* by reciprocating the love of the Creator by loving and serving their own kind and the rest of creation in adoration of their Creator. The most important dimension of the adoration of Allah is removing barriers on the path of other humans so as to empower them to be able to perform their own function of *ubudiyyah*. For example, the Prophet said, "Poverty draws near to becoming *kufur* [rejection of faith]," signifying that involuntary destitution leaves very little room for *ibadah*, or adoration of the Creator. In other words, poverty and destitution are barriers on the path of progress of the poor toward their perfection. Removing these barriers from the path of the poor is an act of *ibadah*, a demonstration of the *walayahh*, the active-dynamic love for one's own kind in adoration of the Creator and in return for His Active-Dynamic Love for His Creation. The didactic process of *Walayahh-walayahh* is clear: first, the empowered person is able to remove the barrier on the path-to-perfection of the poor; in turn, the removal of the barrier of poverty reflects that person's *walayahh* for the poor as an acknowledgment of the unity with the other and the adoration of the Creator through service to His Creatures.

As will be argued later, the *ma'rifa*, or intimate knowledge of *Rubabiyyah-ubudiyyah*, is intimate knowledge of *Walayahh-walayahh*, and it provides the fundamental basis for understanding the responsibility of *khalifa*, namely, the agent-trustee, whose function is that of sharing the risks of life in order to smooth out for all the path of adoration of the Supreme Creator. It has been mentioned that reducing the risk of poverty and destitution is an act of *ibadah*, or adoration of the Creator. In politics also, ensuring that no human is deprived of the freedom of choice by sharing the political risk of standing up for justice is an act of *ibadah*. Generally, any action taken to ensure the ability of other humans to activate the gifts granted to them by their Creator—*walayahh*, *karamah*, *khalifa*, and associated faculties of spirit, *aqal* (the power of meditative-reflective reasoning), *fitrah*, and *free choice*—is an act of adoration of the Creator. If there are no external sources of barriers on the human path-to-perfection, complying with the rules of behavior specified by the Metaframework and in the Archetypal Model will ensure a harmonious personal life and a just social order.

For individual humans, Islam is a process governed by "just duty," the second type of knowledge named by the Prophet. The Quran commands,

“So set your orientation toward unwavering *deen* (which is) the *fitrah*, the nature upon which Allah created the human kind. There is no changing the Creation of Allah. That is the upright *deen*; however most of humanity does not know” (30:30). The *deen*—the way of life—mentioned in this verse is the way of Islam and *úbudiyyah*, namely, the way of *walayahh* in response to the love of the Cherisher Lord extended to humanity. This verse asserts a one-to-one correspondence between that way of life (*deen*) and the primordial nature, which constitutes the essence of humans, clearly implying that Islam is the manifestation of the primordial nature of humans. That nature, the verse declares, does not change no matter how out of harmony a human may be with it at a particular moment. The primordial nature itself is fully and firmly oriented toward its Creator. The way of life that is Islam is the program that, if followed and fully operationalized, will align the orientation of the self with that of the primordial nature and, ultimately, Islam.

The knowledge of just duty—an intimate knowledge of the rules of behavior—and the implementation of that knowledge align the self with its primordial nature, resulting in inner harmony. The word *deen* and *dayn* share the same root structure. *Dayn*, however, means a debt. There is a debt to be repaid. The Creator’s *Rubabiyyah* and His Love for His Creation (His *Walayahh*) must be reciprocated by individual humans through loving service to their kind and to the rest of creation in adoration of the Creator. Without Allah, nothing and no one has any reality or existence. In a sense, these are contingent liabilities of humans to their Creator, they are “borrowed” in effect, because humans do not have, in and of themselves, the ability to create independently of the One and Only Creator. Out of His Love, Bounty, Mercy, and Wisdom, Allah lends humans their existence, life, and provisions. There is only one way to repay this debt: through *úbudiyyah*, that is, reciprocating the love (*Walayahh*) of the Creator by service to other humans and to the rest of creation in adoration of the Creator. That *úbudiyyah*—the loving-adoring servanthood—is the currency of this debt repayment. As Verse 19 of Chapter 3 declares clearly, “Verily the *Deen* unto Allah is Islam [submission and deliverance into the safety and security of Allah].”

The process of Islam is a gradual process of debt repayment as self-awareness and Allah-consciousness initiate a process of self-purification and cleansing. The more purified the self becomes the more directed its life-orientation becomes. The gradual submission of the will of the self to the Will of the Creator, by the exercise of the freedom of choice, occurs through the process of rule-compliance. The rules express the Will of the Creator and a manifestation of His Love for all humans. Therefore, the closer and the more completely the human freely chooses to comply

with the rules, the greater the convergence with and submission to the Will of the Creator. This process was earlier described in the progress of humans from the state of *Islam*—the oral profession of faith and superficial performance of ritual duties—to the field of *iman*, where the individual enriches the process with dynamism and action. It is a continuous process of adaptation. The Quran makes clear that the term-limit of this crucible for individual humans begins with birth and ends when the person leaves this plane of existence. Thus, verses 1–2 of Chapter 67 state that “Hallowed is He in whose Hand is the majesty and Who has power over everything; Who created death and life in order to test you as to who acts most beautifully.” Becoming aware of the self and conscious of the Creator and gradually recognizing that progressive rule-compliance lights up an inner torch by which the self recognizes the actions, which through rule-compliance constitute the most beautiful, namely, most pleasing to Allah.

The awareness that the self cultivates, in progressive self-purification, and the consciousness it feels toward the ever-presence of its Creator and what pleases and what displeases Him is called *taqwa*. In every move, the self is aware of consequences. And, by ensuring that it acts and reacts correctly, the self uses its power of meditative-reflective reasoning (*áql*). It is in this sense that the self becomes progressively rational as its behavior becomes rule-compliant in an effort to please Allah. As if it were walking on eggshells, the self’s actions become more and more deliberative, reflective, reasonable, and rational in the sense that its actions become progressively rule-compliant. Afraid of displeasing the loving Cherisher Lord, the self strengthens its rule-compliance. The greater the intensity of the fear of displeasing the Lover, the greater the force of *taqwa* and the more “beautiful” the actions the self motivates. The more self-aware and Allah-conscious the self becomes, the more Allah-centered the life experience of the self becomes. The actions of this self are all “beautiful” because its behavior has the quality of adoration described by the Prophet: “Adore Allah as if you see Him [while cognizing] that even if you don’t see Him, He sees you.”⁵

Choosing freely to comply with rules specified in the Metaframework as well as in the Archetypal Model also means surrendering one’s decisions in matters that Allah and His Prophet have already ruled on. For those who have already moved from the state of *Islam*, namely, those who orally profess the faith and superficially and statically perform its ritual, to the state of *iman*, that is, where belief has become dynamically active in service to the creation in adoration of the Cherisher Lord, choices converge and correspond to those of Allah and His Prophet. A verse of the Quran (36:33) makes this point clear: “And there is not for [an

actively and dynamically] believing male [*mu'min*] and [an actively and dynamically] believing female [*mu'minab*] a choice in their affairs about which Allah and His Messenger have [already] rendered judgment; and whoever disobeys Allah and His Messenger has indeed strayed [regressed in the path toward perfection] a manifest straying." That is, the believer in progressive ascension, who is both self-aware and Allah-conscious, chooses freely to follow the Metaframework and the Archetypal Model. Once this choice is made, the believer has simultaneously chosen to comply with rules mandated by the Creator. It is *taqwa*, the inner torch of Allah-consciousness, which the Quran points to as the guarantor of rule-compliance necessary for achieving certainty, success, and salvation (*falah*) for a self-aware, dynamically active believer. Believers are constantly tested: "Those are the ones whose heart Allah tests for conscious-awareness [of Allah]" (3:49). There is a persistent drumbeat of exhortation in the Quran (in more than 200 verses) and in the traditions of the Prophet regarding *taqwa* as the mechanism that empowers self-purification, self-command, control, and rule-compliance. Activation and dynamization of *taqwa* represent the most important and continuous struggle (the greater *jihad*) of the believer. Thus the Quran (1:4) exhorts, "O humans: Become [actively and dynamically] conscious of [the ever-presence of] your Cherisher Lord who created you from one single soul [self] and created from her its mate, and from the pair He spread forth multitudes of men and women. And become [dynamically and actively] conscious of Allah from Whom you beg for yourselves [that Allah meets your needs] and those of your kin."

To get a better sense of *taqwa*, it may be possible to combine its two elements of self-awareness and Allah-consciousness into one term to represent *taqwa* as conscious-awareness composed of what the self-aware person does when faced with imminent action-choice. *Taqwa* generates vigilance in humans, empowering their ability to be meditatively and reflectively rational in decisions not to transgress the rules specified in the Metaframework or Archetypal Model for fear of displeasing the Cherisher Lord. The conscious-awareness of Allah is heavily tinged with a sense of awe and reverence as one traverses the path-to-perfection. The rewards for a believer who is consciously aware of the Cherisher Lord are many and are enumerated in the Quran. In a number of verses the Quran proclaims that Allah is always with and loves those who are consciously aware of Him (76:3, 4:9, 7:9, 36:9, 123:9, 85:19, 35:43, and 54:54). A few examples should suffice to underline the importance of *taqwa*: "Verily the most honored and greatest in dignity before Allah are those of you who are greatest in being consciously aware [of Allah]" (13:49); "O you who believe become consciously aware of Allah and believe in His Messenger,

He will give you twice as much of His Mercy and will make for you a light wherein you shall walk [the straight path-to-perfection] and forgives you for Allah is oft-forgiving, most merciful” (28:57); “For those who are consciously aware [of Allah] are with their Cherisher Lord in gardens under which rivers flow” (15:3); “Those who are consciously aware of their Cherisher Lord are driven to the gardens in multitudes” (73:39); “If you believe and become consciously aware [of Allah], for you is a great recompense” (179:3); “O you believers if you become consciously aware of Allah, He will make for you a criterion [to easily distinguish between right and wrong] and wipe out your misdeeds and forgive you; and Allah is the Lord of Mighty Grace” (30:8); “Whosoever becomes consciously aware of Allah, He will make for him a way out [of all troubles] and provide his sustenance from where he does not reckon” (2–3:65); and “Become consciously aware of Allah and Allah will teach you; Allah is fully knowledgeable about all things” (282:2); “Whosoever becomes consciously aware of Allah, He will make his affairs easy for him” (4:65); and “Whosoever becomes consciously aware of Allah, He will wipe out his misdeeds and will increase his rewards” (5:65).

The fact that this conscious-awareness of the Creator means actively and dynamically believing, which, in turn, means becoming compliant with prescribed rules of behavior is implied by all these verses. Indeed, the Quran makes clear that the degree of rule-compliance is a benchmark against which the strength of both belief and conscious-awareness (*taqwa*) is measured. It is also rule-compliance that achieves and strengthens conscious-awareness of Allah:

Say (O Messenger): Come! I will recite to you what your Cherisher Lord has forbidden to you: that you do not associate anything with Him, and act beautifully toward your parents, and do not slay your children for fear of poverty. We will provide your sustenance and theirs. And do not draw near shameful deeds, in open or in secret, and do not take a life, which Allah has forbidden, save in the course of [administering] justice. This He enjoins on you, in order that perhaps you may meditatively and reflectively reason. And do not approach [meddle with] the property of an orphan, save that [you manage it] in the best way until the orphan reaches maturity, and be faithful in weights and measure in justice [*qist*]. We do not task a self except [that which is] commensurate with its capacity. And when you speak, be just, even if it is against your kin; and fulfill Allah’s covenant. This He enjoins upon you so that you become mindful. And [He commands that] indeed this is My straight path, therefore, follow it, and do not follow [other] ways for they will deliver you away from His Path. This He enjoins upon you so that perhaps you will become consciously aware [of Allah]. (152–154:6)

That compliance with the rules of the Metaframework will promote conscious-awareness of Allah is reiterated in Verse 156 of Chapter 6 of the Quran: “And this [Quran] is a blessed book We have sent down, therefore follow it and become consciously aware so that you may be shown mercy.” And also in Verse 2 of Chapter 2: “This is the Book; there is no [basis for] doubt in it, guidance to those who are consciously aware.” It should be noted that believers who have as yet to achieve full conscious-awareness could from time to time transgress and not comply with the prescribed rules of behavior. In a large number of verses of the Quran, references are made to the failure of believers, at times, to be compliant with the prescribed rules. For example, in two terse verses Allah says, “O you who believe, why do you say that which you [yourselves] do not do. It is most hateful in the sight of Allah that you say what you [yourselves] do not do” (2–3:61). In these cases, faced by a test or a trial, the believer’s response fails in self-command and control. The remedy exhorted by the Quran for this failure in rule-compliance is immediate repentance, the effect of which is a return to the original position on the path-to-perfection thanks to the mercy of Allah, since the believer has recognized the breakdown of self-control. With immediate repentance (*tawbah*) there arises the likelihood that the believer will be more resistant to the same kind of stimulus in the next test. In Verse 17 of Chapter 4, the Quran says: “Verily, Allah accepts repentance of only those who transgress [against prescribed rules] because of ignorance, then quickly turn [to Allah]; these are they toward whom Allah turns mercifully, and Allah is All-Knowing, Wise.” Repentance, particularly quick repentance after the commission of a transgression against a prescribed rule, involves reflection on the impact of such actions on others and on consequences for the self. In turning to the Creator in repentance, the effect and consequences of the misdeed are revoked, but the Sovereignty of the Cherisher Lord over one’s self, one’s actions, and their consequences is also reaffirmed. Repentance makes the self resistant to reoccurrence of the same or similar wrong response to stimuli, thus strengthening self-command and control.

Just as reflection on the adverse impact of wrongful behavior leads to the achievement of self-control, and just as repentance is an important mechanism of self-purification, so is prayer (*du‘a*) a mechanism that relates to a need for change. It is clear that repentance is a special case of prayer in which one is turning to one’s Loving-Cherishing Creator, in recognition of His Absolute Power over all things, with the request for diminution and elimination of the impact and consequences of an act of commission or omission of a prescribed rule. In general, prayer is considered a very

important element of the options generously provided to humans by the *Walayabih* of the Creator to meet the challenges posed on the path-to-perfection. The Quran considers prayer so crucially important in this context that in a direct and clear verse (77:25) it exhorts: “Say (O Messenger): My Cherisher Lord would have nothing to do with you were it not for your prayer.” The dynamic interaction involved in prayer consists of a request by the *abd*—the adoring servant—to the Lord Creator. This seemingly simple act contains an important signal of the degree and the strength of the *ubudiyyah* of the person praying. In this simple act lies the entire spectrum of the early stage of Islam to the heights of the perfected human being (*Al-Insan-ul-Kamil*). The more focused the prayer is on the Lord (as the Only Listener, Acceptor, and Implementer of the prayer), the stronger the belief and likelier the chance of actualization of the content of the prayer.

In Verse 86 of Chapter 2, Allah addresses His Messenger: “And when My servants ask about Me, then verily I am very near. I answer the prayer of the supplicant when he beseeches Me. Therefore, they should respond affirmatively to Me and believe in Me, so that perhaps they would experience progress in self-growth.” This verse is highly significant in many respects. First, it is reported that the verse was revealed when the Messenger of Allah was asked whether He was near, meaning one need only whisper one’s prayer, or whether He was far, which would require loud supplication. The verse demonstrates that once the question is posed, the Loving Cherisher Lord responds directly—no longer relying on the intermediation of the Messenger—addressing humans directly; the intermediation of the Prophet in delivering this important message is indirectly implied. Second, it is the verse in the Quran in which the Lord uses the first person pronoun seven times. The significance of this unusual structure of the verse lies in the fact that the prayer has to be fully addressed to the One and Only without any element of impurity of association (*shirk*) of anything or anyone with Him as the Sole Active Doer in the universe. The incentive lies in the quick response to the prayer. Third, the verse designates prayer as an instrument of self-development. Again, this is due to the fact that once the prayer is fully addressed to the Cherisher Lord and to Him only, it signifies the degree to which the self has been purified. The Prophet reports that Jesus was asked how one should pray. Jesus responded that the quality of prayer should be that of a drowning person, meaning the prayer of a person who has lost hope for help from all others and is left only with the hope of turning to the only One left. This is made clear in Verse 62 of Chapter 27 of the Quran: “Is He not Who answers the prayer of the distressed when he calls to

Him and removes the distress and makes you *Khulafa* [agents-trustees] in the earth? Is there any other god along with Allah? How weak is your remembrance.”

The Quran also reflects that humans are likely to remember their One and Only Creator, Cherisher Lord only when they are in dire need with no one else to turn to. Then, immediately after their distress subsides, they are prone to forgetfulness and negligence. “And when any affliction touches the human he cries out prayer to Us—whether lying on his side, sitting or standing—but when We relieve his affliction for him, he moves on as if he had never cried out to Us because of the affliction that touched him” (12:10). The Prophet is guided to the correct manner of focused prayer (*du'a*) when he is directed to say:

And I have been ordered that I should be of the believers, and [I am commanded thus] set your orientation toward the upright *deen* and be not of the associators [polytheists and idol-worshippers], and do not beseech [pray to, call on] any [one or thing] other than Allah, those who can neither benefit you nor harm you; for if you do so, then [beware], you will certainly be of those who are unjust. And should Allah destine you harm, then there is none but He Who could remove it, and if He destines you good there is none who could reject His Grace, it will reach whomsoever of His adorer-servants He wishes; and He is oft-forgiving, merciful. (104–107:10)

The Quran also makes it clear that indeed all the messengers, prophets, and lovers of Allah followed this procedure in their fully Allah-focused prayers (see e.g., 38:3; 22:44; 10:54; 20:72; 40:14; 3–9:19; 25–36:20; 76–77, 83–84, 87–90:21).

Summary

In this chapter, we have reviewed the major foundational elements of development in Islam: (1) individual self-development, (2) the physical development of the earth and its natural resources, and (3) the development of the human collectivity. Together they constitute the rules-based compliance system, which assures progress on the three interrelated dimensions of development. The authentic commandments left by the Messenger as well as his explanations and applications of the rules prescribed in the Quran are in principle as authoritative as the Quran itself. This is because the Quran declares that “He [the Messenger] does not speak out of his own whims. Indeed, it [his speaking] is naught but the revelation revealed” (3–4:53); “Say (O Messenger): If you love Allah then follow me, Allah will love you

and forgive your transgression; Allah is oft-forgiving, merciful” (31:3); and “Whosoever obeys Allah and His Messenger, verily he has achieved a great success” (71:33). That obedience in rule-compliance is a voluntary free choice is reiterated in the following verse: “He who obeys the Messenger, then indeed obeys Allah; and he who turns away [remember O Messenger that] We have not sent you to watch over them” (80:4). And “We have sent you as a witness, bringer of good tidings, and a warner” (8:48); “We have not sent you save as a bringer of good tidings and a warner to the humanity; but most people do not cognate” (28:34); and finally “We did not send you other than as a mercy to [all] the universes” (107:21).

The rules specified in the Metaframework and in the Archetypal Model are given so that humans can achieve the fullest potential individually and collectively. In practical terms, that means using the gifts of the Supreme Creator to their full potential to make progress toward human perfection possible. The gifts are given to humans because of the Love (*Walayabb*) of the Creator for humans (because the human is the crowning achievement of the creation containing the Spirit of the Creator) in manifestation of His *Rububiyya*. This manifestation, in turn, justifies the high human dignity (*karamah*), which deserves and receives recognition in the primordial covenant, which then establishes the human’s acceptance of the heavy responsibilities of the office of agency-trusteeship (*khalifah*). The degree of rule-compliance determines the quality of the individual and collective progress. Rule-compliance brings self-development, which, in turn, leads to the cognition of the oneness of humanity as a manifestation of the Oneness of its Creator. The greater the degree of cognizance of the Oneness and Uniqueness of the Creator, the stronger the feeling of oneness with humanity and the rest of creation, and the closer convergence of the interests of “one” with those of the “other” and with those of “all.” This process is manifested—in cognition of the liability of returning the debt created by the Love and accompanying blessings of the Cherisher Lord—in *ubudiyyah*, the service to other humans and to the rest of creation in adoration of the Creator. This *Rububiyyah-ubudiyyah* or *Walayabb-walayabb* interaction sets development in motion through an active-dynamic process of self-purification that gradually strengthens belief.

Shirk means associating anyone or anything with the Supreme Creator. In practice, it translates into the fragmentation of humanity. This illusory fragmentation generates further illusions of “me and mine” and “us versus them.” Self-development, therefore, means cleansing the self from impurities stemming from the illusion of conceiving of the creation as multiplicity. Just as the Unity of Allah is reflected in the Unity of His Creation, His *Walayabb* (love-bond with His Creation in general and with humanity in particular) is also reflected in the *walayabb* of humans. Just as some reject

the Oneness of the Creator, the rejection is, in turn, the basis of a rejection of the *walayahh* of humans for one another and for the rest of creation. This then replaces love for the “other” and for “all” by enmity toward “some.” This “some,” however, leads to smaller and smaller collectivities of humans until, eventually, it becomes “all” and “everyone” or, in Hobbesian terms, “the war of all against all.”

The process of self-development thus requires self-purification, which begins with self-awareness, the first sign that the self does not have an independent existence without its Creator. This awareness starts an interactive process in which Allah empowers the self to use the gifts of the spirit (*ruh*), of primordial nature (*fitrah*), of reflective-meditative reasoning (*‘aql*), and of freedom of choice as instruments to help him along the path-to-perfection. Progress indicates further advancement in the act of cognizance of the Unity of the Creator and His Creation. For example, the degree of sensitivity the person shows in feeling the pain and suffering of the “other,” is an indication of the progress of purification. All the rules of behavior prescribed promote the unity of mankind and belief. The stronger the belief (*iman*), the less the degree of uncertainty, and the stronger the feeling of safety, both physical and psychological, and of security in the Creator. The gradual, interactive process of self-purification strengthens belief by generating the incentives of living a stress-fear-regrets-free life, referred to as “a good, plentiful, and pure life [*hayat tayyibah*].” Such a life results from undertaking active and righteous deeds that remove barriers on the path-to-perfection for oneself, as well as for other humans. The Quran holds this promise: “whoever, male or female, that undertakes righteous action while being a believer, We shall certainly cause [him/her] to live a good and pure life, and We shall certainly provide them with best reward for what they do” (97:16).

In addition to nonphysical gifts, humans are empowered by the Creator to utilize natural-physical resources as agent-trustees. The more the self is purified, the greater its orientation toward its Creator and the greater the use of the gifts, natural-physical and nonmaterial, to the benefit of other humans and of the rest of creation. That is, the better the discharge of the agent-trustee responsibilities, the stronger the Allah-orientation of the individual, the greater the cognizance of the *Walayahh*, which, in turn, strengthens the *walayahh* with other humans and with the rest of creation. Just as Allah is the *Waliyy* of the believer, the believer becomes the *waliyy* of other humans and of the rest of creation. As the interactive and dynamic self-purification strengthens, the self develops an “inner torch,” a heightened sensitivity to rule-compliance called *taqwa*, a fear of displeasing its *Waliyy*, its Creator, Lover, Cherisher Lord. This inner torch burns stronger as self-purification progresses and rule-compliance strengthens. To aid this

process, Allah has provided two mechanisms: one ex ante and the other ex post to action. The first is prayer (*duā*), the act of beseeching Allah for help in behaving in accordance with prescribed rules. The second is returning to Allah in an act of repentance (*tawbah*) for transgression against a prescribed rule or for an act of omission. In the next chapter, we focus on rule-compliance, which constitutes development for individuals and for society.

Chapter 4

The Dimensions of Development in Islam

As expected, the Metaframework's teachings and principles on the concepts of scarcity, rationality, and the roles of the market and the state are ontological. As we have explained, through His *Walayabb*, the Supreme Creator has placed all natural-material resources at the disposal of humans to empower them to serve humanity and the rest of creation in adoration of the Cherisher Lord. Humans are made capable of doing so through the responsibilities of the office of agency-trusteeship; responsibilities that humans collectively accepted as a consequence of the primordial covenant. Human capabilities have also been empowered by gifts of the spirit (*ruh*), by the meditative-reflective faculty of reasoning (*âql*), the primordial nature (*fitrah*), and the freedom of choice.

The ontological view would suggest that the Benevolent, Merciful, Cherisher Lord would not leave humans without sufficient natural-material resources to perform the duties expected of them. Consequently, the assumption that at a cosmic, universal, and general level humanity faces scarcity would be untenable. Indeed, the Quran makes it clear not only that the Cherisher Lord has created sufficient resources to meet the needs of all humans, but also that He has done so dynamically, meaning that this sufficiency holds regardless of any given timeframe and any population size. "Verily We have created all things in exact measure" (49:54); and: "Everything with Him is with exact measure" (8:13); "Indeed, Allah has set an exact measure for everything" (3:65); and: "There is not a thing but that its treasures are with Us and We do not gradually descend it but in known exact measure" (21:15). These and a number of other verses make

it clear that the Creator has provided sufficient resources for all of His Creation. Therefore, from a cosmic-macro perspective, the assertion of a paucity of resources relative to all of humanity is untenable. However, this is not the case at the micro level.¹

Individuals, groups, and subsections of humanity experience conditions of plenty as well as conditions of scarcity as one of the important tests of human experience on this plane of existence. "As for the human when he is tested by his Cherisher Lord when He honors him and is bountiful to him, he then says: my Cherisher Lord has insulted me. Nay, but you did not treat the orphan with dignity and did not feed the poor [in urgent cooperation with one another] and you greedily devour the inheritance and love wealth an abiding love" (15–18:89). It is clear in these verses that the existence of plenty and scarcity are tests. The rules prescribed by the Cherisher Lord specify the appropriate response to these tests, which are considered by the Quran to be signs for the true believer. "Do they not observe that indeed Allah expands and contracts sustenance for whomsoever He wishes? Verily there are definite signs in this for the people who believe. Therefore, give to the near of kin his due, and to the needy, and to the wayfarer. This is best for those who seek to orient themselves toward Allah [to please Him], and it is they who are successful" (37–39:30). The opulent are those who are most susceptible to responding inappropriately to such tests. The wealthy are the ones who reject the messages of sharing and giving that have been brought to them by the messengers of Allah. "They are most stridently defiant: And we did not send a warner to a town but that its opulent people said [to the messenger]: we reject the message you have been sent with; we have more wealth and children and we shall not be chastised. Say (O Messenger): Verily my Cherisher Lord expands and contracts the sustenance for whomsoever He wishes but most humans do not know" (34–36:34).

There are among humans those who respond correctly to the tests of abundance from their Cherisher Lord and spend their wealth in the way prescribed. They are the adorers of Allah and He recompenses them for their spending aimed at pleasing Him. "Say (O Messenger): Verily my Cherisher Lord expands and contracts for whomsoever of His adorers He wishes and there is not a thing of what you spend [in serving other humans in His adoration] but that He repays; and He is the Best-of-all Providers" (39:34). These humans recognize that the source of their blessings of bounty is their Cherisher Lord and not their own doing. Therefore, they spend their wealth in ways their Lord has prescribed because they recognize that plenitude and scarcity are tests. There are those, however, who, when faced with an adverse trial, turn to their Creator for help, but once they achieve success they attribute it to themselves rather than to

their Cherisher Lord. “When the human is touched by a calamity he cries out to Us and then after We have blessed him with a favor he says: Indeed, I have earned it through my own knowledge. Nay, it is a trial, but most of them do not know. Verily those before them had also said so and yet what they had attained did not benefit them and they experienced the adverse consequences of what they had attained. Therefore, adverse consequences will also befall those among these people who do injustice. Do they not see that Allah expands and contracts sustenance for whomsoever He wishes? Indeed there are signs in this for the people who believe” (49–52:39).

What can be concluded from the above verse is that scarcity is not a binding constraint at the level of humanity. It is only a constraint at a micro-individual level; at this level it is a test both for the person who is constrained and for the person who is not constrained. For the constrained, it is a test of the strength of belief that has been experientially revealed to the person and is a light shining on the strength and weakness of the self. For those economically better off, it is a test of their recognition of the real source of their wealth and the strength of their rule-compliance in helping remove economic constraints, namely, barriers from the path-to-perfection of those in need of help.

This view of scarcity is in contrast to conventional economics and is shared by Christian economists such as William Cavanaugh, who suggests,

Contemporary economics asserts that scarcity exists whenever the desires of all persons for goods and services cannot be met. In other words, hunger is written into the conditions under which economics operates. There is never enough to go around. But it is not simply the hunger of those who lack sufficient food to keep their bodies in good health. Scarcity is the more general hunger of those who want more, without reference to what they already have. Economics will always be the science of scarcity as long as individuals continue to want. And we are told that human desires are endless.²

Drawing on St. Augustine, Cavanaugh continues,

The constant renewing of desire is a condition of being creatures in time. Desire is not simply negative; our desires are what get us out of bed in the morning. We desire because we live. The problem is that our desires continue to light on objects that fail to satisfy, objects on the lower end of the scale of being that, if cut off from the Source of their being, quickly dissolve into nothing. The solution to the restlessness of desire is to cultivate a desire for God, the Eternal, in whom our hearts will find rest. In a consumer-driven market economy, the restlessness of desire is also recognized. Marketing constantly seeks to meet, create, and stoke new desires, often

by highlighting a sense of dissatisfaction with what one presently has and is . . . Dissatisfaction and fulfillment cease to be opposites, for pleasure is not in possessing objects but in their pursuit . . . That is why shopping itself has taken on the honored status of an addiction . . . The dynamic is not an inordinate attachment to material things, but an irony and detachment from all things. At the level of economics, scarcity is treated as a tragic inability to meet the needs of all people, especially those who are daily confronted with death because of hunger and extreme deprivation. At the level of experience, scarcity in consumer culture is associated with the pleasurable sensation of desiring. Scarcity is implied in the daily erotic of desire that keeps the individual in pursuit of novelty . . . The idea of scarcity assumes that the normal condition for the communication of goods is through trade: to get something, one must relinquish something else . . . one's charitable preferences will always be in competition with one's own endless desires. The idea of scarcity establishes the view that no one has enough.³

Allah has endowed humans with the faculty of *áql* to allow a process of meditative-reflective reasoning. The meditative aspect relates to the fact that a self-aware, Allah-conscious human considers the meaning contained in a stimulus requiring a response as a sign affirming the *Walayabbh* of the Cherisher Lord. Reflective aspects relate to the fact that the response of this human to the stimulus will be in compliance with the rules prescribed as a reflection of the exercise of the freedom of choice. This human freely chooses to comply with the prescribed rule as a manifestation of the belief that compliance with the rule is the best way to respond because the Cherisher Lord prescribes the rule. This reasoning is, therefore ontological, in contrast to the dominant view of rationality. A legacy of the Enlightenment is that the dominant view of rationality is based on independent reasoning, which is the ultimate arbiter of reasoning itself; it is self-sufficient. This rationality justifies a commitment to reason in the name of reason. It is a self-sufficient dogma; everything else is subject to doubt except reason. It is an arbiter by reason of itself. "Rationality based on independent reasoning unaided by revelation cannot cope with life's problems without help from the One and Only Giver of life" (77–83:36). Within the context of the Quran, rationality means more than cogent, sound reasoning, and logic: that which is in accordance with the *fitrah* (human nature) and with the ultimate and essential concerns of human beings, such as the meaning of death, final destiny, and so on.⁴

The Quran refers to human reasoning without guidance from the Creator as *hawa*, meaning whim and caprice. "Who strays [from the truth] more than the one who follows his own caprice without guidance from Allah? Verily Allah does not guide the unjust people" (50:28); and: "Have you observed him who takes his own caprice [whim] for his god? Would

you then be guardian over him? Or do you reckon that most of them hear or meditatively-reflectively reason? They are indeed nothing but like cattle but they are farthest away from the [right] path” (43–44:25). For humans who only use independent reasoning and for those who are never certain because their reasoning has no anchor, the Quran suggests, “Nay, they are certain of nothing” (36:52). The concept of rationality within the Quranic framework is one in which meditative-reflective reasoning sees all things as having a signatory significance. Action-decisions based on such rationality lead the person on an ascending path from Islam to *iman* (Testimony by the tongue, belief by the heart, and outward manifestation through action). In this process *taqwa* becomes operative in leading the person to certainty (*yaqeen*). The Quran refers to this process as one of migration from unbelief based on *hawa* to belief. This migration begins from self-centered rationality and moves toward the meditative-reflective reasoning of Allah-centered existence. In a prime example of this journey, the Prophet Abraham says: “Verily I am in migration on my way to my Cherisher Lord Who Shall Guide me” (99:37). In a similar vein, the Quran refers to Lut’s journey: “Then Lut believed in him [Abraham] and said I am migrating toward my Cherisher Lord” (26:29).

In Allah-centered rationality, everything has a signatory meaning beyond itself; always and everywhere everything points to the Ultimate Source of its existence. In this concept of rationality, the action-decision process relies entirely on the meditative-reflective reasoning that is fully aware of rules that govern action-decision in response to a stimulus. Accordingly, in a series of verses, the Quran engages humans in a set of questions that cannot be answered without a rational response wholly dependent on the meditative-reflective reasoning faculty of the human contemplating the signatory meaning of things. “Let then the human observe of what he is created” (5:86); and:

It is We who created you, why then do you not affirm the truth? Do you see that which you emit? Are you the ones that create it or are We the Creator? We have decreed death among you and nothing can prevent Us from changing your form and recreating you in a form yet unknown to you. And, verily you are aware of the initial form of your creation, why then do you not remind yourselves? Do you observe what you sow? Are you the ones that make it grow or are We the Growers? If We had wished, We would indeed turn it into chaff and you would be left to lament that: verily we are left with a loss we cannot recover and that: nay we have been deprived [of the fruits of our labor]. Do you observe the water which you drink? Is it you who descends from the cloud or are We the Ones who send it down? If We had wished We would make it bitter and salty but you are not grateful. Do you observe the fire you kindle? Are you the ones who brought its tree

into being or are We the One who brought it into being? It is We who have made it a means of reminding and a source of convenience [and comfort] for all who are lost in the wilderness. Therefore, glorify the Name of your Supreme Cherisher Lord. (57–74:56)

Regarding the role of the state and the market in the Islamic concept of development, the Metaframework and the Archetypal Model have a different understanding of these institutions from that in the Western concept. In contrast to the notion of nation-state in the Western context, there is no recognition given to an entity that could come even close to the idea of a sovereign nation-state. The Quran makes references to people (*qaum*) identified with the prophets and messengers sent to them, such as the people of Noah (69:7), of Moses (148:7), of Abraham (70:9), of Jonah (98:10), and of the other prophets. There is also identification of a people by their temporal leaders such as the Pharaoh (*Firāun*, 109:7) or with their behavior pattern such as the believing (86:27), the unbelieving (44:23), the ignorant (55:27), the unjust (28:23), wrongdoers (74:21), and the like. The Quran acknowledges other identities associated with subdivisions of humanity such as male, female, and branches of humanity (*Shu'ub*) as in Verse 13 Chapter 49: "O humanity verily We have created you from a male and a female and We made you into branches and tribes in order that you cognize one another. Verily the most honored of you before Allah is the most [self-aware and] Allah-conscious." From all the verses that deal with subsections of humanity such as *qaum*, with branches of humanity (*Shu'ub*), or tribes (*Qaba'il*), it becomes clear that a group of humans who share certain values are recognized as having a corporate identity. Thus both the individual members of the group as well as all the people in the group are held accountable. While the Quran describes in detail the taxonomy of various groupings of humans in terms of their value systems, beliefs, and behavior, no recognition is given to nation-states. It cannot be claimed that the Quran does not know about this concept. Indeed, there are references in the Quran to geographic entities that would qualify as nation-states such as the Byzantine empire, *Al Rum* (Rome), after which a chapter of the Quran was named (Chapter 30), or *Saba* (Sheba), also the name of another chapter (Chapter 34) of the Quran, a country with twelve townships. The significant point is that the Quran does not identify these and others as nation-states, but as groupings of people with a shared belief system and shared values.

Within the Metaframework, recognition is given to legitimate authorities, those who have *Walayahh-walayahh*, *Rububiyahh-ubudiyahh* relationships and are fully familiar with and adhere to the prescribed rules. Such persons are referred to in the Quran as *ululamr*; *ululamr* is made up of

two terms: *ulu* and *al amr*; the first term (meaning aware, possess) indicates that they are such adoring-servants of the Cherisher Lord that they are designated as worthy to carry the responsibility of exercising authority in implementation of the prescribed rules. The second, *al amr*, refers to command and decree, the collectivity of the whole of the rules decreed and prescribed by the Supreme Creator for the community of believers. The important point is that it is the strength of the rule-compliance of these people, not their cunningness, physical or military prowess, or other worldly advantages, such as riches, which legitimizes their authority to oversee the implementation of the prescribed rules decreed by Allah.

As Kenneth Cragg suggests, "The term *islam* and Islam, so often rendered in English by 'submission' or 'surrender,' call not to a slavery but to vocation. They bid to an informed conformity that waits on a willed intention. They have the shape and summons of the transcendent only in being also the sanction in a human decision. They are what the Quran holds all humans were fitted for, but only by the option of their own souls." It is from the exercise of the freedom of choice that believers, recognizing the strength of rule-compliance in these people, choose to follow them because they know that such people follow the orders of the Cherisher Lord. The believers are the first to recognize the strength of the belief in such people and then by exercise of their free choice to follow and obey them. "O you [active-dynamic] believers obey Allah and obey the Messenger and those among you [most deserving] possessors of the [knowledge of the Walayahh rules that legitimizes their being vested with] authority. If then you disagree about anything refer it to Allah and the Messenger if indeed you are believing in Allah and the Last Day, this is best and the fairest [way] for final settlement" (59:4). This verse makes it clear that even those with legitimate authority have been left with no degree of freedom to rule according to their own judgment. They must rely on Allah and the Messenger as the ultimate authority in judging rule-compliance.

The above verse is addressed to a subgroup of humanity, the believers, and clarifies whom they should follow. There is no reference to geographic borders or to cultural, linguistic, or historical values as the basis for group identification. Such corporate identity for a group of believers can only emerge when there is a critical mass of those who, through the exercise of their freedom of choice, decide to deliver themselves to the safety and security of their Cherisher Lord and actively engage in performing the responsibilities inherent in *Walayahh-walayahh*, *Rububiyah-ubuddiyya*, and agency-trusteeship relationships. Once the choice is made to do so, there is no flexibility in rule-compliance and the legitimacy of the authority for coordination and collective action is defined by the degree of the strength of rule-compliance. It is clear that the strength of belief for those

who will be vested with legitimate authority must surpass that of a representative believer, meaning that they possess stronger *taqwa*, for with weak belief, the legitimacy of the ruler becomes questionable, as does the basis for the implementation of the prescribed rules and compliance with them by the community and its members.

Part of the legitimacy for the leader (*Imam*) of a believing community comes directly from the Cherisher Lord, who vests legitimacy in the one human who He considers both worthy and capable of guiding the community to full implementation of the prescribed rules to ensure that the community embarks upon and progresses along the path-to-perfection. This office is indeed awesome—so important that Abraham acceded to it only after he had already achieved the status of a prophet, and after he had been severely tested. “And when his Cherisher Lord tested Abraham with certain words [orders] which he completed He said: Verily I make you an Imam for the humanity, he said: and of my offspring? He [the Cherish Lord] said: My Covenant will not extend to [will not include] the unjust” (124:2). This verse underlines the importance of the office of the *Imam*. An *Imam* worthy of the title as conceived in the Quran is one who is known to be fully rule-compliant. This weighty title has, unfortunately, been trivialized in ordinary everyday language where it is applied to any prayer leader or person knowledgeable about Islam. The Quranic concept should not be confused, therefore, with its ordinary use. As the verse clearly indicates, only those who have successfully completed testing, are in full compliance with rules, and have confronted trials and tribulations are deemed worthy of becoming an *Imam*. The verse also indicates that among the offspring and progeny of Abraham there would be those who would be unjust and therefore unworthy to become an *Imam*. There is also an implication in the verse against accession to this office by the rights of inheritance. Only those who are fully rule-compliant are deserving of accession to the office. In short, full rule-compliance is the basis of legitimacy of political leadership and the exercise of power. The Quran makes it clear that even in the case of the prophets David and Solomon, it was their personal merits and the strength of their belief and adoration of and service to their Cherisher Lord that earned them the honor of leadership of their community.

The Archetypal Model invests the legitimacy of leadership of the community with another dimension, that of *bay'ah*, a contract between the person who is deemed worthy of accession to the office due to demonstrated full compliance with prescribed rules and acceptability by the members of the community. The manner in which the Prophet organized the first community under his own leadership as specified by the Metaframework constitutes legitimate political authority. Even though he was the foremost

human in terms of rule-compliance, he sought acceptability among the multi-religious population of Medina. The central term of the contract between the ruler and the ruled is understood clearly: full compliance with the prescribed rules by the legitimate authority. The community and its members commit to following and obeying the legitimate ruler so long as he is rule-compliant. The legitimate ruler commits not only to complying with all the prescribed rules, among which is the imperative of consultation, but also to ensuring the preservation of, cohesion, and well-being of the community in accordance with the duties of the agency-trusteeship office. The legitimate political authority serves as a symbol of the operationalization of the rules prescribed by the Metaframework and the Archetypal Model. The strength of its legitimacy is derived from the enforcement of the rules. No authority has any legitimate basis for creating new rules that contradict those specified in the Metaframework or in the Archetypal Model.

It has been said that an authority strong enough to enforce rules is strong enough to violate them. That such would be the case within the Metaframework or in the context of the Archetypal Model is a logical impossibility. No political authority selected on the basis of the rules of these two frameworks can retain legitimacy in the face of noncompliance with or violation of the rules. As history shows, governments that violate rules retain power only by force. But such an event is simultaneously and concurrently a failure of rule-compliance by the community being ruled by force. A fundamental rule of the Metaframework establishes the duty of *al-amr bil-ma'ruf wa Al-nahy 'an il munkar*, usually translated as "commanding the good and forbidding evil." It is important to note that the root of *al-ma'ruf* is the same as that of "cognizance" and relates to the knowledge of the rules as a guarantor of the empowerment of humans to progress along the path-to-perfection. Thus commanding others to rule-compliance is part of the cognizance of the love-bond between the Creator and the created since rule-compliance is the necessary and sufficient condition for staying on the path-to-perfection.

No political authority can violate the prescribed rules and retain legitimacy, and no community can claim that it has remained a believing community while being ruled over by an authority that is noncompliant with and in violation of the prescribed rules. In short, the noncompliance with and violation of the duty of commanding rule-compliance and forbidding noncompliance lead to the emergence of unjust, dictatorial, and totalitarian authority. The Prophet warned that nonobservance of this duty by individuals and the community will indeed create the conditions that will result in Allah empowering the worst among humans to rule over the community, and if noncompliance by the community and its members

continues in the face of injustice by the illegitimate authority (one that has lost legitimacy), this becomes a violation. As a result, the community and its members will pray to be relieved from the oppression of the ruler(s) but Allah will not accept their prayers. Such a community heads toward destruction, because those in authority will continue to violate rules in the face of silence and inactive rule-compliance of the members of the community (16:17).

The Quran points to a number of societies and communities that were destroyed because of noncompliance with this all-important duty, the observance of which is placed alongside belief in the One and Only Supreme Creator (114:3). There are examples of communities in which members were not only noncompliant in commanding each other to righteous action and the avoidance of evil, but the most powerful were doing the exact opposite, namely, commanding evil and forbidding righteous deeds; there are also communities that constantly rejected the call of their prophets to rule-compliance and the avoidance of transgressions, misdeeds, and evil acts. These are the people of the prophets Noah (37:25), Lut (54:27; 28:29; 81–83:11), Hud (51–58:11), and Saleh (61–68:11), among others. Commanding what is good and forbidding what is evil is a duty. This duty, incumbent on individuals as well as on the whole community, is the most important means of enforcement of the prescribed rules of the Metaframework and the Archetypal Model. It is a promoter of solidarity and achievement and a preserver of social order in the community. The very existence of oppression, corruption, massive inequality, and poverty in a community is *prima facie* evidence of noncompliance with or outright shirking of this duty on the part of the group's members. Given the strength of the emphasis in the Metaframework and the Archetypal Model on rule-compliance by the individual, even the existence of a legitimate political authority does not absolve a human being from the necessity of performing the duty of commanding rule-compliance and forbidding rule-violation. Coupled with the prescribed rule of consultation (38:42), this duty gives every member of society the right, and imposes on him, or her, the duty, of participating in the affairs of the community. And, since the primary responsibility of the legitimate political authority is to enforce rule-compliance, the more active the individuals' role in assuring that their own behaviors and those of others in the community are rule-compliant, the more limited the need for interference of the authority in the socio-economic life of the community. Consequently, the greater the strength of belief in the community, the more limited the size and the function of government and its apparatus.

Turning to rule-compliance in economic transactions, the Quran acknowledges the existence of markets (7, 20:25) and places great

emphasis on contracts of exchange (*bay'*) and trade (*tijarah*). *Bay'* refers to any contract of exchange, including the exchange of commitments of fidelity to prescribed rules by a leader and by followers. A contract of exchange is needed for the trade of goods and services and for other economic transactions and is therefore more general than trade. In other words, *bay'* is a contract between two participants to exchange, while *tijarah* is an action involving, specifically, buying and selling. In *bay'* the two sides of the contract share the risk contained in the agreement to exchange. On the other hand, *tijarah* refers to trade, to buying in order to sell—with the intention of making a profit. In a relatively long verse (282:2), the Quran makes a distinction between a debt contract called *dayn*, a contract of exchange, *bay'*, and trade, *tijarah*. Debts must be repaid on the date specified in the contract and contracts must be written and witnessed. The Quran declares this to be: “More equitable in the sight of Allah and supports the testimony [with greater accuracy] and is the nearest way to avoiding doubt amongst you, except for present [on the spot] trade [*tijarah*] that circulates [from hand to hand] between yourselves, then there would be no transgression [on your part that would be held] against you if you do not write it. And, have witnesses when you enter into a contract of exchange [*bay'*] no harm must come to any scribe or witness, and if you do [so], verily then you commit transgressions [that will be held against you]. Be ever conscious of Allah and Allah will teach you and Allah is all knowing regarding all thing” (282:2). In another verse (29:4), the Quran commands that trade must be based on mutual consent. A contract of pledge of political allegiance is called *mubaya'ah*, and it is also based on a contract of exchange, requiring personal freedom of choice.

These and other verses make it clear that prescribed rules require economic transactions to be based on freedom of choice and freedom of contract, which, in turn, require property rights over possessions to be exchanged. While the historical evidence strongly suggests that markets already existed in Arabia, even in Medina, it was the Prophet himself who created the first market and structured its operations as specified in the Metaframework; operations that would prevail in exchange and trade in accordance with the prescribed rules of conduct for justice. He appointed a market supervisor to promote rule-compliance. The rules ensure the working of the price mechanism so that it yields fair and just prices. In contrast to the medieval scholastic notion of just price, which lacked an operational definition, the Islamic concept of fair and just price refers to prices that emerge as a result of the interaction of economic forces operating in a market where there is full compliance with the prescribed rules of market behavior. Both the Metaframework and the Archetypal Model make it

clear that while the legitimate authority has the obligation of supervising and enforcing rule-compliance, market participants are rule-compliant as long as they are free from further interference. The history of the market created by the Prophet in Medina, based on prescribed rules, underlines the importance and centrality of the market and its rules in an Islamic economy.

As stated at the beginning of this chapter, the Metaframework and the Archetypal Model envision development as composed of three interrelated and interdependent dimensions, individual human self-development, the physical-material development of the earth, and the development of human society as a whole. The most important of all these is the first, namely, individual human development, without which the other two would not progress as envisioned. Self-development starts from an acute awareness of the self, of the Creator, and of the need for solidarity and oneness with the rest of humanity and creation. The process of human self-development is referred to in the Quran as *rushd*, which is the opposite of *qhay*, meaning deep ignorance (256:2). When the process of *rushd* strengthens, the person is said to becoming *rasheed*, that is, someone who is making progress on the path-to-perfection. The Quran characterizes such humans as those who make rational decisions based on a process of meditative-reflective reasoning. The context for such development is the cognizance of the *Walayahh-walayahh*, *Rububiyyah-ubudiyyah* and agency-trusteeship relationships. It is this cognizance that Allah declares as the basis for personal development when He asks that humans accept His Call and actively-dynamically believe in Him, so that they might develop and progress (186:2).

Addressing the believers, the Quran makes it clear that such progress is a gift of *Walayahh*: “But Allah Loves *iman* [faith] for you and has adorned it in your hearts and has made repugnant to you disbelief, transgression [against prescribed rules], and rebelliousness. These [believing humans] are *rashidun* [those who have been guided to the path of progress and development], a grace and bounty from Allah and Allah is All-knowing, All-wise” (7:49). An example of such a human being is Abraham, about whom Allah says: “Verily We granted Abraham his *Rushd* [his development and progress on the path-to-perfection] from before and We knew him well” (51:21). The story of Abraham as told in the Quran (51–70:21; 69:26; 75–84:6; 258:2; 26:43) is a comprehensive yet succinct description of a perfect Archetypal Model of individual self-development, particularly in the process of making rational choices based on meditative-reflective reasoning that begins with acute self-awareness and ends in the conclusion that: “Verily I directed my orientation toward Him who created the heavens and the earth straight [upright, no distortion] and I am not of the

polytheists” (80:6). His cognizance of the *Walayahh* and *Rububiyyah* of Allah provided the rational basis not only for his own belief, but also for the strong foundation for his debate with the idol-worshippers. Abraham’s beliefs, fully reflected in his way of life, became the benchmark for all who followed; he is the patriarch whose belief (*millah*) is described for the believers in Verses 77–78 of Chapter 22 of the Quran: “O you who believe, bow down and prostrate yourselves in adoration of your Cherisher Lord and do good deeds so that perhaps you will succeed. And strive in Allah, His True Striving. He has selected you and has not imposed on you a burden in the *Deen* [the way of life] which is the *Millah* [the belief] of your father Abraham, he named you Muslims from before and in this the Messenger will be a witness over you and you become witnesses over the humanity, therefore establish *Salat* [ritual-communion prayers] and pay *Zakat* and hold fast to Allah. He is your Master, an Excellent Master and an Excellent Helper.” In contrast, those who reject the belief of Abraham are those who have not made progress in self-development: “And who would loathe the belief of Abraham except he who would deprecate, fool his self?” (130:2).

As Cragg suggests, these and other verses of the Quran make it clear that selfhood is “an inherent responsibility.” (5:105): “O You who believe! On You are your own selves.” Cragg points out that

Selfhood and selfishness both can be comprehended inside the same egoism, which is the truth in us in the sense that we are physically and consciously in a selfhood that is ineluctable, each the I/me, who is. But we may well be also, in a moral sense of being—even ruthlessly—for ourselves, acquisitive, aggressive, and callously bent on our own interest. The first egoism is merely the place for the decision, which will determine the second where innocence first awaits a character. The legitimate selfhood must find its true worship, the worship will know and love its source as the sure ground of its entire legitimacy as found in the other. We are authentic in our self-possession only by our God-devotion. To be skeptical of the one is to be withholding of the other.

The description of the components of Abraham’s belief in Verses 77–78 of Chapter 22 (above) relates to the foundational rule mandating humans to develop the earth (*isti mar*) as part of the duty of the agency-trusteeship office granted to humanity.⁵

The Quran specifies the ontological nature of both individual self-development and economic growth (physical-material progress). In Verse 61 of Chapter 11, the Quran briefly but succinctly points to the ontological nature of economic growth by recounting the message of the Prophet Salih to his people: “O my people adore [and serve] Allah, you have no

god but He. He brought you into being [*ansha'akum*] from the earth and established you as developers therein [*Ista'marakum feeha*]. Therefore seek His Forgiveness and return to Him in repentance for my Cherisher Lord is near and ever-ready to answer [prayers].” As Cragg points out, this verse indicates that for the Prophet Salih bringing humans from the earth and the tenancy therein meant simply

Our delegacy over the earth as occupiers with a livelihood, as a trustee with a privilege...reputed in the insistence of the Quran on the cosmos of our habitation as a realm of “signs,” *ayaat*. Just as these arrest the scientist and invite investigation in empirical terms, leading to “mastery,” so they also summon the soul to glad recognition of mystery as inducing to gratitude. We perceive a bestowal to us what will enable culture and civilization for us. To explain and—as far as language may—enforce that human role is the mission of the “messenger.” There would be no point in these mentors unless they were addressing custodians with an option on whom the benison or blight will turn. Prophets have no mission to puppets. Only out of our dignity [do] they have an errand to fulfill.

The mission to develop the earth is part and parcel of the gift of agency-trusteeship in which dominion is granted.⁶

This economic growth dimension of the Metaframework concept of development is incredibly rich in implication, because it uses the word *isti'mar* to anchor the appropriate path of growth ontologically on the *Walayahh* of Allah, the dignity of the human state, the agency-trusteeship of humans, and the freedom of choice that the Cherisher Lord has bestowed on humans. The process of the physical/material development of the earth by humans who are aware of themselves, of the responsibilities of agency-trusteeship, and who are ever conscious of their Creator renders sacred all economic activities.

There is a command from the Prophet that every activity must begin in the name of Allah lest it remain incomplete. Profound in its simplicity, this rule is a mechanism of transforming into sacred, as if through an alchemical process, even the most apparently trivial and mundane action. Done in full consciousness, this simple rule is an acknowledgment of the entire *Walayahh-walayahh* relationship. Beginning all actions in the name of Allah is the recognition of the awesome responsibility of the *Khalifal* state of appropriately using the “dominion,” granted by the Creator to humans over all things. It is also a signal of the distance the self has traveled from selfishness to selfhood along the path-to-perfection and indicates an understanding of the passage in the Quran narrating Abraham’s exhortation to his people: “Do you worship what you yourselves have carved? When Allah has created you and what you make [manufacture, produce]” (95–96:37).

The invocation of the name of the One and Only Creator, Cherisher Lord at the initiation of an activity allows the action and the result to take on the mantle of the sacred. Such activities qualitatively differ, both in intention and in result, from those undertaken without recognition of the *Walayabb* of Allah. Activities begun and ended with full awareness and consciousness of the Creator follow the rules prescribed for the correct and rightful exploitation of resources, and this, in turn, allows them to flourish as intended by the Creator. The flourishing of these resources removes material barriers on the path-to-perfection for humans, barriers caused by the paucity of economic resources facing humans individually or in groups. It matters whether a particular economic activity begins and ends with full awareness and consciousness of the Creator. Because the Cherisher Lord created the resources and the humans using them, the resulting product is His, from its beginning to its end throughout all its stages of production, distribution, and consumption. His Ownership remains never-ending. As Cragg suggests, "It was Allah's already Creation made at occasion, by human use and verdict, for becoming a thing morally 'according to His will'—and that because of us. We transact what the West esteems as 'enterprise,' pursuing 'dominion.' It only 'signifies' for the divine praise when we know and possess it 'in God's Name.'"

Economic activities undertaken in the Name of the Supreme Creator illuminate the hallowed responsibility of managing the resources of the earth in accordance with the prescribed rules and the agency-trusteeship of the earth gifted to humans by Allah. Cragg marvels: "How duly this delegacy role chimes with the dimensions of the present global scene, its ecological crisis and its political urgency! How decisively it dignifies each selfhood, as never exempt, as always relevant! How in its bearings, it evokes an inter-human mutuality across all frontiers—as, otherwise, frontiers they must be. In 'dominion' the self, without ceasing to be private, becomes a social factor. The world loses a parasite and gains a benison."⁷ The "otherwise" warning bell, with its variety of "frontiers" created by "selfishness" without the growth and maturation to "selfhood," has already produced desperate human conditions: rapidly rising inequality, extreme poverty and hunger amid plenty, high infant mortality and low life expectancy, the inability to cope with natural disasters because of an insufficient investment in infrastructure, and devastating wars and civil conflicts despite the unprecedented growth of per capita income in the second half of the twentieth century.

It is amazing that it was only in the last three decades of the twentieth century that professionals looked at a broader concept of development beyond the growth of physical capacity to produce goods and services, namely, that economic growth is only an element of the overall progress of

human beings and that humans should be the ends, rather than the means of development. Even in the most sophisticated of concepts—Amartya Sen's development as freedom—the imperative of self-development as the prerequisite for a comprehension of the substantive meaning of freedom received little attention. If development means freedom and functioning, then what guarantee is there that without self-development, doing what one values will not lead to fully self-centered, selfish outcomes? These selfish outcomes include massive poverty and misery for a large segment of humanity side-by-side with astonishing opulence and colossal wealth accumulation for a few. Some minimum level of income is doubtless necessary to avoid destitution and absolute poverty before one is able to reflect upon one's action-decision choices. But beyond that, embarking on an ontological process of self-development becomes an imperative for humans to recognize the responsibilities of their *Khalifal* state and to develop the earth so as to remove economic barriers and minimize the pain of material paucity for all humans.

Much of the concern with the early formulations of development focused on achieving and maintaining social order. The Islamic concept places great emphasis on the need to focus human energy on the achievement of social solidarity and unity. In turn, that unity is firmly grounded in the purpose of the creation, the *Walayabb* of the Creator for and over humanity, which invested high dignity in the human state and the responsibilities implied by that state. The *Khalifal* responsibility provides every human the means by which the *Walayabb* of the Cherisher Lord is recognized through service to other humans in adoration of the Supreme Creator. That is, the Love of Allah demonstrated through His *Walayabb*, once recognized, is returned through the *walayabb* of each human for other humans. This reciprocation of *Walayabb* by *walayabb* in response to the inquiry of the Quran "Is goodness reciprocated by anything but goodness?" (60:55) can only take place in a societal setting. The *Khalifal* functions of each human can only be meaningful in collectivity with other humans. The intensity of Islam's emphasis on the social dimension is so great that there is not one act of adoration and worship that is devoid of societal implications. Moreover, every interaction among humans, from the most intimate to the most public, is sanctified when engaged in with cognizance and full awareness of Allah.

The success of each human, on this plane of existence and beyond, is made dependent on patient and tolerant interaction and cooperation with other humans. This is particularly emphasized in a number of verses, especially those addressed to believers, as Verse 200 of Chapter 3: "O you who believe, establish mutual relations among yourselves and exercise patience individually and with one another and persevere in

strengthening one another and be consciously aware of Allah so that perhaps you can achieve success.” The idea is that mutual support and social solidarity bring about a more tolerant and patient response to individual and collective difficulties, heighten cognizance and consciousness of the Creator and of the commonalities of humanity, intensify adoration of Allah through mutual service to others and the rest of the creation, and ease the path-to-perfection. This verse makes clear that complete success is possible only through appropriate social interaction. Even if it were possible for a human being to achieve a degree of felicity individually and in total isolation from the human collectivity, this verse would suggest that such success is far from complete. This assertion can be illustrated by a number of verses in the Quran: “O humanity We created you from a male and a female and made you into branches [peoples] and tribes in order that you cognize one another” (13:49); “We have apportioned among them their livelihood in the life of the world, and raised some of them above others in ranks so that some would employ others in service, and the Mercy of Your Cherisher Lord is better than what they accumulated” (32:43); “He it is who has created the human from water and appointed kindred by blood and marriage; and your Cherisher Lord is ever-powerful” (54:25); and: “O humanity be ever-conscious of your Cherisher Lord who created you from one self and from her created her mate and from the two of them spread men and women in multitudes” (1:4). The above and a number of other verses in the Quran leave no doubt that Islam considers the interconnectedness of humanity as giving full support to the concept of the brotherhood and sisterhood among human beings. On the other hand, *walayabih* underlines the concept of each human as the keeper of brothers and sisters in humanity. The Prophetic saying that “O humanity you are all from Adam and Adam was [created] from dust,” is meant to emphasize the foundational equality and commonality of humans. It is this real phenomenon of the interconnectedness of humanity that calls forth the order from the Supreme Creator: “Cooperate with one another in beneficent and Allah-consciousness [deeds] and do not cooperate with one another in transgression [of rules] and in injustice” (2:5). In a historical-anthropological lesson, the Quran states that at some point in its tenure on this plane of existence humanity was a united whole: “Humanity was not but a single community, however, they engaged in disagreements; and had it not been for a Word that had already gone forth from Your Cherisher Lord, the [adverse] consequences of the disagreements between them would have come to pass” (19:11). Another verse in the Quran explains that “Humanity was a single community, and after [disagreements appeared among them] Allah sent Prophets as bearers of good tidings and as warners and sent down

with them the Scripture with truth in order that it render judgment in that in which the humans disagreed. Thereafter, no one disagreed in the Scripture except those to whom it [the scripture] was given even after clear signs had come to them” (213:2).

These verses suggest that the initial unity of mankind was threatened by the gradual disagreements and enmities that grew among them. The Cherisher Lord sent Prophets with Laws (rules of behavior) to resolve the disagreements and to restore the unity of humanity. In a number of verses, the Quran explains the gradual unfolding of the Law, which progressively and, concomitant with the development of the cognitive capacity of humans, flourished into completion. This process begins with one of the oldest of all Prophets, Noah: “He has ordained for you that Way of Life, which He commanded unto Noah and that which We revealed to you and which We commended unto Abraham and Moses and Jesus [saying]: Establish the Way of Life and be not divided therein. Dreadful for the idolater is that unto which you call them. Allah chooses for Himself whom He will and guides unto Himself whosoever turns [toward Him]” (13:42). The clear implication here is that the Way of Life, namely, the Law that has been progressively revealed throughout the history of mankind on this plane of existence is the means by which the unity of mankind can be achieved and maintained. Rule-compliance is the mechanism for creating social solidarity as the foundation for progress, and rule-compliance has been the message of all Prophets, beginning with Noah, who were given the Law to transmit to humans. The call to unity of humans through compliance with the rules of the Law Giver continued toward its manifest completion through Abraham, Moses, and Jesus.

Islam has placed the foundation of the edifice of its rules firmly on social interactions and has not neglected to specify appropriate rules of behavior for every dimension of the Way of Life to which humans are called. The importance given to society, its solidarity, and its development, is manifested by the fact that Islam gives societies a corporate identity separate from that of its members. This real and legal (in terms of Divine Law) personality is considered to have the power of cognizance and to be capable of action-decision either in compliance or in transgression of the rules of the Law Giver. This personality can thus be held accountable. For every human collectivity so identified there is an exact time and life span. The Quran describes the fate of past societies, many identified by the Prophets designated by the Law Giver to bring them rules for their solidarity, development, and felicity: “And most certainly We sent [messengers] to many societies that were before you and we subjected them to misfortune and adversity that perhaps they might humble themselves [before the Majesty of the Creator]. If only they had become humble when ever severity came

to them! But their hearts have hardened and the *Shaytan* [Satan] made [created an illusion for them] their action appear pleasing to them. Then, when they forgot that [the rules] of which they had been admonished, we opened unto them the gates to all things till, even as they were rejoicing in that which they had been given, We seized them unawares [suddenly] and then lo! They were dumbfounded” (42–44:6).

Much more than the historical account of the noncompliance of previous societies, the Quran recounts specific instances of rule-violation and their consequences as lessons to each generation of humans. These lessons come with an urgent call to human collectivities to consider the consequences of their collective response to opportunities, tests, and trials and to know that when the specified time of the life of one people comes to an end, they are accountable for their collective action. “And for every people [human collectivity] there is an appointed term and when its term arrives, it cannot be delayed or extended even for a moment” (34:7). No people were ever left without guidance from someone selected by the Cherisher Lord to remind them of the primordial covenant and to explain to them the consequences of compliance and noncompliance with rules that their acknowledgment of *Rububiyyah/ubudiyyah* required. “For every people there is a messenger” (47:10): “You (O Prophet) are but a warner. Verily We have sent you with the Truth, a bearer of glad tidings and a warner; and there are not a people but that a warner had passed among them. And if they deny you, most certainly those people before them also denied their messengers that came to them with clear proofs and with the Psalms and the enlightening book. Then I seized those who disbelieved. And how intense was My abhorrence” (23–26:35).

The Quran repeatedly invites humans to social solidarity and a just social order; they must follow the prescribed rules that serve to purify the self and to create social cohesion, namely, the rules that position both individuals and society on a straight path.

Say (O Prophet): Come I will recite unto you what Your Cherisher Lord has made a sacred duty for you [rules you must comply with]: that you ascribe nothing as partner unto Him and that you do good to parents, and you do not slay your children out of poverty—We provide for you and for them. And do not go near immoral things whether in the open or in secret. And do not slay the self [life] which Allah has made sacred, save in the course of justice. This He has commanded you in order that perhaps you will [reflectively and meditatively] reason. And do not approach the wealth of the orphan unless [you do so] in the best possible way [manage it optimally] until the orphan reaches maturity. Give full measure and weight in justice [*qisr*]. We do not impose on the self duties beyond its capacity. And when you speak do so justly even if it be [against] a relative. And fulfill

the covenant of Allah. This He commands you in order that perhaps you will be reminded. And indeed this is My straight path, so follow it. Follow not other ways for they will separate you from this path. This He enjoins on you in order that you may perhaps become ever conscious [of Him]. (152–154:6)

The last parts of these verses clarify that rule-compliance leads to social integration, solidarity, and unity. Conversely, every prohibited behavior has, directly or indirectly, a disintegrative effect on society.

A careful consideration of many of the critical acts of adoration of the Creator indicates the importance of social solidarity in Islam. Every action-decision, no matter how significant or apparently mundane, becomes an act of worship and is sanctified so long as it is done while fully conscious of the Supreme Creator. This is particularly true in economic interactions. Since every human has a dual nature of matter and spirit, the society that is composed of humans must be cognizant of these two dimensions of human nature; neither can be neglected if society is to progress and develop. The fundamental objective is to create a society in which individuals become cognizant of all their capabilities, including the spiritual. When humans are able to actualize these capabilities, it makes possible a life the Quran refers to as *Hayat Tayyibah*, the good life, a life free of anxiety, fear, and regrets; a life of full awareness of the beauty of the creation and Creator; a life of solidarity with other humans and the rest of creation; and a life lived in the full Grace of the Cherisher Lord. Such is the life to which humans are reborn by *His Grace* bestowed in response to rule-compliance, starting with faithfulness to the covenants with the Supreme Creator and the Cherisher Lord. “And do not sell the covenant of Allah for a cheap price. Lo! What is with Allah is better for you if only you had cognized. What you have perishes while what Allah has remains. And verily we shall reward those who are patient [are steadfastly rule-compliant] a recompense in proportion to the best of what they have done. Whosoever acts righteously, whether male or female, while a [actively and dynamically] believer, we shall birth into a [cleansed and delightfully] good life and reward them a recompense in proportion to the best of what they have done” (95–97:16).

Selling the covenant of Allah for a cheap price means breaking the primordial covenant of acknowledging that one recognizes Him as one’s Cherisher Lord. This implies that, rather than responding to His *Walayahh* and *Rububiyah* by their own *walayahh* and *úbudiyah* toward Him, humans direct it to someone or something other than Him. This results from a wrongful response to stimuli, tests, tribulations, and trials. Instead of persevering in rule-compliance, humans resort to rule-

violation to please others, to earn extra income and wealth, to respond to base emotions rather than to reflective-meditative thinking, and to their passions. Rather than persevering in the belief contained in their testimony of recognition of the Cherisher Lord as the One and Only Source of their being, they resort to illusory causes and obey impulses, orders, stimuli, and incentives from sources other than their Supreme Creator. They neglect the knowledge that whatever gain comes their way through noncompliance with rules is illusory and transitory while what He provides is everlasting. “Say (O Prophet): Things [comfort] of this world are short-lived” (77:4); and: “Things [comfort] of the life of this world are but little [compared to that] in the Hereafter” (38:3). The idea being conveyed stresses that whatever gains may accrue due to a breach of the covenant are insignificant compared to the rewards for keeping faith with it. “And the life of this world is nothing but a pastime and play. Lo! The home of the hereafter—that is the [real] life, if they would but cognize” (64:9); and: “The life of this world is nothing but means of illusion” (105:3). Again, emphasis is placed on the shortness of life on this plane of existence making it unworthy of breaking the covenant. Again and again humans are admonished not to trade their covenants and contracts with Allah for an insignificant prize. “Those who do so comprehend only the appearance of this world and are in negligence of the real life to come” (7:30). The Quran also emphasizes that real life on this plane of existence begins when humans follow the covenant and contracts they have with their Cherisher Lord: “Is he who was dead and We gave him [a new] life and set for him a light in which he walks among the humans same as the one whose similitude is like the person [who walks] in utter darkness whence he cannot exist? This is how the actions taken by unbelievers are made to appear pleasing to them” (122:6). A light that makes action-decisions clear accompanies the prescribed rules, implying that rule-compliance reduces any uncertainty associated with action-decisions. The Quran asserts that such a light and the associated guidance are granted to those who follow the rules prescribed in the three Abrahamic Revelations: “Verily We did descend [reveal] the Torah in which there is guidance and light” (44:5); “Say (O Prophet): Who descended [revealed] the Book which Moses brought, a light and guidance for the humanity” (91:6); “We caused Jesus, son of Mary, to follow in their footsteps, confirming that which was before him, and We bestowed on him the Gospel in which there is guidance and light, affirming that which was before it in the Torah—a guidance and an admonition unto those who are ever-conscious [of their Cherisher Lord]” (46:5); and: “Is he whose bosom Allah has expanded for the Surrender [unto Him] so that he follows a light from his Cherisher Lord, [the same as an unbeliever]?” (22:39).

Keeping faith with the primordial covenant and all its implications, including rule-compliance, is a process of rebirth, a chief characteristic of which is that the path forward on this plane of existence becomes clear, reducing uncertainty and with it anxiety, fear of the future, and regret over the past. This is why the Quran admonishes: “O You who believe respond affirmatively to Allah and to the Messenger when He calls you to that which rebirths you” (24:8). The Prophet was appointed: “To recite unto them His revelation, to cleanse them [for their self-development] and to teach them the Book and Wisdom” (2:62). Therefore, humans are ordered: “And whatsoever the Messenger gives you, take it, and abstain from whatsoever he forbids you” (59:7).

Islam considers social solidarity to be the foundation of a dynamically righteous society and calls humans to unity on the path-to-perfection as a way of life. This way of life is, in essence, surrendering to the Truth, both at the level of belief and in action-decision. Islam is the surrender by humans to the knowledge described and the rules prescribed by their Cherisher Lord. The acceptance of the knowledge and compliance with rules indicate surrender to the Supreme Creator. In essence, there is only one way of life prescribed by the Lord of the Universes; it is one Law from the One and Only Law Giver and does not differ except in terms of completeness. This way of life is designed by the Law Giver to correspond to the primordial nature of humans and is fully social, meaning that all its component rules are mapped unto the social interaction of humans.

The final objective of such a society is to ensure the actualization of the capabilities of humans to progress along the path-to-perfection toward their Creator. This is the objective that guarantees the highest felicity for humans. This is the common objective of society as well as of individuals. Achieving such an objective is not possible except through the mechanism of love: “And of humanity are some who take unto themselves [objects of worship which they set as] rival to Allah, loving them with a love like [that which is the due] of Allah [only]—those who [actively and dynamically] believe are stauncher in their love for Allah” (165:2). That love grows so strongly that it lights up the inner torch of *taqwa*, the ever-intensive consciousness of the Supreme Creator. This consciousness creates an intense awareness—much like walking on eggshells—of wanting to avoid anything that may displease the Lover, thus becoming an inner enforcer assuring rule-compliance. In turn, His Love reciprocates every action-decision that complies with the wishes of the Lover. Thus: “Lo! Allah loves those who are ever-intensively conscious [of Him]” (76:3); “Lo! Allah loves those who uphold interpersonal justice” (42:5); “Lo! Allah loves the patient (those who persevere in rule-compliance)” (146:3); “Allah Loves those who purify themselves” (108:9); “Allah Loves

those who do good deeds” (148:3); “Lo! Allah Loves those who place their trust (in Him)” (159:3); and: “Lo! Allah Loves those who turn unto Him” (222:2). Conversely, noncompliance or violation of the rules is a clear indication that the love mechanism is impaired, calling forth a reciprocal response from the Cherisher Lord. Thus: “Lo! Allah does not love aggressors” (190:2); “Allah does not love corruption” (205:2); “Allah does not love unbelievers” (32:3); “Allah does not love wrong-doers” (57:3); “Lo! Allah does not love he who is proud and boastful” (36:4); “Lo! Allah does not love he who is treacherous and sinful” (107:4); “Allah does not love the corrupt” (64:5); “Lo! He does not love the extravagant” (31:7); “Lo! Allah does not love those who are treacherous, deceitful” (58:8); “Lo! He does not love those who are arrogant” (23:16); “Lo! Allah does not love any treacherous ingrate” (38:22); “Lo! Allah does not love those who are exultant (in their material riches)” (76:28); and: “Allah does not love all prideful boasters who hoard with avarice and enjoin others to avarice” (23–24:57).

The social objective of Islam for individuals is achieving real (not illusory) success and felicity based on the full utilization of *âql* (reflective and meditative reasoning). Islam creates an incentive structure so that humans can achieve a balance in satisfying physical-mental-emotional-spiritual needs to the point where there is no adverse impact from any source on their adoration of the Creator through service. For this reason and for achieving the final objective Islam intends for society, all of its prescribed rules are designed to be compatible with the reflective-meditative reason, which, in its essence, contains the recognition, affirmation, and acceptance of the truth. Moreover, it is society that is the enforcer of the prescribed rules and that carries the responsibility for the supervision and enforcement of rule-compliance assigned to the state. It is the truth to which rule-compliance leads that is the foundational scaffolding of its framework for the development of society. “He it is who has sent His Messenger with the guidance and the *Deen* [the way of life] of truth” (33:9); and: “Allah judges with truth” (20:40), and describes the (active dynamic) believer as those who “exhort one another to truth” (3:104).

The Quran also acknowledges that, given the penchant of humans of wishing to respond affirmatively to the impulses emanating from their passions, the majority of humans find the truth unpleasant: “Verily We brought the Truth unto you, but most of you were averse to the Truth” (78:43). But the Quran rejects the notion that the passions and whims of the majority must be catered to: “And if the Truth had followed their desires indeed the heavens and the earth and whosoever is therein would have been corrupted. Nay, we have brought them their reminder, but they turn away from their reminder” (71:23); “This is Allah your real Cherisher

Lord. Therefore, what then is after [rejection of] Truth other than error [falsehood]”; and: “How you [the people] turn away from the Truth” (32:10). Truth is what—at the stage of belief (*iman*)—is recognized, accepted, affirmed, and followed by the believer and applied at the action-decision stage. It is at this stage that rule-compliance becomes the active manifestation of all that is Islam: the way of life that spirals upward around the axis of *Tawbeed*—the Oneness and Uniqueness of the Creator and His Creation. When the belief in *Tawbeed* descends from its uniquely high and abstract spiritual tower to the level of action-decision, the results ascend in acknowledgment and affirmation: “Unto Him ascend good words and He raises [exults] each righteous deed” (10:35). Righteous words and deeds are those spoken and done in compliance with prescribed rules that are intended precisely to induce moral and ethical dispositions (*akhlaq*) in human beings. Informing, training, supervising, and enforcing rule-compliance is a social responsibility of all members of society as well as the state. Again, as a result of cognizance of the rules and their implementation, the consciousness gradually gravitates toward the Cherisher Lord, an inner torch of awareness of Him begins to burn, love for Him strengthens to the point that His Presence is felt at all times, and no action-decision is undertaken without aiming for His Pleasure. The Prophet admonishes: “Adore Allah as if you see Him and know that if you do not see Him, He sees you.”⁸

Concomitant with cognizance of the Oneness and Uniqueness of the Cherisher Lord is the affirmation of prophethood and of the Day of Judgment—beliefs shared by all three Abrahamic ways of life. If somehow the last component—firmly believing that at some point in the future all humanity will be gathered and called to account—is absent in the belief system of any human, neither the individual’s conscious nor any external mechanism can fully constrain rule-violation or the affirmative response to adverse stimuli. If the self has not developed to the point of being the inner enforcer of rule-compliance and if the belief system of an individual does not include the ultimate accountability dimension, then any external rule enforcement can have but a limited effect in containing the adverse effect of rule-violation. This is particularly significant in societies where sizable majorities have either a weak belief or no belief at all in ultimate accountability. It is the ontological belief about the beginning and the end of humanity with its unavoidable accountability before the Highest Judge that induces humans to rule-compliance, regardless of whether there is an external enforcement mechanism. This is because the person knows that the Creator is present and all action-decisions are recorded, and that a time will come when all will receive their just deserts: “And Allah has full knowledge of what you do” (234:2; 271:2; 153:3; 8:5; 53:24; and others).

A person who believes this will not violate others' rights, will not cause harm to others, and will not transgress against prescribed rules simply for material or nonmaterial advantages in the short-lived life on this plane of existence. This, of course, does not mean that humans should not enjoy a well-balanced life and take delight and pleasure in what the Creator has made available. Doing so means acknowledging the blessings that the Cherisher Lord has bestowed on humans. "He Created everything on the earth for you" (29:2); "Allah it is Who has made the sea of service unto you so that ships may run thereon by His Command and that you may seek of His Bounty, and perhaps you would be thankful [to Him]. And He has made of service unto you whatsoever is in the heavens and whatsoever is in the earth; it is all from Him. Lo! Herein verily are signs for people who reflect" (12–13:45).

The delights enjoyed by humans provoke gratitude that, when acknowledged and expressed via adoration, calls forth ever-greater blessings from the Cherisher Lord. "And when your Cherisher Lord proclaimed: If you give thanks, I will give you more" (7:18). The Quran makes it clear that this expression of gratitude returns back to the person: "And whosoever gives thanks, he only gives thanks for [the good of] his own self and whosoever is ungrateful [harms his own self]. For lo! My Cherisher Lord is absolutely independent, bountiful" (40:27). Thus there is a feedback process strengthening the attitude of gratefulness that can be invoked in response to the beneficence and goodness demonstrated by other humans.⁹ The way of life envisioned by Islam includes the utilization and enjoyment of all natural-physical resources provided by the Creator while being conscious of the *Source* of these blessings and expressing gratitude through adoration and service without developing inappropriate attachment to these resources. "Say (O Messenger): Who has forbidden [the use of] the adornment and the good things for sustenance, which He has brought forth and provided for His Adorers?" (32:7); "Say: my Cherisher Lord has forbidden only indecencies, apparent or concealed, and transgression [against rules] and wrongful oppression and that you associate with Allah that for which no authority has been revealed and that you say things about Allah of which you have no knowledge" (33:7); and: "Therefore, seek the abode of the Hereafter in that which Allah has given you but do not neglect your share [portion] of the world, be kind [and do good] as Allah has been kind [and good] to you and do not seek corruption on earth. Lo! Allah does not love corrupters" (77:28).

The Law Giver has provided rules of behavior for humans and their societies, and these rules correspond to the primordial nature of humans. Since the human being is composed of the physical body and spirit, these rules cater to both. They guide individual humans toward their

perfection while assuring justice within the collectivity. To ensure rule-compliance, the Law Giver has provided, on the one hand, an incentive system of reward and punishment on this plane of existence as well as in the Hereafter and has, on the other hand, made the supervision and enforcement of rule-compliance a duty for society as a whole as well as for the political authority. The preservation and enforcement of the Rule of Law upholds justice (in all its dimensions) and guarantees social solidarity. It is for this reason that the Quran places so much emphasis on the duty of commanding the good and on forbidding evil for rulers and the ruled. Indeed, in a number of clear and terse verses, the Quran imposes a more severe duty of rule-compliance on rulers than on the ruled. It leaves those in authority no degree of freedom in the implementation of the Rule of Law: "Whosoever does not rule in full concordance with what Allah has sent down are disbelievers... wrongdoers... transgressors" (44, 45, 47:5). No state can legislate a law in contradiction to those of the Law Giver. This, however, does not mean that within the context of the law, rules and procedures that provide a framework for the material progress of society cannot be legislated. Indeed, as was pointed out earlier, learning useful knowledge has been made incumbent upon those who surrender to the Love and the Rules of the Law Giver. So long as new knowledge, new technology, and new ways of organizing production, exchange, and distribution do not conflict with these rules, attaining them is not only recommended but also required.

As we have seen, economic growth is a function of factor productivity, which, in turn, depends on the adoption of policies that promote efficiency in the use of resources. Technological progress that allows human societies to obtain the highest possible output from the resources provided by the Cherisher Lord can only be encouraged in Islam since this provides the means by which humans can satisfy their material needs and thus remove the economic barriers on the path to their spiritual progress. Moreover, as indicated in chapter 1, institutions (rules and norms plus their enforcement characteristics) have been found to play a crucial role in determining total factor productivity in the economy. Institutions (rules) proposed by Islam relating to governance, social solidarity, cooperation, and justice are designed to achieve economic development and growth. In addition, the Quran emphasizes a particular consequence of rule-compliance, *baraka* (blessings), a source of increase in total factor productivity. As part of its incentive structure to induce rule-compliance, the Quran asserts that every righteous action brings multiple returns. A righteous action-decision can be operationally defined as any action-decision that is undertaken in full consciousness of the ever-presence of Allah and for the purpose of achieving His Pleasure and Approval; that is, any action-decision undertaken in

compliance with the rules prescribed by the Law Giver. “Whosoever brings a good deed will receive tenfold of the like thereof” (160:6). This concept is particularly striking with respect to certain economic behaviors, especially those whose goal is to improve the economic well-being of other humans, such as providing loans to those in need without expecting a monetary reward. This type of loan is called *Qard Hassan* or a “beautiful loan,” because the Quran designates the borrower to be Allah and not the person who receives the loan: “Who is it that will lend unto Allah a beautiful loan so that He may give it manifold increase?” (245:2). This act of righteousness is so important that providing it to those in need is placed at the same level as the required daily prayers, the cleansing of one’s income and wealth, and the belief in and strong support of the messengers of Allah, all of which lead to forgiveness by Allah of (previous) misdeeds. “Verily Allah made a covenant with the children of Israel and we raised among them twelve chieftains, and Allah said: Lo! I am with you. If you establish daily prayers and cleanse your income and wealth [pay the due portion] and believe in and support My Messengers, and lend to Allah a beautiful loan, surely I shall remit your transgressions, and surely I shall bring you into gardens underneath which rivers flow. Whoso among you disbelieves after this, will surely go astray from the path” (12:5); and: “Establish the daily required prayers, pay Zakat [cleanse your income and wealth from the rights of others in them], and lend unto Allah a beautiful loan. Whatsoever good you send before you for your selves you will surely find it with Allah better and greater in recompense” (20:73). The *baraka* for spending in the path of Allah is even more astonishing: “The similitude of those who spend their wealth in Allah’s path is as the likeness of a grain which grows seven ears, in every ear a hundred grains” (261:2). That is, the return on expenditures whose goal is to help the needy remove the economic barriers in their path-to-perfection is seven hundred times the amount of the transfer! Such rewards resulting from rule-compliance are not limited to these examples.

The responsibility for the supervision and enforcement of the prescribed rules given by the Law Giver are relegated in the first place to society and then to the legitimate authorities. The first and most important human authority is the Prophet, who is granted general *walayabb* over humanity as a mercy of the Creator: “We did not send you but as a mercy to the world” (107:21); and: “We have not sent you save as a bringer of good tidings and a warner unto all humans, but most of mankind know not” (28:34). The Quran firmly establishes the general *walayabb* of the Prophet over the believers: “The Prophet is closer to the believers than their own selves” (6:33). The love relationship that this verse affirms is the foundation of the necessity of following and obeying the Prophet: “And obey Allah and obey His Messenger; but if you turn away, then the duty of Our Messenger

is only the clear conveying [of the message]" (12:64). To underline that *Walayahh-walayahh* and *Rububiyah-ubudiyah* relations reach their zenith through close emulation of the Prophet, the Quran asserts: "Say (O Messenger to mankind): If you love Allah, follow me; Allah will Love you and Forgive you your transgressions and Allah is Forgiving, Merciful" (31:3). The Quran then establishes the Prophet as the archetype human to be emulated: "Most assuredly in the Messenger of Allah you have an excellent model for him who has hope in [longing for] Allah and the Last Day, and much remembers Allah" (21:33). The Prophet's example is in the operationalization and implementation of these rules as an archetype of the perfection of the human state. Following his example and obeying him, therefore, provides a superhighway to perfection. Those who manage to do so indeed achieve felicity in this and in the next plane of existence: "Whosoever obeys Allah and the Messenger, they are with those unto whom Allah has bestowed His Grace among the prophets, those with [unshakable] tenacity, martyrs and the righteous; the best company they are. Such is the bounty of Allah, and Allah suffices as the All-Knowing" (69:4). It should be emphasized that rules prescribed by the Law Giver are binding on all, including the Prophet. The Prophet, however, is the one who has the authority to translate abstract rules from their cosmological position to the level of the ordinary human, to explain them, and to supervise and enforce their implementation.

During his lifetime, the Prophet experienced the full richness of life in all its dimensions and all the tests and trials of the human state. His life experience, from the mundane to the sublime, has left humanity the highest standard of action-decision and reaction-response to every possible life contingency. His behavior as a merchant, father, husband, warrior, citizen, and leader has left benchmarks against which all those who submit to the One Creator should judge their own behavior. Above all, his personal disposition in the absolute state of surrender to his Cherisher Lord, while experientially living a full life, showed his followers how life is to be lived. His patient-tolerant perseverance in giving operational meaning to his beliefs in the face of severe adversities, enormous challenges, and persecution demonstrates the full meaning of the verses of the Quran: "Verily those who say Allah is our Cherisher Lord and then persevere, upon them angels will descend [saying] do not fear and do not grieve and be glad of the good tidings of the Garden you have been promised. We are your waliyy [loving, protective friends] in the life of this world and in the Hereafter and for you in it [will be] all that your selves desire and for you there will be whatever you call for; a gift of welcome from the Forgiving, Merciful" (30–32:41).

The Prophet demonstrated full compliance with every order and rule prescribed by his Creator for a felicitous human life. He showed how actively and dynamically a human can face challenges by following Allah's Orders to be fully conscious of Allah's Presence; to place full trust in Him; to be truthful at all times even if it hurts; to give everyone their rights and dues; to be faithful to one's promises and covenants; not to deliberately harm anyone regardless of potential material gains; and, above all, to: "Seek help in tolerant-patient-endurance and the communion [Salat]; and truly it is hard save for those who are in a state of humility [before their Lord], those who expect that they will indeed meet their Cherisher Lord and that unto Him they are returning" (45-46:2); "O You who believe! Seek help in tolerant-patient-perseverance [Sabr] and the communion [Salat]; Lo! Most assuredly Allah is with those who are in a tolerant-patient-enduring state" (153:2); and: "Lo! The human is in a state of loss, except those who believe and do good deeds and exhort one another the Truth and exhort one another to tolerant-patient-endurance" (2-3:103).

Just as the Prophet is the archetype human, the society he organized in Medina is an Archetypal Model. A religiously plural state, Medina society was organized under a social contract, entered into shortly after Muslims migrated from Mecca to Medina in 622. This social contract, which came to be known as the Constitution of Medina, was established between the Prophet and the multifaith inhabitants of Medina. It was composed of a series of documents and contained approximately fifty clauses of practical and agreed-upon procedures. The documents that constitute the agreement between the Prophet and all inhabitants of Medina came into being at a time when many of the verses of the Quran relating to socioeconomic-political issues were yet revealed. Nevertheless, the Constitution of Medina demonstrates how a multifaith, plural society led by the Prophet established equality among its citizens, protected private property, developed the infrastructural framework for protecting the rights of citizens, and instituted appeal processes. The Constitution of Medina affirmed that while the social contract was the ruling constitutional¹⁰ mechanism, members of each faith had the right to be judged according to the rulings of their own faith to create social solidarity.

Much of the Quran revealed in Mecca established the principles of belief. To have an idea of how these principles transformed the lives of those who responded affirmatively to the call of the Prophet, it is worth considering part of the speech made by the leader of a group of persecuted Muslims who fled Mecca to Ethiopia. To make a case of why the group should not be repatriated to the representatives of the ruling elites

of Mecca, its leader, Ja'far, a cousin of the Prophet, addressed the King saying:

Your Majesty, before Islam we were a people who worshiped idols, ate the meat of dead animals [not slaughtered according to prescribed rules], engaged in immoral acts, cut relations with our blood relatives, mistreated our neighbors and those with whom we had covenants. The powerful among us would exploit and destroy the powerless. This was our state of affairs until Allah appointed one among us, a messenger who was known for truthfulness, trustworthiness, and moral and ethical behavior. He called us to know Allah in His Unity and to adore Him, and abandon the idols, which our forefathers and we were worshiping. He admonished us to be truthful and trustworthy; to establish ties with blood relatives; to treat well our neighbors and those with whom we had covenants; to abandon immoral and unethical conduct; to stop shedding blood; to avoid lying, stealing from the orphans, and destroying the reputation of innocent women by falsely accusing them. He ordered us to establish daily communion [*salat*]; to pay *zakat* [the right of others in one's income and wealth], and to fast.¹¹

This event indicates that six years after the beginning of the messengership of the Prophet, people who had surrendered to the *Walayabb* of the Cherisher Lord had already made significant progress in self-development.

Although many biographies of the Prophet have been written by scholars, comparatively little scholarly research has been done on the economic policies of the Prophet during his tenure as the temporal authority in the society organized in Medina. An exception is the comprehensive book by Kazem Sadr, *The Economy of the Early Islamic Period* (1985).¹² Sadr focuses on the development of Medina society under the leadership of the Prophet, who laid down the institutional (rules) foundations of society based on the Metaframework provided by the Law Giver. Explaining, operationalizing, implementing, supervising, and enforcing these rules over the period of his life in Medina was an enormous challenge for the Prophet. Nevertheless, the Archetypal Model he provided efficiently formed the foundational structure of a *Tawheed*-centered society. Rules of governance, accountability, and transparency; rules regarding property ownership and protection; rules regarding the formation and the structure of the market; rules concerning the role of the state vis-à-vis the market; rules of behavior by market participants; rules regarding distribution and redistribution; rules related to education, technological progress, and society's infrastructure; and, finally, rules regarding sources of government income and its expenditures were all promulgated during the short period of thirteen years of the Prophet's life in Medina.

The central axis of design and operation of these rules is justice. As it was the case for all the prophets and messengers before him, the Prophet Muhammad understood the essential objective of his selection, appointment, and message to be to encourage and induce the establishment of justice in human societies as the Quran emphasized: “Verily We sent Our Messengers with clear proofs, and revealed with them the Scripture and the Balance in order for the humanity to establish [interpersonal] justice” (25:57). The Prophet taught the responsibility of the individual, the collectivity, and the state. He particularly emphasized the equality of individuals before the law, and that all rules that are incumbent on individuals and their collectivity must be more strictly observed by those in positions of authority. Thence his famous saying: “Authority may survive disbelief but not injustice.” Insistence on justice became the hallmark of the institutional scaffolding of governance, a structure with full transparency and accountability. Authoritative and scholarly biographies of the Prophet and the books of traditions (*ahadeeth*) reporting his actions and words are replete with examples of how freely accessible he was to all citizens, how easily he fielded questions regarding the Quran, Islam, and his own behavior. There are numerous examples of how aggressively and directly he was questioned about his own action-decisions as the temporal, political, and administrative authority and how patiently, tolerantly, and comprehensively he responded by giving full account of his behavior. Often, these discussions became occasions for revelations that provided authority for his behavior. Since his words and actions were framed within the rubric of the practical implementation of prescribed rules—themselves at the level of abstraction—they became part and parcel of the model for the practical formation and management of an Islamic society.

As stated earlier, in Mecca the Prophet was able to deliver the revelation on the principles of Islamic belief—the Unity of the Creator and the creation; the basic principles of the unity and equality of the human family, which obliterated all basis for inequity; the principles of prophethood and of the Day of Judgment; the principle that all in the universe belonged to the Creator and the idea that this ownership remains invariant and constant; the principles of the primordial covenant; the *Walayahh* of the Creator; the agency-trusteeship of humans; the *walayahh* of humans for one another; as well as the responsibility of using the resources provided by the Creator to develop the earth for the material and spiritual progress of mankind. It was in Medina where the Prophet was able to operationalize and implement these rules. The first and the most important of the Prophet’s efforts was the formation of a society based on Islamic teaching; this he achieved with the assistance of the critical mass of his followers who had migrated with him to Medina. It was first necessary to create peace,

social stability, and the means of defending the nascent society from external threats. The social contract with the inhabitants of Medina constituted agreed-upon procedures for administering society as well as procedures for the mutual support and defense of the newly born society. Given that Muslims who had migrated with him were either poor or had lost their wealth fleeing persecution in Mecca, he initiated a contract of mutual support, called the contract of brotherhood (*ukhuwwah*), where every Muslim who had migrated with the Prophet was designated a brother of a Muslim inhabitant of Medina, who then accepted the responsibility of providing material support for his contractual brother. Next, the Prophet clarified rules of property rights over natural resources. Those who had property at the time they entered Islam were given full rights over their properties. Those who had none became subject to the new rules governing property rights (see chapter 5 for the detailed rules governing property rights).¹³

To protect the interests of society and maintain social order and stability, the Prophet enunciated rules, based on those already prescribed by the Quran, to give priority to the rights of society over those of the individual. These rules, while general, tangentially relate to property rights in that while these rights for the individual are recognized and protected, they are not allowed to harm the interests of society. Sadr has defined waste (*itlaf*) in production and consumption of a commodity or a resource as when its marginal benefit or marginal product is zero to its possessor but positive for society as a whole. Similarly, Sadr defines extravagance and opulence (*israf* and *itraf*), in parallel to destruction and waste of a commodity or resources, as when the marginal benefit or marginal product of a commodity or resource is higher for society than it is for the individual producer or consumer. Using these definitions, waste and destruction (*itlaf*) constitute the limiting case of opulence and extravagance, that is, when the marginal product or the marginal benefit of a resource or a product is zero for its possessor but positive for society. The prohibition of these behaviors is intended to focus the attention of producers and consumers on the social costs and benefits of their action-decisions rather than on their private costs. This would induce greater efficiency in the use of resources to benefit society. The rule of *no harm, no injury* (*la dharar wa la dharar*) was promulgated by the Prophet based on the Quran to ensure that there is no adverse effect of private economic behavior on third parties or on society. Sadr suggests that the purpose of this rule appears to be to promote the convergence of the private and social costs of economic activity. The Prophet, in accordance with prescribed rules, prohibited theft, bribery, interest on money, the usurpation of the property rights of others by force, and other ethically and morally forbidden activities as sources of income and wealth.¹⁴ These activities create instantaneous property rights without

commensurate exertion of labor in production and are socially unproductive and harmful. These rules clearly establish the priority of the interests of society over those of the individual without adverse impact on private initiative in production, exchange, and consumption.

Before the advent of Islam, trade had been the most important economic activity of the Arabian Peninsula. A number of dynamic and thriving markets had developed throughout the area. Upon his arrival in Medina, the Prophet organized a market that was structured and governed by rules based on the Quran. He implemented a number of policies to encourage the expansion of trade and the market. While Medina had its own existing market, the Prophet, with the advice of the leading merchants among his followers, selected a location for a new market for Muslims. Unlike in the existing market in Medina as well as in other locations in Arabia, the Prophet prohibited the imposition of taxes on individual merchants as well as on transactions. He also implemented policies to encourage trade among Muslims and non-Muslims by creating incentives for non-Muslim merchants in and outside of Medina. For example, traveling non-Muslim merchants were considered guests of the Muslims and the Prophet guaranteed their merchandise, wealth, and income against all losses. The markets were the only authorized place of trade. Their construction and maintenance were the state's responsibility. Merchants were not allowed to build other markets as long as space was available in the designated market area, or to otherwise carry out trade in other locations. The Prophet designated a protected area for the market where no other construction was allowed. Trade was allowed in the surrounding land, but the location of merchants was assigned on a first come-first served basis only for the duration of the trading day. After the conquest of Mecca and the rest of Arabia, these and other rules governing the market and its participants were institutionalized and generalized to all markets in Arabia.

These rules included, *inter alia*, and in addition to those mentioned earlier, no restrictions on international or interregional trade, including no taxation of imports and exports; the free spatial movement of resources, goods, and services from one market to another; no barriers to market entry and exit; free and transparent information regarding the price, quality, and quantity of goods, particularly in the case of spot trade; the specification of the exact date for the completion of trade where trade was to take place over time; the specification of the property and other rights of all participants in every contract; guaranteed contract enforcement by the state and its legal apparatus; the prohibition of the hoarding of commodities and of productive resources for the purpose of pushing up their price (*ibtikar*); the prohibition of price controls (*Ta'seer*); a ban on sellers or buyers harming the interests of other market participants,

for example, by allowing a third party to interrupt negotiations between two parties (called *najsh*) in order to influence the negotiations to the benefit of one of the parties; and a ban on the shortchanging of buyers, for example, by not giving full weight and measure (*tatfeef*). Moreover, sellers and buyers were given the right of annulment of a deal: (1) before leaving the location in which it was taking place (*Khyar Majlis*); (2) in the case of a buyer who had not seen the commodity and after seeing it found it unacceptable (*Khyar Rou'yah*); (3) if either the seller or the buyer discovered that the product had either been sold for less than, or bought for higher than, it was worth; (4) if the buyer discovered that the quality of the product was not as expected (*Khyar Qashsh*); (5) if side conditions were specified during the negotiations, which were left unfulfilled (*Khyar Shart*); (6) if a delivery period was specified but the product was not delivered on time (*Khyar Moddah*); and (7) when the subject of the negotiations were pack animals, the buyer had the right to return the animal up to three days after the deal was finalized (*Khyar Haywan*). These rights of annulment ensured that market participants were protected against a lack of, or faulty, information.

As Sadr suggests, the moral-ethical foundation of market behavior prescribed by the Quran and implemented by the Prophet ensured the minimization of risk and of uncertainty for market participants and increased the efficiency of exchange. Moreover, rules specified in the Quran regarding faith to the terms of contracts (e.g., Verse 1, Chapter 5) and the knowledge of their enforcement increased certainty and reduced the cost of entering into contracts. Another important rule promulgated by the Prophet was the prohibition of interference with supply before entrance into the market (*Talaqqa ArRukban*). Before the formation of the Medina market, as caravans would approach a city in Arabia, dealers and brokers would rush to meet the merchants in the caravan to buy their merchandise before they had a chance to enter the market. The Prophet prohibited this behavior because it harmed the interests of the original seller and the final buyer. From the earliest period of operation of the Medina market, the Prophet appointed market supervisors, whose job was to ensure rule-compliance. It is reported that often the Prophet himself would enter the market and exhort rule-compliance. He ranked honest market participants with prophets, martyrs, and *aulia'* (plural for a *waliyy*: a lover) of Allah, because like prophets, they follow the path of justice, like martyrs they fight against heavy odds (of their desire to satisfy their own passions, like greed), and like the truthful Lovers of Allah they are steadfast in their path-to-perfection. The Prophet would advise the participants to go beyond mere rule-compliance and to treat their fellow humans with beneficence. While justice in the market would be served by rule-compliance,

which limits and controls selfish behavior, beneficence rises above serving justice by actually sacrificing one's self-interest for the interests of others. The Prophet would strongly encourage market participants to accept the duty of "commanding the good and forbidding evil" by engaging in self-regulation and rule-compliance.

There is exhaustive evidence from the life of the Prophet to underline the fact that he saw his primary duty, both as a temporal and spiritual authority, to be the promotion of justice in society by upholding the equality of everyone before the law. During his life in Medina, he ensured that the rights of every citizen, regardless of belief, were protected. He laid the foundation for a public treasury. He devised an efficient system not only for collecting taxes, which the Quran had ordained as the rights of members of society in each person's income and wealth (*khums* and *zakat*), but also for taxes and rents on public lands used by private producers (*kharaaj*), and for the per capita dues paid by non-Muslims for benefits derived from public services (this was paid in lieu of dues paid by Muslims), which accrued to the state treasury for redistribution to the needy. He established a means of defense against external threats, an education system, and procedures for the adoption of new technologies and infrastructural investments. He demonstrated his own transparency and accountability to the people by giving each citizen the right to question and to criticize without fear of retaliation. In this, he exhibited an enormous amount of patience and tolerance by listening to questions, complaints, and criticism no matter how harshly and inappropriately he was addressed.

The Prophet lived modestly, commensurate with the standard of living of the poorest among his followers. Litigations before him were settled quickly and fairly, with influence from the rich or powerful playing no role in his decisions. He consulted with experts in every affair in accordance with the rule of consultation ordained by the Law Giver (159:3; 38:42). His insistence on the participation of all members of society in its affairs, his strong encouragement of education, and inducements for the adoption of technologies from neighboring states and people are evidenced in his biographies as are his efforts to promote the expansion of social infrastructure. For example, one of his early policies in this regard was designating land for building houses (called *Iqta'iddar*) and simultaneously selecting land for the construction of a new market and a public bath. His emphasis on health and hygiene was so strong that he considered it a religious duty. He said, "Hygiene and cleanliness are a sign of belief and had it not been that I did not want to make things difficult for Muslims, I would have made brushing teeth mandatory."

He emphasized productive work and, while he would use the public treasury to alleviate destitution and poverty, he would strongly discourage

laziness and reliance by the able-bodied on handouts. He said that earning *halal* sustenance (from working in permissible occupation) for oneself and one's family is nine-tenths of '*ibadah* (everything that Allah loves). To encourage work, one of his policies was to enforce risk-reward sharing in production and/or trade projects. He also strongly encouraged those among his followers who were better off to provide interest-free loans (*Qard Hassan*) to those in need. He urged his wealthier followers to invest in public infrastructures, for example, water wells, for the benefit of society instead of hoarding their wealth, which is strongly prohibited in the Quran (34:9). As Sadr concludes, while military victories of the Muslims under the leadership of the Prophet were instrumental in providing resources for the treasury, reducing poverty and providing a minimum subsistence level for all members of society in Medina owed much to the economic policies of the Prophet, as did the rapid economic growth of all parts of Arabia that had joined the Muslims. History shows that during most of the entire period (except the first two years) of the Prophet's life in Medina economic growth and well-being were enhanced significantly.

Summary

The vision of development in Islam has three dimensions: self-development, physical-material development, and the development of society. These are organically and closely interrelated to the point where balanced progress in all three is needed to achieve development as conceived in Islam. In Islam, the four constants of other visions of development, namely, scarcity, rationality, and the roles of the state and of the market, are perceived differently. In Islam all three dimensions of development assign heavy responsibility on individuals and society—with both held responsible for any lack of development. Balanced development is defined as balanced progress in all three dimensions. Progress is balanced if it is accompanied by justice, both in its general (*adl*) and in its interpersonal (*qist*) dimension. The objective of such balanced development is to achieve progress on the path-to-perfection by all humans, through rule-compliance.

Enforcement of the prescribed rules is accomplished by an internal and an external mechanism. The former is determined by the degree of consciousness of the Creator internal to each human. Here each action-decision is made with full awareness of the ever-presence of the Cherisher Lord; this is called *taqwa* in the Quran. The external mechanism operates through the rule of *commanding the good and prohibiting evil*. *Walayabih* of humans for one another is a part of their adoration of the Creator, and each human is responsible to ensure that others are rule-compliant. It is

also the duty of the state and its apparatus to enforce rule-compliance. The governance structure envisaged in Islam requires full transparency and accountability by the state and full participation in societal affairs by all members of society.

Throughout this discussion we have repeatedly referred to the prescribed rules. In the next chapter we examine in detail the major rules of the Metaframework and of the Archetypal Model and discuss how rule-compliance leads to complete and comprehensive development as envisaged in Islam.

Chapter 5

The Institutional Structure of Development in Islam

In this chapter we focus on the core institutional structure (rules) specified in the Metaframework and Archetypal Model. This core structure constitutes the foundational scaffolding for comprehensive and complete development in Islam.¹

In a series of verses in Chapter 7 culminating in Verse 96, the Quran states the necessary and sufficient conditions for the implementation of its concept of development. To do so, it recalls examples of failed societies, focusing on five communities identified by their messengers: Noah, Hud, Salih, Lot, and Sho'ayb (59–93:7). In each case, the Quran explains how after each messenger called his people to their Cherisher Lord, admonishing them to comply with His Prescribed Rules and to desist from oppression and transgression, and from economic, social, and political exploitation, the majority of the people rejected their respective prophet repeatedly. These examples appear to have been selected to demonstrate how a society's failure to comply with prescribed rules brings about its own destruction. In each case the perseverance of the messengers in urging rule-compliance—such as treating other humans with fairness, justice, and dignity; not oppressing the weak among them; being faithful to their promises and contracts; avoiding opulence and behavior contrary to human dignity and purpose; and not discriminating against other humans for whatever reason—was met with a severe rejection of the message. Each of these societies was repeatedly tested and warned. However, instead of learning from these experiences and turning to their Creator, the people rejected the source and purpose of these tests and asserted

that the ensuing punishments were usual events much like those their fathers and forefathers had also experienced. These verses then culminate in Verse 96: “If the people of these communities had [dynamically and actively] believed and had taqwa [were fully conscious and aware of Allah] We would have opened for them *barakat* [blessings] from the heavens and the earth.” This verse contains the essence of the Metaframework’s concept of development and growth as well as the necessary and sufficient conditions for achieving every dimension of development. In the rest of this chapter we offer an understanding of this verse and further explain rule-compliance, which is the necessary and sufficient condition for development in Islam.

Heretofore, it has been necessary to preface the translation of the word *iman* as “belief” with modifiers: dynamic and active. The reason is that the word “belief” in its natural linguistic-cultural setting conveys notions that do not accurately reflect the meaning of *iman* in the Quranic sense. For one thing, the word “belief” conveys a sense of the static, rigid, passive, dogmatic, self-righteous, and unapproachable. In its Quranic setting, *iman* is a dynamic process, much in the spirit of Alfred North Whitehead; a process of leapfrogging movement from one level of “belief” to another. Each plateau represents an experiential inner set of expectations or intendings and feedback loops in response to external stimuli generated by the processes of submersion into the crucible of testing, trials, and tribulations. Each plateau signals a higher consciousness and awareness of the “self” and her Creator. Upward movement from one plateau to the next is facilitated by the correct response to external stimuli through rule-compliance, which gradually strengthens through the qualitative evolution of expectations and intending. This last term, intending—the verbal noun of intention—is selected to represent the concept of *niyyah*, which is, again, a dynamic concept representing the directed will of the self. It expresses the changing quality of *iman*, its strength, and the lessons the self has learned from her experience in the crucible of testing. Every “intending” of the will has consequences. In a famous saying the Prophet asserts, “Actions [and their consequences] depend on the intending [that generates them].” Intending expresses the degree of self-development, an experiential and existential manifestation of progress toward the full realization of the Creator.²

Each upward movement of the self represents a new state of awareness and is also a dynamic reorientation of the inner expectations of the self from herself and from her Cherisher Lord. Each reorientation of inner expectation leads to a qualitative transformation of intending. In the dynamic process of reorientation and the qualitative transformation of intending, there is a feedback process involving the relationship of the

self with her Lord Creator that then energizes the upward movement of the self and of her state of awareness of her Cherisher Lord, with implications for the strength of belief. Every act of adoration of the Cherisher Lord requires a *niyyah* (intending): a directed will to undertake an action-decision where the self directs her will to take an action intending to please the Cherisher Lord and to draw nearer to Him. It is important to recognize the full import of the last part of the previous sentence. The Quran asserts unequivocally in a number of verses that the Cherisher Lord is indeed “with” every human and that He is closer to the human than he is to the “jugular vein.” What does it mean to require that every human act of adoration of the Cherisher Lord be preceded by a full expression of intending, as a means of pleasing the Cherisher Lord and drawing near to Him, particularly when He is All-Knowing, All-Seeing, All-Hearing, and knows what is hidden in our hearts? Intending is a crucial trigger for alerting the self and establishing a feedback process. This begins with the conscious and deliberate consideration of every purposeful action-decision along with an inner expectation of the consequences, which then directs the will toward intending the action. For example, every step in preparation for the ritual five daily prayers culminates in intending: to establish communion with the Cherisher Lord and with others in the congregation. The Prophet said that the ritual prayer-communion is the means of “ascension of the believer.” Each of the five daily prayers requires an explicit inner expression that the believer is intending the prayer, so as to draw nearer to the Cherisher Lord. Such intending along with the depth of the inner experiential-existential conscious awareness of Allah brought to bear on the self during prayer and in relations with others determines the quality, strength, and speed of the upward movement of the self.

Previously, the word “active” has been used to preface and modify “belief” because it is action-decision that manifests the degree, quality, and strength of belief and that locates the position of the believer on the path-to-perfection. Every intending behind action-decision to please Allah and to draw nearer to Him is a righteous action, no matter how mundane the action may appear. The Quran often couples belief with righteous action. The Prophet said, “Belief without action is like a body without a head.”³ Imam Al-Sadiq has said, “All of *iman* is action.”⁴ Every intending to act to draw nearer to the Creator adds to the inner interconnected cognitive network that constitutes the totality of the belief system. Such a system is not and cannot be either inherited or accepted without the concomitant reflective-meditative reason. Indeed, in many verses, the Quran rejects the adoption and imitation of beliefs held by others, including beliefs held by parents and grandparents, or the rich, powerful, or most respected in

society. The three fundamental axioms of *Tawheed*, *Prophethood*, and the *Day of Accountability and Judgment* have to be accepted by deliberate reflective-meditative reasoning. This rationality involves the totality of the human being; it is not disembodied, abstract reasoning. It is a reasoning felt by the entire being; it is a mode of experiential cognizance rather than one based on abstract concepts. It is a rationality based on lived experience gained from immersion in the crucible of testing. It is this rationality that is at the root of intending, acting, and interacting, which together form the foundation of belief. Having explained the reason for the choice of the modifiers—dynamic and active—attached to belief and believer, from hereon the words will be used without the preface.

The word *taqwa* has heretofore been translated as Allah-consciousness and explained as an intense awareness of the presence of the Cherisher Lord with the help of the metaphor of an inner torch. The word consciousness signifies the degree of recognition by the self of herself and of her dependence on her Lord Creator. It is consciousness, in turn, that directs the will to become aware of the consequences of a particular action-decision. The stronger the consciousness of Allah, the more focused the directed will and awareness of the intending behind an action targeted to drawing near to Allah. As consciousness of the pairs Creator-created, *Rubbubbiyyah-ûbudîyyah*, contingent being-Absolute Being, and *Walayahh-walayahh* increases, it approaches Meta consciousness. The latter is the consciousness imprinted on the primordial nature of humans. This is the immutable and undistorted cognition of the pairwise relationship of Creator-adorer with all its dimensions. When consciousness merges into Meta consciousness, the human gains absolute freedom through which the self chooses to surrender fully to the will of her Creator. *Taqwa* itself is accumulated consciousness and awareness that Allah directs every action-decision. This, in turn, adds to the stock of *taqwa* and strengthens it to the point that it leads to every action becoming *ihsan* (usually translated as acts of beneficence). As mentioned earlier, an action-decision that qualifies as *ihsan* is defined by the Prophet as adoring “Allah as if you see Him. Even if you cannot see Him, He sees you.”⁵ When consciousness becomes that intense, every action becomes an act of *ihsan* and its doer a *mohsin*: a person whose actions become acts of beneficence. But this is not all. As *taqwa* intensifies, so does the cognizance of Allah and of His Oneness. That, in turn, strengthens the perception of the unity of the creation in general and of humanity in particular. The self becomes progressively conscious of the interconnectedness of everything in Allah’s Creation. She also becomes aware that any intending, action, or decision affects the rest of creation since she will recognize that creation composed of sentient beings who

share the meaning behind the actions of their Creator and are constantly praising Him: “The seven heavens and the earth and whomsoever is on them praise Him and there is not a thing but that it sings His praise but you do not understand their praise. Lo! He is ever Clement, Forgiving” (44:17); and “Everything in the heaven and earth praises Him and He is the Mighty, the Wise” (1:57).

Taqwa is an innate ability that a believing self develops to recognize her Cherisher Lord Creator, that directs her action-decisions to please Him, and increases her ability to progressively and purposefully draw nearer to Him. *Taqwa* becomes the inner police that monitors, assesses, approves, or disapproves action-discussions that the self is intending regarding the degree of compliance with the rules prescribed by the Law Giver. When *taqwa* intensifies, the consciousness of the self converges to the Meta consciousness, which is an immutable cognition of the Oneness of the Creator imprinted on its *fitrah* (its primordial nature) to know the reality behind all appearance. The self is then able to see external phenomena and those within as signs from the real. That is, it becomes able to recognize manifest phenomena as a sign of the un-manifested reality. The physicist Bohm refers to the former as the “explicate order” and the latter as the “implicate order.” The waves of the ocean, for example, represent an explicate order that has no independent existence, and the waves are manifested by the ocean itself, representing an implicate order. Finally, whereas there are some plateau levels of *iman* that coexist with rule-violation or noncompliance, once *taqwa* strengthens and becomes communal and interrelational with the rest of humanity and creation, noncompliance with rules prescribed by the Law Giver becomes even more difficult. To strengthen *taqwa* and to make it communal, a disciplined set of protocols consisting of devotional acts of adoration of the Cherisher Lord are made congressional and communal just as the ritual prayers strongly recommended to be performed in congregation in mosques, and like pilgrimage. Moreover, all acts intended to please Allah become a collective social undertaking.

It is important to underline the role of *taqwa* as the monitor, assessor, and enforcer of rule-compliance. This is particularly crucial when the self is faced with the challenge of responding to a trial that threatens her stability. At such a point, the self faces the proverbial “fork-in-the-road.” Here is where even small changes can amplify into major consequences. The Quran is clear on the point that from birth to death, humans are subject to tests eliciting responses that represent the best action (2:67), namely, the action most compliant with the prescribed rules. At times the trials are so designed as to create a major shock to the stability of a person but also present a valuable opportunity for a quantum upward leap in consciousness. This is the point that the system theorist Ilya Prigogine refers to as

the “point of bifurcation,” a moment of truth when the system must choose which path to follow. Chaos theory suggests that a system approaching a bifurcation point becomes so sensitive that it can amplify small changes into large feedbacks. Decisions made at such points lead the system either toward greater chaos or toward higher order. The Quran mentions individuals and societies that, faced with a bifurcation point, made the wrong choice. The most important examples are those of Adam and Satan. Faced with a critical bifurcation point, Adam made the wrong choice, but soon recognized his transgression, apologized for rule-violation, and was forgiven by His Merciful Cherisher Lord. Satan, on the other hand, not only violated the prescribed rule but also remained defiant and unapologetic, earning the rejection of Allah into eternity. It is at the bifurcation points of trials that *taqwa* can monitor the reflective-meditative reasoning of the self, remind her of the *One-Without-a-Second* as the source of these tests, and enforce rule-compliance.

Turning again to Verse 96 of Chapter 7, where the conditions for development are stated, we find the assertion that, provided society is believing and fully conscious of the Creator, the process of development will take place through the mechanism of *barakat* (blessings). A brief note on this mechanism may be useful. The concept of *barakat* refers to a mechanism instituted by Allah to provide multiple payoffs for any act of righteousness, that is, those that are fully compliant with the prescribed rules. A reading of the verses in the Quran related to this concept suggests that this is an automatic process. For example, the Quran says, “Whosoever comes with a beautiful deed, for him there are ten like it” (160:6). This is an unconditional assertion that seems to suggest that a manifold return will accrue automatically. It is then not surprising that, as the verse suggests, if the members of society act out of belief and are fully conscious that their actions are to please their Cherisher Lord and act so as to draw near to Him, all their actions will be “beautiful” because they are undertaking these actions fully aware of His Ever-Presence. Therefore, all their actions in production, exchange, distribution, and redistribution will have manifold returns. This verse suggests an accelerated rate of progress and of economic growth for such societies. Resources are made available by the Supreme Creator for the use and benefit of all of mankind regardless of whether they are Muslim or whether they follow the rules prescribed by the Cherisher Lord. The verse, however, also implies that the returns from actions involved in the use of these resources will have ever-increasing returns if these actions are in full compliance with the prescribed rules. Since the availability and the efficiency in the use of these resources will determine the level of economic development and the rate of economic growth, the verse can be understood to say that the

closer the compliance of actions—in production, exchange, distribution, and redistribution—of society with the rules governing those actions, the higher the total factor productivity (TFP), the rate of growth, and the level of economic development. Both the development of the self and material development are included in the verse through the dynamics of belief and conscious awareness.

Being a believer implies a minimum threshold level of inner (heartfelt) rational-experientially validated belief in the three fundamental axioms central to Islam as well as a minimum level of conscious awareness. All of the above require a minimum threshold level of compliance with the corresponding rules to signify a qualitative difference between the expression of submission (*Islam*) and surrender (*iman*). In terms of participation in the economic activities of society, this means, at a minimum, that all the rules governing behavior in an economic system designed on the basis of the Metaframework and the Archetypal Model are held sacred and binding. Such a system can be defined as a collection of institutions—rules of conduct and their enforcement characteristics—designed by the Law Giver through the rules prescribed in the Metaframework and operationalized in the Archetypal Model to deal with the allocation of resources, the production and exchange of goods and services, and the distribution-redistribution of the resulting income and wealth. The objective of these rules is to achieve justice. The *raison d'être* of messengers and prophets, it may be recalled, has been to persuade humans to establish justice in their interpersonal dealings. The function of these rules is to reduce uncertainty for individuals and to allow them to overcome the obstacles presented by their ignorance. Rules specify what kind of conduct is most appropriate for achieving just results when individuals face choices and must take action. Rules impose restrictions on what members of society may do without upsetting the social order on whose existence all members depend. Compliance with the rules by individuals determines the degree of certainty in society. Since everyone knows the rules, the reaction and response of individuals to each situation results in the clarity and certainty of the expectations of others.⁶

If emotions, passions, whims, and impulse drive individuals toward a certain response to stimuli, rules tell them whether such responses are appropriate. Compliance with rules integrates individuals into society. Rules serve to prevent conflicts, reconcile differences, coordinate action, and facilitate cooperation among individuals. Thus, rules promote social integration and unity and strengthen the social order. To achieve these results two conditions must exist, one is necessary and the other sufficient. The necessary condition requires that rule-compliance be enforced, through persuasion as far as possible, through coercion if necessary. The

sufficient condition states that the social order will be preserved if it is generally acknowledged and affirmed that rules of conduct will be enforced in all cases irrespective of the particular consequences foreseen. Only if applied universally, without regard to such consequences, will rules of conduct and institutions serve the permanent preservation of the social order. There are many instances reported from the temporal rule of the Prophet on the strict application of rules regardless of consequences. The degree of effectiveness of the enforcement of rules is determined by the degree to which the objective of the system, namely, the establishment of justice, is an integral part of the subjective self. The Quran makes it clear that social cohesion, unity, and order in any human collectivity is paramount and accordingly lays down the rule of cooperation among humans: "Cooperate with one another unto righteous [actions] in conscious awareness and do not cooperate with one another unto transgression and enmity" (2:5); "Grab hold of the rope of Allah [the Quran] collectively and do not [take actions that may lead you to] disunite" (103:3); and: "Obey Allah and His Messenger and do not dispute with one another, lest you falter and your strength depart from you. And be [steadfastly] patient; Verily Allah is with the [steadfastly] patient" (46:8).

These and a large number of other verses ordain that humans should work hard to achieve and preserve social cohesion and unity. This is so central among the objectives of the Metaframework that it can be claimed that all rules of behavior prescribed are those that lead to social integration, cohesion, and unity. Conversely, all behaviors prohibited are those that ultimately lead to disintegration. The Quran calls attention to the fact that despite all apparent differences, humans are fundamentally one; they were created from one self and will return to their Creator ultimately as one self. "Neither your creation [was] nor your resurrection will be other than as one united self" (28:3); and: "As He brought you into being, so will you return" (29:7). It is this unity, itself a reflection of the Creator, that leads to the *walayahh* of humans for one another. Qardawi suggests that a believer loves all humans because they are brothers in humanity and partners in *‘ubudiyyah* to Allah, they are related to one another, ultimately sharing one father and mother, and they share a common objective and have a common enemy.⁷ He refers to the first Verse of Chapter 4 of the Quran: "O humanity! Be consciously aware of your Cherisher Lord who created you from a single self and from her created her mate and from them has spread forward a multitude of men and women and be consciously aware of Allah in whom you claim [your rights] of one another, and toward the wombs [that bore you]. Lo! Allah has been a watcher over you." Qardawi suggests that by "wombs" in this verse is meant the womb of humanity that connects all humans to

one another. He refers to another verse of the Quran to indicate that all humans have a common objective and a common enemy: "O humanity! Lo! The promise of Allah is true. So let not the life of the world beguile you, and do not be beguiled regarding Allah. Indeed Satan is your enemy, so treat him as an enemy" (5-6:35). The common objective is the felicity of eternal life and the common enemy of all humans is Satan. Qardawi asserts that the feeling of brotherly love of a Muslim toward all other humans is not a side issue. It is a belief central to the way of life that Allah has ordained; it is a belief with which he will meet Allah on the Day of Judgment while on his lips is the freshness of the reminder of this love. It is a belief through which the Muslim hopes to draw near to Allah. Qardawi relates a prayer of the Prophet after every *salat*: "O Allah! Our Cherisher Lord and that of all things and owner-governor over all things: I testify that you are indeed the Cherisher Lord singularly and there is no partner associated with you: O Allah! Cherisher Lord and that of all things I testify that Mohammad is Your adorer-servant and Your Messenger: O Allah! Our Cherisher Lord and that of all things: I testify that all [Your] servants [namely, humanity) are brothers." Qardawi notes that the testimony of the Prophet to the brotherhood of humanity is put at the third level of importance after *Tawheed* and his own messenger-ship. He asserts that "belief itself is the source of pure love and only the believer can truly love everything including natural disasters. The believer loves the entire existence from its beginning to its end, death and life in it." He mentions a famous saying of the Prophet that "I swear to He who holds my life in His Hand that you will never enter paradise until you become [true] believers and you will not become [true] believers until you love one another."⁸

It is the love of humanity that motivates and is the true enforcer of rule-compliance by the believer. The Quran, however, acknowledges that even the believer can and does fall victim to lapses and either does not comply with or actually violates the rules, worse, a believer can and does say things that are not followed by action: "O you who believe! Why do you say that which you do not? It is most hateful in the sight of Allah that you say that which you do not" (2-3:61). This is what Aristotle called *akrasia*. That is, when someone knows the right thing to do and professes as much, yet does not comply with it. The Quran attributes this behavior to *qasflah*: negligence, inattention, and carelessness. The cure for it is the strengthening of belief: "O you who believe! Believe in Allah and His Messenger and the scripture, which He has descended upon His Messenger and the scripture, which He sent down from before" (136:4); and "O you who believe! Enter all of you into full surrender" (208:2). It may appear paradoxical that these verses order believers to believe and become Muslims! The verses, however,

clearly demonstrate the dynamism of belief and its progression toward full and voluntary surrender of the will of the self to the will of Allah, namely, full compliance with the rules He has prescribed. It is therefore clear, by now, that believing is only a necessary condition for development and needs the sufficiency of the condition of *taqwa*—the inner supervisor and enforcer of rule-compliance empowered by full consciousness; the directed awareness of the Cherisher Lord—in the verse of development (96:7).

Before enumerating the major rules that promote development, it is important to clarify that *iman* motivates love for humanity, which empowers rule-compliance, and *taqwa* assures constancy of behavior in rule-compliance. It is also worth noting, again, that the core objective of rules is to reduce uncertainty in economic transactions and to allow the mutual sharing of economic risks, permitting consumption smoothing for all members of society. The sharing of the risks of life is motivated by *walayahh*, which every believer operationalizes through behavior in compliance with the rules. It is the *walayahh* for other humans and for the rest of creation that prompts the believer to want the best for others as he wants for himself. It is love that would call forth full participation in the economic, social, and political life of the community by the believer. It is love that explains why: “You will never achieve righteousness until you spend of what you love the most” (92:3). Finally, it is love of other humans that leads the believer to comply with the rule of commending the good and forbidding the transgression of rules. When believers comply with this rule, they express their love for others in effect because they want good outcomes from performing good and righteous deeds and avoid the adverse consequences of rule-violation that would accrue to fellow human beings.

Earlier we have explained that the *Walayahh* of the Creator for humanity has bestowed dignity on the human state. Dignity is manifested through the sufficient provision of resources at the cosmologically macro level. Humans, in their collectivity, are entrusted with the responsibility of trustee-stewardship of these resources to remove economic obstacles created on the path-to-perfection of individual humans, who otherwise face the scarcity of these resources at their micro level. Before enumerating the rules regarding property rights, it is useful to understand what property means. It can be defined as a bundle of rights, duties, powers, and liabilities with respect to an asset. In the Western concept, private property is considered the right of an individual to use and dispose of along with the right to exclude others from access to and use of that asset. Even in the evolution of Western economies, this is a rather new concept of property that is thought to have accompanied the emergence of the present form of free market economies. Before that, however, property

rights did not include the right to dispose of an asset or to exclude others from its use. For example, a grant of property rights over a parcel of land, a corporate charter, or a monopoly granted by the state gave its possessor the right to the revenues accruing from those grants but excluded the right of disposing of the asset. It was thought that the free market economy required a revision because that restriction on the ability to dispose of a property was incompatible with a free market economy. In Islam, however, limitations on the disposal of an asset, for example, rules against waste, destruction, and opulent use, are retained without diminishing the role of the market.⁹

Property relations are governed by a set of rules regarding rights and obligations. The first rule governing property relations is that everything in creation, including humans, is the property of the Creator. He has created natural-physical resources for the benefit of all of mankind. The second rule asserts the rights of the human collectivity to these resources: “He it is who created for you all that is in the earth” (29:2); and “Do not give your resources that Allah has made you [responsible as] its preserver on to the foolish” (5:4). These two verses, and a number of others, establish the right of access to these resources by all humans. The third rule establishes that once the property is accessed and combined with work by individuals, a full right of possession of the resulting product is established for the individual without either the Creator losing His Original Property Right or the collectivity losing its initial right of possession to these resources. The fourth rule recognizes only two ways in which individuals gain legitimate property rights: (1) through their own creative labor, and/or (2) through transfers—via exchange, contracts, grants, or inheritance—from others who have gained the property rights title to an asset through their own labor. Fundamentally, therefore, work is the basis of the acquisition of right to property. Work, however, is not only performed for the purpose of satisfying one’s desires, but also considered a duty and an obligation required of everyone. The importance of work is reflected in more than three hundred verses of the Quran. It has been mentioned already that *iman* requires action: “Indeed, there is nothing for the human other than [what is achieved through] effort and that [the results of] his effort will be seen and then he will be repaid for it with fullest payment” (39–41:53); “Whosoever does an atom’s weight of good will see [its consequences] and whosoever does an atom’s weight of evil will see [its consequences]” (7–8:100); and “When the [Friday] prayer is ended, then disperse in the land and seek of Allah’s bounty, and remember Allah much in order that perhaps you may be successful” (10:65). This last verse indicates the importance the Metaframework attaches to work; it is ordained even for Friday, usually assumed to be a day of rest for Muslims. The Prophet said,

“Earn your sustenance from the hard work of your hands,” and “Whoever earns his own sustenance from his own hard work, Allah will look upon him with mercy and will not ever punish him,” and “Whosoever earns his sustenance through his own hard work will be among the prophets on the Day of Rising and will receive the same rewards as the prophets,” and also “Whosoever earns the sustenance of his family through his own labor is like a struggler in the path of Allah.” Someone approached the Prophet, “I have not eaten for two days.” The Prophet replied, “Go and work in the market.”¹⁰

These rules from the Metaframework and Archetypal Model make it clear that work is the fundamental basis of earning income and of acquiring property rights. An important corollary of this is a fifth rule that forbids gaining instantaneous property rights without having worked to earn them. The exception is lawful transfer as mentioned earlier. This rule prohibits property rights gained through gambling, theft, earning interest on money lent, bribery, or, generally, from sources considered unlawful. “And do not allow your wealth become wrongful means of sustenance and do not dangle it [your wealth as an enticement and bribery] to the rulers [judges] so that [with their help] you devour a portion of the wealth of other humans wrongfully while you know [what you are doing is a transgression]” (188:2); and “O you who believe! Do not allow your wealth become a wrongful source of sustenance unless it is [based on a] mutually satisfactory trade” (29:4). Lending money with interest is forbidden because it, too, creates an instantaneous property right for the lender, while the lender maintains all property rights on the money he lends, thus shifting all the risk of the transaction to the borrower. In consonance with its systemic approach that as something is prohibited, a permissible alternative is ordained, Islam prohibits debt-based contracts but immediately mandates an alternative: a contract of exchange. The Quran asserts that “they say that indeed an exchange contract [*bai'*] is like an interest-bearing debt contract, but Allah has declared exchange contracts *halal* and has declared debt-based contracts *haram*” (29:4). *Bai'* is defined as a contract of mutual exchange that allows risk sharing and consumption smoothing.

Just as work is a right and obligation of all humans, access to and use of natural-physical resources provided by the Creator for producing goods and services are also every human's right and obligation. All humans are ordained to apply their creative labor to these resources to produce what society needs. If an individual, for whatever reason, lacks the ability to work, it does not deprive him of his original right to resources granted to every human by their Creator. Therefore, the rule of the “immutability of property rights” constitutes the sixth rule of property relations. This rule

sanctifies the duty of sharing into the principles of property rights and obligations. Before any work is performed on natural-physical resources, all humans have an equal right and opportunity to access these resources. When individuals apply their creative labor to resources, they gain a right to priority in the possession, use and exchange of the resulting product without nullifying the original property rights of the Creator or the rights He granted to all humans in the final product or the proceeds from its sale: His Original Property Rights and the rights He has granted to all humans in the resources used to produce the product remain invariant, immutable, and intact. This is the justification for the rule of sharing in which the Cherisher Lord says, “And bestow upon them of the wealth of Allah which He has bestowed upon you” (33:24), thus legislating the rule of sharing and threatening those who shirk the duty of sharing: “And let not those who greedily accumulate [and refuse to share] what Allah has given them of His Bounty think that it [hoarding and accumulating and not sharing] is good for them. Nay, it is worse for them. That [which they refuse to share and greedily accumulate] will become their neck collar [a heavy burden to bear] on the Day of Resurrection” (180:3); “Serve Allah in adoration, ascribe nothing as partner unto Him and show beneficence toward parents, and unto near kindred, and orphans, and the needy, and the neighbor who is of kin to you and the neighbor who is not your kin and the fellow-traveler and the wayfarer and whom your right hand possess [whosoever for whose welfare you are responsible]. Lo! Allah does not love those who are proud and boastful, those that greedily accumulate and refuse to share, and command others to do the same and hide [hoard] what Allah has given them of His Bounty. For disbelievers we prepare a shameful doom” (36, 37:4); and “As for him who gives [shares his income and wealth] while consciously aware [of Allah] so that he affirms the goodness [of Allah], surely We will ease his path unto the state of ease and comfort [the state of no anxiety]. But as for him who refuses to share and accumulates to the point of feeling totally independent and rejects the goodness [of Allah], surely we will ease his way into hardship [an anxious state of mind]. His wealth will not benefit or save him when he perishes” (5–11:92).

The duty of sharing the product or the income and wealth proceeding from its sale constitutes the seventh rule of property relations, which relates to property ownership rights as a trust. This rule is operationalized through the ordained duties imposed on income and wealth, which must be paid to cleanse income and wealth from the rights of others. This is perhaps the reason why the Quran refers to these duties as *zakat*, from the root word meaning cleansing and purification. These duties are likened to tree pruning, which simultaneously rids the tree of its undesirable

parts and allows its further growth. The eighth rule of property relations imposes limitations on the right of disposing of property—a right that is presumably absolute in the Western concept of property rights. In Islam, individuals have a severely mandated obligation not to waste, squander, or destroy (*itlaf* and *israf*), or to use property for opulence (*itraf*) or unlawful (*haram*) purposes, such as bribery. Once the specified property obligations are appropriately discharged, including that of sharing in the prescribed amount and manner, property rights on the remaining part of income, wealth, and assets are held sacred and inviolate and no one can force their appropriation or expropriation. These property rights were fully protected by the Prophet, who said, “Humans have sovereignty over their wealth.” This right is held so sacred that even when a rule had to be developed relatively recently in the history of Islamic nation-states to accommodate emergency cases, such as the exercise of eminent domain for the expropriation of land for the development of public utilities, the rule was referred to as *ikrah hukmi* (aversive ruling). Even in these unusual cases, governments could take action only after adequate compensation was paid to the owner.

While the earlier rules strongly affirm mankind’s natural tendency to possess—particularly products resulting from individual labor—the concomitant property obligations promote interdependence and cohesion among the members of society. Believers are persons in a relationship of reciprocity. Private initiative, choice, and reward are recognized and acknowledged as legitimate and protected but are not allowed to subvert the obligation of sharing. The inviolability of appropriately and legitimately acquired private property rights in Islam deserves emphasis. As a legal expert observed, given the divine origin of Islam,

Its institutions, such as individual ownership, private rights, and contractual obligations, share its sacredness. To the authority of law, as it is understood in the West, is added the great weight of religion. Infringement of the property and rights of another person is not only a trespass against the law; it is also a sin against the religion and its God. Private ownership and individual rights are gifts from God, and creative labor, inheritance, contracts, and other lawful means of acquiring property or entitlement to rights are only channels of God’s bounty and goodness to man. . . . All Muslim schools teach that private property and rights are inviolable in relations between individuals as well as in relations with the state. . . . It is not only by their divine origin that the Muslim institutions of private ownership and right differ from their counterpart in the Western system of law; their content and range of application are more far-reaching. . . . If absolutes can be compared, it can be safely said that the right of ownership in Muslim law is more absolute than it is in modern systems of law. . . . The Muslim concept

of property and right is less restricted than is the modern concept of these institutions.¹¹

It is important to reiterate that Islam recognizes that Divine Providence has endowed individuals with unique and unequal abilities and that some individuals have greater mental and/or physical capacities and are, therefore, capable of attaining rights to a larger share of property and assets. But, this only means that such individuals have greater responsibilities and obligations than others. The Quran states, “We have apportioned among them their livelihood in the life of the world, and raised some of them above others in rank that some of them may employ others; and the mercy of your Cherisher Lord is better than the wealth they accumulate” (32:43). Believers who are more able recognize the source of their wealth as the wisdom and mercy of their Cherisher Lord and as an occasion for the testing of their faith. They also know that others less able have rights to their wealth. This recognition is especially poignant on the part of those who are not only believers, but also consciously aware of the ever-presence of Allah and know that redeeming these rights is considered by their Cherisher Lord to be a demonstration of their love for their Creator. The Quran says, “The needy and the destitute have rights in their wealth” (19:51); and that these are the humans who are in constant communion with their Lord: “And in whose wealth is a right acknowledged for the needy and the destitute” (24:70); and that they are those who recognize that “Righteousness is not that you turn your faces to the East and the West, but righteous is he who believes in Allah, the Last Day, the angels, the scriptures and the prophets, and gives his wealth for the love of Him to kinfolk, orphans, the destitute, the wayfarer, the needy, to set slaves free; and establishes prayers and pays dues [of others in his wealth to cleanse it]”; and “Those who are faithful to their promises [contracts] when they commit themselves; and those who patiently persevere in tribulation and adversities. Those are the truthful and consciously aware [of Allah]” (177:2). These humans are fully cognizant that not cleansing their wealth from the rights due to the less able and the needy will reduce the blessings of their wealth. As the Prophet said, when (paying) *zakat* is refused, the earth will refuse its blessings. Believers know that going beyond paying the mandatory *zakat* in helping the economically less able is a demonstration of love for the Creator as the above verse indicates. But once the wealth is cleansed, the remainder is held inviolable. The Prophet has said that the wealth of a Muslim is as sacred as his blood.

From what has been said so far, it is clear that property is considered a gift from the Creator, a source of wealth creation and a means of communal support. Communities of believers who are consciously aware of their

Creator recognize, acknowledge, and redeem the rights of others in the wealth proceeding from property.¹² They know whatever property rights they have are assigned to them by their Lord as a trust for the betterment of all members of society and to establish justice. This is the mission of all of the prophets: “We verily sent Our Messengers with clear proof, and revealed with them the scripture and the balance in order for mankind [to be induced] to establish justice” (25:5). But every prophet faced rejection and persecution from the wealthy and opulent members of their respective societies. “And We sent not unto every township a warner, but its pampered ones [opulent] declared: Lo! We reject that which you bring unto us” (34:34). The wealthy, pampered, and opulent are those who did not redeem the rights of others in their wealth. Their behavior led to their destruction: “And when We would destroy a township, We would send a command to its opulent folk [to be rule-compliant] but they committed abomination therein and so it [the township] deserved the word [of doom] and We obliterated it with complete annihilation” (16:17); and “If the people of townships were to believe and be consciously aware [of Allah], surely We should have opened for them blessings from the heaven and from the earth, but they gave the lie [unto every messenger] and so We seized them on account of what they earned” (96:7).

In their book, *Property for People, Not for Profit* (2004), Duchrow and Hinkelammert analyze the Old and New Testament and relate the struggle of the prophets Amos, Hosea, Isaiah, Micah, Zaphaniah, Jeremiah, Habakkuk, and Ezekiel, who called their people to the *Law (mispāt)* and justice (*sedaqa*) from approximately 722 BCE, before the destruction of the Northern Kingdom until the destruction of the Southern Kingdom in 586 BCE. They emphasized that rejecting justice and the rights of the poor in favor of the rich meant “rejecting the God of Israel. Knowing God is identical with creating justice for the poor [Jeremiah 22:16].” The authors provide an analysis, based on verses of the Old Testament, of the struggle of two of these prophets—Amos in the Northern Kingdom and Micah in the Southern Kingdom—against the coalition of the wealthy, the civil service, the military, and the royal court who together had the power to “manipulate the very law that, according to Israelite understanding was supposed to protect the vulnerable and the poor.”¹³ Thus Prophet Amos criticized “the well-to-do who enrich themselves at the expense of the poor, depend on the work of others and live a life of luxury,” and threatened them “with doom and downfall,” and promised their victims “that they will enjoy their labor themselves,” and rebuild the cities that are to be destroyed as a result of the transgressions of the rich and powerful of the Northern Kingdom. The Assyrians destroyed this kingdom in 722 BCE.

Prophet Micah, who appeared in the Southern Kingdom of Judah at about the time of the destruction of the Northern Kingdom, struggled similarly against the rich. He admonished them for accumulating wealth at the expense of the poor. As a result, the poor would not only lose their property, but also their freedom and that of their wives and children who would have to go into slavery, not just for a limited period but forever. The Prophet predicted “doom” for the wealthy of the Southern Kingdom because of their injustice (Micah, 2:3). In 586 BCE, the Babylonians conquered the Kingdom of Judah and took the rich and noble of the kingdom as prisoners to Babylonia. In their struggle, the prophets managed some reform; this is apparent from the original prophetic texts from the eighth and seventh centuries. Duchrow and Hinkelammert point to

different legal reforms from that period and afterwards. Prophecy and law are, in biblical tradition, two typical starting points when it comes to questioning and overcoming life-destroying [unjust] orders. They represent criticism and vision on the one hand, and institutional transformation on the other. The first legal reform took place in the Southern Kingdom, probably after the experience of the catastrophe of the Northern Kingdom (722 BCE). The written record is found in the Book of the Covenant (Exodus 21–23). Prophets like Amos and Hosea had heralded this collapse as the result of social and economic injustice in the Northern Kingdom and called for repentance. Now the followers of the prophets came with refugees from the North, reinforcing the voices of the Southern prophets like Isaiah and Micah with the message: if you do not turn away from the idols of wealth and power to Yahweh and to justice, you will run into trouble like the Northern Kingdom.

As a result, the Book of the Covenant introduced several “rules of seven” according to which the seventh day of the week was to be the day of rest, in the seventh year (debt) slaves were to be released and the land allowed to lay fallow, and taking interest on money lent was forbidden. “Anyone who lends money shall not take a pawn or charge interest; for God hears the cries of those whose lives are threatened as God once heard the cries of the Hebrew slaves—God is compassionate (22:24–26).”¹⁴ Summing up their analysis of the new rules in the Book of the Covenant, Duchrow and Hinkelammert conclude that “according to the Book of the Covenant, in view of God’s solidarity with all his creatures, the needs of life . . . write the economic rules.”

These words are confirmed and expanded in the second law reform under King Josiah in 622 BCE, which is the essence of Deuteronomy. Again, the topic is preventive measures of banning interest and usury (Deut. 23:20) and the law on pledges (24:6 and 10–18): “You shall not

charge interest on loans to another Israelite, interest on money, interest on provisions, interest on anything that is lent (23:19).” New rules (in Deuteronomy) also imposed a commitment on landowners “to give a tenth of their harvest in discharge of community responsibilities (14:22).” This established for the poor “a God-given right to assistance.” Duchrow and Hinkelammert state that “Deuteronomy is, moreover, of the opinion that, if the people of God held to the good Laws of justice and mercy, no needy or poor person would need to live among them (15:4 ff). On the contrary, the community of the people as a whole would prosper because God’s blessings would be upon them. All these Laws are accordingly accompanied by words of blessing (14:29, 15:10, 15:18, 23:21, 24:19). The core category is life. If the people keep to these Laws of Yahweh they will live (Deut. 6:24). If they run after the gods of other nations—that is, follow their practice of not protecting the poor—they will be lost (6:14 ff).” This prophecy, Duchrow and Hinkelammert maintain, came to pass “with the destruction of Jerusalem and the deportation of the Judean elite to Babylon in 586 BCE, after the successors to King Josiah had fallen back into their old practices. Only the landless and poor remained in Judea and were now able, with the permission of the Babylonians, to occupy the land from which the rich had previously excluded them. Then all groups started reflecting on the causes of the disaster and the question of how social, economic, and political structures were to be reorganized when the time came for a new beginning. They did not want to make the same mistakes. An important witness to this is the holiness code of the priestly writings in the Book of Leviticus.” This reaffirms the ‘rules of seven,’ especially allowing the land to lay fallow, forbidding interest and protecting the poor by restricting the rights of property ownership. God says, “The land shall not be sold in perpetuity, for the land is mine; and with me you are but aliens and tenants (25:23).” Duchrow and Hinkelammert conclude that “The laws of Leviticus 25 rest clearly on the rejection of the absoluteness of property. Anyone wanting to follow the biblical God must accept God as the owner of land. God can only give rights to use or lease the land [the means of production in an agricultural society] so that all can share in it. All else follows from that.”¹⁵

Contemporary thought regarding the teachings of the Old Testament prophets is represented by Meir Tamari in his book, *With All Your Possessions: Jewish Ethics and Economic Life*. Tamari states,

Mainstream Judaism saw men’s material welfare as a reward from heaven, a gift of deity...to be valued and prized...Yet, despite the legitimacy of economic activity and of men’s enjoyment of material goods, Judaism does not allow unlimited accumulation of such goods or unlimited use of

them... It was quite obvious to the rabbis that excessive concern for material goods distorted man's spiritual priorities... both the achievement of economic wealth and the use thereof are very strictly limited and channeled by Judaism over and above the restraint imposed by the study of the Torah. These limitations do not flow from an exalted view of poverty, however, or from an "other worldly" philosophy. Rather, all of man's actions, including those involved in the accumulation of material goods, are to be subjected to the ethical, moral and religious demands of the Torah, so that the individual and society can attain a state of sanctity even while carrying out the most mundane acts... That the economic sphere is a major vehicle of achieving this sanctity may be seen in the fact that of the 613 Divine Commandments mentioned in the Torah, well over 100 are related to it. This compares with a mere 24 laws which form the basis for the dietary laws that are such a well-known component of Judaism.¹⁶

Based on his study of Jewish sacred sources, especially "*halakhah*" (a collective literature of the rulings of Jewish written and oral law, as defined by and in accordance with rabbinic rulings within the clearly defined principals of Jewish law. These rulings constitute an all-embracing legal system covering man's actions, both collective and individual, in all fields and facets of life), Tamari states that not only abstract exhortations to humans to be righteous but also the practical, definitive legal system of *halakhah* demonstrates "Judaism's teaching of man's utter dependence upon God for his economic welfare... God's ownership of material goods, man's stewardship of these goods and God's active participation of man's economic success." Most important is the emphasis on justice: "One of the attributes of God is justice, and man, both Jew and non-Jew alike, is commanded by Him to actively pursue justice. Just as God's conduct of the world reflects this attribute, so, too, is it a prerequisite of man's conduct of his affairs." A practical manifestation of justice is the rule of sharing in the form of *tzedakah*, which Tamari suggests is wrongly translated as "charity," which

does not convey the real meaning of the Jewish concept of giving assistance to others. *Tzedakah* has the same root as *tzedek*, that is, justice, since acts of assistance are looked upon in Jewish thought primarily as the rectification of a social imbalance. They are not merely prompted by mercy or by personal pangs of conscience, but rather constitute the fulfillment of the obligations that flow from wealth. We have seen that Judaism envisages all wealth given to an individual as a form of custodianship. One of the major purposes of that custodianship is the act of assistance that a man is able to perform with his God-given wealth. The future of man's material success is in no small measure a reflection of his ability to measure up to the responsibilities imposed by his present wealth.¹⁷

Among these responsibilities, Tamari also mentions limits on consumption, especially on opulent living, rules against immoral and immodest behavior, rules against charging interest, against theft, cheating, damaging others, against using false weights and measures, against misrepresentation, against exploitation, and against willfully destroying one's own property. Tamari suggests, "Judaism acknowledges the legitimate satisfaction of man's basic needs, provided that these needs are fulfilled within the framework of morality and justice set up by religious law. Man's economic desires are treated by Judaism in exactly the same way as all other basic human needs: as legitimate, permissible, and beneficial, but restricted, educated, and sanctified by observance of God's Commandments."¹⁸

Jesus continued the struggles of the earlier prophets emphasizing justice, admonishing his people to uphold the law, and warning the rich and powerful to redeem the right of the poor. As Duchrow and Hinkelammert argue, Jesus particularly highlighted the message of the earlier

prophets who called the mechanism of property-interest-seizure-debt slavery by the name of theft or robbery. . . . The topic of systemic theft also plays a decisive role in Jesus' prophetic confrontation with the temple (Mark 11:15–19). This is about the central question: Which God rules? The God who legitimizes impoverishment through exploitative structures? Or the biblical God who protects and frees the poor, and calls for justice not sacrifice? Jesus radically sharpens this conflict, which constantly surfaced among the prophets from Amos and Hosea onward. He targets all actors in this den of thieves. First, he tackles those who harm the poor with the aid of the monetary system. Then, he has a go at those who earn a profit with the exchange system of the market [the doves they trade are the sacrificial birds of the poor]. Finally, he confutes the whole system of sacrifices. It allows the priestly aristocracy, which collaborates with the Roman occupying power, to accumulate their temple treasure. And, what is worse, with the sacrificial system the priests replace God in the hearts of people with an idol that asks for sacrifices and even pulls the last penny from the pocket of the poor widow (Mark 12:44 ff) . . . Jesus does not just call the temple a "den of thieves" but "a market place," a kind of shopping centre.¹⁹

The house of God is subject to the legalistic values of the market place, where iron rules apply, namely, high monetary profit for those who produce, trade, and make interest-bearing loans with no consideration for the lives of the people created by God. It is no wonder that the profiteers immediately respond to Jesus' prophetic words by planning his death. It is precisely this readiness to risk his life for the justice of the kingdom of God that testifies to the fact that Jesus does not serve a god who would demand sacrifices from people in order to enrich his "servants." Jesus' God

is one whose messengers give their all for the sake of human life and freedom. Although it may appear that the message of the prophets and their struggle to establish a just society is simply a matter of “who gets what,” but far from being only about allocation, production, and distribution, the message of the prophets is ultimately about the absolute sovereignty of the Cherisher Lord of the Universe to rule life on this earth.

As Duchrow and Hinkelammert suggest, the core of the message is “rooted in basic decisions on what ‘functions as God’ as the final authority in society. In Israel it was Yahweh who heard the cries of the slaves, the oppressed, and the poor, and liberated them from the slave-owner, the oppressor, and the rich. This Yahweh is a god of life, unmasking and challenging the gods of legitimizing power and wealth and revealing them to be idols calling for human sacrifice. This is the fundamental perspective to which all biblical traditions related after the liberation of the Hebrews from Egypt (Exodus: 3 ff).

This perspective was addressed to the injustices perpetuated in the Jewish society from about 1030 to 586 BCE through the institution of monarchy and its power structure. The prophets had already started criticizing injustice in the kingly, aristocratic system, and they immediately expressed opposition in solidarity with the farmers. The core of their criticism was: all must be able to live. This is why the biblical perspectives start from the cry of the poor and those whose livelihood is threatened. The Bible fundamentally sides with the loser, whose life is threatened and who must be enabled to live... the perspective of common good fundamentally starts with the weakest, most threatened members of the community. If they can live, all can live. And finally there is liberation from oppression; all are involved and all are given a living. Justice and life are the basic perspective and the golden thread of biblical tradition.²⁰

The lives and struggles of the prophets to establish justice provide historic accounts of how the economic behavior of the rich and powerful becomes a major source of injustice; it was the rich and powerful who always rejected and persecuted the prophets. Economic injustice is the major source of political and social injustice. The life struggle of the Prophet was difficult. Not only was he persecuted and his followers oppressed, but even after his own death, his family and progenies were subjected to brutal treatment by the rich and powerful members of society. The Quran constantly mentions that this suffering is in the tradition of the Supreme Creator and that other prophets before him also suffered in their struggles to establish justice. “And with how many a prophet have there been many devoted men who fought [beside their prophet]. They did not lose courage due to what befell them in the way of Allah nor did

they weaken, nor were they brought low. And Allah loves the patiently steadfast" (146:3). It is always the rich, powerful, and opulent exploiters of other humans, who, in order to amass wealth, were the source of the persecution and suffering of the prophets and their followers.²¹ The Prophet is constantly reminded in the Quran that the crucial aspect of his own mission and that of the prophets before him is to establish justice. In practical terms, the Quran is clear that this means creating a balanced society that avoids extremes of wealth and poverty, a society in which all understand that wealth is a blessing afforded by the Creator for the sole purpose of providing support for the life of all members of society. It is not possible for a society to have numerous rich people without that same society simultaneously creating a mass of economically deprived and destitute humans. On the one hand, the rich consume opulently and, on the other, the poor suffer from deprivation because their rights in the wealth of the rich and powerful are not redeemed. Islam prohibits the accumulation of wealth proceeding from property and imposes limits on consumption through its rules against overspending (*israf*) and waste (*itlaf*).²² Islam ordains that what is left after one has reached a modest living standard must be returned to the less able members of society as an act of redeeming their rights. "Believe in Allah and His Messenger, and spend of what He has made you trustees; and for those of you who believe and spend [in redeeming the rights of others] there will be a great reward" (7:57).

Therefore, while Islam ordains hard work, the development of the earth and natural resources provided by the Creator, and the use of proceeds for the satisfaction of the needs of all humans, it prohibits the concentration of output in the hands of a few.²³ This constitutes the central message and the traditions of all prophets in conducting their own lives. The Prophet summarizes, "We [the prophets] were not appointed to accumulate wealth, but were appointed to spend it." The objective for society is to establish a healthy and growing economy in which there are neither extremes of wealth nor poverty; an economy in which all humans have equal access to the natural-physical resources provided by their Creator; in which all are free to perform the duties of the *khalifal* state (agency-trustee functions) in developing the earth and its resources for the benefit of all so that property is not a means of exclusion but inclusion; in which the rights of those less able in the wealth of the more able are redeemed; and in which, as a result, there is no poverty and destitution but where justice abounds. This would be a balanced economy based on the principles enunciated in Verse 25 of Chapter 5, wherein the purpose of the appointment of the prophets is described. Operationally, such an economy can be defined as the collection of institutions, that is, the rules of conduct and their enforcement characteristics, designed by the Law Giver in the Metaframework

and operationalized in the Archetypal Model to deal with the allocation of resources, the production and the exchange of goods and services, and the distribution and redistribution of the resulting income and wealth to establish balance and justice in society.²⁴

Gerald Cohen has remarked that “The human problem now lies in humanity’s relationship to the world, not to itself. The problem is to turn the world into a home for humanity, by overcoming the scarcity in the relationship between humanity and nature which induces social divisions.”²⁵ As has been suggested in previous pages, the message of all prophets and the revelations they brought is that it is not scarcity that is a problem, as the Quran repeatedly emphasizes, because a careful observation of creation shows the generosity of the Creator in providing a panoply of fullness the earth has in store for the lives of humans. It is selfishness, the misuse of resources, and human greed that cause scarcity, poverty, misery, and destitution. It is human societies, their institutions, and the power relations that allow significant inequalities, which, in turn, lead to inequality of income and wealth. It is the institutional structure of society that allows a pattern of wealth accumulation, creating abundance for some and scarcity for many. This is what creates social divisions, not natural scarcity. It is the institutional structure of society that determines the resource endowments of its members, which, in turn, determine the structure of their preferences and ultimately their economic behavior. Such an institutional structure combined with a poorly functioning process of self-development provides no opportunity for the self to transcend the focus of the self on “me and mine.” As explained earlier, self-development is an extremely important dimension of human progress without which societies would not develop or their development would be highly distorted. Self-development is necessary to transcend selfishness and to allow “other-regarding” to become an integral part of all action-decision of individuals. In discussing the premises of the defense of inequality, Cohen focuses on a defense of economic inequality traced “to a supposedly ineradicable human selfishness.” Cohen defines selfishness as

desiring things for oneself, and for those in one’s immediate circle, and being disposed to act on that desire, even when the consequence is that one has [much] more than other people do, and could otherwise have had. A strong version of the selfishness hypothesis is a desire both to be on one of the higher rungs of the ladder of inequality and that others be on lower rungs. If I am [in this sense] strongly selfish, then I want to have more than another does, not [merely] because I’ll then have more than I otherwise would, but because I [at least also] fundamentally want to be above him. In a weaker version of the selfishness hypothesis, what a person desires to have will, as a matter of fact [in virtue, that is, of the fact that resources are

finite] put him or her above others. Being above, as such, is not, as it is in the stronger version, the goal of our self-seeking, but it remains the outcome of that quest for those who are gifted enough or lucky enough to enjoy success in the pursuit of self-interested desire.²⁶

Cohen then addresses the bases for the selfishness hypothesis and suggests that “The selfishness defense of inequality has two premises. First, a human-nature premise: that people are by nature selfish. And, second, a sociological premise: that if people are selfish [whether by nature or otherwise], then equality is impossible to achieve and/or to sustain.” The latter premise would mean that if indeed humans are selfish, there is no societal institutional structure that could establish equality and/or sustain it. Cohen reports that at first he was skeptical of both premises. He had thought “that human nature was quite plastic with respect to motivation—that people would be unselfish in propitious circumstances, and that such circumstances were accessible.” He rejected the second premise because he thought “that even if people were by nature selfish, the conclusion that inequality was inescapable would not follow—and was, in fact, false—because just as social structure was sovereign over motivation, to the detriment of the first premise of the selfishness argument, so, too, structure was sovereign over the upshot of motivation: even if and when people were indeed selfish, be it in virtue of their unvarying nature or otherwise, the rules governing their interaction could nevertheless prevent their selfishness from issuing inequality.”²⁷

Subsequently, however, Cohen has revised his views and he is “no longer so skeptical of the sociological premise. I no longer think that, even granting selfishness in motivation, structure can block inequality in upshot. And this change of view is highly consequential. Thus, for example, if people are now irreversibly selfish [not by nature but] as a result of capitalist history, then, so I now think, structure alone could not suffice to deliver equality, in the face of that selfishness.” Consistent with this revised view, Cohen is now “less contemptuous of another old nostrum, one which is not [except, sometimes, indirectly] an apology for inequality, but a recipe for eliminating it. This nostrum says that, for inequality to be overcome, there needs to be a revolution in feeling or motivation, as opposed to [just] in economic structure.” This principle, which Cohen refers to as “the Christian social nostrum,” needs a noncoercive support system that would guide the choice of individuals within the rules, since without “a revolution in feeling or motivation,” rules alone cannot guarantee that inequalities do not emerge. Thus, individual choices must be informed by an ethos of justice that accompanies the rules.²⁸ Two important elements emerge from the above principle: (1) that selfishness, as defined by Cohen, is plastic and amenable

to change under the influence of “a revolution in feelings or motivation”; and (2) that reducing and/or eliminating inequality requires an ethos of justice in society to inform individual decisions. The Quran clearly states the need for “a revolution in feeling or motivation:” “Lo! Allah does not change the condition of a folk until they [first] change that which is their selves” (11:13). The change suggested in this verse and, as defined comprehensively throughout the Quran, is a change toward compliance with the rules of just conduct for the individual. The “ethos of justice” is created in society by a critical mass of those whose behavior fully complies with the prescribed rules. Finally, the Quran states emphatically that the result of such behavior and the existence of such “believing” and “Allah-conscious awareness” leads to the creation of a balanced, just and growing economy (96:7). The Islamic rules of just conduct relate to all facets of life. We now turn to rules regarding justice in access to resources, production, exchange, distribution, and redistribution.²⁹

Although the Quran acknowledges that in His Wisdom the Lord has created humans with differences, it also emphasizes that these differences are only apparent and that all humans are the same. The real difference between them, and one that ultimately counts, is the degree of Allah-conscious awareness. No other difference matters. This is how a believing and consciously aware society (96:7) would be described: a society in which all members believe in the Unity of the Creator, the prophetic mission and the Day of Accountability, and are consciously aware of their Cherisher Lord. In a society in which there is poverty amid plenty, the roots of inequality must be traced to distortions in the pattern of resource endowments, in the workings of the exchange and/or distribution mechanisms and/or in the redistributive framework. The most fundamental among these is the pattern of resource endowment. This pattern determines the formation of individual preferences, which, in turn, determine behavior in the rest of the economy and in society. As observed earlier, individual preferences are influenced not only by the pattern of resource endowment, but also by the “ethos” of society. The ethos of society, in turn, is influenced by individual beliefs. The feedback processes between the pattern of resource entitlement, belief, ethos, and preference formation are complex, but what is clear is that distortions in these processes are highly consequential to the emergence of poverty, to distortion in the economy, and to adverse impacts on economic growth and development.

Douglass North (1995) believes that cognition plays a central role in belief formation, which, in turn, affects preference formation, rational decision making, and institutions. Institutions (rules) have a reciprocal effect on cognition. Beliefs constitute what North refers to as a “mental model.” However, whereas North believes that institutions “are clearly an

extension to the mental constructs the human mind develops to interpret the environment of the individual,” in Islam, rules (institutions) are provided by the Law Giver. For a believer, the “mental model” is formed by these rules (institutions). It is the dense network of rules that reduces uncertainty for individuals and society. When society includes a critical mass of believers, compliance with these rules constitutes the ethos of society. The cognition of the basic structural framework of the belief in Islam forms the “mental model,” which then determines rule-compliance, preference formation, decision making, and behavior. That rule-compliance, coming from the recognition and the mental model of the believer, reduces uncertainty is clearly reflected in the words of Imam Ali: “Believers know [have recognition of] what is ahead of them.”³⁰ As Uslander asserts, “Economic equality is the foundation of social solidarity [generalized trust] and trust in government. Generalized trust leads to greater investment in policies that have longer-term payoffs [education spending and transfer payments] as well as more directly leading to economic growth. A weak state with an ineffective legal system cannot enforce contracts; a government that cannot produce economic growth and the promise of a brighter future will not be legitimate.” Moreover, Uslander suggests, “Unequal wealth leads people to feel less constrained about cheating others and about evading taxes.” And “Inequality leads to unequal treatment by courts, which leads to less legitimacy for the government.” It should not be difficult to see that inequality in income and wealth distribution, if significant, would violate the principles stated by the Quran and practiced by the Prophet.

Many verses of the Quran and the sayings and practices of the Prophet make it clear that inequalities, whatever their source, must not be allowed to lead to extremes of wealth for the few and poverty for the many.³¹ While humans are created with different abilities, which may lead to different levels of resource endowment, thus, different levels of wealth and income, this should not lead to gross wealth accumulation. Allah has ordained equally free access to resources by all humans. He has also ordained that the resulting income and wealth, which, by implication from the earlier principle, are also His Blessings, must not be accumulated and must be shared with those who are less able to access and use the initial resources. “To those who accumulate gold and silver and do not spend it in the way of Allah unto them give tidings of a painful doom” (34:9). Expenditure “in the way of Allah” is explained: “They ask you what they shall spend: say: That which you spend for good [must go] to parents and near kindred and orphans and the needy and the wayfarer. And whatsoever good you do, Lo! Allah is aware of it” (215:2). This expenditure is over and above the mandatory portion of net income and wealth collected by the legitimate

authority.³² These charges are referred to as *sadaqat* (singular: *sadaqah*) from the root word meaning truthfulness and sincerity. Their faithful discharge indicates the strength of the sincerity of a person's belief. The recipients of these amounts are designated: "Verily the *sadaqat* are for the poor and the needy, those who collect them, those whose hearts are to be reconciled [with Islam], to free the captives, for [helping] those who have gone bankrupt and must repay their debt, and for the cause of Allah, and [for] the wayfarer: a duty imposed by Allah" (60:9). The source of these expenditures, namely, income and wealth, must be from permissible economic activities and not from unlawful sources: "O you believers! Spend of the good things which you have earned, and of which We bring forth from the earth for you, and do not resort to unlawful sources [of income and wealth] of which to spend when [that which] you yourselves would take for yourselves [you would do so] only with disdain" (267:2).

These expenditures are essentially the repatriation and redemption of the rights of others in one's income and wealth. It is for the good of the person paying them that they are ordained.³³ "And whatsoever good you spend, it is for yourselves and you are not spending it other than to seek the countenance of Allah, therefore, whatsoever good thing you spend, it will be repaid to you in full and you will not be wronged" (272:2). Since these expenditures are the repayment of what is the right of those who were unable, or less able, to access the natural-physical resources that the Creator has made available to all humans, it is as repayment of a debt without which one's wealth would be soiled. Redeeming these rights is a manifestation of one's belief in the essential axioms of the Oneness of the Creator and His creation, a recognition and affirmation that Allah has created resources for all humans who must all have free access to those resources. When one is granted the mental-physical capacity by the Creator to access more of these resources, it means others less able or unable to use these resources are in fact one's partners, whose rights in the final postproduction, postmarket proceeds have to be redeemed. The Quran affirms that because these are rights to be redeemed rather than charity, extreme care must be taken of the recipient's human dignity. The recipient, too, is fully conscious of the necessity of protecting human dignity: "[*Sadaqat*] are for the poor who are in dire straight in the way of Allah, who are unable to use the land [either for traveling in search of trade or to farm the earth]. The ignorant [unthinking] think them wealthy because of their restraint and modesty [in revealing their poverty]. You will know them by their mark: they do not beg from the people, covering [their poverty]. And whatsoever good things you spend, lo! Allah knows it" (273:2). Because they recognize the human dignity granted them by their Creator, the poor are reluctant to reveal their poverty. To preserve their dignity, the Quran recommends that

payments be secret: “If you make the payment of *sadaqat* [redeeming the rights of others in one’s wealth] known to others, it is well, but if you hide it [give in secret without revealing to others] while giving to the poor, it will be better for you, and will atone for some of your transgressions. And Allah knows well what you do” (271:2).

Because the payment of *sadaqat* is redeeming the rights of the less able and because of its concern for human dignity, the Quran forbids that these rights be redeemed either reproachingly, or accompanied by ill treatment of the recipient or with annoyance on the part of the person making the payment.

Those who spend their wealth for the cause of Allah and do not accompany [that expenditure] with reproach and [hurting the feelings of the recipient with] annoyance and ill treatment, their reward is with their Cherisher Lord and no fear and grief shall come upon them. A kind word with forgiveness is better than a *sadaqah* given with reproach and ill treatment. And Allah is Absolute, Clement. O you who believe, do not destroy [the reward of] your *sadaqat* by reproach and ill treatment [of the recipient], like the one who spends his wealth only to be seen [to show off] by other humans while he does not [really] believe in Allah and the Last Day. His Giving is like that of dust settling on a solid rock, when the rainstorm hits it [the rock] and washes it [the dust] away leaving the rock cleansed and bare. These people have no control over what they have gained. And Allah does not guide the disbelieving folk. [On the other hand], the likeness of those who spend their wealth only to seek the pleasure of Allah and to strengthen their self [to develop the self], is as the likeness of a highly placed garden; [when] the rainstorm hits it [the garden] brings forth its fruit twofold. And if it is not a rainstorm that hits it, then it will be a shower [that pours on it]. And Allah is All-seeing of what you do. (262–265:2)

Paradoxically, then, when the rights of others in one’s wealth are redeemed, it increases rather than decreases one’s wealth, confirming that Allah-conscious awareness accompanying rule-compliance triggers the descent of *barakat* (increasing return), namely, blessings, as stated in Verse 96 of Chapter 7.

The Quran and the traditions of the Prophet urge humans to work hard to combine their physical and mental labor with the resources provided by their Creator to produce goods and services that benefit them and the rest of mankind. In fact, it is work and action that are the evidence of belief. In more than three hundred verses, the Quran asserts unequivocally that work and action performed in compliance with the rules, namely, righteous work (*amal salih*) demonstrates belief. “And we did not send unto any township a warner but that its affluent declared: Lo! We reject what you

bring unto us. And they say: we have more wealth and children than you do, so we will not suffer. Say (to them O Prophet): Lo! My Cherisher Lord will expand or give exact sustenance for whom He wills. But most of mankind does not know. And it is not your wealth nor your children that will bring you near to Us but the one who believes and does righteous deed, for them there will be twofold reward for what they do and they will be safe in chambers" (34–37:34); and "O you who believe! Shall I show you a trade that will save you from a painful chastisement? You should believe in Allah and His Messenger, and should work hard [struggle] in the way of Allah using your wealth and selves. That is better for you if you know" (10–11:61). The Prophet said, "Blessed is the believer who earns wealth from ways that do not transgress the rules, and spends the wealth so earned in rule-complying ways."³⁴ The Prophet likened the life on this planet to living on arable land that a believer cultivates to produce enough for sustenance here and in the Hereafter. His grandson, Al-Imam Al-Hassan, said, "Work for your life on this plane of existence as if you will live forever and work for your life in the Hereafter as if you will die tomorrow." The Quran declares that for humans it is only work and effort that counts: "There is nothing for the human other than his effort. And indeed he will see the [results] of his efforts. Then he will receive sufficient recompense [for his efforts]" (39–41:53). The Prophet said, "Verily today you are in the arena of action [work] without being held accountable [for your actions] and tomorrow you will be in the arena of accountability without action." It is also said that "All of belief is work," and "Work [action] is the summit of belief." The Quran insists that Allah "has created death and life to test who of you will do the best work" (2:67).

Work is considered so important that the Prophet said that among those whose prayers will not be answered is "The person who sits in his house and says: O my Cherisher Lord! Provide my sustenance, and does not go out seeking sustenance. And Allah [exalted and glorified]: O my servant did I not provide you ways of seeking sustenance and did I not provide you with healthy limbs for accessing the resources of the earth?" As models for mankind, all prophets worked to earn their own sustenance. It is reported from the Prophet that when Adam was sent to earth, he was ordered by Allah "to cultivate the land and earn his own sustenance by his own labor."³⁵ There are reports about how all prophets earned their sustenance through farming, orchard keeping, animal husbandry, fishing, and trade. Accordingly, the Prophet urges Muslims to earn their living from their labor: "Eat [earn your sustenance] from the labor of your own hands."³⁶

It is especially relevant in today's ecological crisis that there are many traditions of the Prophet where, among the activities he has recommended to his followers, he has particularly emphasized planting fruit trees, palms,

and orchards as well as farming in general. He is reported to have said, "There is no Muslim that plants a tree or farms a field from which a human, a bird or an animal eat other than this becomes a *sadaqah* for the Muslim." He also said, "Whosoever plants a seedling and it bears fruit, Allah will give him reward for all of the fruit that the tree produces."³⁷ Planting trees is at times particularly emphasized: "If the warning of the Last Hour arrives and a seedling ready to be planted is in the hands of anyone of you, if it is possible for him to plant it before the arrival of the Last Hour, he should then plant the seedling." And, "Whosoever builds a building or plants a seedling without harming or transgressing against anyone else, for him there will be a constantly flowing reward as long as even one of the creatures of the Compassionate Lord benefits from them."³⁸ It is also reported that he would encourage his followers to work for themselves and develop their own line of productive activity rather than hiring out their labor. Nevertheless, he strongly urged those who would hire labor to pay their wages on time, to treat them well, and not to exploit them. Over all, the entrepreneurs engaged in production are subject to the rules of economic behavior that stress not cheating, not wasting (*itlaf*) or overusing (*israf*), and not causing harm to anyone in carrying out production. The Prophet said, "There are two characteristics above which there are no other in evil: associating partners with Allah and causing harm to the servants of Allah [other humans],"³⁹ and "The person who defrauds a Muslim is not of us," and "Whoever shortchanges the wages of a laborer, his place will be in fire."⁴⁰ The exploitation of hired labor in any form, particularly in shortchanging their wages or refusing to pay labor wages commensurate with their productivity was the subject of admonishments by the Prophet: "Whosoever mistreats a laborer in repaying for the work done, Allah will render his own work fruitless and Allah will forbid him the perfume of the Garden."⁴¹ In particular, the Prophet emphasized treating hired labor commensurate with their human dignity. He himself established an excellent model of the dignified treatment of hardworking labor. It is reported that returning from a military campaign, the Prophet was greeted by one of his followers. When shaking hands, the Prophet noticed large calluses on his follower's hands and asked what had caused them. The follower replied, "I work with a pick and shovel to earn a living for my family." The Prophet then kissed the follower's hands saying: "Fire [of hell] will not touch this hand."⁴² Verses in the Quran also stress the importance of fair treatment, such as "Allah commands justice and beneficence" (9:16); "Allah loves those who treat others with justice" (25:57); and "Give [others] full weight and measure in justice and do not deliberately undervalue the goods [produce or labor] of other humans and do no evil on earth, causing corruption" (85:11).

As mentioned, Islam recognizes only two legitimate means of acquiring claims to property rights: through combining one's labor and other resources, and/or through legitimate transfer via redemption of the rights of others, through mandatory dues and other means of transfer and/or inheritance.⁴³ It was also mentioned that transactions that create instantaneous property rights, such as interest charges, bribery, gambling, cheating, fraud, and shortchanging in weights and measure, are prohibited. It is possible to distinguish transactions that create legitimate property rights claims from others by reference to a verse in the Quran (275:2) in which two types of contract are identified: exchange (*al-bai'*) and usury (*al-riba*). The first is permitted and the second is prohibited. An example of *al-riba* contracts is one in which rent is collected for the use of an amount of money for a set period without the transfer of the property rights of the money being transferred to the borrower. This is a special case of a transaction based on contracts of *riba*. Two reasons explain this classification: first, the related verse asserts, "They say: verily exchange [*al bai'*] is like usury [*al-riba*]. But Allah has made exchange permissible and forbidden usury" (275:2). Exchange (*bai'*) is a contract; a mutual transaction in which a bundle of property is exchanged for another. Since *al-bai'* is a contract, so must be *al-riba*; except that the latter is forbidden. That *al-riba* covers more transactions than just lending with interest can be gleaned from a saying of the Prophet: "First *fiqh* then trade. Whoever engages in trade without *fiqh* will surely be entangled progressively and drawn in *al-riba*."⁴⁴ Here the word *fiqh* refers to internalized knowledge of the rules governing exchange and trade. The rule specified here means that before entering the market, participants must know and have internalized the rules of market participation.

It follows that *al-riba* (an interest-based debt contract) is used in this saying in a more general way than lending with interest since trade can potentially include all ways and means by which forbidden instantaneous property rights can be created. An additional characteristic of *al-riba* is that it shifts risk from one side of the contract to the other, whereas an exchange contract allows risk sharing, thus increasing the welfare of both parties in the transaction. Verse 275 of Chapter 2 confirms that the exchange and trade of commodities, resources, and assets are the foundation of economic activity. Important implications follow. Exchange and trade require freedom of the parties to the contract. This, in turn, implies freedom to produce, which calls for clear and well-protected property rights to permit production. Moreover, to freely and conveniently exchange and trade, the transacting parties need a place, namely, a market. To operate successfully, the market needs the free flow of information along with rules and mechanisms for their enforcement. Trust must be established among

market participants. Both cooperation and competition are needed for successful operation of the market. Compliance with rules is necessary to reduce transaction costs as well as costs to third parties. Risk is a fact of human existence and a source of testing the character, the extent of rule-compliance, and the strengths of belief of a Muslim. Dealing with risk tests the resolve to be rule-compliant and is a source of learning and adaptation for humans. When income fluctuates significantly, this can cause up and down swings in consumption, which can create havoc in people's lives. Consumption smoothing is accomplished by reducing risks to income. Sharing risk is, therefore, the most important means of reducing income and consumption volatility. It can arguably be claimed that all rules governing economic behavior in Islam (both in the Metaframework and in the Archetypal Model) are to promote risk sharing among humans as a means of advancing human solidarity.

From the above facts, it follows that the first rule of exchange and trade is to understand the prescribed precepts governing exchange and trade before entering the market. Most importantly, market participants are commanded to be fully and consciously aware of Allah at all times like "Men whom neither trade nor exchange entice away from remembering Allah" (37:24). The Prophet is reported to have said, "Whosoever remembers Allah in the market sincerely when the rest of the people are unaware [of Allah] and are occupied with what is going on in the market, Allah will record for him [the reward of] one thousand beautiful deeds and bestow forgiveness on him, such forgiveness that no human heart can conceive."⁴⁵ The Prophet is also said to have recommended to a lady perfume seller that "In your selling activity make sure that you behave excellently and do not deceive [cheat] your customers. Verily not doing so [and being honest in dealings] is being consciously aware of Allah and most preserving of wealth."⁴⁶ It is also reported that he said, "Whosoever is engaged in trade [buying and selling] must protect five characteristics, otherwise should not engage in buying and selling; avoidance of: *al-riba*; swearing [to Allah to persuade a buyer or a seller]; hiding defects [in a commodity, resource or asset that is the subject of a transaction]; and praising what one is selling and disparaging what one is buying."⁴⁷ It is further reported that when one of his followers asked the Prophet's permission to engage in trade, permission was not given until the person guaranteed that he would allow abrogation of a contract if the customer changed his mind; that he would give further opportunities for payment or repayment to people who had difficulty meeting their obligations within the agreed timeframe; and that he would seek what was exactly his due, no more, no less.⁴⁸ The second rule governing exchange and trade is mutual satisfaction of both parties to the transaction because

the Quran ordains that trade has to be based on mutual satisfaction of the parties (29:4). As explained earlier, there are a number of ways in which buyers and sellers are permitted to annul a transaction if they are unhappy, even if the transaction was devoid of all elements—such as cheating, deceiving, over praising or disparaging an item subject of the transaction, not giving full weights and measure—that would automatically render a transaction null and void. Moreover, a corollary of this rule is expressed in the Prophet's words: "Allah [Blessed and Glorified] loves his servants to be easy sellers and easy buyers . . . may Allah bless the person who eases selling and buying."⁴⁹

Earlier reference was made to the forbidden nature of debt transactions based on *riba*. Both the Quran and the prophets have strongly condemned such transactions. The sayings of the Prophet in condemnation of *riba*-based transactions are so severe that the pen has difficulty in reporting them here, suffice it to report only one: "The most evil of all professions is earning [one's livelihood and wealth] from *riba*."⁵⁰ The other reported sayings of the Prophet regarding *riba*-based transactions all refer to the evil of *riba* and the dire consequences of living off *riba* for individuals and communities. These sayings are all consistent with the verse of the Quran in which Allah orders that believers desist from engaging in activities involving *riba* and then warns: "And, if you do not, then be warned of war [against you] from Allah and His Messengers" (279:2). Elsewhere we have shown that an economy that operates on risk and reward sharing rather than on *riba*-based transactions is a more stable and developing economy. There is little doubt that many developing countries have suffered because of their heavy burden of debt. International debt relief early in this century was necessitated because of the dire straits of many low-income countries. The no-*riba* rule is a severe ordinance governing economic relations. The Prophet is reported to have expressed fear for what would happen to the Muslim community after him: "Verily after me the people will be tested with their wealth; and consider their religiosity as a favor upon their Cherisher Lord and expect His Mercy, and become complacent about His Power and Authorities; they will make permissible what He has forbidden with deceptive reasoning and illusive whims. Then they will make alcohol permissible by calling it *nabidh* instead of *khamr*; they will make ill-gotten wealth [such as bribery] permissible by calling it a gift, and calling *riba* an exchange [*bai*']."⁵¹

The next set of rules to be understood and internalized by individuals is those governing contract and trust. An insight by Polanyi suggests that the development of exchange on the basis of the legal institution of "contractus" rather than "status" was an essential antecedent of the development of markets.⁵² In a recent book, *Reinventing the Bazaar*, John

McMillan suggests that “Any successful economy has an array of devices and procedures to enable markets to work smoothly. A workable platform has five elements: information flows smoothly; property rights are protected; people can be trusted to live up to their promises; side effects on third parties are curtailed; and competitions are fostered.”⁵³ Earlier discussions in this and previous chapters as well as what follows should make it clear that Islam provides a strong “platform” of “devices and procedures to enable markets to work smoothly.” McMillan asserts that “a market for something exists if there are people who want to buy it and people who want to sell it.” The key to market operation is decision-making autonomy. “Participation in exchange is voluntary; both buyers and sellers are able to veto any deal.” He is, however, quick to add that the choices of buyers and sellers “are not completely free though: they are constrained by the extent of their resources and by the rules of the market place.”⁵⁴ The collection of devices that organize and support transactions—channels for the flow of information; laws and regulations that define property rights and enforce contracts; and the informal rules, norms, and codes that help markets self regulate—he calls market design. A design that allows markets to keep transaction costs low, he calls “a workable” market design. Appropriately, he argues that high transaction costs render a market dysfunctional.⁵⁵ Two elements on which McMillan focuses as key to workable market design are the free flow of information and trust, both of which lower transaction costs.⁵⁶ McMillan refers to a study of the bazaar in Morocco by Clifford Geertz, who concludes that information “is poor, scarce, mal distributed, and intensely valued. The level of ignorance about everything from product quality and going prices to market possibilities and production costs is very high, and much of the way in which the bazaar functions can be interpreted as an attempt to reduce such ignorance for someone, increase it for someone, or defend someone against it.”⁵⁷ McMillan adds, “Prices are not posted for items beyond the most inexpensive. Trademarks do not exist. There is no advertising. Experienced buyers search extensively to try to protect themselves against being overcharged or being sold shady goods. The shoppers spend time comparing what various merchants are offering, and the merchants spend time trying to persuade shoppers to buy from them.”⁵⁸

These observations and assessments are not restricted to the bazaar in Morocco. Such a study can be replicated in the bazaars of all Muslim countries with generally the same conclusions. Yet the rules prescribed by the Law Giver and explicated and implemented by the Prophet were intended precisely to reduce transaction costs. As observed in the brief recounting of the rules developed for the market of Medina, the Prophet ensured, through the propagation of the rules of market behavior, that

there would be no interference with the free flow of information regarding the quantity, quality, and prices of goods and services in the market, and this to the point where he forbade a previous common practice of middlemen meeting trade caravans outside the city and purchasing their supplies before the caravans entered the market. Market supervisors, appointed by the Prophet, ensured that there was no fraud, cheating, withholding of information, or other practices that could lead to the malfunctioning of the price mechanism. His Archetypal Model was replicated in the centuries that followed in all the countries that had accepted Islam. Muslims structured their markets in the form of bazaars, which looked almost the same all over the Islamic world. They were structured even physically to possess characteristics that promoted rule-compliance. Each physical segment of the market was specialized with respect to products. Prices were determined by fierce competition among suppliers, and every market was intensely supervised by a person called *Mubtasib*, a practice started by the Prophet. Market supervision was supplemented by the self-regulation by guilds of each profession and trade.⁵⁹ Supervisory devices were based on the rule-enforcement mechanism of commanding the good and forbidding evil in urging compliance with rules. These enforcement devices were fortified by the physical architecture of the bazaars, which were constructed such that a grand mosque was located at the center of the bazaar. Every market participant, particularly the sellers, had an opportunity to attend at least two of the five daily prayers in the mosque, noon and afternoon. This was an opportunity for market participants to be reminded of their Creator, of their obligations to Him and to other humans and of the accountability on the Last Day. Although physical remnants of bazaars exist in a number of Muslim countries today, as Geertz has observed, they are highly underdeveloped and the Islamic rules of market behavior are most noticeable by their absence.

Islam forcefully places all social-political-economic relations on the firm footing of “contractus.” More generally, the whole fabric of Divine Law is contractual in its conceptualization, content, and application. Its very foundation is the primordial covenant between the Cherisher Lord and humans—the *meethaq*. That covenant imposes on humans the duty of remaining faithful to the affirmation of humanity: humans recognize the Supreme Creator as their Cherisher Lord and their *Wali*. That recognition, in turn, is an affirmation of the duty of rule-compliance, which serves the best interests of humans and is a contractual obligation, linking humans to their Creator and to each other. Justice demands rule-compliance as a demonstration of faithfulness to the terms of the primordial covenant. The contractual foundation of the Law in human behavior is not only with respect to the Creator but also toward other

humans. This is particularly crucial with respect to intending (*niyyah*) as well as actual behavior. As was mentioned earlier, this is the reason behind the prophetic saying: “Actions depend on the intending,” that is, the judgment of actions depends on the intention-intending behind the actions. The difference between intending—a verbal noun—and intention—a noun—is that the former is closer to the action than the latter. It is the phase immediately before the action is to be carried out that constitutes *niyyah*, namely, intending. There is a qualitative difference between action as an abstract thought, which ends at that stage, and as a thought intended for action. Therefore, not only will performance be judged in the carrying out of contractual obligations, but also the essential attributes of intending with which a party enters into a contract. These attributes are sincerity, truthfulness, and the strength and rigor of the loyalty of the fulfillment of obligations a person is intending to take on by entering into the contractual relationship.

In a direct and unambiguous verse, the Quran urges believers to “fulfill the covenant of Allah” (152:6). Equally clear, it then generalizes this command to all contracts in another verse addressed to the believers: “O you who believe! Fulfill all contracts” (1:5 and also 9:4). Faithfulness to the terms of every covenant, contract, or oath to carry out a given obligation becomes a reflection of the faithfulness to the original covenant since a believer, fully and consciously aware of Allah’s ever-presence, will only take on contractual obligations intending to fulfill them. “Fulfill the covenant of Allah when you have covenanted, and do not break your oaths after asserting them, and after you have made Allah your guarantor [that you will perform the obligation entered into]. Lo Allah knows what you do. And, be not like she who unravels the strong yarn she has spanned into broken pieces of filament, making your oaths as [means of] deceit only because you believe you are a people more clever [and resourceful] than other people. Verily this is how Allah tests you. And, on the Day of Rising, He will make it manifestly clear that [commitments made in a contract or in a promise] from which you diverge” (91–92:16); and “Keep [be faithful to the terms of] the covenant. Lo! The covenant is accountable” (34:17). Those believers are declared successful and prosperous (here and in the Hereafter) who, inter alia, protect faithfulness to their covenants and contracts as a shepherd protects his sheep: “Those who are shepherds of their trusts [that are placed in them] and their contracts [covenants]” (8:23).

As Habachy suggests, Islam’s strong emphasis on the strictly binding nature of contracts covers private and public law contracts as well as international treaties. Moreover, “every public office in Islam, even the *Imamate* [temporal and spiritual leadership of society], is regarded as a contract,

an agreement [*áqd*] that defines the rights and obligations of the parties. Every contract entered into by the faithful must include a forthright intention to remain loyal to performing the obligations specified by the terms of contract.”⁶⁰ The highest office of the leadership of the society, *Imamate* or *Khalifat*, is inaugurated by *mubayáá* (from the word *bai'*), which is a contract between the ruler and the community stating that the leader will be rule-compliant in discharging the duties of the office. This provides a strong accountable basis for governance.⁶¹ Throughout the legal history of Islam, a body of rules, based on the Quran and on the traditions of the Prophet, has constituted a general theory of contracts. This body of rules covering all contracts has established the principle that any agreement not specifically prohibited by law was valid and binding on parties and must be enforced by the courts in a fair manner to all parties. The command of faithfulness to the terms of contracts constitutes an important rule of social interaction.

There is a strong interdependence between contract and trust; without trust, contracts become difficult to negotiate and conclude, and costly to monitor and enforce. When and where trust is weak, complex and expensive administrative devices are needed to enforce contracts. Moreover, it is well known that complete contracts—ones that foresee all contingencies—do not exist, as not all contingencies can be foreseen. As McMillan suggests, trust is an important element of a well-designed market. “For a market to function well, you must be able to trust most of the people most of the time. . . . your trust in your trading partner rests on both the formal devices of the law and the informal device of reputation.”⁶² When and where property rights are poorly defined and protected, the cost of gathering and analyzing information is high, and trust is weak, it is difficult to clearly specify the terms of contracts and enforce them. In these cases transaction costs—that is, search and information costs, bargaining and decision costs, contract negotiation and enforcement costs—are high. Where and when transaction costs are high, there is less trade, fewer market participants, less long-term investment, lower productivity, and slower economic growth. As North has pointed out, when and where there is rule-compliance and enforcement, there is an increase in the likelihood that property rights will be protected and contracts honored. Under such conditions, individuals are more willing to specialize, invest in long-term projects, undertake complex transactions, and accumulate and share technical knowledge.

Knack and Keefer argue that “In fact, substantial evidence demonstrates that social norms prescribing cooperation or trustworthy behavior have significant impact on whether societies can overcome obstacles to contracting and collective action that would otherwise hinder their development.”⁶³

Beginning in the last decades of the twentieth century, there was considerable interest in the importance of trust and cooperation.⁶⁴ While trust is necessary for the proper functioning of the market, trust is even more essential for social solidarity. In fact, as noted earlier, Uslander equates social solidarity with generalized trust in the society. Among the conclusions Knack and Keefer draw from their published empirical cross-country research on trust is that (1) the levels of trust and trustworthiness vary significantly across countries, and (2) both trust and trustworthiness “have significant effect on economic outcomes and development.” Moreover, they assert that “social norms that produce trust and trustworthiness can solve the problem of credible commitment,” which, where and when it exists, causes disruption in economic, political, and social interactions among humans. The problem of credible commitment arises when parties to an exchange cannot commit themselves or believe others cannot commit themselves to carrying out contractual obligations. Where this problem exists, long-term contracting will not be widespread and parties to exchange will opt for spot-market transactions. Knack and Keefer have found that per capita economic growth increases by nearly one percentage point per year for every ten-percentage point increase in the number of people who express trusting attitudes. Knack and Keefer explain,

the larger the fraction of people in a society who share norms prescribing cooperative or trustworthy behavior in collective action setting, the more likely is the society to have overcome problems of credible commitment in the economic, political and social spheres...contracting parties can dispense with costly monitoring of performance. Individuals in these societies can spend less to protect themselves from being exploited in economic and political transactions. Written contracts are less likely to be needed and they do not have to specify every possible contingency. Individuals have more resources available for innovation and investment, as they can devote fewer resources to protecting themselves—through tax payments, bribes, or private security services and equipment—from unlawful [criminal] violations of their property right. Norms of civic cooperation reduce enforcement costs by leading individuals to internalize the value of laws and regulations even when the probability of detection for violation is negligible... Norms prescribing cooperation and trustworthiness enhance governmental effectiveness.

They conclude that “Evidence is fairly clear that income equality and education are linked to trust and other development-promoting norms.”⁶⁵

It is important to differentiate between “rules” and “norms.” In the literature of new institutional economics (NIE) both terms are used. For example, institutions are defined as formal rules, and informal norms and

their enforcement are described as characteristics. We avoid using the term norm, agreeing with Eleanor Strom who says, "By norms, I mean shared prescriptions known and accepted by most of the participants themselves involving intrinsic costs and benefits rather than material sanctions or inducements." She distinguishes between norms and rules by the fact of enforceability and sanctions. An example of a norm, according to Strom, is the precept: "Put charity before justice." Such precepts "are part of the generally accepted moral fabric of a community. I refer to these cultural prescriptions as norms." Rules, on the other hand, are "enforced prescriptions about what action or states of the world are required, prohibited or permitted. All rules are the result of implicit or explicit efforts to achieve order and predictability among humans by creating classes of persons (positions) who are then required, permitted or forbidden to take classes of action in relation to permitted or forbidden states of the world."⁶⁶ In a society in which rules order the relationships among its members, continuously making participants aware of the rules they use to order their relationships helps enforcement, which is crucial to the stability of rule-ordered relationships. While in rule-based societies rule-violation is always an option, it has consequences since there are always sanctions attached to rule-violation. On the one hand, if rule-compliance monitoring is effective and the probability of exposure and sanction is high, everyone in society would expect that others will take action-decision "within the set of permitted and required action," and the social order will be stable. On the other hand, when monitoring is ineffective and the probability of exposure and of being sanctioned is low, rule-compliance will be weak and social order unstable. All the prescribed precepts discussed in this book are those that are ordained by the Creator. Even if these precepts are not codified as the law of a given society and are not enforced, they are commands of the Creator requiring compliance; the noncompliant, both individually and/or collectively, are sanctioned. Therefore, they are rules, not norms. For example, cooperation or trust and trustworthiness in collective endeavors may be considered "norms" in some societies, but in Islam both are commands of the Creator, therefore, they are rules, not norms. Not complying with them invokes costs here and in the Hereafter. This book is about how compliant and Allah-conscious societies can grow, flourish, and develop, while noncompliant societies experience the opposite. The rule of "commanding the good and forbidding evil" is an all-encompassing rule incumbent on all members of society. This rule is perhaps the most important of all enforcement devices within the Islamic framework. The Prophet indicated the dire consequences for society and its members of noncompliance with this rule: "Comply with the rules of commanding the good and forbidding evil, for if you do not, the most

evil among you gain sovereignty over you. Then you pray [for relief from oppression] and your prayers will not be answered.” The only recourse for society is to “change what is in their self” (11:13) and comply with the rule.

Returning to trust and trustworthiness, both the Quran and the Prophet stress the importance of being trustworthy. The Quran clearly declares trustworthiness a sign of true belief, and insists that true believers must be fully conscious of this obligation. Conversely, the Quran considers untrustworthiness and the betrayal of trust clear signs of disbelief: “And if one of you entrusts to another, he must deliver up that which is entrusted to him [according to the terms of the contract entered into] and he must be consciously aware of his Cherisher Lord” (282:2); “Lo! We reveal unto thee the scripture with the Truth that you judge between the humans according to that which Allah shows you. And, do not plead on behalf of those who betray [trusts] . . . And do not plead on behalf of those who betray their selves. And Allah does not love one who is betrayer sinful. They hide [their true intentions] from humans but they [cannot] hide from Allah. He is with them when they [reveal] during the night of the discourse that does not please Him. And Allah is ever dominant over them” (105, 107–108:4); “When you speak do so justly even though it is against your kin, and fulfill the covenant of Allah” (152:6); “O you who believe! Do not betray Allah and His Messenger, and do not knowingly betray your trusts” (27:8); “Of them is he who made a covenant with Allah [saying]: If He gives us of His Bounty, we will give *sadaqat* and will become of the righteous. Yet when He gave them of His Bounty, they hoarded it and turned away” (75–76:9); and “Lo! Allah commands you that you return what has been placed in trust with you to their owners” (57:4). It is important to note that the word trust (*amanah*) has the same root as that of delivering one to the safety and security of the Cherisher Lord. The concepts of trustworthiness and of remaining faithful to one’s promises and contracts are absolute regardless of costs and benefits. In other words, when a believer enters into a contract or is trusted by someone, the believer has to maintain his obligations even if there are losses to be incurred.

It was mentioned earlier that these absolute obligations of faithfulness to promises, contracts, and covenants as well as trustworthiness are reflections of how one maintains faithfulness to the covenants with the Cherisher Lord and trustworthiness to all things that the Lord has placed in trust with the believer. These include all collective and individual covenants with Allah and all resources, including the human body that He has placed in trust in the care of the believer. If one were to break one’s promise, or betray a trust, or violate the terms of contract with another human,

there is the likelihood that in facing tests and trials, designed as a process of adaptive training on the path-to-perfection, one would also violate one's covenant with Allah and betray His Trust. For this reason, the Prophet emphasized being trustworthy to the point that he commands: "Return what is placed in your trust for safekeeping to the person who has trusted you and do not betray anyone, even the one that has betrayed you." He is also reported to have said, "There are three [injunctions] that no one is allowed to violate: treating parents kindly regardless of [their] being Muslim or non-believer; keeping a promise whether to a Muslim or to a non-believer; and returning what is entrusted for safekeeping, regardless of whether the person entrusting is a Muslim or a non-believer." This last is fully consistent with the verse of the Quran commanding the Prophet and the believers not to break a covenant or a peace treaty between them and their enemies (idol worshippers): "Fulfill their treaty to its full term" (4:9). In a very important tradition, the Prophet says, "Three [behavioral traits] if found in a person, then he is a hypocrite even if he fasts, prays, performs bigger and small pilgrimages, and says 'I am a Muslim': when he speaks, he lies; when he promises, he breaches; and when trusted, he betrays."⁶⁷

Throughout the ages, one of the most important questions confronting mankind has been that on what basis should economic resources be distributed? The answer depends on the underlying concept of justice and fairness, which, in turn, depends on the belief system. Islam considers justice an important attribute of the Creator manifested in His Creation. The concept of justice for humans is simple and unambiguous: justice is obtained when all things are placed where intended by the Creator! How are humans to know where the right (just) place is for everything? The answer is: follow the rules prescribed by the Creator.⁶⁸ By the instrumentality of His *Walayahh*, the Loving Creator has provided all that is necessary for humans to achieve perfection of the human state. He has also clearly designated the path-to-perfection and has marked it with rules of behavior in all facets of human life on this plane of existence. Rule-compliance assures justice. In turn, justice assures balance for individuals and for their collectivity. Compliance with rules, however, does more than create balance, it guarantees that humans draw near to their ultimate objective, namely, their Creator. Prophets were given scriptures containing the rules and the criteria for balance and were charged with the mission of teaching them and urging humans to follow the rules in order to achieve justice. Morality, therefore, is a result of just behavior. In contrast, non-theocentric thought considers justice "an important subclass of morality in general, a subclass which generally involves appeals to the overlapping notions of right, fairness, equality, and deserts."⁶⁹ These

systems must find ways in which a consensual agreement is reached on the concept of justice and fairness according to which goods and services produced can be distributed. To do so, they must first devise moral theories that provide reason to justify a particular distributional system. One such theory is utilitarianism, which recommends a distributional criterion. It avoids concerns with justice, but bases itself on morality. An action is considered justified if it increases utility for all; utility being defined as happiness. Accordingly, there is only one moral issue involved in a course of action or social policy: does it achieve the greatest total happiness for all? This is a criterion by which not only individual and social actions are judged, but also various societies are compared. There is much criticism of utilitarianism. Two stand out. First, this system of thought permits the sacrifice of innocent individuals and their interests if it means increasing the happiness of the whole, thus serving totalitarian objectives. Second, it considers happiness of all individuals equally weighted without regard to differences in their contributions to society. Moreover, utilitarianism takes the existing pattern of distribution as well as the preferences of individuals as a given.

In principle, it is assumed in economics that a free market that operates on the basis of the self-interest of its participants promotes the general interest of all. Based on a utilitarian concept, welfare economics developed the analytic position that in such a system, in which prices were determined by the free interplay of supply and demand, all factors of production would receive rewards commensurate with their marginal contribution to the production of goods and services. This was the triumph of the marginalist school, one of whose members, Pareto, analytically showed that in such a system "social welfare" would be optimal. Beyond this point, any attempt to increase rewards for any factor of production would lead to suboptimality. Therefore, at such equilibrium, actions or policies to move away from such a market solution could be justified if, and only if, at least one person were made better off without anyone else being made worse off. This simplified version of the Pareto rule is, in effect, the criterion of just distribution based on utilitarianism. Again, it is important to note that here, too, initial resource endowments as well as the preferences of individuals are taken as a given. Unhappy with utilitarianism, the philosopher John Rawls searched for an alternative principle of distribution by relying on the concept of the social contract. Equating justice with fairness, Rawls attempts to find principles of just distribution with which members of society, with different concepts of good and just, all agree. Everyone can agree with the concept of justice as fairness.

To Rawls, distributive justice is a matter of public rather than private choice, although he assumes that citizens are just. Therefore, his principle

of justice applies only to social institutions he refers to as the “basic structure.” He uses a device he calls “a veil of ignorance” to ensure fair results. Assuming that people in society are ignorant of all of their particularities, including race, color, creed, or social status, they would come together to choose a rule of distribution that would then govern all members of society. Rawls concludes that under this arrangement, and in this initial position, people would choose a rule according to which all “social values—liberty and opportunity, income, wealth, and the basis of self-respect—are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone’s advantage.” From this principle, referred to as “the difference principle,” two other principles are deduced. First, that each individual in society has “equal right to political liberty; freedom of speech and assembly; liberty of conscience and freedom of thought; freedom of the person along with the right to hold [personal] property; and freedom from arbitrary arrest and seizure, as defined by the concept of the rule of law. These liberties are all required to be equal by the first principle, since citizens of a just society are to have the same basic rights.” The second principle requires that if there are to be inequalities, they are (1) to everyone’s advantage, and (2) “attached to positions and offices open to all.” These principles are to apply sequentially to the “basic structure” of society. Sequential order is necessary for Rawls to rule out the possibility that a departure from the first principle of equal liberty could or would be compensated by greater economic advantages; these principles apply to the “basic structure of the society,” defined as the bifurcation of social institutions: one set of institutions “define and secure the liberties of citizenship” and the other “specify and establish social and economic equalities.” Rawls assumes that citizens are rational, self-interested agents who want certain “primary goods,” namely, rights, liberties, powers and opportunities, income and wealth. Under the “veil of ignorance,” a fair allocation of these primary goods would be the one that members would agree on before they know which position they would occupy or what share of the allocation they would receive.

Rawls argues that “the difference principle” would lead citizens to choose that allocation that maximizes the opportunities for the group of citizens with minimum advantage. Assuming a “veil of ignorance,” the logic of this choice is clear. Since no one knows whether they will end up being a member of the least privileged group and since all are rationally self-interested, they would agree that all opportunities should be distributed equally unless unequal distribution would benefit the least advantaged. This principle then allows comparisons between societies regarding their distributive justice. A society is just if the least advantaged in the society are at least as well off as the least advantaged would be in any other

alternative.⁷⁰ Rawls' theory of justice touched off debates for more than three decades. There are those who agree with his basic idea that justice means equality in the allocation of "primary goods" to all people, but who differ about how to compensate those who are disadvantaged; among these are Dworkin, Roemer, Gomberg, and Sen.

Dworkin proposes that economic resources should be equal to the point where any remaining inequalities are due to individual choices, meaning society should compensate those who are disadvantaged because of factors not under their control. To arrive at an initial distribution of external resources, each person is given an equal amount of currency to engage in trade until no position can be improved. Once an equal initial distribution of resources has been achieved, Dworkin proposes that a tax be imposed on the income of the more able to compensate those disadvantaged by deficiencies they could not have controlled.⁷¹ Roemer, influenced by Dworkin, distinguishes between "autonomous" action-choices, for which a person can be held responsible, and those of "circumstances," for which the person cannot be held accountable. His focus is on the latter, arguing that government policy should assist people from groups with different circumstances to equalize advantages and to create "a level playing field." He especially emphasizes government allocation of educational resources to young people in different "circumstances" to achieve equal opportunity and to overcome the unfairness created by the "circumstances" of a person.⁷²

Gomberg criticizes the positions of Dworkin and Roemer as well as others who base their concept of justice centrally on what they consider to be the "morally significant difference between the effects of chance and those of choice."⁷³ He argues that in this view "a society would minimize the rewards and penalties of chance, but allow us to suffer [at least some of] the consequences of our own choices."⁷⁴ He believes that this approach is intended basically "to sanctify the social order by assuring us that there was nothing wrong with the society and that anyone in a worse-off position was there as a result of his own choice and, hence, had only himself to blame."⁷⁵ Thus, such proposals are intended to cover up the deficiencies of the social order. Gomberg argues that social outcomes in a society, for example, employment in high- or low-paying jobs, are explained by two factors: a person's autonomous choices and the way social institutions are organized. If people have advantaged positions in a society of "equal opportunity," it is, then, because of their own "autonomous" choices, and this would also be the case of those who are in disadvantaged positions.

Gomberg's criticisms of Rawls, Dworkin, and Roemer (and Sen) are that they all take market economies as a given, but each market has its own norms. They are "normatively individualist. Their norms exaggerate the separateness of persons and underestimate our interconnectedness." One

reason for this is because of a Hobbesian tradition of separation between morality and self-interest, which became the foundation of present-day economics. This separation of morality with its normative values from, presumably, nonnormative self-interest, Gomberg argues, is not only fundamental in economics, but also “has become part of a certain common sense. But it is surely wrong. We subtract our normative concept of who we are from our notion of self-interest, there is little left. There is something; survival, health, and physical comfort are strongly non-normative. Still, most of what we see as our self-interest, whether fulfilling responsibilities as spouses, parents, friends, teachers, or neighbors, or, more broadly, sustaining dignity as contributors to society, is normative.”⁷⁶ Market norms developed on the basis of this separation are individualist values. In societies where social relations are market-based, “pursuit of economic self-interest is, thereby, accepted as good... Rewards fairly earned are deserved... Those who have disproportionate wealth and power are deserving and, because wealth and power are goods, they are superior [in a way relevant to having wealth and power]. Prestige and the sanction of morality attach to economic success. So markets necessarily spawn individualist values as fundamental morality.”⁷⁷

Another critic of Rawls, Nozick, argues that the justice of a distribution framework must focus on the processes rather than outcomes; since the outcome is the result of the process, the justice of a particular outcome depends on the processes that led to it. If the process is just, the outcome is just. People are entitled to their wealth if it is obtained through fair processes and procedures regardless of whether they deserve it. This principle of entitlement would have absolute priority, even above the needs of the most deprived members of society. This absolute right of entitlement to wealth that is obtained through fair procedures gives the wealth-holder the right to reject any attempt at redistribution, say, through taxation. Nozick also takes the market and its norms as a given.⁷⁸ Therefore, it is subject to the criticisms of Gomberg as are other market-based distributive schemes, such as those of Rawls, Dworkin, Roemer, and Sen. Sen’s capabilities and functioning approach shares much in common with Rawls. But a major difference is that Sen argues that all goods, including those that Rawls considers “primary goods,” are inputs to a person’s functionings. These are the set of actions and states a person performs and enjoys. Equality for Sen means equalizing the “capability set,” the set of functionings from which a person chooses.

Gerald Cohen, argues, akin to Gomberg, against Rawls’ conclusion that a society in which the difference principle is satisfied displays strong “fraternity” in the sense that people in such a society would not want “to have greater advantages unless this is to the benefit of others who are

less well off.” Cohen argues that since Rawls takes markets as a given, he must also accept “the self-interested motivation of market maximizers.” Second, Rawls argues that in a society governed by the difference principle, people who are worse off will accept their position with “dignity” because they know that their position cannot be made better by an alternative principle. In other words, a janitor would accept his position with dignity because he knows that under any other arrangement (other than satisfaction of the difference principle) he would be worse off. Cohen, however, asks why a person should accept a very inferior position with dignity if he knows that it is because of the workings of the market norms and “unlimited self-seekingness in the economic choices of well-placed people?” Third, Cohen takes issue with Rawls’ claim that in a just society (one that meets his principles of justice), people will live their daily lives in accordance with the principles because they fully realize that, as moral persons, this will promote the individual and collective good. Again, Cohen raises the question of consistency. Since Rawls takes markets as a given and accepts that people are primarily motivated by self-interest, Cohen asks, “How can they, without a redolence of hypocrisy, celebrate the full realization of their natures as moral persons, when they know they are out for the most that they can get in the market?” The upshot is that Rawls’ justice cannot deliver the “ideals of dignity, fraternity, and full realization of people’s moral nature.”⁷⁹ Cohen suggests that Rawls does not apply his difference principle “in the century of the self-seeking choices of high-flying marketers, choices which induce an inequality that, so I claim, is harmful to the badly off.” Since the difference principle applies to the social institutions that compose the basic structure, it does not apply “to the choices, such as those of self-seeking high fliers that people make within such institutions.” The problem is that, on the one hand, Rawls takes markets and self-interested motives of participants as a given and, on the other, he requires that the citizens of a just society “willingly submit to the standard of just society embodied in the difference principle.”⁸⁰ Cohen is not altogether opposed to Rawls. But, importantly, he argues that “for inequality to be overcome, there needs to be a revolution in feeling or motivation, as opposed to [just] in economic structure.”⁸¹

These ideas on distributive justice afford a perspective on Islam’s position on what just distribution is. An important central difference between Islam’s position and those discussed earlier is the role of the market. All these ideas apply to “market economies.” Markets also play a crucial role in Islam, but with one major difference. Epistemologically, the difference is one of the concept of the market as an ideology and the concept of the market as an instrument. This difference is profound.

In societies known widely as “market economies,” market norms are central to social relations. In turn, market norms are determined by self-interest, which dictate “rational” behavior as maximizing what interests the self, narrowly labeled as satisfaction (utility or profit). Market norms, in turn, determine the pattern of preferences of individuals. As Gomberg argues, market norms, and preference patterns, are individualist, not communal. They have self-seeking orientations. In Islam, by contrast, the market is an instrument. It is not an organism that determines the rules and norms of behavior, not even those of its own operation. Rules that determine the pattern of preferences of participants are determined outside the market. Participants internalize them before entering the market. The behavior of consumers, producers, and traders, informed by their preferences, are subject to rules determined outside the market. Rules such as no waste (*itlaf*); no overconsumption or overuse (*israf*); no opulence or extravagance (*itraf*); no harm or injury (*la dharar wa la dhirar*) to anyone; faithfulness to contracts, covenants and promises, as well as trustworthiness are general rules of behavior that are internalized by consumers, producers, and traders before they enter the market. Moreover, there are rules specific to the exchange taking place in the market, such as no fraud, no cheating, no shortchanging of weights and measures, no interference with the flow of supply, no hoarding of commodities in the expectation of price increase, and no restriction on the flow of information. All these rules permit the free and unrestricted interplay of demand and supply. They affect the pattern of preferences. Moreover, there are rules governing the legitimacy and permissibility of sources of income, demand, and supply, because not all sources of income, not all demands for goods and services, and not all supplies are permissible. Income from *riba*, bribery, theft, gambling, and the usurpation of others’ income are not permissible as are not the demand and supply of certain goods and services.

In a market where there is full rule-compliance, the price that prevails for goods, services, and factors of production is considered just. The resulting incomes are considered justly earned. Therefore, the resulting distribution is just. However, participants will not be allowed to keep their full earnings simply because their income was justly earned. There are rights and entitlements of others in the resulting postmarket distribution of income and wealth that must be redeemed. This is the function of postmarket redistribution, which is governed by its own set of rules. There are levies such as *khums* (on income) and *zakat* (on wealth) that must be paid. But redistribution does not end here. There is *infaq* (expenditures in the way of Allah), *qard hassan* (beautiful loan), *sadaqat* (payments to redeem others’ rights and to demonstrate the veracity of one’s claim to

Islamicity), and *waqf* (designated assets whose underlying income flows are used to support building and maintaining public infrastructure). Any remaining wealth that is accumulated is broken up at the end of the person's life and distributed among a large number of beneficiaries spanning at least four generations, according to rules specified in the Quran. This is designed to avoid the concentration of income and wealth in the hands of a few.

The second major difference between distributive justice in Islam and those presented earlier is that the latter require government intervention to correct unjust patterns of distribution resulting from the operations of the market. From Rawls to Sen, all theories of distributive justice require intrusive and comprehensive government intervention on a continuous basis to ensure the desired outcome. Even the most libertarian of these ideas, for example, Nozick's, requires government intervention if the processes and procedures are determined to be unjust. In Islamic society, the state's role is one of administrator, supervisor, and protector of society. It is the members of society who ensure that justice prevails.

Given the rules governing property rights, work, production, exchange, markets, distribution, and redistribution, it is reasonable to conclude that in a rule-complying and Allah-conscious society, absolute poverty could not exist. It can be argued that there is no topic more emphasized in Islam than poverty and the responsibility of individuals and society to eradicate it. The Prophet said that poverty is near disbelief and that poverty is worse than murder.⁸² It is almost axiomatic that in any society in which there is poverty, Islamic rules are not being observed. It means that the rich and wealthy have not redeemed the rights of others in their income and wealth and that the state has failed to take corrective action.

Summary

We have explained Islam's concept of development as stated in Verse 96 Chapter 7 of the Quran. This verse asserts that there are two conditions that must be met for a society to experience growth and development. The necessary condition is belief and belief-affirming action, and the sufficient condition is that the members of society be consciously aware of the Supreme Creator at all times. The necessary condition can be understood to mean compliance with a set of behavioral rules prescribed by the Law Giver, and the sufficient condition can be understood to mean that being consciously aware promotes consistency of behavior in rule-compliance.

There are rules governing economic behavior relating to property rights, resource use, work and productive behavior, production, exchange and trade, distribution, and redistribution. No society adhering to the rules prescribed by Islam could have poverty given the numerous rules governing economic relations. Therefore, the mere existence of poverty is *prima facie* evidence of noncompliance with the rules.

Chapter 6

Conclusion

We have attempted to explain the Islamic development paradigm on the basis of the Quran (Metaframework) and the traditions of the Prophet (Archetypal Model). The view is succinctly expressed in Verse 96 of Chapter 7 of the Quran, which states that societies and the humans composing them will develop if they are believers and if they are consciously aware of the ever-presence of the Supreme Creator. We have elaborated on the implications of the two requirements for development. First, to be a believing society, its members, individually and collectively, must comply with a set of behavioral rules prescribed by the Law Giver. Second, to be consciously aware, society and its members must have an intimate, conscious awareness of the ever-presence of their Creator in their own private lives and in their relational transactions with the Creator, with other humans, and with the rest of creation. The second condition, which is satisfied when there is a convergence between Meta consciousness and consciousness, is crucial because of the possibility of rule-violation even where a society and its members profess belief. Meta consciousness is an immutable cognition of the Oneness and Onlyness of the Creator. Consciousness, on the other hand, is acquired experientially by humans through a process of encounter with the means provided by the Creator through His Love, including the gifts of dignity; covenant; agency-trusteeship; dominion over resources created for mankind by their Creator; books of revelation; prophets and messengers; tests and trials; the infinite capacity to love the Other; the facility to reciprocate love; and the full ability to understand reality.

To provide a context and a benchmark for the Islamic view of development, we reviewed the evolution of the Western concept of development

starting in the late seventeenth century with the intellectual tradition of the Scottish Enlightenment in its search for social order—culminating in Adam Smith’s idea that continuous material improvement could be assured as a result of individual decisions motivated by self-love and moderated by the moral value of “sympathy” for others—and concluding with Amartya Sen’s concept of development as freedom.

The ideas of Sen, and those of Mahbub Ul-Haq before him, represent a break from the concept of development as simply material growth. Sen’s concept of development is at once a move backward to the foundational ideas of Smith to restore the ethical-moral compass to economics, and a move forward to conceptualize the well-being of humans as the end purpose of development. He reintroduced the notions of equality and equity, and reconceptualized both in terms of the capabilities and functioning of human beings, forcing to the forefront of the discussion the question of life-options available to humans (capabilities) and what they actually do and achieve (functioning). This allowed a redefinition of poverty as constraints on capabilities and functionings. Sen conceptualized development as freedom from economic, social, and political constraints on capabilities and functionings. Sen’s contribution represents a leap in Western development thinking. It does, however, have shortcomings—neglect of self-development, focus on the poor and neglect of the opulent, and neglect of the need for income redistribution.

Islam is a rules-based system in the sense that the rules are prescribed by the Law Giver. He monitors compliance, and there are rewards for compliance and sanctions for noncompliance. Accordingly, the prescriptions ordained by the Law Giver and explained and implemented by His Messenger are rules. We have discussed the four fundamental concepts supporting the rule-based system that is Islam. These are: first, *Walayahh*, the unconditional, dynamic, active, ever-present Love of the Supreme Creator for His Creation manifested through the act of creation and the provision of sustenance. For humans this means sufficient resources to sustain life and divine rules enabling humans to sustain and flourish on this plane of existence. Humans reciprocate this Love by extending their love to other humans and to the rest of creation. The core activity of *walayahh* is love manifested through knowledge and the upholding of justice. Second is the concept of *karamah*, human dignity. The Quran considers humans to be the crowning achievement of Allah’s Creation for whose personal and collective development everything else has been created. Humans are endowed with intelligence to know their Creator, to recognize and appreciate the universe and everything in it, and to understand the reasons for their own existence. The third concept is the *meethaq*, the primordial covenant in which all humans are called before their Supreme

Creator and asked to testify that they recognize in Him the One and Only Creator and Sustainer of the entire Creation. The fourth concept is that of *khilafah*: agency-trusteeship. Jointly, *Walayahh* and *karamah* provide the basis for *khilafah*. The Love of the Creator endows humans with dignity and intelligence so as to manifest *Walayahh* through the instrumentality of *khilafah*. *Khilafah* is the empowerment of humans by their Creator as agent-trustees to extend *walayahh* to one another, materially through the resources provided to them by the Creator, and nonmaterially through the manifestation of unconditional love for their own kind as well as for the rest of creation. In Islam, scarcity is not a binding constraint at the level of humanity. It is only a constraint at a micro-individual level; at this level it is a test both for the constrained and for the unconstrained person. For the constrained, it is a test of the strength of belief that has been experientially revealed to the person and is a light shining on the strength and weakness of the self. For those economically better off, it is a test of their recognition of the real source of their wealth and the strength of their rule-compliance in helping to remove economic constraints, namely, barriers on the path-to-perfection for those in need of help.

Islam's concept of development contains three interrelated dimensions of self-development, physical-material development, and societal development. The Creator has provided for humans the ways and means of achieving all the dimensions fully and comprehensively. The most crucial and central to Islam's concept of development is the progress humans make in developing the self. Without this, balanced and appropriate progress in the other two dimensions of development is not possible; any forward movement in them without self-development leads to harmful distortions. Compliance with the rules prescribed by the Law Giver prevents distortions. The rules constitute a network that regulates all dimensions of the human experience, individually and collectively, on this plane of existence. Some of the important insights of new institutional economics (NIE) relate to the benefits of rule-compliance, the most important of which date back to Smith.

Rule-compliance promotes material growth through higher total factor productivity (TFP). The three rules that NIE considers crucial to economic growth—property rights protection, the enforcement of contracts, and good governance—are emphasized in both the Metaframework and the Archetypal Model. However, the network of rules in Islam that guarantees development goes further. These are the rule of seeking knowledge, no waste, no harm or injury, hard work and no fraud, cheating or abuse of property. The internalization of the rules of conduct governing market participation and compliance with them assures that the market will be an efficient mechanism to create a balance within an economy. Because

fairness and justice are assured by rule-compliance, the price that emerges will be a just price. Rules regarding the fair treatment of others assure that those who participate in the act of production receive just payment for their efforts. Thus, market-based distribution guided by the price mechanism would also be fair. Rules governing income redistribution assure that the rights of others in access to resources are preserved before income becomes disposable. All economic transactions are governed by rules requiring strict faithfulness to the terms and conditions of contracts and promises. Hence, the probability of asymmetric information and moral hazard is minimized. Rules governing consumption assure that there is no opulent or wasteful consumption. Since consumers internalize these rules before entering the market, these rules also shape consumer preferences and thus demand. Rules governing the use of disposable income and wealth (i.e., income and wealth after they have been cleansed of the rights of others) assure that wealth is not hoarded and is made available in the form of investment and expenditures in the way of Allah. Prohibition of interest assures the direct participation of wealth-holders.

Also important is that the Supreme Creator has endowed humans with the freedom of choice. This gift is so important that all of the prophets and messengers and all of their revelations to humanity can be understood as attempts by Allah to persuade humans to choose, through the activation of their faculties of spirit and consciousness, to freely acknowledge the One and Only, and to then actualize the return of that Love through active love of the Creation of Allah. This Supreme Gift of the Creator is so fundamental that humans have the choice of rejecting the reality of their own Creator. The freedom of choice also allows humans to choose leaders who embrace justice and just rule and who reject unjust rule. There is the Prophetic saying that on the Day of Reckoning the oppressor, the oppressed, and the person(s) who stood by and observed the oppression will be called upon to answer: the oppressor for oppression, the oppressed for not resisting the oppression, and the bystander for not assisting the oppressed. Any injustice perpetrated by individuals against other humans and against the rest of creation is ultimately an injustice to the self. Allah loves justice; it is a central part of His Universal Love. Humans must live a life that is just and must stand up to injustice wherever they find it.

This is the contour of an economy where everyone who is able to work works hard, using technical knowledge to combine with their own labor and the resources provided by the Creator to produce goods and services for society. People in such an economy—believing in the One and Onliness of the Creator, in the prophets and their message, and in the Day of Accountability—having internalized the rules prescribed by the Law Giver and being fully and consciously aware of the ever-presence of the

Creator—conduct their economic, social, and political affairs in full compliance with the rules. Knowing that they are responsible and accountable, individually and collectively, they invest allegiance in a legitimate authority to carry out their affairs, with the legitimacy of the authority established by rule-compliance. The rule “commanding the good and forbidding evil,” applicable to individuals and society, assures the full and active participation of all in the affairs of society. The Prophet warned that failure by members of society to comply with this rule and to correct ineffective governance would lead to a totalitarian nightmare. The consequences of noncompliance are so severe that the Prophet warns that in such a situation prayers will not be answered. Rules stemming from the *Walayahh* of the Creator and reflected in the *walayahh* of the believers for one another and for the rest of humanity and creation, as well as rules prescribing participation in ritual acts of worship that are mostly public, promote human solidarity and unity. Among these are rules that ordain cooperation, consultation, reciprocity, close contact, and caring relations with others. The economic instruments that fortify *walayahh* relationships are those of redistribution and extend to providing for the material needs of future generations through the laws of inheritance as well as through the instrument of *waqf*, through which wealth-holders establish endowments that create and maintain social infrastructure. In the end, the existence of absolute and relative poverty, along with significant income inequality, is *prima facie* evidence of rule-violation and governance failure, for which members of society are, individually and collectively, responsible no matter how strong their pretensions to Islamicity.

As a final remark, we must acknowledge that, today, in many of the countries that profess Islam we see unjust, dictatorial, and harsh rule, poverty for the masses, opulence for the few, limited and unequal opportunities for individuals to develop, and frequent civil and military conflict. Still, we have always believed that no religion should be judged by the actions and practices of those who claim to be, or who are labeled, its followers. This is particularly important in an age when, motivated by ideology and politics, many observers and the media define Islam as what Muslims do. Many countries that are identified as Islamic are what they are—underdeveloped, corrupt, and unjust—and Islam is what it is—the articulation of the universal love of Allah for His Creation, its Unity, and all that this implies. It is our hope that one of the central messages of this book—that claims to Islamicity of any society should be judged and validated by the presence of and general adherence to the institutional structure that Islam demands—will not be forgotten.

Notes

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17. *Ibid.*, xii.
18. *Ibid.*, xii–xiii, 3.
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4 The Dimensions of Development in Islam

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8. Ja'far al-Sadiq, *Misbahu al-Shariah*, Chapter 2.
9. Mohammad Kulayni, *Usul al-Kafi* (Tehran: al-Matba'ah al-Islamiyyah, 1967).
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14. From the sources of the Sunnah there are a number of traditions that explain some of the 108 rationale behind the prohibition of interest and usury. Imām Ali aḥ-āḥ-Ridā (ca. 765–818) gives a concise summary of the Prophetic guidance on the issue. See *Ilalu āḥ-Sharāi* by Shaykh Sadūq (various editions), chapter 234 (*On the cause of the prohibition of Interest and Usury*). In the course of this tradition it is stated that

Allah—in His Might and Majesty—has forbidden taking [direct] interest because it results in the corruption and devaluation of wealth. This is because, when someone buys one dollar for two dollars, the value of the first dollar is one dollar and the value of the second dollar is fictitious. So the sale and purchase of interest is harmful in all cases, for both the buyer as well as the seller. So Allah—May He be Magnified and Exalted!—protected his adorer-servants from interest in order to prevent against the corruption of their wealth, just as a ward prevents an immature mind from taking possession of the latter's wealth until he matures. So this is why Allah has prohibited interest and the direct [lit. “hand-to-hand”] sale of one dollar for two. . . . The reason for the prohibition of indirect interest [eg., consumer credit for general purchases, car loans, and the like] is the dissipation of that which is known and good; the wastage of wealth and property; [the dissipation of] the inclination of the people to pursue legitimate profit[-able enterprises]; and abandoning both [interest-free] loans and the manufacture of goods. All of these cause corruption, injustice, and the annihilation of wealth and property. A more detailed analysis of this tradition and its implications for the spiritual and cosmological dimensions of Walāyah is beyond the scope of this book. However, it does illustrate a fundamental application of the principles of Walāyah and, by extension, the Metaframework of Islamic praxis.

5 The Institutional Structure of Development in Islam

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4. *Ibid.*, 295.
5. Ja 'far al-Sadiq, *Misbahu al-Shariah*, Chapter 2.
6. Al-Hakimi, Al-Hakimi, and Al-Hakimi, *Al-Hayat*, Vol. 1, 184–186.
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8. *Ibid.*, 182–183.
9. Al-Hakimi, Al-Hakimi, and Al-Hakimi, *Al-Hayat*, Vol. 3, 155–177.
10. *Ibid.*, Vol. 3, 169–172; Vol. 1, 287–363; Vol. 5, 291–342.
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Glossary of Arabic Terms

<i>Ámal salih</i>	Righteous work
<i>Ábd</i>	Servant-adorer
<i>Ádl or adilah</i>	Justice, balance
<i>Ahadeeth</i>	(singular: <i>hadeeth</i>) Talks, sayings or conversations; Authoritative and scholarly biographies of the Prophet and books of tradition
<i>Akhlaq</i>	Moral and ethical disposition
<i>Al Amr</i>	A command or a decree
<i>Al-amr bil-ma'ruf wa Al-nahy 'an il munkar</i>	Commanding the good and forbidding the evil
<i>Al-Faridhatu Al-Ádilah</i>	The just duty
<i>Al-Insan-ul-Kamil</i>	Perfected human being
<i>Al-Rahman</i>	The Universally Merciful Allah
<i>Al-riba</i>	Usury
<i>Al-Sunnatu Al-Qa'imah</i>	The established tradition
<i>Amanah</i>	Trust
<i>Áqd</i>	Agreement
<i>Áql</i>	To have it together. The root verb also means "to restrain" or "to withhold"
<i>Aslamtu</i>	(comes from <i>Salám</i>) I have delivered myself into safety/security
<i>Ayah</i>	Sign; something that stands in relation to something else such that the cognizance of the sign leads to the cognizance of the thing represented by the sign
<i>Ayatu Al-Mubkamah</i>	Firm signs
<i>Baraka</i>	(plural: <i>barakat</i>) Blessings
<i>Bay'</i>	Exchange
<i>Bay'ah</i>	A contract between the person who is deemed worthy of accession to the office according to the first dimension of legitimacy and the members of the community
<i>Dayn</i>	Debt

<i>Deen</i>	Religion; a way of living, and obedience to a set of rules of behavior, a way of conduct in service of something or someone. It covers customs, habits, religion, ideology, cosmology, praxis, conduct, and rules of behavior (institutions)
<i>Du'a</i>	Prayer
<i>Falah</i>	Success and salvation
<i>Fiqh</i>	The internalized knowledge of issues, understanding
<i>Fitrah</i>	The Primordial Nature of humans
<i>Halal</i>	Permissible
<i>Haram</i>	Unlawful
<i>Hawa</i>	Whim and caprice
<i>Hayat Tayyibah</i>	The good life
<i>Ibadah</i>	Worship; connotes both adoration and service
<i>Ibadah</i>	Act of adoration or worship
<i>Ihsan</i>	Acts of beneficence; <i>mohsin</i> : a person whose actions become acts of beneficence
<i>Ihtikar</i>	Hoarding of commodities and productive resources from the market for the purpose of pushing up the prices
<i>Ikrab hukmi</i>	Aversive ruling
<i>Ilm</i>	Knowledge
<i>Imamate</i>	Temporal and spiritual leadership of the society
<i>Iman</i>	A word derived from the verb <i>amina</i> , meaning safety and security
<i>Iman</i>	The act of believing
<i>Infaq</i>	Expenditures
<i>Iqta'iddar</i>	Devoting land for building houses
<i>Israaf</i>	Extravagance
<i>Isti'mar</i>	Physical development of the earth
<i>Itilaf</i>	Wasting, destruction
<i>Irraf</i>	Opulence
<i>Jihad</i>	Struggle
<i>Karamah</i>	Human dignity
<i>Kharaj</i>	Taxes and rents on public lands used by private producers
<i>Khalifa</i>	Agent-trustee (plural: <i>khulafa</i>)
<i>Khilafah</i>	Agency-trusteeship
<i>Khums</i>	Means one-fifth; in Quran means <i>zakat</i> : the right of others in one's income and wealth
<i>Khyar Haywan</i>	When the subjects of the negotiations were pack animals, the buyer had the right to return the animal up to three days after the deal was consummated
<i>Khyar Majlis</i>	When sellers and buyers could terminate negotiation before leaving the location in which it was taking place
<i>Khyar Moddah</i>	When a delivery period was specified but the product was not delivered on time

<i>Khyar Qashsh</i>	When the buyer discovers that the quality of the product is not what was expected
<i>Khyar Rou'yah</i>	When a buyer has not seen the commodity subject of the negotiation but after seeing it finds it unacceptable
<i>Khyar Shart</i>	When the side conditions which were specified during the negotiations were left unfulfilled
<i>Kufr</i>	Rejection of faith
<i>La dharar wa la dhirar</i>	No harm no injury
<i>Ma'rifa</i>	Knowledge
<i>Ma'ád</i>	The return of creation to its origin and accountability of humanity (individually and collectively) for acts of commission and omission, success and failure in achieving, establishing, upholding justice toward their selves, others of their kind and the rest of the creation
<i>Meethaq</i>	Covenant; the Primordial Covenant that all humans were called before their Supreme Creator and asked to testify that they recognize in Him the One and Only Creator and Sustainer of the entire Creation and all other implications flowing from this testimony
<i>Millah</i>	Belief
<i>Mu'min</i>	Believer
<i>Mubayaa'</i>	(from the word <i>bay'ah</i>), Political allegiance; a contract between the ruler and the community that the leader will be rule-compliant in the discharge of the duties of the office
<i>Muhkam</i>	Unambiguous
<i>Muhtasib</i>	Person in charge of holding participants to accountability
<i>Niyyah</i>	Intention
<i>Nubbowah</i>	Prophecy; the continuous chain of humans appointed by the Creator to remind, warn, cleans, teach, and induce humans to bring about and uphold justice within the created order through their position of agency-trustee assigned and empowered by the Supreme Creator
<i>Qaba'il</i>	Tribes
<i>Qaflah</i>	Negligence, inattention, and carelessness
<i>Qard Hassan</i>	A beautiful loan (interest free)
<i>Qaum</i>	People
<i>Qist</i>	Mutual and interrelational justice among humans and between them and the rest of creation
<i>Rabb</i> or <i>Allah</i>	The Cherisher Lord

<i>Rasheed</i>	Someone who is making progress on the path-to-perfection
<i>Rububiyyah</i>	The manifestation of the actions of the <i>Rabb</i> expressing the twin ideas of “cherishing” and “Lordship”
<i>Rub</i>	Spirit
<i>Rushd</i>	Individual self-development
<i>Sadaqa</i>	(plural: <i>sadaqat</i>) From the root word meaning truthfulness and sincerity
<i>Sadaqat</i>	Payments to redeem others’ rights and a demonstration of the veracity of one’s claim to Islamicity
<i>Sakiynah</i>	Tranquility
<i>Salah</i>	Prayers
<i>Salámah</i> or <i>Salám</i>	Connoting the verbal idea of “entering safety and security,” or “becoming safe and secure”
<i>Shahadah</i>	Witnessing; the witnessing of Allah as the One and Only Creator, Sustainer and Cherisher of the creation, and the witnessing of the messengership of Muhammad
<i>Shirk</i>	Associating partners with Allah
<i>Shu’ub</i>	(singular: <i>Sha’b</i>) Branches of humanity
<i>Ta’seer</i>	Price controls
<i>Tafakkur</i>	Reflective meditation—reasoning, i.e., observing, considering, and reflecting on the significance of things and phenomena
<i>Talaqqa ArRukban</i>	The prohibition of interference with supply before entrance into the market
<i>Taqwa</i>	An intense awareness of the presence of the Cherisher Lord, Allah-consciousness
<i>Tatfeef</i>	Short changing a buyer—not giving full weight and measure
<i>Tawbah</i>	Repentance
<i>Tawheed</i>	The One-and-Onlyness of the Creator
<i>Tazakkiy</i>	Is the cleansing-purification process that emanates from the human
<i>Tijarah</i>	Trade
<i>Übudiyyah</i>	Expresses the twin idea of “adoration” and “service” in responding to the <i>walayahh</i> of Allah given through <i>Rububiyyah</i>
<i>Ukhuwwah</i>	(comes from <i>a’kh</i> meaning brother) Brotherhood
<i>Ulil-albab</i>	Who attains an ever-active full consciousness
<i>Ulum</i>	Aware, possess
<i>Walayahh</i>	Mandate; the unconditional, dynamic, active, ever-present Love of the Supreme Creator for His Creation manifested through the act of creation and provisioning of its sustenance; being, or working, in the closest possible proximity to someone

<i>Waliyy</i>	(plural: <i>aulia'</i>) The one who is doing <i>walayahh</i>
<i>Waliyy-u-Allah</i>	Devotee of Allah
<i>Waqf</i>	Designated assets whose underlying income flows are used to support building and maintaining public infrastructures
<i>Yaqeen</i>	The state of full certainty
<i>Yaqeen</i>	Certainty
<i>Yuzzakiy</i>	“to cleanse” 3rd person: He cleanses
<i>Zakat</i>	The right of others in one’s income and wealth

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