

THE GOAL OF ECONOMIC DEVELOPMENT

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The goal of our whole struggle and more particularly that of the rulers in Pakistan has been "economic development". The first expressed priority of the present government is that the country should progress more and more economically, and do so fast so that we stand soonest at par with the developed, well-off and civilized nations. Apparently, there seems nothing wrong with such thinking, yet it is better that we take a pause and established a well considered view.

Two questions have become central in importance and need necessarily be answered by the Muslim Scholars.

- I. If the development experience of the Muslim countries in particular and of the Third World countries in general spread, as it is, over the last 40 to 50 years has failed to inaugurate a new era of sustained growth and widespread wellbeing, can there be an alternate road?

- II. Capitalistic as well as socialistic roads have landed mankind into a cul-de-sac. Is there a way out?

Muslims claim they have an alternative. Islam is not merely a religion that deals with private relationship between man and God; it provides guidance for the entire gamut of life, including man's economic life and destiny.

The 'god' that has been jubilantly worshipped in the post-Second World War era, both in economically rich and politically triumphant countries of the West as well as in the poverty-stricken and newly independent countries of the ex-colonial empires in Asia and Africa, has been the 'god' of development. As the German scholar, Wolfgang Sachs, succinctly puts: "The last 40 years can be called the age of development... Like a towering lighthouse, guiding sailors towards the coast, 'development' stood as the idea that oriented emerging nations in their journey through post-war history. No matter whether democracies or dictatorships, the countries of the South proclaimed development as their primary aspiration, after they had been freed from colonial subordination. Four decades later, governments and citizen's alike still have their eyes fixed on this light flashing just as far away as ever: every effort and every sacrifice is justified in reaching the goal, but the light keeps on receding into the dark... Since then the relations between North and South have been cast in this mould: 'development' provided the fundamental frames of reference for that mixture of generosity, bribery and oppression that has characterized the policies towards the South. For almost half a century, good neighborliness on the planet was conceived in the light of 'development'."

The scenario is now changing. "Today," adds Wolfgang Sachs, "the lighthouse shows cracks and is starting to crumble. The idea of development stands like a ruin in the intellectual landscape." In fact, "this epoch is coming to an end. The time is ripe to write its obituary." And obituaries have started appearing.

The First Global Revolution, a report by the Council of the Club of Rome, is one recent obituary from an international think-tank. The report of the United Nations Development Program, Human Development Report 1992 is another obituary, written in a somewhat different vein. The Club of Rome intellectuals start with the lament: "Humankind seems to be gripped by a fin-de-siecle attitude of uncertainty at the threshold of the new century, but the era of a millennium brings still deeper mystique with its sense of widespread change and the uncertainty accompanying it."

The results of developmental efforts, the report regretfully confesses, "have been uneven and often disappointing" and warns "the grave problems of world poverty, aggravated by population growth, could well give rise to great and disruptive disharmony on a wide scale, from which the industrial countries cannot escape the consequences." The report suggests that "it is strongly in the self-interest of the rich countries that a new, powerful and radically different approach be taken to the problems of world development."

The Human Development Report 1992 brings to focus the glaring reality that the rich have grown richer and the poor become poorer at the end of the three decades of the so-called universal developmental effort. In 1960 wealthiest one billion of the world's five billion population were 30 times better off than the poorest one billion. According to the latest estimates, taking into account internal discrepancies within nations, the top one fifth are probably around 150 times better off. The Guardian editorially comments that the "developing countries enter the market as unequal partners and leave with unequal shares."

Although the editorial falls short of calling this act of penalization of the Third World by "international economists and financiers" an attempt "to defraud the developing countries," it does accept that through "what is at best self-deception these actions have the same result." The tragic consequence is that "for a sizeable slice of the world's population, three decades of much-trumpeted development have been three decades of de-development." **(April 25, 1992)**

The condition within the rich and developed countries is no different. About the US the latest information released by the Congressional Budget Office shows that the richest one percent of the population got almost 70 percent of the increase in average family income between 1977 and 1989. The situation becomes more startling if the income rise of the richest 20 percent is taken during this period. The richest 20 percent took more than 100 percent of the growth in average income with the result that the bottom 40 percent of the population actually lost ground and transferred part of what they were getting 15 years back to the richest 20 percent. See "To Close

the Wealth Gap," The New York Times editorial reproduced in International Herald Tribune, April 23, 1992.

This is the global context, in which we are reviewing the development "syndrome". At some later stage we shall suggest the strategy which can help from the Islamic Approach to development.

Man has always been searching for short cuts to realize his ideals. With political freedom, the Third World's self-realization of its economic and social plight deepened. Its exposure to the West made it even more conscious of its abject poverty and of the widening gap between the rich and the poor. During the era of colonial rule, the Third World heard many success stories of western development. In the post-colonial period it was invited to follow the growth path pursued by the West. Economic development was offered to the people of the Third World as an answer to all their problems.

In the pursuit of development, industrialization was seen as "the quick way to prosperity" and capital formation was emphasized as the key to industrialization. Transfer of western technology and foreign aid were seen as sufficient to make up for the two major gaps in savings and balance of payments. Import-substitution and, to a lesser extent, export-promotion strategies were developed to realize the dream. Economic development became the new god at whose altar everything else was to be sacrificed — values, cultural patterns, social norms, customs, religion, ethics and what not. It was assumed that a rising GNP would usher in a new age of prosperity and affluence. Mankind would enter a new millennium of affluence by following in the footsteps of the developed countries of the West.

This summary may rightly be described as rather too simplistic. But it is equally true that the development strategies based on western models, as they were introduced in the Third World, contained a host of simplifications, carefully wrapped in sophisticated jargon, and not without an element of arrogance about the superiority of the western way of life. The most positive, even enthusiastic, response came from the Third World's western-educated elite, who had been brought up in the cradle of colonialism and had inherited power from the departing masters. This alliance of convenience between the West and the new power-elite of the Third World is now under severe strain because the development strategy that was assiduously pursued has failed to produce the required results. In almost every developing country, indigenous forces not so favorably disposed towards the western models are engaged in a search for new paths more in keeping with their own cultural identity. They are challenging the westernizing minority almost everywhere.

Even if it is conceded that too many hopes were pinned on the drama of development, the record of the last 30 years is still disappointing. The problems of poverty, underdevelopment and stagnation continue unameliorated. Two centuries after the advent of the industrial revolution and three decades after the inauguration of a grandiose development crusade, it is disturbing to note

that a majority of the human race remains poor, suffering from under-nourishment, under-shelter, disease and illiteracy. The World Bank acknowledged with regret that the failure to achieve a minimum level of income above the "poverty line" has kept some 40 percent of the populations of the less developed countries in a condition of "absolute poverty."

Although some "enclaves" of development have emerged as a result of developmental efforts, they have not failed to result in any broad-based changes in the society; nor were they able to mobilize all major sectors of society in the cause of development. Over-emphasis on capital has generated distortions in price structure, exchange rates, tax system, wage-scales, and forms of technology and so on. Distributional aspects have been largely ignored with the result that economic and social disparities within societies have increased. Employment-generating effects have been far below the required minimum. Even natural population increase and consequent inflow in the labour force could not be absorbed in the economy through new employment opportunities. In spite of import-substitution strategies, dependence on imports continues and, as terms of trade have generally moved against the developing countries, trade and balance-of-payments gaps have increased. International indebtedness has also rocketed (over \$1.3 trillion) while the net flow of real resources from the developed countries to the Third World has not only tapered off, in some cases even a reverse flow has begun. The energy crisis has further aggravated the resource constraints. The overall picture remains bleak.

A word may also be added about the international context in which developmental efforts of the Third World countries have taken place. The relation of dependence that was built into international economic relations during the colonial period continues unabated. The gap between the rich and the poor nations is widening. Prices of internationally traded goods show erratic movements injurious to the interests of the developing countries. Inflation is being aggravated by the monetary and trade policies of the developed countries. Twenty of the 24 developed countries are pursuing protectionist policies vis-à-vis imports from the Third World. Consequently Third World countries are caught in severe balance-of-payments problems. International monetary institutions are unable to handle the situation. The UNDP study, Human Development Report 1992, accepts that the structure and working of the World Bank and IMF must undergo fundamental changes if they are to be responsive to the needs of the poorer countries of the world. Crises are being postponed, not controlled. The fate of development in the Third World is very much tied to the reform and restructuring of the international economic order. There has been a lot of heat and smoke in the North-South dialogues; there is, however, very little light. It seems pretty dark even beyond the tunnel.

Muslims feel dissatisfied with the whole developmental effort on all the above counts. They are further disturbed by the amoral character of the entire growth philosophy, which is steeped in the ethos of western culture and its secular liberalism. In the context of the Muslim societies this has acted as a centrifugal force, tearing the Muslim societies into warring nationalities, regions and

classes. A totally materialistic approach is alien to the Islamic way of life and the historical tradition of the Muslim people. Islam wants to transform human society and restructure its socio-economic life according to the values of justice and fair play. It also seeks to weld the moral and material approaches into a unified and integrated approach to life and its problems. Any approach that splits life into secular and religious dimensions is anathema to Islam.

The western approach has been based on disrespect, albeit not always explicitly articulated, for other cultures and social systems. As a result, efforts have been made to transplant western values and cultural patterns on to other peoples, leading to the disintegration of their cultures. This has been justified as imperatives of the process of modernization. All this has been systematized into a theory of change stipulating that values and institutions that favour and strengthen exclusively materialistic considerations — motives, incentives, results ... are the prime movers of social systems. Competition and reward have been made to replace long sustained humanistic attitudes and customs. People's motivation patterns, valued social institutions, relationships and systems of pecuniary reward and punishment have had to change to suit the alleged demands of economic development. Even those who do not subscribe to the Bostonian stages of growth do accept the substance of his analysis of the nature and direction of social change.

Muslims look upon the entire developmental exercise as a grotesque effort aimed at cultural imperialism. Their main objections may be summarized thus:

- a) The West-inspired approach to material prosperity has promoted in Muslim society an imitative mentality which is inimical to creativity and destroys originality. This not only aggravates the trends towards moral decay in the society but also perpetuates the hegemony of western culture on Muslim lands. It promotes an active collusion between the West and the westernized elite in the Muslim world because development of Third World countries as cultural satellites of the West is bound to ensure an ever-increasing demand for western products.
- b) A systematic application of this development strategy has proved to be highly divisive in Muslim society, splitting it up into modern and traditional, liberal and conservative, urban and rural, rich and poor and so on. This has perpetuated colonial traditions and encouraged consumption habits that tear the modern sector from the rest of the society and tie it in with its counterparts in the western world. This has led to the enrichment of a privileged minority and the impoverishment of the mass of people. It has engendered economic and social dualism and new tensions and conflicts within society. Lifestyles are changing in such a way that a high consumption-oriented privileged society is being imposed upon a mass of people committed to a different set of values and traditions. This is alienating the

allegedly developing sections of the society from the rest. Symbols of modernization are becoming targets of hatred.

- c) The entire experiment has been terribly wasteful and extremely costly. Import substitution has failed to enhance the real technological capabilities of the economy, yet it is making a large number of people addicted to new luxuries and lifestyles that the society cannot, and should not, afford. A high consumption society is being created in countries that have little to consume. The patterns of consumption and production have become distorted, and tilted to serve the whims and fancies of a privileged minority. The real gains to society have been minimal.
- d) There has been a metamorphosis of attitudes in the direction of hedonistic individualism. Concern for individual standards of living has taken precedence over that of strengthening the economic base of the nation. Greed and corruption have raised their ugly heads.
- e) At the root of this approach is the assumption that an economic system can move on its own without simultaneous deliberate changes in political system, social institutions and moral attitudes of the people. It is assumed that the delicate balance that exists between different aspects of individual and social life will readjust itself in the light of the changed economic situation. The experience, on the other hand, is that this has divided the society and added to friction, rivalry, confusion and waste.

Consequently, the totality and integrity of the social system have been ignored. This is at variance with the Islamic approach which stands for a happy balance between different aspects of life and aims at the development of an integrated personality in the individual and a happy balance in society.

Such an imitative and exclusively materialistic strategy of economic development is repugnant to Islam, which is not a religion in the limited sense of the word, but has its own socio-economic Program based on its own world view and a set of ethical values and principles. Historical evidence indicates that the efforts to transplant western values and culture are proving counter-productive. Modernization experiments have only touched the fringe of the Ummah and have failed to take root in its mainstream. This approach has been superficial, as it has sought for artificial change, which is bound to prove abortive. A number of western developmental institutions have failed to become an integral part of the society on which they have been transplanted.

Moreover, the conditions in which development took place in the West in the 18th and 19th centuries and the conditions, which prevail in contemporary Muslim societies, are very different. It is naive to assume that what worked in the West at a particular moment

in history will equally work anywhere. Again, there is reaction against many of the modernization ideals of the West within the West, particularly among its younger generations, which are increasingly attracted to what has been described as "counter-culture". The scenario is changing and today's Muslims, particularly young people, do not want to perpetuate what they deem as instruments and symbols of western dominance. The Muslim mind has fully realized the tricky chess game and rather than wasting time on useless pursuits, it craves for the evolution of a new development strategy.

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