

Shafiullah Jan and Mehmet Asutay, *İslami Kalkınma İçin Bir Model - İslami Ahlak Ekonomisinde Bir Yaklaşım (A Model for Islamic Development - An Approach in Islamic Moral Economy)*, Translated by Hüsnu Tekin, Istanbul: Albaraka Publishing, 2022 (First Edition), 277 pages, 978-625-7312-78-3


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The concept of development contributes to the literature as a prescription for overcoming the phenomenon of “underdevelopment”, which refers to the situation in which the savings rate and capital accumulation are weak due to low per capita national income and poverty is widespread due to income inequality. In this respect, development refers not only to economic growth but also to the process of improving the quality of economic, social, and political institutions.¹ In other words, countries seeking a particular level of development ought to have democratic governance mechanisms centered on political participation and multiculturalism, establishing a wide area of freedoms based on the rule of law, establishing effective bureaucratic functioning that eliminates corruption, and gaining economic competitiveness with a new perspective (World Bank, 1992).

- 1 With reference to the New Institutional Economics, the concept of institution has been used to mean “the set of rules developed by people to limit possible arbitrariness and opportunistic behavior” (Kasper and Streit, 1998: 28) or simply “the rules of the game played in society” (North, 1990: 3).

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From this perspective, it is stated that Muslim countries, which are trying to adapt to the dominant liberal politics and capitalist economy, do not have a coherent normative framework and a stable practice. Along with low national incomes and the inability to achieve sustainable development, countries in the Islamic World do not have a functioning political participation ground and a quality set of social relations. This fact has been questioned in many studies (Chapra, 1993; Mehmet, 2002; Kuran, 2012). A large number of these studies criticize the Islamic World heavily in light of Western paradigms; they tend to associate the “failure to develop” problem with Muslim countries’ historical experiences, belief systems, and cultural structures without taking into account the issue’s core (see also Ebrahim and Sheikh, 2018).

According to their book titled *A Model for Islamic Development - An Approach in Islamic Moral Economy*, Asutay and Jan present an alternative development model based on Islamic ethics. As stated in this book, the development projections of Muslim countries on the basis of different paradigms have resulted in failure, which consists of seven chapters, including the introduction and conclusion.

Introduction (pp.11-25) describes the nature and scope of the study, its theoretical and epistemological framework, motivation for writing, and methodology. Accordingly, the study is based on a paradigm that will promote human-centered development, welfare increases, a fair distribution of income, freedom strengthening, and spiritual maturation in the Islamic world. Unemployment, inequality and other socio-economic problems that emerged in the Islamic world in the post-colonial period are explained, and the need for the reconstruction of Muslim identity and the Islamic Moral Economy (IAE) model is emphasised for their solution. According to the book, the Islamic Banking and Finance (IBF) system that developed around the Middle East’s rapidly rising oil capital remains a formal tool; a development model that internalizes the Islamic paradigm is sought.

A new model of development integrating worldly development and spiritual ascension is presented in the book, based on al-Ghazali. It includes a map of the current situation in the Islamic world, Islamic references for development, ontological and epistemological aspects of justice, and ethical criticism of IBF practices. Hence, a development framework consisting of axiomatic policies based on justice and spiritual ascension is created. To understand the phenomena within the scope of the IME, the interpretative approach is used, while social constructivism is used to verify Islamic references, statistical analysis is used to analyze the problematic aspects of IBF, and discursive analysis is used to create the proposed model.

The second section, entitled “Critical Reflections on Development in the Muslim World” (pp.27-88), critically examines the current development indicators in the Islamic World. Furthermore, the erroneous paradigm that criticises Islamic norms for the practical failures of Muslim countries is exposed. It has been explained with statistics that some of the countries with a majority Muslim population in the world are high-income countries while others are low-income countries. The negative panorama of Muslim countries in the Corruption Perceptions Index is taken as a given. According to the UN’s Human Development Index, Muslim countries have low scores where income injustice increases, consumption culture is absorbed, military expenditures increase, and social stability cannot be established. It has also been determined that the levels in data sets such as the Human Poverty Index, the Gender-Based Development Index, the Gender Inequality Index, the Inequality-Adjusted Human Development Index, and the Multidimensional Poverty Index are not satisfactory. It is stated that similar results are also found in many similar indices.

From another angle, it is essential to criticize the use of these indices prepared by Western institutions to reinforce the main problem being addressed in the work. This is due to the fact that these indices have numerous problems with their scope, classification, and methodology (Gisselquist, 2014). These indices are also based on the pre-acceptance that the West is absolutely developed, and explain the development problems of non-Western societies on an ideological framework based on faith and culture (Giannone, 2010). This method is clearly meant to hide the effects and traces of colonialism in the West on the underdevelopment problem. Analyzing Muslim countries individually or making original determinations and classifications by examining the Islamic World from within might be a unique approach.

In the context of these negative indicators, it is mentioned that some Western thinkers associate the underdevelopment in the Islamic World with Islam. At this point, Timur Kuran’s (2012) criticisms that capital accumulation was prevented through the law of inheritance and the waqf system, and that the corporate culture did not develop by focusing on the experience of the Ottoman Empire were explained. Mehmet’s (2002) criticisms on the weakening of political and social control mechanisms due to the declining influence of the ulema and Ayubi’s (1995) criticisms on the restriction of economic activity by the military and bureaucratic classes in Muslim countries are also mentioned. In the face of these criticisms, the IME has been explained as a new model for overcoming the development failures in the Islamic World and providing social justice.

In chapter three, “Islamic Moral Economy and Development,” (pp.89-130), the methodology and institutional structure of the IME are explained. It is pointed out that the Islamic world has faced the phenomenon of social classification and division due to the adoption of a development paradigm based only on material welfare, and that Islam brings together matter and meaning in its comprehensive perspective. According to Asutay’s previous works, the IME is defined as an alternative system based on reference points, axioms, values, operational principles, specific methodologies, and functional institutions (Asutay, 2007). It outlines the philosophical roots of the IME, which fulfills individual and social needs without oppression and exploitation under the principles of tawhid, rububiyah, justice, ihsan, purification, fard, khalifa, and maqasid al-shari’ah. This explanation is accompanied by a discussion of Western concepts in the Islamic religion, including efficient resource allocation, equitable income distribution, freewill, balanced growth, and social capital. This conceptual framework places the individual who is responsible to God and society, defined as “homo islamicus”, in opposition to the individual who is focused on material wealth. It was also emphasised that the IBF should provide the operational aspect of development, ensuring social justice and social ethics and improving human welfare and macroeconomic development.

As part of IME’s development model, which aims to bring *falah* to the community, it includes qualitative and quantitative growth, as well as socioeconomic and political change. According to the Islamic doctrine that aims to achieve a balance between the material world and the hereafter, the IME places the human being at the core of development efforts. In later stage of the model, it is assumed that when human beings develop their material equipment and build their spiritual identities, they will overcome the world stage of the Islamic development process. It is natural for the hereafter to bring salvation.

Along with material knowledge, it is important to emphasize the human being’s self-control and social responsibility. Humans with the potential of *homo islamicus* are very vulnerable to the widespread propaganda of the hegemonic powers that are enforcing global order paradigms. It is unrealistic to expect that society as a whole will be liberated from capitalist culture, even if one or a few succeed. The model should emphasize motivations that lead people from *homo economicus* to *homo Islamicus* more strongly at this point, and transition mechanisms should be identified. In addition to this effort, it is important to determine the concrete contributions of states, which are the central actors of the international system. Likewise, it would be useful to include formal and informal control mechanisms

that will direct mass psychology, which differs from individual psychology, within the scope of the model as supporting components.

The fourth chapter titled “Development and Justice in the Islamic Paradigm” (pp.131-152) focuses on the concept of justice as a core component of the IME. A concept of justice, which is a prerequisite for peace and harmony, is assumed to optimize the balance between rights and obligations and maximize social benefits. The concept of justice, which differentiates the IME from the Western understanding of development, is explained around key references. The arguments developed in this chapter are the basic components of the development model that will be discussed in the following chapters. It is emphasized that man, as God’s shadow on earth, is the only actor who can maintain peace and harmony on earth. This can only be possible by observing the balance of rights and obligations. The first pillar of this balance of justice is the understanding of brotherhood and cooperation among Muslims. The second component is the understanding of all the blessings of the earth as a trust and their use in accordance with Allah’s commands. The third factor that will underpin justice is the social mechanisms that will ensure a balanced distribution of economic and property rights.

In the fifth chapter titled “A Critique of the Social and Economic Development Performance of Islamic Banks” (pp.153-198), it is stated that Islamic economics emerged in the mid-21st century, complementing Western financial institutions with Islamic doctrine; however, Islamic Financial Institutions (IFI) were only limited to “charitable” activities rather than a total development model including social justice. It has been criticised that the heterogeneous financial instruments presented in Islamic finance circles are designed by jurists who are also paid by the IFI. Islamic economics emphasizes investment and partnership-based financing, but individual debt-based financing for consumption and speculation has gained sway in capitalist logic. Even with this negative trend, the authors argue there is no alternative to promoting IME and channelling resources to it. It is also possible to continue criticizing this part of the book in the same way as the third part. In addition to the lack of public authority principles and design in the framework of the IFI, the model or institution for widening and deepening financial relations is also lacking. Overall, the authors seem to have a paradigm that attempts to repair the existing flaws within the IFI structure. Although it is possible to transform extensively the human factor, the most critical component and the most resistant to change, it does not seem consistent to design limited reforms of organizations as some kind of support mechanism.

The sixth chapter titled “Conceptualizing the Islamic Development Process” (pp.199-235) proposes a development model based on Islamic epistemology. In contrast to previous studies, IME emphasizes the link between economic development and eternal salvation. As stated in the conclusion (pp.237-249), the axioms of IME are explained in an operational framework that reinforces individual spirituality from the perspective attributed to al-Ghazali. In accordance with Ibn Khaldun’s definition of development, the ultimate goal of IFIs is to enhance human welfare through Islamic social banking, nonbanking financial products, and institutions based on zakat and waqf.

In conclusion, the IME model expresses an important theoretical framework that starts from the existential roots of the Islamic World, which has a significant position in terms of population on a global scale but lags behind its potential in terms of influence, and places human beings at the center. It is difficult to discuss such a fundamental issue in all its facets in the confines of an academic ground and a book volume. However, the analytical framework constructed by the authors allows the issue to be addressed in a unique framework. It is also necessary, as the authors repeatedly stress, to consider moral practice through the framework of homo Islamicus, if we are to attribute the spark of Islamic development to individual action. In this context, the efforts of people to reveal the homo economicus at their core, the behavior of public actors prioritizing their responsibilities towards IME, and the encouragement of Muslims by IFIs with original products will be the greatest source of motivation for this and similar academic initiatives in search of endogenous Islamic development. This valuable book, which proposes a new paradigm, will be especially useful for post graduate level researchers working on economic development issues in the Islamic World.

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