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Islam and Development: Two Contrasting Views_ Mochammad Arif Budiman PhD Student, Department of Economics Kulliyah of Economics and Management Sciences International Islamic University Malaysia Abstract There is ongoing debate among scholars concerning the relation between Islam and development. The focus is about the compatibility issue. Western and Muslim scholars have their own stance and argumentation.

While the former have accused Islam as an obstacle to development, the latter have assured that Islam is essentially compatible to development. Keywords: Islam, development, Western scholars, Muslim scholars Introduction The relation between Islam and development has long become a subject of debate among scholars. This is basically an old topic but still remains relevant to the contemporary times.

The debate has primarily been around the compatibility issue whether Islam affects development negatively or, on the contrary, influences it in a positive manner. Some Western scholars put an accusation that Islam is a religion that retards progress and becomes an obstacle to development. They justified the argument by showing underdevelopment facts of several Muslim countries.

This accusation, however, is refuted by Muslim scholars showing arguments from both theoretical concepts and empirical evidences. This paper consists of five parts. After an introduction, the second part explains Western scholars' view on Islam and development. This is followed by Muslim scholars' view on the same topic in the third part. The fourth part attempts to discuss both views in the light of Qur'anic prescriptions.

Finally, the paper is ended by a conclusion. Western Scholars' View A number of Western scholars have accused Islam as a religion that retards progress and becomes an obstacle to development (Parkinson, 1967; Sutcliffe, 1975; Weber, 1976).

Weber, who has established a well-known causal link –yet questionable— between religion and development in the context of Protestant and the emergence of Capitalism in the West, opined that Islam is incompatible with development. This is because “the ultimate elements of its economic ethic were purely feudal” (Weber, 1922 (1991), p.

262) which provides little incentive for individual initiative, scientific inquiry and intellectual training. Weber attempted to associate this feudal perception of Islam based on his own interpretation of a Prophet Muhammad's (peace be upon him) saying towards someone who wears a ragged attire, “when Allah blesses a man with prosperity, He likes to see the signs thereof visible on him.”

While the true meaning of the above saying is relating to the mode of thankfulness to God and nothing to do with feudalism, Weber's odd understanding about the Prophet's saying undoubtedly indicates his misunderstanding about Islam. In another instance, Weber also exaggerated the influence of imperial military institutions and values on Islam labeling Islam as “the religion of a warrior class” and, at the same time, overlooked the role of the Sufi brotherhoods as channels of trade, particularly between the Middle East and Southeast Asia (Turner, 2009).

Parkinson (1967) who conducted a study in the rural Malay also held the similar misinterpretation by concluding that Islam teaches its followers to embrace a fatalistic attitude towards life which persuades them to resist and oppose changes that lead to economic development. According to him, this fatalism comes from “the Islamic belief that all things are emanations from God” (p. 336).

He then also made the concept of rizq (a person's divinely inspired economic lot) the most obvious example on how Islam hinders economic development as can be seen from the average annual income of adult male in the Muslim Malay community (\$1,463) which was much lower than two non-Muslim communities in the country, namely Chinese (\$3,223) and Indian (\$2,031) in 1957.

In the same vein, Sutcliffe (1975) conducted a survey with a sample of 278 Muslims in Jordan Valley investigating the relationship between religiosity and the orientation to the future, to mastery over nature and to achievement. It is found that Islamic religious commitment has no statistically significant effect on those value orientations of modernization.

He then links religiosity with two more variables, the adoption of modern farm methods and productivity, to test the assumption that Islam is an obstacle to development and finally found similar results that religious commitment again has no statistically significant relationship with the two latter variables. Despite his findings, Sutcliffe still believed that Islam is an obstacle to development.

Furthermore, Kuran (2004) and Platteau (2008) argued that some of the Islamic institutions, i.e., (1) the inheritance system, (2) the concept of limited liability and legal personality in Islamic law, and (3) waqf, all have become impediments to the Muslim region's development particularly in the Middle East.

The first two institutions are claimed to have impeded the accumulation of capital and the formation of corporations, whereas the third is blamed to have blocked vast resources as dysfunctional over time for their underutilization due to the exclusive status of waqf. Muslim Scholars' View Given those accusations, numerous Muslim scholars and thinkers have refuted the alleged statements both theoretically and empirically (A.

Ahmad, 2000; Chapra, 2008; Ozcan, 1995; Pramanik, 2002; Ragab, 1980). Concluding from the above-mentioned Western writings, Ragab (1980) categorized two broad causes put forward in the relationship between Islam and backwardness, namely (1) the internal obstruction of Islamic teachings, and (2) the corrupted mass perceptions and practices among Muslims.

These two causes must be clearly differentiated in order to arrive at objective responses. Ragab refused the first cause and he discovered that Western scholars in fact did not have a true understanding of Islamic teachings. As a result, their perception and understanding about Islam and Muslim society was misleading.

For the second cause, Ragab openly acknowledged the frequent corruptions of Islamic beliefs and practices among Muslim societies in the sense that they do not behave as they are supposed to. This discrepancy could be attributed to disorder in educational, economic, political, and other social institutions caused mainly by foreign domination (colonialism) over the Muslim countries for a long period of time.

Instead of the first cause, it is the second one that, according to him, might serve as a rational alternative explanation for the common backwardness in Muslim countries. Ozcan (1995) also shared the same explanation with Ragab in this regard. Ragab (1980) offered a framework showing the causes of underdevelopment of Muslim societies. His framework is similar with that of Guiso, et al. (2003).

For simplicity, their frameworks, taken together, are presented in Figure 1. Based on the figure, Ragab indicated that the problem of underdevelopment in Muslim society was actually caused by external factors, not by an internal factor. Therefore, the problem still may be remedied by Muslims. Figure 1. Causes of underdevelopment and its possibility for remedy Source: Ragab (1980) and Guiso, et al.

(2003) Ahmad (2000) gave support to Ragab's clarification about the cause of Muslim underdevelopment ensuring that there are indeed no inherent conflicting values between Islam and economic development that can be blamed for the prevailing miserable performance of the Muslim world. Rather than the religion factor, he suspected that the poor management of development activity in many Muslim countries constituted the main reason behind such underdevelopment.

Western intellectuals' misconceptions regarding Islam and development relationship are also underscored by Pramanik (2002). According to him, Parkinson, Sutcliffe and their followers were incorrect in their approach to study Muslim countries for two reasons. Firstly, they have used secular worldview of development to examine Islam as a way of life and then applied their own concept of development into Muslim countries without giving an appropriate attention to the uniqueness of Islam.

Secondly, they have commonly tended to equalize Islamic countries with Muslim (majority) countries while in fact these two are frequently different in the reality. Underdevelopment cases in certain Muslim countries do not necessarily justify the claim that Islam is not well-matched with development. Supporting his argument, Pramanik presented the data for Malaysia in the form of macro-level evidence as well as from a survey conducted in Terengganu, Malaysia, as micro-level evidence, confirming the positive correlation between Islam and development.

Another micro empirical study with a total of 600 respondents was carried out in Kelantan, Malaysia by Ozcan (1995). Despite the less developed status of the area, the study found that the people were as ambitious and motivated as any other people in the world. This is because they do not only choose worldly goals, but also believe that they would attain those goals, indicating a high degree of self-determination.

This study negated the fatalism image of Muslim Malays as drawn by Parkinson. With regard to the institutional factors put forward by Kuran (2004) and Platteau (2008), Chapra (2008) tried to address. In Chapra's opinion, Islamic inheritance system is based on egalitarianism and there can be absolutely no room for primogeniture, a feudal mechanism where there is only one person who inherits all the deceased assets.

With regard to Kuran's claim that Islamic law has no concept of limited liability and legal personality, Chapra showed that both concepts already existed in the classical discussions of Islamic jurisprudence. The legal personality concept was applied in the form of bayt al-mal (public treasury), mosque property, and waqfs whereas limited liability concept existed in the mudarabah form of business organization. Both concepts have been articulated without any difficulty to the corporation in contemporary times.

Meanwhile, waqf has still and always played its role until today, and its low performance is mainly caused by ineffective regulation and supervision as well as mismanagement problems, not because of the concept of waqf itself. Nonetheless, numerous recent innovative proposals and continuous improvements have been taking place in this institution.

Ahmad (2000) was of the view that the practices of several Islamic institutions such as Islamic banking and finance, zakat and waqf, do indicate the real applicability of Islam and its compatibility with development. Although took notes about some practical problems of these institutions, he believed that these institutions can play a considerable role towards further development in Muslim countries. Similarly, Ahmad (2003) also showed the compatibility of Islam and economic development in contemporary world by taking Malaysia as a case study.

It is argued that practicing Islamic values along with applying modern values such as pluralism, democracy, and modernity does not hinder Malaysia from achieving economic development. Notwithstanding, the contribution of Islam in the economy in which he called it as Malaysia's economic Islamization is unfortunately limited to only certain institutions, namely Islamic banking, takaful, zakat and participation of female labor force.

In addition, Chapra (2008) presented Ibn Khaldun's theory of development arguing that instead of depending on one single factor, the development or deterioration of any society is determined by the interdependency of moral, economic, political, social, institutional, demographic and historical factors. This theory is multidisciplinary and dynamic in nature, and thus there is no ceteris paribus assumption since all the variables are changing overtime with one variable works as the trigger mechanism.

Trying to trace the backwardness of Muslim civilization, Ibn Khaldun as quoted by Chapra (2008), was of the view that the trigger mechanism of Muslim decline was political illegitimacy, initiated by hereditary succession system established by Mu'awiyah, the fifth Caliph. In the meantime, the underdevelopment of Muslim countries at present

could most likely be attributable to the absence of democracy and low economic performance.

Chapra then called the reform of human beings, not only in their education and socio-economic status, but most importantly in their moral quality, as a trigger mechanism for achieving better state of development. Discussion This part attempts to analyze the arguments given by both Western and Muslim scholars as presented above. Western scholars perceived Islam and its followers with feudal, fatalistic and other problematic characters which lead them to the conclusion that Islam is an obstacle and impediment to development.

However, when looking at the way they made such arguments taken from the Islamic sources, we reveal that their findings are essentially inconclusive as they relied only on partial aspect of Islamic teachings and neglected other related aspects. Since Islam is a comprehensive and multidimensional religion with the interconnection and interrelation among its dimensions, it must be understood in a comprehensive way as well. Looking at Islam from partial point of view most probably will result in misinterpretation and misunderstanding.

Meanwhile, Muslim scholars who defended Islam from the accusation appear to be more academic and convincing in their articulation. They brought sound arguments from many sources and used various approaches, such as historical, conceptual, and empirical. They are also objective enough in the debate by openly recognizing the internal weaknesses of Muslim society.

Their evidences concerning the real applicability of several Islamic institutions in modern times such as Islamic banking and finance, zakat, waqf, impressive economic development of several Muslim countries and so forth show the compatibility of Islam and development. Ibn Khaldun developed his theory of development that put Islam as a central factor that activated all the developmental factors in a positive direction (Chapra, 2008a). In order to get a broader picture about relationship between religion and development in Islam, we obviously need to see how the Qur'an talks about the issue.

In the Islamic perspective, religion and development are essentially related in a positive, direct and causal manner. The level of development is highly dependent on the application of religion in the society. This kind of positive relationship between religion and development is declared by the Holy Qur'an: "If the people of the towns had but believed and feared Allah, We should indeed have opened out to them (all kinds of) blessing from heaven and earth; but they rejected (the truth), and We brought them to book to their misdeeds" (the Qur'an, al-A'raf: 96). In other verses, Allah has promised

multiple compensations in this world for those who fear Him (al-Talaq: 2-4).

These verses clearly show the relation between fear of Allah (taqwa) and various manifestations of development and prosperity in the form of getting way out from difficulties, promise of livelihood and sustenance from unimaginable sources, guarantee of sufficiency from Allah, and easy path of life. Therefore, it is Islam or the Shari'ah that should ideally be the sole basis for developmental goals and strategy in Muslim countries.

The government should preserve and maintain the religious faith through the implementation of religious values at entire dimensions of life of citizens both at the individual and social level (Hassan, 2005). Conclusion There are two different views regarding the relation between Islam and development. The main concern is about the compatibility issue whether Islam affects development negatively or, on the contrary, influences it in a positive manner.

Some Western scholars subscribed to the first view accusing that Islam is an obstacle to development, while Muslim scholars attached to the second view convincing that Islam is essentially compatible to development. BIBLIOGRAPHY Ahmad, A. (2000). Economic development in Islamic perspective revisited. *Review of Islamic Economics*, 9, 83-102. Ahmad, M. B. (2003). *Islam and economic growth in Malaysia*. Naval Postgraduate School, Monterey, California. Chapra, M. U.

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