Cooperation for satisfying human needs provides the seeds for economics. Obviously, therefore, mutual cooperation becomes the backbone of an efficient society in economic terms. This cooperation is premised on the essential moral impulse of human beings to help others in need. It goes for beyond the selfish purpose of satisfying one’s own wants. This fact shows that morality is the mainstay of economic life. Without an urge for cooperation and desire for overall improvement in the conditions of life, the economy cannot sustain itself on strong foundations. The stronger and fairer the cooperation, the more powerful will be the society in its moral underpinnings. This inherent human trait of extending and receiving help comes into play in the economic life of a people in a much more tangible way than in any other facet of the society. Hence there is a dire need for a moral assessment of the currently prevailing economic system and the institutions that have been put in place to support this system. This is necessary despite modernity’s abhorrence for moral reference in any discussion.

The writer of the work under review, Muhammad Umer Chapra, a well-known and acknowledged exponent of Islamic economics in this era, has confined his study to highlighting moral foundations of Islamic economics and finance. Nevertheless, it is a poignant commentary on the economic mindset of capitalism typically reflected in the role of banking and financial institutions in increasing disparity between the rich and the poor. With great clarity and mathematical exactitude, the writer has shown how the banking and financial sector has been organised under capitalistic priorities to establish the supremacy of the capital over human needs. It is fine-tuned to nurse and nurture the current economic ailment, namely the rising distinctions between the shrinking class of the privileged and the expanding multitudes of the
deprived. Banks secure deposits from the lowest income groups but ensure that their benefits are reaped by the richest few. The statistics supplied in the book duly support this ironic feature of capitalist banking and finance.

The writer is, however, more concerned with emphasising the moral justification of Islamic economics and finance for obvious reasons. Because the raison d’être of Islamic economics is organising the socio-economic life of the society so as to ensure justice, equity and fair play in the acquisition, distribution, management and development of resources and to prevent their being confined to the rich and the powerful. The cardinal principle of Islamic economic system of catering to the needs of all is rooted in the conviction that human life, this world and its resources are not but a Divine endowment entrusted to mankind as a whole. These God-given resources could only be utilised for sustaining humanity and keeping it secure from want, hunger, fear, disease and misery. Therefore, any attempt to deprive human beings of these securities and pursuing exclusive benefit for a group to the detriment of humanity at large is a mischief that could not be condoned or tolerated by Islam. In fact this is the very undoing of Islamic economics.

In theory, though, one might hear such or similar noble aims being espoused in other economic ideologies in one way or the other despite their actual conduct to the contrary. However, it is only in the Islamic economic model that these aims have been given primacy in terms of substantive normative injunctions of the Shari‘ah. These injunctions have been justiciable and coercively enforced with palpable benefits for centuries in the world of Islam without unfairly interfering with healthy growth and market dynamics. Little wonder, therefore, that the curse of capitalism, feudalism and their attendant ills could not infect the Muslim Society until the menace of colonialism was visited upon the Muslim lands and peoples.

The Muslim society until the advent of the white man with his burden, by and large, did not know the present disparities between the privileged and the common people, the elites and the have nots that are so typical of the materialist capitalist dispensation.

This treatment of morality as the bedrock of Islamic economics and finance by one of its outstanding exponents, should, we hope, among other things, serve as a mirror to show the true face of the present capitalist economic order casting its shadow over humanity.

The present work is not a book written by the author in a continuous flow. It is a collection of his articles written on various issues relating to Islamic economics and finance. The central theme of these articles has been the overriding moral consideration for human need which should remain the mainstay of all operations of banking and finance under the banner of Islamic
economics and finance. The writer, who is acutely aware of the cobwebs of the present economic forces, identifies the main problems that are faced by the function of the Islamic financial institutions in the capitalist jungle and proposes a number of theoretical revisions and practical solutions.

The main argument which runs through the discussion is that since the resources are limited and the demands unlimited, their distribution must be determined by some higher vision of the society. This vision should essentially incorporate the dream of a society about what it would like to be in future. This argument of the author, in fact, touches a sensitive chord in the modernist psyche. The so-called scientism pursued by the modernists and their followers is based on a reductionist view of the reality. This reductionist logic has been stretched to conveniently relegate questions of morality to irrelevance or periphery. However, it cannot be gainsaid that the nature of life that we actually live is so interdependent that no sphere of human activity could be entirely divorced from other spheres. So long as human agent remains one organic integrated whole, his/her life could neither be perceived nor experienced in mutually exclusive compartments. Therefore, the author’s argument leads to the inescapable conclusion that economics and whatever it entails could not be isolated from the moral choices and spiritual preferences of the individual and the society. Hence no economic system could pretend to remain morally neutral. It must take a clear position on the premises of the vision that should inform the economic choices of society and its individuals.

The author argues that though visions of societies may differ, all agree on human well-being as their goal. According to his analysis, the conception of well-being may be broadly classified into two: (a) it is either to be defined in purely material terms ignoring spiritual content; (b) or it takes spiritual content into consideration. This content mainly consists of altruism, humanitarian considerations and obligations to others. According to the author, in the first case materialist-hedonist approach prevails. In the second, there is hope for redressing the ills that beset human society: gap, misery, suffering, poverty, ignorance, disease and insecurities of all kinds.

According to the author, if economic vision rises beyond materialism and incorporates humanitarian and spiritual goals, then its test will be: extent of social equality, need-fulfillment of all, full employment, equitable distribution of income and wealth, economic stability: without heavy debt-servicing burden, high rate of inflation, undue depletion of non-renewable resources and damage to the eco-system endangering life on earth. Another test is the realisation of family and social solidarity reflected in the mutual care of members of society for each other, particularly children, aged, sick and
vulnerable, absence or minimisation of broken families, juvenile delinquency, crime and social unrest. (p. 21).

The author proceeds to observe that if the vision of the society is enlightened by spiritual content, the task of economics will be wider, more difficult and complex. It may not be able to confine itself to just economic variables. ‘This would mean that individuals could not be left free to pursue their selfish interest of maximizing wealth and consumption for their pleasure, but their behavior has to be restricted and individuals will have to have some desirable qualities to motivate their economic behavior toward humanitarian considerations beyond selfish interests. Market, family, society and state have a role to play in human well-being by mutual co-operation, harmony and concord, not pursuing self-interest only.’ (p. 22).

The author, however, grants that self-interest and maximisation of wealth and consumption are a motivating force in society’s economic development. But he observes that these motives are not the only force. He recognises the fact that there may be conflict in different goals but emphasises that a compromise between them is essential for the greater long-term goals of the society.

This need to reconcile selfishness to altruism is, no doubt desirable, even necessary. However, the seven decades of communist experience is enough to caution us against imposing totalitarianism in the name of public welfare. No group should be allowed to exploit altruism to do injustice of another kind and misuse empty clichés to further the interests of a new privileged class. The author seems to be alive to these dangers when he observes that unless there is created sufficient motivating force for economic activity beyond self-interest, human well-being is not possible. This observation underlines the importance of education and other means of reform in creating the required moral orientation to individuals’ economic behaviour. Mere coercive intervention by the state is not enough, though necessary. According to him, without creating conditions in which human society lives and behaves like a family and its members are willing to sacrifice their self-interest for greater social good (justice, equity, fair play and harmony), the economic problems of humanity could not be solved. (see p. 23).

The author draws the conclusion that if economics is to be concerned with comprehensive well-being, it cannot confine its discussion to just material prosperity. (see p. 24). In fact, he goes a step further and expresses that word of truth which will be reckoned as a cardinal sin among the high priests of capitalist materialist consumerist economics. He says: “economics cannot ignore religion any longer as real inner motivating force for self-sacrifice by individuals to achieve comprehensive well-being.” (p. 24).
Though the author confines himself to a discussion of basic concern to Islamic economics and finance, his analyses and conclusions should serve as an eye-opener for all economic thinkers and planners of the present era. The problems identified by him are the doing of the ascendant economic order of our time and these problems are by no means confined to Muslims. Indeed he is pleading here the case of entire humanity before the collective conscience of mankind.

If Islamic economics and finance have to succeed in remaining faithful to its moral justifications, it will have to challenge certain basic premises of the materialist capitalist economics and intensively strive to bring greater spiritual content and moral purpose to its theory and practice. In this effort, it will certainly not remain isolated because all economic thought of the present times is not materialistic or devoid of spiritual concerns for addressing the ills of humanity. The writer duly takes notice of these spiritual trends in the current thinking. He tells us for instance about the very apt observation by Richard Easterlin that: “rich countries are not typically happier than poor countries.” (c.f. ‘Does Money Buy Happiness’ in the Public Interest, Winter 1973), On the basis of such insightful findings, frequently cited in this book, the writer correctly argues that “if economics concern itself with well-being in its comprehensive sense, then it may not be able to confine its discussion to just material prosperity.” (p. 24), and “how human well-being is defined is comprehensive crucial factor in the allocation and distribution of resources. If there is a difference in the concept of well-being, then there will also be a difference in the mechanism and method for realizing it.” (p. 25). The writer identifies three important mechanisms that determine the use of resources in any society or economic system: “filtering, motivation and socio-economic and political restructuring.” Thereafter, he mentions three ways of filtering: “central planning, market mechanism and moral values” (p. 25).

Despite his emphasis on the need for filtering economic demands, the author is duly cognisant of the dangers of central planning and is sensitive to its negative impact on economic motivation. According to him, all countries other than Cuba (perhaps North Korea too) have abandoned central planning since they found it exerting a harmful influence on the market mechanism. In the latter, a certain level of balance is maintained by supply and demand. However, the author observes, every kind of balance does not conform to human welfare at large. It rather accords with peoples’ tastes and choices. He suggests that these tastes and choices need to be improved by moral correctives. He also does not rule out the state intervention in the interest of public good where it is necessary. But he proposes that both state intervention
and market dynamics should somehow be brought into subservience of moral imperatives to preserve the social weal and welfare.

In sum, this work underlines the humanitarian obligations of economics in general and heavier moral duties of Islamic economics in particular. These obligations call for seriously revisiting many assumptions of the present economic thinking and practice. From reading this insightful analysis of the author, one thing comes out clearly before us: there is a necessary corelartion between the economic injunctions of Islam and the universal good of all humanity. This aspect of Islamic economics should engage the future writers more than any other aspect of their inquiry. They will certainly find a receptive audience in today’s world beset by the havoc played by the dominant economic forces of the present world.

In short, the message of this book is loud and clear. It goes far beyond the domestic frontiers of Islamic economics and finance: if economics—with all its varieties—has to play a meaningful role in human well-being, as it should, then it will have to break out of its own self-imposed reductionist isolation. It has to orient itself to certain moral objectives. It will have to set its goals and priorities under the guidance of a definite worldview that recognises all humans as one family whose members are interdependent and responsive to each other’s needs. Such a world-view will logically require that human beings should treat themselves as trustees over the resources that nature has afforded them without any effort on their part. They are—and could only be—entitled to the legitimate fruits of their useful labour in harnessing these resources subject to the common good of all humanity.

It seems that in order to emancipate itself from the shackles of capitalist serfdom, humanity will have to fall back sooner or later on the holistic model of socio-economic justice offered by Islam. This will mean heavier and more challenging responsibilities for the scholars of Islamic economics. Their future task should be to address the ills of all humanity rather than the problems of the Muslims alone. Because the welfare of the Muslim Ummah must logically coincide with the good of all mankind.

Muhammad al-Ghazali