Why Muslim Countries under developed?

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Abstract

Islam is very comprehensive religion as the way of life that guides mankind in all aspects of life. The two responsible of human such as worshiper of Allah and agent of economic on earth are related to development. Nowadays, the development of Islamic economic and finance in many Muslim countries is significant to contribute the economic growths in the country in spite of many of Muslim countries are still in the poverty problem. By then, the paper attempts to analyze the major problem of Muslim countries toward development, to explore determinant factors of development in Islamic golden age and to give best solution to economic development of Muslim countries. It is qualitative research by using content analysis to answer all research questions. The findings are that The problem of development in Muslim countries is very complex such as poverty, lack of human skill, income inequality, low level productivity, accumulation of foreign debt and illiteracy. There are several countries that have excessive oil can be categorized as high human development. The economic development of Islamic Golden age applies religious and physical factors to promote society welfare. Lastly, there are five successful determinant factors in economic development such as religion, knowledge, wealth, innovation and institution.

Keywords: Muslim; Countries; Golden Age; Economic; Development

Introduction

Islam is very comprehensive religion as the way of life that guides mankind in all aspects of life. The human as vicegerent of Allah has two responsibility as worshiper of Allah and agent of economic on earth. In order to enhance a successful (falah) in here and the hereafter, the human should follow His guidance that is derived from revelation. Historically, the highest civilization was shown in the time of Caliph Harun al-Rasyid. In that time was Muslim societies led the world in science, philosophy, culture and prosperity. This progress was supported by the
government policies which were derived from Islamic principles. Unfortunately, after declining the Empire of Ottoman and emerging the colonialism in the Islamic territory, Muslim countries have faced multi-disciplines problems.

Economic is one of the major effects of the malaise of Muslim world. Most of the Muslim countries are still under developing countries where all members are illiterate and production of goods and services are below their needs. Developed countries are still dominance in the world economy and their discriminatory policies toward developing world.

This problem causes the emergence of Islamic economic resurgence in Muslim world that were initiated by Muslim scholars. In 1970s, several high reputation Islamic bank came together such as Nasser Social Bank Cairo (1972), Islamic Development Bank (IDB) (1975), Dubai Islamic Bank (1975), Kuwait Finance House (KFH) (1977), Faisal Islamic Bank of Sudan (1977) and Dar Al-Maal Al-Islami (1980). Nowadays, the development of Islamic economic and finance in many Muslim countries is significant to contribute the economic growths in the country in spite of many of Muslim countries are still in the poverty problem. Therefore, it is needed to analyse what obstacles that hamper economic development in Muslim countries. After knowing the problem of Muslim countries it will be provided the solutions derived from Islamic perspective that is especially from Islamic Golden period.

Economic Development in Muslim Countries

Definition of Economic Development

The term of development has a variety of meanings. In regard to economic systems it might means increase in the absolute size of, increase in the complexity and progress toward some ethically defined goal.\(^1\) For Adam Smith development means the extension of the division of labour and the application of machinery to the productive process so that an increase in the productivity of labour could be achieved.\(^2\) In Islamic perspective, development can defined as the process of fusing the material and spiritual progress aimed


\(^2\)Jorge Larrain, *Theories of development* (UK: Blackwell Publisher, 1994), 19.
at a continual growth of human personality. To Abdul Mannan, economic development from Islamic point of view is a balanced and sustained improvement in the well-being of the “totality” of man over a period of time.

In economic term, development has traditionally meant the capacity of a national economy, whose initially economic condition has been more or less static for a long time, to generate and sustain an annual increase in Gross National Product (GNP). Therefore, the term development sometimes constitutes meaning of economic progressing in a given country, which is called as economic development. So, in relating to economic development from Islamic point of view it should not be only infused material aspect but also spiritual aspect that can support economic prosperity in human life.

Moreover, to understand the inner meaning of development at least should be served three components or core values, there are: sustenance, self-esteem and freedom. The sustenance means the ability to meet basic needs such as food, shelter, health and protection. The fulfillment of them are still becoming problem in most developing countries. The self-esteem means a sense of worth and self-respect, of not being used as a tool by others for their own ends. Last important component is freedom that is needed in human life.

Furthermore, the meaning of economic development refers to the process of improving the standard of living and well-being of the population of developing countries by raising per capita income. To Roger Bakhouse (1991), the term of development economics, as understood today, is with countries or regions which are seen to be under or less developed relative to others, and which, it is commonly believed, should, if they are not to become ever poorer relative to the developed countries, be developed in some

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6Ibid, 16.
way. To Porter, the long-term process of building a number of interdependent microeconomic capabilities and incentives to support more advanced forms of competition. By these explanations can be said that economic development is a subject that focuses on the problems in the third world countries dealing with economics, social, political and institutional mechanism.

Characteristics of Developing Countries

In economic term, previous explanation has mentioned the meaning of development which is related to the something less or static that needs to increase economic. Therefore, economic development is more discussing on the third world country. Economic development can be classified within the third world country such as least developed (poorest countries), developing nations and developed nation. To Todaro (2000), there are seven common characteristics of developing nations, they are: 1) Low levels of living, characterized by low incomes, inequality, poor health, and inadequate education; 2) Low level of productivity; 3) High rates of population growth and dependency burdens; 4) High and Rising levels of unemployment and underemployment; 4) Substantial dependence on agricultural production and primary-product exports; 5) Prevalence of imperfect markets and limited information; and 6) Dominance, dependence, and vulnerability in international relations.

The most problem of developing nations is Low level of incomes except other characteristic which is actually derived from low level of income. It can be seen in low of gross national product (GNP) per capita, the growing gap of income inequality, problems of poverty, health and education faced by the developing nations. These elements can be measured and seen by human development index (HDI) as mentioned in table 2.1.

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Table 2.1: Human Development Index in Muslim Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI 2014</th>
<th>Life expectancy at birth</th>
<th>Expected years of schooling</th>
<th>Gross national income (GNI) per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>0.856</td>
<td>78,8</td>
<td>14.5</td>
<td>72,570</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.850</td>
<td>78,2</td>
<td>18.5</td>
<td>133,134</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.779</td>
<td>74,7</td>
<td>12.7</td>
<td>22,762</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.761</td>
<td>75,3</td>
<td>14.5</td>
<td>18,677</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.684</td>
<td>66,9</td>
<td>13</td>
<td>9,788</td>
</tr>
<tr>
<td>Egypt</td>
<td>0.690</td>
<td>71,1</td>
<td>13,5</td>
<td>10,512</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>0.675</td>
<td>68,4</td>
<td>11,5</td>
<td>5,567</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.538</td>
<td>66,2</td>
<td>7,8</td>
<td>4,866</td>
</tr>
<tr>
<td>Afganistan</td>
<td>0.365</td>
<td>60,1</td>
<td>9,3</td>
<td>1,885</td>
</tr>
<tr>
<td>Sudan</td>
<td>0.479</td>
<td>63,5</td>
<td>7</td>
<td>3,809</td>
</tr>
</tbody>
</table>


By the shown that the developed countries are regards as very high human development with HDI 0.865 (Brunei) and high human development with HDI 0.779 (Malaysia), while the developing countries are regarded as medium human development with HDI 0.684 (Indonesia) and low human development with 0.465 (Afganistan). By then, comparing with Muslim developed countries, there are many still Muslim in under developed countries.

Some Major Issues of Economic Development in Muslim Countries

The major issues of economic development have been emerging after colonialization era in the Muslim countries. It has just few countries that still in wealth country because of their excessive of oil resources. Moreover, there are three thesis between the issues of economic development and Islam as mentioned by Kuran: 1) the economic irrelevance thesis, 2) the economic advantage thesis and 3) the economic disadvantage thesis.\(^\text{11}\) First argument belongs to Eric John that said successful economic of Islamization have had nothing to do with Islamic values but it was related to the changes in material condition in that time. Islamic injunctions appear inimical to growth. Second argument said that

Islam support economic development, does not conflict with the Islamic world’s undeniable economic descent, which Islamic economic regulation and mechanism are derived from the sources of Islam.

Last argument focuses on why the Islamic world experienced a relative decline; why the decline lasted so long; why Muslims were slow to industrialize; and why the Islamic world remain in relatively poor. These questions are mostly related to the economic development of Muslim countries. This group does not ignore the successful of economic growth in the Islamic civilization age, but just criticize economic barrier of Muslim countries to the development. For example, Islam itself as permanent barrier to development and static worldviews associated with Islam.

Furthermore, another problems faced by Muslim countries are poverty, illiteracy, income inequality, nutrition, accumulation of foreign debt and lack of technology. These characteristics are categorized as the poor countries, which explains that poor people are more located in rural than urban area, generally landless, illiterate, very high propensity to consume food item and have no access to public goods and services. However, it can be seen from that 2.1 that mostly of human development index in Muslim countries are in medium and low except Brunei, Bahrain, Kuwait, Qatar and united Emirate Arab (Muslim countries with excessive of oil resources). It is clear, the worse of poverty are in Sub Saharan Africa comparing to Asia and Middle East Countries.

Islamic Golden Age: An Example of the Highest Development in Islamic History

Islamic Golden Age

According to Kuran (2004), there are two reasons for restructuring economies according to Islamic principles. First, the prevailing systems have failed us. Second, the history of early Islam Proves the Islamic system’s unrivalled superiority over its alternatives. First statement it is clear focus that both capitalism

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and socialism have failed to solve economic problems. For second statement, it should be taken into consideration that looking and learning to successful experiences of Islamic civilization are the key to solve problem of economic. The Islamic golden age is symbol of the highest development in the world comparing to other civilizations. To Haffar in Kuran (1997), the key to development worthy of the name lies, haffar maintains in a return to the pristine simplicity of the golden age.\(^{14}\) Hence, the Islamic golden age lasted from 750 to 950.

During this period, the Islamic code of economic behaviour enjoyed widespread adherence, the prevailing spirit being one of brotherly cooperation. Resources were allocated very efficiently, ensuring a rapid raise in living standard. In fact, Baghdad, capital city of Abbasid Caliphate, became a centre of trade and education for others who were interested in selling and buying something or seeking knowledge. The history of Abbasid showed the era of progress by implementing the objective function of the Islamic model of socio-economic development.\(^{15}\) So, the benefits of all this progress were not limited to intellectuals and scientists, but also to all realms of human aspect of life. Unfortunately, the attachment of Muslim communities to Islamic precepts weakened and the painful and the protracted decline in Islam’s global economics standing after the Islamic golden age.\(^{16}\) It was because of internal and external factors that were beset by Abbasid Caliphate. In addition, the subsequent Ottoman period failed even to maintain any order of priorities, although sporadic efforts were made to put things in order regionally, only to be stultified by dependence on the great powers of Europe.\(^{17}\)

### Determinant Factors of the Highest Development in Abbasid Period

The first two Abbasid centuries became Islamic Golden Age. The peak of Islamic golden age was at the time of Harun al-Rasyid,

\(^{14}\)Timur Kuran, Islam and Underdevelopment: An old fuzzle revisited, 49.  
\(^{16}\)Ibid, 3.  
\(^{17}\)Ibid.
where economic progress and prosperity assumed a trend of progressive growth, the pattern of life in the society was marked by stability, luxury and elaborate organization.\textsuperscript{18} It can be seen in broaden aspect of the development such as new forms of economic organization (such as credit mechanisms, maritime companies), educational reform, development of fiqh, and significant advances in some literatures; medicine, mathematics, optics, astronomy, philology, arts, architecture, and calligraphy. According to Sevket Pamuk and Maya Shatzmiller, it was from the eighth until the end of the eleventh century, the medieval Middle East region had one of the most vibrant economies in the world.\textsuperscript{19} However, this development was derived from determinant factors of civilization; religion, knowledge, wealth, inovation and institution that were held by the society through the government petronage.

Religion is the most important thing must be owned by the mankind, which will guide human to life happiness here and the hereafter. Islam as ideology of Abbasid Caliphate administrated its state by implementing Islamic principles and values in all aspect of human life. It was also just a set of religious beliefs, but a set of ideas, ethics and ideals encompassing all aspects of human life. This resulted in the establishment of an Islamic civilization. Thus the motivating force of this civilization was its Islamic faith and its language was Arabic.\textsuperscript{20} In fact, it can be traced through development of fiqh in that time, where many aspects of muamalah became major concern to be discussed in the field of politic, social and economic. Accordingly, it emerged the discussion and writing on fiqh, usul al-fiqh and maqasid shari‘ah by the earlier Muslim thinkers such as Abu Yusuf and Syaibani, who were from Hanafi School of law. Their concern on muamalah was documented in a treatise on fiscal and public law (al-kharaj) and wealth management (al-kasb). For al-kharaj, it was composed and written for the purpose of Harun s request as an important book to be implemented in his government affairs. Therefore, it can be taken into consideration that Islam as

\textsuperscript{18}Ibid, 42.
religion is key of development in Islamic golden age.

The second factor is knowledge, which is very important thing must be persuaded by all Muslim. In Surah al-Alaq mentions the word “Iqra bi ismi rabbika”, that means Allah commands us to get Allah’s knowledge either rational or religious knowledge. During the period of Islamic golden age there was great emphasis on the pursuit of knowledge. Consequently there were individuals who lived scholarly and pious lives, such as Imam Mawardi, Farabi, Ibn Sina, Al-Khwarizmi, and Al-Biruni, who in addition to excellence in the study of religious texts also excelled in fiqh, mathematics, geography, astronomy, physics, chemistry, and medicine. Hence, the culture of seeking knowledge became a basic need among the society in that time. For example, government patronage to the knowledge can be observe in the time of Harun al-Rasyid and al-Makmun, were great patrons of the arts and sciences, both Islamic philosophy and science began to flourish. Moreover, many Greek books were translated into Arabic and then some Muslim scholars commented those books with the Islamic point of views. Besides that, Baghdad as capital city of Abbasid Caliphate was center of knowledge and the scientific world in that time. In addition, translations from Greek, Latin, and Chinese into Arabic were innumerable, thus removing language barriers for scholars.

Third factor is wealth, which contributed to the society welfare in term of physical aspect. It can be derived from total of GDP, division of labor, and social economic activities in the state. Consequently, the largest share of GDP during the Islamic golden age originated from agriculture. As agricultural production meant increased wealth for the nation, for taxes were often paid in food or goods as well as in cash. In bayt al-mal, During the reign of the Abbasid Caliph Harun al-Rashid, some “seven-thousand five-hundred kantars per year.”

Fourth factor is innovation, which contributed to development of Abbasid Caliphate to be known as the highest civilization in the world. Specifically, during the Abbasid Caliphate of al-Mamun (813-833 C.E.), a slew of scholars were brought into the

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21Sevket Pamuk and Maya Shatzmiller, 15.
court to work intensively on translating Greek, Indian, Persian, and Chinese documents, which subsequently led to a multitude of innovative contributions in fields as diverse as the scholars themselves. By translation movement, there were many field of study invented by our Muslim thinkers. In Mathematics, al-khwarizimi produced the word ‘algorithm’, Abul Hasan al-Qudsi produces a book dealt with the explanation and application of the decimal fractions, and Ibn Haytam produced advance geometry and trigonometry. In medicine, it was invented the first hospital by al-Walid and then first fully equipped with the required facilities by Harun al-Rasyid and it was invented a guidance to have a good health in accourdance to Muslim physicians. To them, there 6 external factor are essential “six necessities” (sitta Daruriyyah) should be paid attention in order to have good health, they are: air, food, bodily rest and movement, sleep emotional rest (including the question of which emotional states help or harm health), and exertion and retention (including the effects of sexual intercourse).

In agriculture, it was built irrigation. During the period of al-Mamun, a Nilometer, an apparatus for measuring water level in the Nile River, was built along the Nile and then Al-Mutawakkil rebuilt the Nilometer over the ages with the improved facilities and restored along the Nile. Furthemore, there were many invention again made by our Muslim thinkers such as astronomy, anatomy, geography and navigation, geology and mineralogy. So it is very clear that innovation supports the economic development of the state or government dealt with all aspect of human life.

Last factor is institution. The first institution established was waqf in Islam, which a foundation of all charitable institutions in Islamic civilization history. The Prophet Muhammad peace be upon him was the first one who gave the waqf. He gave as waqf seven gardens which one of the warriors had bequeathed when he died, saying that messenger of Allah should dispose of them in whatever manner he wanted. So, the messenger of Allah set them up as a waqf for the poor and needy, for mujahidin and for anyone else who was in need. In addition, there were many charitable institutions that were established for social security, orphan, arrange

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married for single young men and women who did not have enough money and others.

Secondly, there were established school and educational institutions in that time. Madrasah was like secondary or higher education nowadays. In that time, the tuition was free and was available to all classes of society.\textsuperscript{24} There were two sections in the madrasah; one residential for those who were stranger in that circumstances or environment, and one non-residential for those live near by the madrasah.\textsuperscript{25} In Damascus, it was set up madrasah al-Nooriyah in the seventh century by Noor ad-Din al-Shahid.\textsuperscript{26} Another madrasah Constructed between 1227 and 1234 by the Abbasid Caliph al-Mustansir (1226-1242), named as the Madrasah al-Mustansiyyah. Besides that, The Darul Hukama (House of Wisdom) founded by Mamun in 830 A.D. at Baghdad was the first institution of higher learning in the Islamic world. Besides being a translation bureau, this institution functioned as an academy and housed an up-to-date library as well as an observatory.

Thirdly, one of the principles of development is based on integration between the needs of the body and the needs of the soul, which can be correlated with the establishment of hospital and medical institutions. There were many hospital established such as walid hospital, adadi hospital (Bahgdad), noori hospital (Damascus) and bimaristan in the time of Abbasid Caliphate. Those hospital were free for everyone, which no distinction between rich and poor, stranger or local resident, clever or dull-witted.\textsuperscript{27} Moreover, the income of hospital was generated from the waqf. Lastly, in the economic side was established institutions such as hisbah, wilayat al-mazalim, and bayt al-bal. Hisbah is an institution which carries outamar ma’ruf and nahi munkar. wilayat al-mazalim is an institution that specialized in investigating complains levied by member of public against the high and mighty in society and the state.\textsuperscript{28} Bayt al-bal was used as financial institution responsible for administration of taxes in Islamic state. By these explanation can be concluded that the key of development should comprehendto

\begin{enumerate}
\item[Ibid, 92.]
\item[Ibid.]
\item[Ibid.]
\item[Ibid, 208.]
\item[Ibid.]
\end{enumerate}
all aspect of human life such as religion, knowledge, health, innovation and socio-economic, which are actually derived from the objective of Shari’ah (maqasid shari’ah).

Conclusion

The problem of development in Muslim countries is very complex such as poverty, lack of human skill, income inequality, low level productivity, accumulation of foreign debt and illiteracy. The data from HDI shows that only several countries are categorized as high of human development that are in excessive of oil resources and others are in middle and low of human development. Its dimension is related to education, health and income per capita in Muslim countries. Although, Islamic economic and finance are growing positively in the world, it has not contributed yet to economic development of the Muslim countries. It should be analyzed into broaden aspect or dimension. It can be solved if the fundamental factor of development is fulfilled by the government and society in Muslim countries. Moreover, Islam has given example of development through the sources of Islam regarding economic development. As we know that human has two responsible on earth according to Islam: 1) Worshippers of Almighty Allah (Akhirah) as mentioned in Surah Ad-Dzariyat 56 and 2) Agent of economic prosperity on earth (Dunyawi) as mentioned in Surah Al-„Araf 61. Unfortunately, both responsible are forgotten and disaggregated in the life of Muslim today. The Secular view has its roots and practiced in their lives of Muslim in the world. The religious values and principles have to remain in the house or worship place and it cannot be brought in the economic or politic activities.

Historically, Islam also gave an example of the highest civilization in world called as Islamic golden age and proposes best solution to be implemented in the contemporary world. Its development was carried out by factors such as religion, knowledge, wealth, innovation and institution that were held by the society through the government patronage. The religion must come first to guide all aspects of human life in the Muslim countries by the intervention of government. In Islam, man’s relationship should not only to Almighty Allah (ibadah), but also to man (muamalah), which deals to economic, social and politic. Second factor should be the knowledge, which is very important to human life. It is
related to educational system and institution that will produce future generation. If the system and institution is good, it will produce good generation in the future. On the contrary, It will produce bad generation if the system or institution is unorganized. Furthermore, the government should promote a good quality of educational system and freely open to without imposing high tuition fee or with scholarship all society. The other factors such as wealth, innovative and institution (social and economic institutions) can be organized very well, though them-selves are very important to promote good economic welfare in the Muslim countries.

Interestingly, the five factors of development in Islam are related to the five of Shari’ah objectives (maqasid al-khamsah): protection of faith and religion, protection of life and human soul, protection of mind and intellect, protection of generations and the nasab and protection of wealth. The goals may include not only the economic well-being, but also human brotherhood and socio economic justice, mental peace and happiness, and family as well as social harmony. Lastly, the maqasid shari’ah can be a medium of economic development standard in order to sustain development in the Muslim countries.

References


