
Global ethics in the light of Islamic Political Economy

Masudul Alam Choudhury

Department of Economics
College of Commerce and Economics
Sultan Qaboos University and Trisakti University
Jakarta, Indonesia
E-mail: masudc@squ.edu.om

Abstract: A theory of Islamic Political Economy is deduced from the Qur'an. Islamic Political Economy is shown to be an interactive, integrative and evolutionary system that endogenously combines moral attributes with knowledge formation. All of these are premised on the Episteme of the Oneness of God, bringing out its epistemological role in the construction of relations in world-systems. The attributes of knowledge formation in Islamic Political Economy are particularised to Mercy and Forgiveness combining together into Love, Justice, Fairness and Compassion. These attributes are taken as the elements of global ethics in the light of Islamic Political Economy. The emphasis in this paper is on the broad conceptual picture while leaving out the details of specific issues of Islamic Political Economy that confront social issues. Only the participatory nature of the emergent Political Economy is highlighted. A scientific conceptualisation of the role of the given attributes underlying the episteme of the unity of divine knowledge and how they can construct a knowledge-centred world-system out of perpetual learning on the basis of the episteme is examined. The 'universality' proof of Islamic Political Economy is made to rely on its consistency, completeness and analytical reasoning.

Keywords: Islam; political economy; epistemology; ethics; embedded learning systems; global order.

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Biographical notes: Professor Masudul Alam Choudhury is the founder and member of the Postgraduate Program in Islamic Economics and Finance at Trisakti University, Jakarta, Indonesia. He earned his PhD in Political Economy of Human Capital Theory and Economic Growth from the University of Toronto, Canada in 1977. His major field of current research and publication is mathematical inquiry in the epistemological problems of economic theory, with special focus on the Islamic political economy and world-system. He has contributed extensively to this area of research and study through scientific papers and research books published by reputable publishers. Professor Choudhury is the Editor of the refereed journal *Humanomics: International Journal of Systems and Ethics*, which is published and distributed by Emerald. He has been awarded with several university research awards and distinctions. His magnum opus is the five-volume work *Science and Epistemology in the Qur'an* (individually titled volumes) (2006, Edwin Mellen Press).

1 Introduction

This paper takes stock of the concept of human solidarity, which revolves around the precept of strict monotheism in Islam. It will be shown how this precept is conceptualised and is applicable to world-systems and global interdependence. The paper will thereby abide by the ethico-economic effects of moral factors, referred to as divine attributes that establish deepening and complementing interdependence in the total human ecological community (Hawley, 1986). This kind of conceptualisation is epistemological in nature, as it necessarily cannot depart from the origin and constant referral to the text on which it is based. The human interdependence premised on such an epistemology must also imply its application, policy formulation, institutional instruments and the universality of the worldview of unity of knowledge found in the divine law.

Thus the objective of this paper is to explain how the attributes of global ethics in the light of a well-defined domain of Islamic Political Economy centres on the Qur'anic law of the Unity of God, which is the unity of divine knowledge in relation to the universal tenets of morality and the world-system. The Qur'anic Law of Monotheism is shown to endogenously embed the attributes of Mercy, Love, Justice, Fairness and Compassion into the understanding of universal and global ethics.

2 Background of recent thinking on global ethics

The paper commences its thesis with pertinent references and definitions. This is followed by a verbal formalisation of the *modus operandi* underlying the epistemic application of the monotheistic worldview to life and thought. A number of recent approaches to human solidarity in a troubled world are highlighted.

Take the example of the IMF publication (1995) on global ethics. In this precept Barbara (1995) reflects on the desire for global ethics to sustain the human future:

“The most important change that people can make is to change their way of looking at the world. We can change studies, jobs, neighbourhoods, even countries and continents and still remain much as we always were. But change our fundamental angle of vision and everything changes – our priorities, our values, our judgments, our pursuits. Again and again, in the history of religion, this total upheaval in the imagination has marked the beginning of a new life – a turning away of the heart, a ‘metanoia’, by which men see with new eyes and understand with new minds and turn their energies to new ways of living.” (p.47)

The human future is premised in these words on common goals that appeal to sound reason and application by ways and means that heighten the well-being of all, without sacrificing the well-being of any within the comity of nations. Cultural divide exists when the relations that define the ‘good things of life’ and the meaning and origins of what is ‘good’ and form ‘well-being’ differ in opposing polarities. To silence the voice of emotion in this divide and discontent, what is required of the global ethical paradigm is a universal reason and its acceptance in terms of the realisation of ‘well-being’ that is specifically defined within the collective human future.

In defining such a ‘well-being criterion’ and searching for a collective epistemic meaning of totality in a discursive society, as Foucault (trans. Dreyfus and Rabinow, 1983) calls it, the nature and premise of reason and the artefacts that bring out its

deepening progress in human collectivity must be liberated from the narrow precincts of ego and individualism. The architect of this grand design must be other than the human hegemony either as individual, race, nation, civilisation or political order (Amin, 1989). The conception of such a 'universal' in the construction of a human future out of a paradigm of global ethics is therefore one that can be deduced from the unified view of a relational universe. Such an encompassing universe is the overarching world-system of many inherent universes. These comprise the world-system of interrelating and unifying sub-systems. In a mathematical sense, although the components are diverse in nature, they are complemented in reference to relational epistemological rules that remain unique and universal. The wider is the extent of such super-encompassing rules and relations across systems, the firmer is the proof of the universality of reason and the worldview.

Koizumi (1993) writes on such a relational system of global interdependence:

"If the world is to be managed at all, it needs to be managed as a social system. This means that the world must be seen as a system consisting of the sub-systems of culture, economy and polity which, though they complement one another, nevertheless conflict one another as they are systems which address themselves to rather different sets of issues in human affairs." (p.143)

The contentious problem pointed out here is truly the problem of conflict, despite the need for complementarities between overarching world-systems. The 'universal' we are searching for is therefore the episteme as the totality of laws and guidance that form the cohesive discursive society out of goodness and reason. Such a society is impossible as long as the epistemology governing human society, beliefs, cultures and politics is premised on differentiated world-systems. To break down such conflicting barriers, the premise of methodological individualism and competition between entities must be replaced by a knowledge-centred unified worldview. It would supercede human ego, and instead present laws, rules and guidance that remain permanently abiding and appealing to reason defining mutual sharing.

3 The concepts of reason and rationalism in analytical thinking relating to ethics: in search of the 'universal'

The meaning of reason is substantively different from that of rationalism (Etzioni, 1988). Rationalism is a philosophical belief of the Eighteenth Century Enlightenment and of the dialectical process that remains permanently in conflicting disequilibrium. Rationalism is premised on the divide and polarity between God and the World, spirit and matter, duality versus holism in discovering the rules of human society.

Rationalism is reflected as the problem of heteronomy in Kant (trans. Paton, 1964; Choudhury, 1997). The dialectical origin of rationalism, on the other hand, poses the problem of overdetermination. This is faced with its perpetual irresolution between conflicting identities and their differentiated epistemologies (Resnick and Wolff, 1987, pp.207–213).

3.1 A mathematical conception of the 'universal'

There is yet another way of conceptualising the idea of the 'universal'. This arises from a mathematical concept. It is therefore independent of human prejudices. The concept of reason so derived remains independently grounded on cultural and emotional prejudices. Russell (1938) defines such a concept of the 'universal' in terms of a mathematical Relation (R) in the following way:

"If a, b are different meaningful related entities (things) denoted by aRb, then it is also true that b is related with a (circular causality) and this is denoted by bRa. There is also a converse relation denoted by R~, such that each sub-relation and hence the totality of R and R~ can be individually inferred from the other. That is, if R is a totality of true statements, then R~ is its mathematical opposite (complementation) as the totality of false statement, and vice-versa. The collections of all such relations form their respective fields. That is any possible transformation of meaningful relations on meaningful 'things' a and b are over-arching verities of a and b types by sub-relations of R and R~ types taken in their sense of mathematical complementation."

The example here is that of God as the Absolute Creator, Cherisher and Sustainer of the Universe and of that entire between the Heavens and the Earth, the seen and the hidden (abstractions) (Qur'an, 1:2). The divine law forms the relation R governing all of (a, b) as two entities or coexisting bundles of specific entities belonging to meaningful categories. These categories may be taken individually or collectively as opposites between Truth (meaningful) and Falsehood (irrelevant). For such concepts see Masud on Imam Shatibi (Masud, 1994) and Saville (2000) on Leibniz's ideas of meaning in terms of relational conditions.

The divine law forms the ultimate domain in the framework of Unity of Being (Oneness of God), and thus in the unity of relations of world-systems, and between their entities. Likewise, Falsehood as Pluralism and Dualism is the opposite of Truth. These negate the law of strict monotheism. Falsehood thereby characterises the world-systems by attributes of competition and conflict between self and other. Such world-systems are necessarily the creation of the human mind, divorced from monotheism as the episteme of all thought. Hence the episteme of Falsehood relations (R~) denies the universality of monotheism and the monotheistic law. Their applications become the groundwork of Rationalism. Such epistemologies form a plethora of conflicting and overdetermined kinds of episteme (Resnick and Wolff, 1987).

In respect of such uniqueness and soul-searching invocation seeking the meaning of divine presence in 'everything' in the form of unifying and conscious relations, the Qur'an declares:

"Or, who originates Creation, the repeats it, and who gives you sustenance from heaven and earth? (Can there be another) god besides Allah? Say, "Bring forth your argument, if you are telling the truth!" (27:64)

3.2 The episteme of monotheism

In concert with the mathematical definition of the universal, the Truth domain of human future is premised on the relational epistemology of monotheism and its delineation and application in the concrescent world-system premised on the unity of divine knowledge. Such states of concrescence are realised when entities integrate and evolve within

a unified world-system. Such a world-system actualises the laws, rules, ideas, forms and institutions according to the concrescence of the individual within the embedding world-system. Whitehead (1978) defines concrescence as a process of social becoming of the universe in which many things or entities, in an extended sense of relations, form an organic unity. Such an organic unity of being and social becoming explains the dynamics of the inner space of relations spanned by the permanent presence of the unitary law of monotheism. It renders the characteristics of a continuous novelty of learning and unification based on the divine law of the Oneness of God. The Qur'an (Chapter 112) refers to monotheism as *Tawhid*.

4 Delineating the essentials of Islamic Monotheism as the episteme of the unity of knowledge

Three factors lay down the governance of all world-systems by the episteme of Oneness of God as the most reduced and the irreducible axiom. Total belief in Islam and its applications to all facets of life centre on the coherence between these factors existing in circular causation (mutual *interrelations*, interdependence). This is the starting point of delineation of the world-system according to Islamic Monotheism, within which rests the specific study of Islamic Political Economy.

Firstly, the Oneness of God, God being beyond any form of configuration, conveys the Completeness, Absoluteness and Perfection of the divine law of unity of divine knowledge and ontological being. In this regard the Qur'an (112) declares: "Say (O Muhammad): 'He is Allah, (the) One. Allah – the Self-Sufficient Master, Whom all creatures need. He begets not nor was He begotten. And there is none co-equal or comparable unto Him'."

Secondly, the cardinal belief of divine Oneness is transmitted to the world through a well-defined medium. This medium is the guidance bestowed on the Prophet Muhammad and through him to the world-systems. In this regard the Qur'an declares:

"And thus We sent to you (O Muhammad) (a revelation, and a mercy) of Our Command. You knew not what is the Book, nor what is Faith. But we have made it (the Qur'an) a light wherewith We guide whosoever of Our slaves We will. And verily, you (O Muhammad) are indeed guiding (mankind) to the Straight Path (monotheism)." (42:52)

Thirdly, good deeds are necessary to complete the article of Islamic monotheistic faith in terms of the first and second factors. Thus the practical application of the first two articles of Islamic belief is essential to complete the total Islamic monotheistic worldview. In this regard the Qur'an declares:

"Truly, those who believe (in the Oneness of Allah, and in His Messenger Mohammad – Islamic Monotheism) and do righteous good deeds, for them will be an endless reward that will never stop." (41:8)

The above three articles of Islamic Monotheism provide the example of the primal relation (R), upon which the world-system is established. Contrary to R is Falsehood R~. Regarding R~ the Qur'an declares:

"And say: 'Truth (Islamic Monotheism) has come and Falsehood (contrary to Islamic Monotheism) has vanished. Surely, Falsehood is ever bound to vanish.'"

This verse describes the $R\sim$ relation as the mathematical opposite of the R -relation (monotheism). Also, the obvious nature of both Truth and Falsehood is discerned in the Qur'an by the exercise of reason. Reason is bestowed on human beings as Essence (*Fitra*) (Mohamed, 1996). See also the Qur'an (30:30) for the definition of *Fitra* as Essence in human reason, primordially created as the most beautiful of God's creations.

5 Attributes of Islamic Monotheism: Justice, Fairness and Compassion

As derivatives of R (hence $R\sim$) there are subsystemic relations that exist in the form of rules and guidance that God has bestowed on world-systems for comprehending the reasoned meaning of Islamic Monotheism (Qur'an, 87:3). Such subrelations are unified together by attributes that form worldly knowledge and reason regarding the precept of Islamic Monotheism. Among such attributes are Justice, and Fairness, Compassion and Love. We will explain the embedding of subrelations in the superstructure of R (monotheism) by these attributes. Such analytics will unfold the ethical nature of Islamic Political Economy and the world-system.

5.1 Justice and Fairness

Justice is next to piety in the Qur'an (4:65). The precept of Justice is taken up at the societal level as both social justice (*Al-Adl*) (Qur'an 2:282, 57:25) and as fairness in human relations (Qur'an 55:9, 4:58, 135), and as Balance (*Mizan*) at the cosmic level (Qur'an Chapter 55).

The interconnection between these three aspects of justice in the Qur'an renders the socioscientific meaning of order and equilibrium in all relational systems. The three parts of total Islamic belief and faith mentioned above are not independent of each other. The laws governing social, economic and scientific systems remain unique. They remain interconnected in circular causation *interrelationships* between the entities, variables and their relations across embedded subsystems. The attributes play a central role in enabling this kind of systemic or organic unity of being.

An important concept to recap here is that of human ecological balance as an overarching idea of justice. Here the human consciousness of avoidance of waste and the upholding of moderation and trusts in consumption, production and resource use establish causal *interrelationships* between the attributes and the entities. The totality of such circular causations and their effects in the knowledge-induced system defines the reproduction of resources and social well-being. Besides the reproductive capacity of resources, and the nature of resources, goods and assets to be enjoyed are also invoked.

Imam Shatibi (trans. Draz, n.d.) considered three kinds of goods for social and ethical felicity – the necessities, comforts and refinements of life. Choudhury (1989a) treated such a basket of primary goods in the context of dynamic basic-needs regimes of development as graduated life-fulfilment goods and services. Imam Shatibi included these three kinds of graduated life-fulfilment needs in his well-being function, which he called *Al-Maslaha-wal-Istihsan* (Public Purpose). The benefits of *Maslaha* were an inseparable mix of spiritual and material values embedded in the total concept of spiritual meaning of production and consumption of such goods and services.

The theory of production proceeds along the same lines. Consumption and production comply in order to constrict waste in resources and goods and services. Avoidance of waste is a Qur'anic injunction (6:141). Shatibi focused on this principle in his theory of Al-Maslaha.

Likewise, Imam Fakhruddin Razi (see Noor, 1998) developed his life-fulfilment theory on the basis of God-consciousness (Udubiyya). Razi explained the Ibadah basis of individual and social preference formation as an inverted Maslowian pyramid of moral self-actualisation (Maslow, 1968). Self-actualisation for Razi takes root in the precept of worship (Ibadah = the practice of monotheism). Consciousness automatically leads to the determination of the good things of life as per the rules and recommendation of the Islamic Law (Shari'ah), as this emanates from the Qur'anic Law and is centred on the divine unity of knowledge. The well-being criterion function then relates to the knowledge-induced forms.

In all such determinations the discursive society to determine the good things is kept alive. Thus the primal existence of the basket of life-fulfilling goods was determined by Ubudiyya as consciousness. In turn, Ubudiyya characterises the development phases of dynamic basic needs, physiological needs, security and citizenry in establishing the good society. See Choudhury (1995) for a detailed formalism of Razi's self-actualisation process as states of consciousness derived from the episteme of Islamic Monotheism.

It is important to note that Razi did not explain such an evolution of the life-fulfilling regime of well-being as a hierarchy. In Razi, interaction takes place continuously between the inseparable nature of the moral and material values of life-sustaining goods. This kind of characterisation of the life-fulfilment regimes is different from the Maslowian separable hierarchy on a similar theme. In Razi, there is coterminous evolution of the life-fulfilling regimes of development towards the attained levels of well-being by means of heightened levels of consciousness and the role that such consciousness plays in determining the good society on earth. Within this good society the individual self-actualises in concert with the actions and responses between the individual and the social whole.

In all cases, moral self-actualisation was considered as an inseparable value of human consciousness rendered into goods consumed, produced and distributed according to the tenets of goodness and truth-forming reason. Such legal tenets belong to the realm of the Shari'ah, which is derived from Islamic law through the medium of the discursive society searching for goodness and unity of purpose. In terms of the tenet of Justice, the characterisation of order and equilibrium is sustained along the dynamic life-sustaining regimes of human self-actualisation born of consciousness that rests upon the divine roots. The concept of cosmic balance and the social law were combined together in the realisation of Justice in the well-being criterion. Appropriateness of goods (also of resource and technology management) rested on the Shari'ah through the medium of the discursive process of human participation in concert with the epistemology of divine Oneness. Such goods resulted in social participation, equality and security of needs. Needs are contrary to wants (Levine, 1988), so that the good things of life are sustained and ethical harmony maintained through dynamic basic-needs regimes of development.

5.2 Justice and Fairness with Compassion

In regards to the enactment of justice with compassion the Qur'an declares:

“Verily, Allah enjoins Al-Adl (*i.e.*, justice and worshipping none but Allah Alone – Islamic Monotheism) and Al-Ehsan (compassion), and giving help to kith and kin, and forbids Al-Fahsha (evil deeds) and Al-Munkar (forbidden things), and Al-Baghy (oppression). He admonishes you that you may take heed.” (16:90)

The verse continues on, declaring:

“And fulfill the Covenant of Allah when you have covenanted, and break not the oaths after you have confirmed them – and indeed you have appointed Allah your surety. Verily Allah knows what you do.” (Qur’an, 16:91)

The precept of Justice with Compassion once again establishes its circular causation with the life-fulfilling regimes of social well-being. Inasmuch as these activities define the social relations of property rights, the limits of ownership and wealth, and the appropriateness of goods, rights and privileges along the life-fulfilling regimes of social transformation, the circular causation between these attributes becomes increasingly complex by the richness of *interrelations*. Thus while private property rights are sanctified in Islam in reference to the precept of Justice with Compassion, they cannot be devoid of social equality and goodness. The Qur’anic Law mandates the distribution of wealth, the organisation of the socioeconomic order in the framework of extensive participation and co-determination by the medium of a conscious discursive society. Such a society must continuously participate in learned discourse to interpret and instil the divine command in self and society.

This is an ontological exercise on consciousness building. Consciousness of the divine law in respect of monotheism is referred to in the Qur’an as *Tasbih*. Because the moral and material orders of relations are embedded in the total meaning of unity of knowledge, as in Razi’s Ubidiyya Theory of life-fulfilling needs, so *Tasbih* merges with the institutional discursive process. This is referred to in the Qur’an as *Shura*, meaning consultative participation (42:38). The combination of *Tasbih* (T) and *Shura* (S), referred to hereafter as T-S processes, extracts the unity of worldly knowledge premised on the monotheistic law. *Shura* embedded by *Tasbih* determines the knowledge-induced rules and the good things of life. Such a learning process that merges *Tasbih* with *Shura* conveys the idea of Islamic consciousness in self and discursive society. The T-S symbiosis, which is a value content for self and social actualisation, points to the unity of life and thought in terms of the implications of the episteme of Islamic Monotheism on human cognition and the evidential entities of world-systems. Such is the symbiotic experience according to the precept of unitary holism pointed out in the Qur’an (42: 49–53; 59:24).

6 Towards an ethical society and economy in terms of divine attributes

In our everyday parlance we take this idea of individual and social consciousness within the life-fulfilling regimes of transformation that establish the good society of Justice with Compassion. Such ethical embedding in the economy and market processes defines the ethical economy. The ethico-economic system is generated and sustained by social and economic circular causation premised on symbiotic synergy between the moral and material worth of the good things of life. Myrdal (1968) characterised such development regimes as being endowed by a wider field of valuations. The resulting

social economy renders value through its market exchange and transformation of preferences and menus in terms of the learning processes of T-S. The order of learning is simultaneously transmitted to levels of consciousness and materiality. Such worldly moral co-determination is also the idea of concrescence given by Whitehead (*op cit*).

Market exchange is thus a system of social contracts. Social contracts are determined by the ethical transformation of market exchange according to the moral rules that determine the appropriateness of the goods and services in exchange. All these are driven by the learning processes of unity of knowledge that is shared in embedded economic, social and scientific systems in response to the episteme of Islamic Monotheism. In recent times, the concept of such hybrid capital, such as that embodied in environmentally friendly goods, life-sustaining goods, endowments, shared commons, *etc.*, have been characterised as spiritual capital (Zohar and Marshall, 2004). But the idea in Islamic political economy is that of endogenously fused moral values in material forms according to the tenets of the Islamic Law.

Self-interest and methodological individualism that characterise all of mainstream economic notions of preferences, institutions, social contracts and constitutional orders, as pointed out by Buchanan (1999), are replaced by the idea of markets as systems of social contracts (Choudhury, 1996). Such market exchanges are premised on moral consciousness. Its synergy is simulated by cause and effects that bring about moral transformation of individual and social preferences, menus, capital and exchangeables. All these are considered as spiritual artefacts of the moral social contract (Boulding, 1972). The integrative values that enter the valuation of social actions and responses in such a case of spiritual capital integrate the precepts of Justice and Fairness with Compassion in market exchange, goods, capital, society and economy. The moral transformation occurs as the result of embedded processes of evolutionary learning states of consciousness. Contrary to these endogenously learning states are the reductionist preferences and entities of hedonism.

This kind of treatment of capital, goods, markets, society and institutions based on endogenous processes in the Islamic worldview makes a central difference with similar issues in mainstream economic, social and scientific theories. The duality, independence and methodological individualism of mainstream approaches in linear aggregation over time are replaced by a complex approach to aggregation by learning at *any* point in time. Time becomes simply a datum for recording temporal states and change. Time now is not a *factor* of events and change. Learning defines change and transformation. All change so reflected in the cognitive and state variables is endogenously induced by measured knowledge-flows over two kinds of intermingled forces, T and S.

A knowledge-induced material system (*e.g.*, market forces, scientific facts) comes into existence. It is inseparably induced by knowledge formation on the basis of the episteme of Islamic Monotheism and all that this implicates in the cognitive and evidential world-system. In the end, we derive a learning process embedded in causality. Such a process is defined by the interconnection between the moral and material forces being endogenously interrelated in preference formation at the individual, collective, institutional and scientific levels.

The linearity of the mainstream version of the aggregation of preferences in mainstream economics is replaced by the complex of dynamic learning preferences in the Islamic case. In this complexity of Islamic preference aggregation, the shared and mutually participating forces of values, such as Justice, Fairness, Compassion and Love remain embedded.

7 The nature of preference formation in the light of divine attributes

The linearly independent preferences of methodological individualism in mainstream economics are a permanent part of the neoclassical economic worldview. This is most emphatically proven in the case of utilitarianism (Hammond, 1989). Phelps (1989) points out the dichotomous treatment of the subject of distributive justice between the philosophers and the economists in the history of intellectual thought. This ought not to have happened, as Phelps (1989) writes (edited by author), "... the necessary cross listing (between economics and philosophy) notwithstanding, distributive justice is an important field under economics" (p.34). When shared between economics and philosophy, or more so, treated as a study in embedded systems rather than by the linear methodology of differentiated systems, then the nature of justice and fairness with compassion becomes like Rawls's (1971) social primary goods. Because of the endogenously interrelated nature of such primary goods in spiritual capital formation, Rawls can be seen to reject the linear additive forms of utilitarianism, which is based on interpersonal comparison of utilities as the indicator of the social valuation of justice as fairness (Sen, 1989).

The persistence of linearly independent and conflicting parts of the capital accumulation process in the aggregation exercise over the entire history of economic thought is noted by Nitzan and Bichler (2000, p.67). They write:

"And from Smith onwards, it became increasingly customary to separate human actions into two distinct spheres, 'vertical' and 'horizontal'. The vertical dimension revolves around power, authority, command, manipulation and dissonance. Academically, it belongs to the realm of politics. The horizontal axis centres around wellbeing, free choice, exchange and equilibrium – the academic preoccupation of economists. The consequences of this duality were to make modern political economy, an impossible patchwork: its practitioners try to remarry power and wellbeing, but having accepted them as distinct spheres of activity to begin with, the marriage is inherently shaky."

Particular attention needs to be given to the role of institutions such as government and state, on the formation of knowledge-flows and preferences formation and delivery of graduated forms of life-sustaining necessities in the midst of the precept of Justice and Fairness with Compassion. Such value induction must endogenously emanate from learning rather than being imposed. The latter coercive process would be exogenous enforcement of rules and laws.

Most government and state activities are of the exogenous type in economic reasoning. Take the case of the taxation and redistribution of wealth either by subsidy or progressive taxation. The net effect is that, in the resulting kind of opposites between power and wellbeing, cooperation and competition, any gain on one side results in an opportunity cost of the other entity. The opportunity cost and its overencompassing methodology is tantamount to social dualism and plurality between the otherwise integrated goals and complementary relations of entities. In development planning, such an inextricable mix ought to be the simultaneous attainments of social justice and economic efficiency.

Yet this is far from reality. Government imposition on one side disturbs the other side. In the case of taxation and redistribution, the problem is found to become a contest between these two ends. A greater need for market economy while minimising

government intervention passes the delivery of the social primary basket to the market exchange process. On the other hand, the role of government in such a social delivery minimises market transformation, and thus causes inefficiency of resource allocation.

Such an opportunity cost methodology in resource allocation for attaining an endogenous combination of Justice and Fairness with Compassion is logically rejected in the Islamic case. The learning process, which at every moment of the T-S (Tasbih-Shura) experience, gains on the momentum of search and discovery for newer possibilities on the production and risk diversifications, also opens up fresh domains of opportunities. Endogenous learning processes thereby reduce the role of government from being a Leviathan to that of a participant in public-private participatory ventures.

In such a grand participatory process, Justice, Fairness and Compassion are simultaneously realised through the formation of ethically conscious exchanges under the impact of preference and menu transformation by learning. That is, at each state of evolution of the social economy the complementary role of systemic and institutional forces are co-evolved. The practice of the Prophet Muhammad was to promote the market process of Madinah in his time, even when scarcity caused prices to increase. This practice continued on in later times. Imam Ghazzali (trans. Karim, n.d.; trans. Marmura, 1997) considered the rise and fall of market prices as an act of God, not to be caused by demand and supply forces. Ibn Taimiyyah (trans. Holland, 1983) recommended a social regulation of the market order only when unjust practices were rampant. Ibn Taimiyyah's book, *Al-Hisbah Fil Islam* (trans. Holland, 1983) is a study of social contracts on pricing and distribution in restoring the normal functioning of the market process with ethical consciousness in it. In all socioeconomic activities, regulation, taxation and subsidy in the Islamic state are kept to a minimum, while social well-being accrues through extensive social participation in economic ventures.

The wealth tax called Zakat, comprising 2.5% on net wealth, is a specific subsidy to meet basic needs and welfare in alleviating absolute poverty. Beyond this levy, further taxes in an Islamic state remain minimal. They appear by exigencies of time. Nozick's (1974) argument on replacing redistribution to protect individual entitlement can be extended in the light of the minimal tax and Zakat relationship in the Islamic case. In the Islamic case, the social values of Justice, Fairness and Compassion embedded in the social economy are causally established through the participatory process in which all rungs of society assume their complementary learning and participatory roles (Choudhury, 1989b; 2001). Such an extensive participatory medium with the T-S spirit fused in it is the unifying organic process towards forming entitlement and empowerment in society at large. The burden of taxation is thus reduced by opening up the economy to extensive participatory processes that remain market friendly in the sense of ethical transformation.

8 Interrelating the attributes Mercy, Forgiveness, Love, Justice, Fairness and Compassion in the Islamic socioscientific order

The social, economic and scientific implications of the meaning interrelating Mercy, Forgiveness, Love, Justice, Fairness and Compassion are brought out by the complex system of circular causality between these divine attributes in Islamic socioscientific thought. Furthermore, such circular causal *interrelationships* are ever increased and enhanced through consciousness in the learning process of the unity of knowledge

extending from the episteme of Islamic Monotheism to world-systems and beyond. The medium of transmission comprises the Prophet's Sunnah and the role of Tasbih-Shura (T-S) (consciousness within participatory discourse). Unity between the divine attributes translates into the relations of world-systems in a consistent and congruent way. They are inseparable values of the concurrent capital, goods, markets and social contracts in the political economy. On this topic of perfect unity of the divine quiddity wrote Imam Ghazzali (trans. Marmura, 1997, p.96):

“All these meanings reduce to His essence and His apprehension of His essence. His intellectual apprehension [of all this] and His intellectual apprehension of His essence are identical with His essence. For He is pure intellect. All, then, reduce to one meaning.”

On worldly matters, the imperfection and discontinuity in knowledge-flows of unity, though derived from the episteme of Islamic Monotheism, must be recognised. The intensity of the complementarities between the divine attributes at work in the conceptualisation (Tasbih = ontology), the discourse (Shura), and the organisation (unified world-system of creative proportions in continuous learning on unity of knowledge) can together enhance the levels of the participatory socioscientific order. But this unity of the knowledge and intellection processes still remains imperfect. Therefore, in the attempt to establish circular causality between the divine attributes for organising a moral socioscientific order, recourse ought to be made only to the circular causation between the variables and the knowledge-flows that correspond to the attributes. The nearest we can get to identifying the primal quiddity is divine Mercy. From Mercy are further derived the attributes of Love, Justice, Fairness and Compassion. These are circularly related and evolved by the unity of knowledge premised on Islamic Monotheism. The comprehension and blessings from divine Mercy increases with the progress of the T-S process of learning in the unity of divine knowledge.

In the context of ethically embedded capital, goods, markets and institutional processes the above-mentioned attributes translate into recognition of the two factors we have mentioned earlier. These are the natural propensities as intrinsic forces existing in a systemic sense, and institutional guidance by laws and rules to govern the transformation of world-systems according to complementary and participatory relations. Therefore, while there are state variables that belong to the intrinsic values (Fitra) in systems, there are also policies and instruments that govern transformation into the complementary and participatory states. Both of these are endogenous in nature by virtue of their induction by knowledge-flows premised on divine unity. The resulting intrinsic, derived and creatively evolved relations exist in perpetuity.

9 Institutional instruments and policy variables of an Islamic Political Economy

The important policy and institutional instruments bestowed by the Islamic epistemology and practice of unity of knowledge in the economic and social systems are of a participatory type. These are namely interest-free transactions and enterprises (Riba-free); profit-sharing and cost-sharing (Mudarabah); equity participation and joint ventures with the profit-sharing rule (Musharakah), cost-plus pricing in trading (Murabaha) and deferred pricing rules (Ba'y Mu'ajjal) – MMMB.

Once again, because of the circular causation nature of the learning processes during development phases of a social economy, there is no particular starting point *parri passu*. Circular causation relations between these instruments abide in all directions. Besides, in the perspective of pervasive participation and cooperation in the Islamic social economy, all of the instruments are of the cooperative type. They are driven by cooperative social contracts involving partners as capital owners, entrepreneurs, workers and the community of all income vintages.

The policy instruments that interrelate with the state variables from the side of social economy and the institutional instruments mentioned above, here are the principal ones: Promotion of Work, Productivity and Entitlement by Cooperation (24:55); Avoidance of Waste (Israf) (Qur'an, 6:141); (3) Promotion of Justice and Distribution (established by several Qur'anic verses). These policy areas can be further disaggregated into more specific types, as we have seen in the case of utilising the internal relations R's comprising Mercy, Forgiveness, Love, Justice, Fairness and Compassion. These together are over-arched by the episteme of Islamic Monotheism from which the meaning and implements of the unity of knowledge in world-systems are primarily derived.

As an example, the Riba-free social economy is possible through the full mobilisation of productive resources, importantly invoking money and the real economy. Such effective mobilisation is made possible by the participatory instruments of Mudarabah, Musharakah, Murabaha and Ba'y Mu'ajjal. In the cooperative framework of joint ventures for simultaneously attaining social and economic well-being, these instruments are extended to the economy-wide case intersectorally. Participatory instruments are not limited to increasing personal wealth and for financial management purposes alone (Choudhury, 2001). Further disaggregation of these instruments to include secondary financing instruments can be devised. They revolve around MMB in the spirit of economy and society-wide linkages, embedding and participation. When resources are fully mobilised through the financing institutions, there is no alternative for holding cash balances. Consequently, there is no reason to have interest rates on savings. Interest rate regimes are thereby inversely related to the MMB instruments, and hence to spending on the good things of life attained by resource mobilisation. The concept of resource mobilisation is thereby contrary to withholding capital by savings and similar financial withdrawals (Ventelou, 2005).

With the progress of participatory development-financing instruments following guidance and policies, both product and risk (cost) diversifications take place as complements of one another. Spending and utilisation of all forms of resources now enter the ongoing learning process of organic unity of knowledge, now understood in the system sense of circular causation between the entities, sectors, variables and agents at work. This provides the dynamics of transformation into a participatory economy. From such a process of learned and evolved transformation, development participation generates enterprise, empowerment, entitlement, stability and sustainability through the reduction and sharing of costs and benefits. But in all of these transformation processes the intrinsic and superarching episteme of the unity of knowledge of Islamic Monotheism, as systemically understood and creatively evolved within a discursive social medium, must prevail.

10 Extending the ethical processes of Islamic Political Economy to the global order

As the domain of the Islamic transformation of markets, capital, goods and institutions with policies and instruments evolve with the experience of the learning methodology of the unity of knowledge, the other world-systems are carried along as well.

The Qur'an declares:

“O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that you may know each other (not that you may despise each other). Verily, the most honored of you in the sight of God is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things).” (49:13)

This principle of global transformation into the good society out of the circular causation *interrelations* induced by Mercy, Forgiveness, Love, Justice, Fairness and Compassion now connects with the comity of nations. The conflict that remains endemic to human future is resolved if the world converges in spirit towards a shared vision based on reason, goodness and truth. These attributes must be further driven by the drive towards the global ethics of an organic oneness.

A sure way of moving into that direction of a common human future is to embed global policies of human resource development and a new financial and entrepreneurial architecture that will complement with each other within the framework of the relations qualified by the attributes of Mercy, Forgiveness, Love, Justice, Fairness and Compassion as attributes of global ethics. Such evolving relations are discoursed within the unified and symbiotic nature of participatory society, economy, institutions, ethics and science (Thayer-Bacon, 2003).

One such approach based on the same form of richly complex circular causality is presented by the Qur'an. It is a relationship expressed by the criterion of human well-being as the goal to attain through the medium of avoidance of interest, the actualisation of charity as goodwill in diverse ways, trade as enterprise, and resource mobilisation and spending on the good things of life. All are collectively determined in concert with life-fulfilling regimes of participatory development according to the unitary worldview.

11 The role of charity, spending and trade in resource allocation: universality by means of the ethical attributes

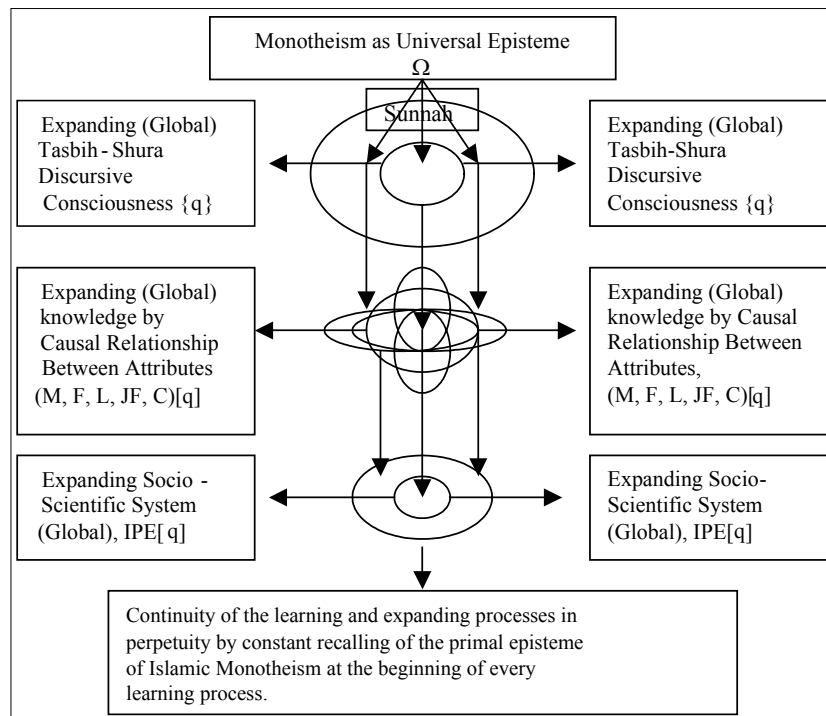
The Qur'an establishes the rich circular causation between charity, spending, trade and avoidance of interest in the following verses: (2:261) on charity and spending on good causes; (2:265) on spending on good things; (2:275) trade and enterprise opposed to interest. The total evolution of learning and prospering in the complex of interrelations can be explained by Figure 1. This figure shows how internal consistency and cohesion evolves outwards into global dynamics by the centrality of the unity of knowledge, so as to bring about the well-being of the global future to the generality of mankind.

At the end, the internal consistency and uniqueness of the most universal paradigm, with which we initiated this paper, is resolved in Islamic Monotheism as the episteme that governs all of life and thought. Such universality conditions are established as a

mathematical nature of the Interactive, Integrative and Evolutionary – thus IIE – learning processes of relations ($R = \text{Unity of Divine Knowledge}$). From the episteme of monotheism is derived the attributes of ordinally measured knowledge-flows as sub-relations (R 's = Mercy, Forgiveness, Love, Justice, Fairness, Compassion). The emanating and reconstructed knowledge-flows in the IIE processes then induce the transformation of the entities, agencies and relations of world-systems by the ontology of worship (Tasbih) combined by institutional guidance in the framework of laws and rules developed by discourse combining Tasbih with Shura. IIE processes are non-ending for ethical actualisation. Thus the R 's are subrelations embedded in the superarching R and contradict the opposite dynamics of R^- (Falsehood) and its subrelations.

Furthermore, the property of universality is completed by the inclusion of entities with the R 's within R (such as of a 's and b 's as entities mentioned earlier in relation to the mathematical definition of universality). These entities are of the type particularised in this paper by markets, social contracts, goods and capital formation as learning processes of exchange and complex aggregation in ethically induced systems of embedded circular causation relations. The R -relation combined with its R 's subrelations and the induced ' a ' and ' b ' entities now complete the universality condition by means of their circular interconnectedness. This obeys the laws of mathematical causality, and therefore remains abiding in World Reason.

Figure 1 Value-embedded system of creative expansion in Islamic Political Economy: towards a knowledge-centred global order



Notes: M: Mercy; F: Forgiveness; L: Love; JF: Justice and Fairness; C: Compassion; IPE: Islamic Political Economy, all induced by knowledge-flows $\{\theta\} \in \Omega$. Arrows denote relational mappings.

12 Conclusion: defining Islamic Political Economy

In conclusion, we now explain the meaning of Islamic Political Economy. It is a field for studying embedded systems of circular causal *interrelationships* that remain premised on the episteme of Islamic Monotheism. Such circular causal relations are regenerated continuously by the expansion of knowledge-flows. The knowledge-flows arising from the fundamental episteme induce the world-systems. Such learning processes are centred on the functions and instruments of the Islamic Law. They carry forward the episteme of Islamic Monotheism into the ontological construction of the unified world-system. The result is the attainment of pervasive complementarities and participatory relations.

The processual order of knowledge formation depends on the nature of the state variables intrinsic to the social, economic, institutional and scientific systems and the evolution of unified interrelations between these variables (entities). The process of ethical transformation is tied to both the inherent nature of systems and the institutional guidance in the light of relevant policies and instruments that arise from the fundamental episteme of monotheism.

In this paper we have singled out particular attributes, namely Mercy, Fairness, Love, Justice, and Compassion, that transmit the dynamics of Tasbih and Shura as consciousness into individual and social actions and responses. The T-S dynamics is necessary across learning processes to perpetuate the regeneration and evolution of knowledge-flows that remain permanently premised on the episteme of Islamic Monotheism. The ontological construction of measured knowledge-flows as ordinal values and their induction of the entities in world-systems can be taken up at far greater levels of detail and microdisaggregation.

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