

Faizan Qureshi

Ibn-Khaldoun Scholarship Essay

Atlas Economic Research Foundation

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Embracing Economic Freedom in the Muslim World

Contrary to what most people believe, Islam and economic freedom should go hand in hand. The Prophet Muhammad (p.b.u.h.) himself was both a trader and a statesman, yet countries throughout the Muslim world continue to limit economic and political freedoms in the name of religion. In fact, the opposite should be true. The Qur'an emphasizes that all people are created equal, and through Zakat and Sadaqah, we should help lift people out of poverty. One way to indirectly offer a means for everyone to have a fair chance in everything from politics to economics is for the governments of Islamic countries to embrace economic freedom, globalization, and democracy. Democracy is the epitome of equality. Yet some countries in the Muslim world continue to fear that increased freedom and opening up to globalization will bring the "highest stage of imperialism" and a 'cultural invasion,' threatening to dominate people, undermine their distinctive 'cultural personality' and destroy their 'heritage,' 'authenticity,' 'beliefs' and 'national identity.'¹ However, other pre-dominantly Muslim countries, such as Malaysia and Turkey, have embraced these ideals, and still stay true to their Islamic values and heritage. Political and economic freedom should be looked at as effective ways to give all levels of society the chance to help people overcome poverty, have a fair say in government, and to become better educated and more interconnected to the global economy.

¹ Fauzi Najjar, "The Arabs, Islam and Globalization," *Middle East Policy*, 3 (2005): 91 [eLibrary](http://elibrary.proquest.com), Proquest CSA, NVCC, 11 Nov 2007 <<http://elibrary.bigchalk.com>>.

Free trade has led to a rapidly increasing and interconnected global economy. The transfer of goods, services, ideas, and technology can literally travel up to the speed of light. With this increase in prosperity come social benefits as well, including democratization, and increases in human rights, education, and other universal values. If the rest of the Muslim world does not embrace globalization and free trade soon, it will be left behind, and will not be able to reap these benefits.

The Muslim world should take advantage of the fact that in an interconnected global economy, countries are increasingly interdependent. Instead of relying on exporting natural resources, such as oil, and other domestic commodities, Muslim countries should use that capital to build infrastructure and industry to sustain the future of the Muslim populace. Countries such as the United Arab Emirates have realized that they cannot depend on oil exports to sustain them. Thus, the UAE has built a trade empire which other countries flock to because it has one of the only free-market economic systems in the Middle East. The UAE has effectively become one of the world's top trading countries in a matter of a few years, and is using that money to help it become a sustainable and stable country with a strong infrastructure in place to meet the needs of its citizens.

The economic results of globalization are as significant, if not more so than its social results. The creation of the European Union alone created over 1 million new jobs (Marotta 4).² Such economic blocs increase trade between member nations. NAFTA is another example. "NAFTA has expanded trade in [Canada, America, and Mexico], led to increased employment, more choices for consumers...and rising prosperity."³ If such a bloc existed between all Muslim countries, the opportunities and rewards could be endless. The results of globalization are also

² George Marotta, "Global Economics," Vital Speeches of the Day, 15 Feb 2004. 265, eLibrary, Proquest CSA, NVCC, 06 Aug 2007 <<http://elibrary.bigchalk.com>>.

³ Marotta 3

observed in tangible assets. Because of regional specialization throughout the world, most imports have a lower cost and a higher quality.⁴ The example of a hiker can be used to show how global an economy can be. “Much of their equipment is imported—knives from Switzerland, rain gear from South Korea, cameras from Japan, aluminum pots from England, sleeping bags from China, and compasses from Finland. Moreover, they may have driven to the trailheads in Japanese-made Toyotas or German-made BMWs, sipping coffee from Brazil or snacking on bananas from Honduras.”⁵ The world truly is flat. These “lower-priced imports not only help us to contain inflation, it extends a family’s buying power by about three percent.”⁶ If such a system was in place throughout the Muslim world, rampant poverty would be considered an anachronism, Muslim families would benefit by being able to afford everyday items, and Muslim businesses would benefit by being able to export their goods all over the world. Instead of Muslim governments just giving handouts, they can use charity money and Zakat to help build infrastructure that could help Muslims in poverty. As the old proverb goes, “If you give a man a fish, he can eat for a day; if you teach him how to fish, he can eat for a lifetime”. According to University of Maryland professor of economics Arvind Panagariya:

Trade helps produce rapid growth, and rapid growth helps the poor [in three ways]. First, it leads to what Columbia University economist Jagdish Bhagwati calls the active ‘pull-up’ rather than the passive ‘trickle-down’ effect: sustained growth rapidly absorbs the poor into gainful employment. Second, rapidly growing economies can generate vast fiscal resources that can be used for targeted anti-poverty programs. And finally, growth that helps raise incomes of poor

⁴ Marotta 4

⁵ Campbell R. McConnell, and Stanley L. Brue, "Chapter 6: The United States in the Global Economy," Macroeconomics, Ed. Lucille Sutton and Erin Strathmann, Boston: McGraw-Hill Irwin, 2005, 91-109.

⁶ Marotta 3

families improves their ability to access public services such as education and health.⁷ (Panagariya 2)

In the past few decades, countries that had previously been economically weak and unstable are now thriving, due in part to opening up their countries to economic and political freedom. As a whole, the world population in poverty decreased from 56% in 1980 to 23% in 2000.⁸ Asian countries are some of the most rapidly growing economies in the world. Asian countries have been increasingly narrowing the gap between rich and poor; “between 1950 and 2001, income per head increased fivefold.” Many other countries who have embraced liberalism (free trade) not only do not want to leave it, “their question, rather is whether to extend it rapidly or gradually, and whether they have the domestic governmental institutions to cope with it.” According to one economist, “an impressive expansion of political and civil freedoms” has come with greater prosperity. “Eighty-one countries have taken ‘significant’ steps toward democracy since 1980, according to a recent United Nations report. Of the world’s nearly 200 countries, 140 now hold multiparty elections...82 countries—home to 57 percent of the global population—are now full-fledged democracies.”⁹

Yet, globalization not only affects the economies of nations, but also has political and social effects as well. Free trade also promotes peace, which is critically needed in the Muslim world; in an interconnected global economy, it does not make sense for exporters to want to harm their own customers, through either cultural or militaristic means.¹⁰ Because globalization

⁷ Arvind Panagariya, "International trade." *Foreign Policy*, (2003): 20, eLibrary, Proquest CSA, NVCC, 17 July 2007, <<http://elibrary.bigchalk.com>>.

⁸ "Free trade defended," *The Wilson Quarterly*. 27. 4 (Autumn 2003): 94(1), *Opposing Viewpoints Resource Center*, Thomson Gale, NVCC, 17 July 2007 <<http://find.galegroup.com/ovrc/>>.

⁹ "Free Trade Defended" 1

¹⁰ Marotta 3

directly “leads to more human contact, rising incomes, and diffusion of power”¹¹, it also eventually results in a “gradual merging of beliefs and modes of life, and accepting common values such as sanctity of the individual, due process of law, universal education, equality of women, human rights, private property, and science as the engine of growth.”¹² These are all values that the Qur’an espouses, yet which tend to be missing from Muslim countries, especially in the highly volatile Middle East. Increased income not only results in a higher standard-of-living in terms of materialism, but they “help to nurture a more educated and politically aware middle class.”¹³ This in turn becomes the foundation for a democracy to be built upon. “Today, 44 percent of the world’s people live in countries Freedom House classifies as ‘Free’, where citizens enjoy the full range of civil and political freedoms, compared to 35 percent in 1973.”¹⁴ Globalization directly increases human rights because it allows people to actually control their own lives.

In the coming years, globalization will continue to grow and develop, further bringing together different cultures, races, religions, and ethnicities around the world. Muslims should view this not as ways for them to become westernized, or be forced to become immoral, but as a way to spread Islam and its values, and to help dispel the myths that Islam is an ancient religion. Economic and political freedom not only brings economic prosperity, but also more social wellbeing. Muslims must continue to try to advance economic and political freedom throughout the Muslim world while at the same time keeping and spreading Islamic values and heritage.

¹¹ Daniel T Griswold, "Globalization Increases Human Rights," *Opposing Viewpoints: The Third World*, Ed. David M. Haugen, Detroit: Greenhaven Press, 2006, *Opposing Viewpoints Resource Center*, Thomson Gale, NVCC, 19 July 2007 <<http://find.galegroup.com/ovrc/>>.

¹² Marotta 4

¹³ Griswold 2

¹⁴ Griswold 3

Whatever the course of action may be, it is their responsibility to remember that Islam always comes first.

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