

## Liberty and Economic "Dynamism" in the Arabic & Islamic Countries

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The political and economic deterioration lived by the Arab and Islamic world today bring us back to the age that Ibn Khaldoun lived in, when the beginnings of total slow down that plagued the Islamic society and enter a stage of melt down that still affects it until now. This deteriorating condition made many Muslims escape the present and future and long passionately for the age when their "sun" lighted the whole world, an age when the accelerating dynamism in the Islamic world led to the flourishing and economic stability as Ibn Khaldoun had mentioned in his analysis to the creation and fall of dynasties.

The Islamic "culture" played an illuminating and scientific role, in addition to its significant role in commerce as a connection between the far east part of the Islamic world and the far west part. The appropriate institutional environment that was appropriate for commerce at that time facilitated the transportation of commercial "carriage" across nations and furthermore across continents - so for example goods from India and China would cross Cairo and Baghdad to be sold in Fez and Granada.

The transactions between Muslim traders with traders from Italian cities in the middle ages were as North and Thomas (1973) described them a cause in the creation and development of commerce in Europe. In the scientific field, the books of Muslim scientists such as "Ibn Haitham" in optometry, Ibn Sina in medicine, "Khawarizmi" in mathematics, and Averroes in philosophy played a big role in the scientific "mutation" (big change) that Europe achieved in the development age. This causes us to ask the following question: how did the free environment that dominated between the 8th and 12th centuries, which was appropriate for commerce and creativity, become a closed environment filled with political tyranny, religious extremism and freedom absence? Before going into the causes of the current deteriorating state and the recommended solutions to overcome it, we should first look at the general conditions.

A description of the political and economic freedoms of the Arab and Islamic world and its consequences:

We could generally say that the common denominator in most Arab and Islamic countries is the domination of autocratic regimes in the political arena and the spread of controlling actions that don't respect property rights in the field of economics. This is what is described by the reputable international organization reports such as the one from Freedom House, which puts Muslim in the end of the list in terms of political freedoms. In the 2002 report by Freedom House that out of 47 Muslim countries, only 11 respect the least degree in political freedom. In other words, this percentage is 23% as opposed to 73% in non-Muslim countries. Regarding Arab countries, the situation is even worse, according to this report, in 2006 only two countries, Jordan and Morocco enjoyed partial freedom whereas the remaining Arab countries had full absence of political freedom. The Fraser Institute report of 2006-2007 places these countries in the end of the list of countries with the most freedom of conducting business transactions and the necessary ground to achieving economic prosperity. The 2007 World Bank Report

(Doing Business) affirms the difficulty of doing business and economic activities in these countries. It affirms that there are presence of complicated administrative, legal, bureaucratic, taxing, and excessive customs and tariffs. For example, in 2007, one had to wait 19 days, and conduct 10 administrative procedures in order to start a commercial project in Egypt, whereas in Canada, one had to wait only 3 days and conduct 2 administrative procedures. Property transfer and registration took one week in Canada, as opposed to 57 days in Tunis and 193 days in Egypt. These administrative complications and excessive state interference by nations in the 2006 annual report about competitiveness caused the Arab nations with severe interference to get law rankings. In this regards, it is sufficient to remember that the total gross national product of all the Arab countries is less than that of Spain alone.

The lack of political and economic freedoms and the burden of bureaucracy negatively affected the economic productivity of Arab countries and made most them enter a circle of despair, ignorance and disability. On the other hand, the presence of oil and border disputes ignited regional conflicts.

Nevertheless, lately, the signs of economic and political freedoms began to appear, however, they don't fulfill the hopes and expectations of Arab people. So in field of economic freedom, we should point out to the efforts that encourage free trade and enterprise from some Arabic countries such as the United Arab Emirates, however, the prevailing norm remains the government interference in economics through legislations that counter free enterprise, and the absence of rule of law that is considered the major guarantee for property rights.

The mechanisms that lead to the deterioration of Arab and Islamic countries:

The lack of institutional framework conducive to advancement lead to the economic and political deterioration in most Arab and Muslim countries.

The (economic and political) lobby groups that gain from the current conditions maintain legislations and rules that allow it to keep its current benefits within society. The absence of any kind of institutional competition is considered in our opinion the main reason for the deterioration that Muslim countries live in. This slow down did not happen overnight, its causes are rooted in the Islamic history as the economic "historian" Timur Kuran points out. There are some who consider that closing the doors of *ijtihad* is the cause of the problem. On the other hand, some consider the "exchange" that took place in the 12th century between the religious leader Al-Ghazali and the philosopher Averroes which ended up in victory for Al-Ghazali leading to the burning of the books written by Averroes was the biggest indicator to the beginning of a "dorming" stage that would continue for centuries.

It had to wait until the 19th century until the beginnings of the first sparks of a revival project by the hands of a renewal Islamic thinking from the likes of Mohammad Abdo and Jamal Eddin Al-Afghani. In the 20s and thirties of the 20th century, there was some political plurality and respect for free enterprise particularly in Egypt and Iraq. However, the presence of nationalistic "Nasserite" and "Baathist" movements soon aborted the dreams of change and drawned the region in the visions of totalitarian economies that prohibited property ownership, free enterprise and made the economic and political change projects monopolized by the ruling elite which anticipates, plans, executes, and evaluates its results.

## The Road to Freedom:

The argument between political and economic theorists is still inconclusive as to where the priorities should be.

If freedom is considered the base for any political or economic change in the Arab and Muslim world, then it should take place gradually according to a plan that prepares the proper ground for the reforms and their implementation. The gradual reform that takes place in stages will reduce the role of pressure groups that oppose change. In this regards, we should point out to the failure in the current attempt to enforce democracy in Iraq, which is caused by the disregard of this gradual approach. History had proved that real change never succeeded by enforcing it from top to bottom, but instead by the interaction of constructive energies in society.

Any episode for democratizing the Arab and Muslim world and creating political renewal should begin by preparing the proper ground through encouraging civil society and free enterprise domestically, and by raising individual's awareness about the big responsibility he/she plays in the success of this big project for change.

Achieving economic progress in our opinion is dependent upon encouraging free economy through eliminating obstacles to free enterprise and creating institutional background that guarantees property rights. Guaranteeing property rights under the rule of law encourages individual enterprise because the individual is should be the beginning and the end to each project. Therefore, the age of the charismatic leader, whom nations build their hopes on him has gone without return, since leaving the region in a state of deterioration and inactivity.

Free environment, that is conducive to trade is enough to transform these nations from being followers into being becoming oil "benefiting/generating" countries, as what happened in the emirate of Dubai in the Arab Gulf. This emirate provided incentive taxing environment that was conducive to trade, and led it to have accelerating growth rates in a short period. Economic growth could be the ideal solution that lead the region out of the regional conflicts. The enlightenment philosopher Montesquieu confirmed the role of trade in shaping manners, and spreading peace and forgiveness.

Finally, we should point out that Arab and Muslim people are eager for development and wealth like other nations. In this regards, they don't lack human resources, but the institutional ground that promotes free enterprise.

Every long term and effective change is in the hands of the individual. Therefore, the nation should eliminate obstacles that would allow him to move forward and work on building his wealth and the wealth of nations.