World Economics Association
Conferences, 2016

FOOD AND JUSTICE
Ideas for a new global food agenda?

2016, n. 2: 5th November to 5th December 2016

Title of paper: Putting Social Justice First: The Case of Islamic Economics

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Abstract

If we try to figure out the most pressing economics problems in the world today, most concerned citizens would prioritize those problems related to urgent societal welfare needs—e.g., feeding the hungry, housing the homeless, and treating the sick or disabled. But we find a huge mismatch between these objectives and the intents, priorities, and effects of modern economic systems, which are fixated on increasing wealth and production often at the cost of other factors that relate to human welfare. In this paper, we argue the case for a new economics in which social justice acts as the cornerstone. Towards this vision, we present the case of Islamic economics, which is an economic system based on justice, equality, and other principles that prohibit exploitation of others and social harm.

Key-words:
Hunger; Justice; Islam; Development; Islamic Economics

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1—The Problem of Social Injustice

The problem of hunger

"Earth provides enough to satisfy every man's need, but not any man's greed."— Gandhi

Food is a fundamental human need and the sine qua non of human development. Malnutrition—owing to huger due to the lack of food or limited availability; and the poor nutritious quality of food—leads to problems such as poor cognitive growth and disease susceptibility, which lead in the long term to higher health costs as well as lost growth opportunities. Seen this way, feeding the hungry becomes—in addition to being an ethical, welfare, human rights or social protection issue—also an all-important economics issue. The desire to eliminate absolute poverty has recently seen increasing interest amongst humanitarians and United Nations (UN) has specified the elimination of absolute poverty as one of the Millennium Development Goals (MDG) and the Sustainable Development Goals (SDG).

Despite the significant lack of attention to the problem of hunger by mainstream economists, the problem of hunger naturally arises as arguably the first fundamental economic problem of humanity (Zaman, A., 2015). The importance of feeding the poor can be gauged from the fact that the Copenhagen Consensus project[1]—which ranks potential development investments according to the probable return on investment based on feedback from top economists—has ranked nutritional interventions as the highest of the 17 potential development investments suggested. In other words, better nutrition was deemed by these experts to be the best way to spend a dollar to do "good" in the world (so much so that every dollar invested in micronutrients provides a 59-fold payoff).

Unfortunately, we are far from finding a solution to the problem of hunger. Despite the great technological progress (including in food production), modern world is still characterized by the embarrassing juxtaposition of great abundance and dire poverty. Approximately one in nine people on earth (some 800 million people) go to bed hungry—the vast majority of these people live in developing countries, where 12.9 percent of the population is undernourished[2]. True to the Gandhian wisdom, there is substantial data that indicated that the primary problem of hunger is not the lack of food supplies but that of entitlement (Sen, 1983). Poverty and hunger prevail because of economics, not scarcity. In capitalistic societies, a man is considered entitled to only that what he can earn; in an inconvenient situation where jobs are not available, a man may starve even in the midst of plentiful food supply since the poor man does not have entitlement to food. As argued in Zaman (2012S), the problem of scarcity is created by ideological and normative biases of modern economic theories, and not by the objective realities of the world around us.

The problem of inequality

"The imbalance between the rich and the poor is the oldest and most fatal ailment of all republics", Plutarch.

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[1] www.copenhagenconsensus.com/

[2] Source: World Food Programme (WFP.org); Food and Agriculture Organization of the United Nations (FAO);

There are multiple types of inequality at play in modern societies: economic, political, and opportunistic. As noted in (Atkinson, A.B., 2015), inequality can refer to inequities in income, wealth, health, opportunities, access to justice, and exposure to hazards. Unfortunately, inequality levels have been rising in most parts of the world. Take the case of America, where the upper 1 percent of Americans takes in nearly a quarter of the annual national income. In terms of wealth, the distribution is even more lopsided with the top 1 percent controlling 40 percent of wealth. While inequality has always existed in human societies at one scale or the other, the modern level of inequalities is reaching dangerous proportions.

US President Obama has identified the reduction of income inequality and helping of income mobility as "*the defining challenge of our time*". To be sure, inequality is preventable if we are seriously interested. To show this concretely, we refer to the study of ethicist Peter Singer (Singer, P., 2011) who made a point that the UN millennium goals could have been met in the US—remarkably without involving any contribution from the US government, any non-U.S. citizen, or any U.S. citizen from the bottom 99.9% of our population—by only redistributing the excess money of the top 0.01% to the poor, while still leaving each household of the top .01% a decent share for their households[3]. Thus inequality is not inevitable if we were resolute enough to also consider parting with economical and political orthodoxy and developing a new economics based on concerns for social justice. Here again, modern economic theory creates a major obstacle, because it pretends to be a positive discipline which is value free. In fact, modern economic theories are in violent conflict with demands of social justice, and provide strong normative arguments for accepting and perpetuating increasing inequalities. What makes these theories more dangerous is their claim to being a scientific and objective description of facts; Zaman (2012S) brings out the hidden normative foundation on which these apparently positive theories are constructed.

The Cost of Inequality and the Benefits of an Egalitarian Society

Inequality acts as a vicious cycle: inequality breeds further inequality as the powerful strata rig the various social systems through politics in a way that exacerbates the conditions of the poor, while favoring the rich and powerful and giving them an unacceptable control over the lives of the poor. This is referred to as the "dance of ideology and unequal riches" (McCarty et al. 2016.)

Apart from the moral case for a fairer and more equal society, for the sake of fairness of

[3] "What Should a Billionaire Give – and What Should You?", Peter Singer, http://www.nytimes.com/2006/12/17/magazine/17charity.t.html

opportunity and well being, there is a strong economic case since inequality hinders growth (as the lack of opportunities for the underprivileged means that the human resources are not tapped into fully). There is instrumental value in the reduction of inequality. As demonstrated by Stiglitz (Stiglitz, J.E., 2012) and Atkinson (*Atkinson, A.B., 2015*), inequality leads to a slew of social problems such as lack of social cohesion, increased crime, poor health, etc. and unequal countries tend to perform worse in terms of infant mortality, teenage births, educational performance, homicide and imprisonment, life expectancy, mental illness and obesity.

2—Why Modern Economics Has Perpetuated Great Inequality? Wrong Ideals and Priorities

In this section, we discuss the three main reasons why modern economics has perpetuated great inequality.

2A – Focus on Production Rather Than Welfare

The dominant economics school of thought—essentially the neoclassical school—has posited a widely accepted belief that the goal of the economic system is the production of wealth. This emphasis on production rather than well-being is flawed. If there was a perfect correlation between economic prosperity and human welfare, one may have condoned the pursuit of economic prosperity as an end rather than as a means as flawed in principle but practically useful nonetheless. But as highlighted by Amartya Sen (Sen, 2003), there is no such perfect correlation. In fact, it is commonplace to see countries with very high GNP per capita in which the bulk of the population have a dismal quality of life (with problems such as overwhelming illiteracy, escapable morbidity, etc.).

This is especially true in modern capitalistic societies in which an unbridled focus on production is breeding inequality due to the tendency of capitalistic systems to concentrate wealth. The resulting unequal distribution of wealth leads to social and economic instability. Piketty, T. and Ganser, L.J., 2014 have shown that the return on capital (r) is generally higher than economic growth (g), and this tendency (i.e., $r > g$) results in much more concentration of wealth, resulting in increasingly less equitable wealth distribution over time. It is widely believed that in capitalism, inequality is not given its due attention due to its single-minded focus on the primacy of economic growth. One reason behind this lack of attention is the belief that inequality is not only an artifact of capitalism but also an engine for its growth. This leads to the perverse conclusion that lowering inequality is not desirable since it may lower the rate of growth.

2B – Incorrect Causal Reasoning

According to the theory of “paradigm shift” proposed by the American philosopher Thomas Kuhn, data is not interpreted neutrally but according to the currently prevailing worldview of the basic concepts of a scientific discipline. Currently, the dominant accepted economics worldview is based on capitalism and many of the current economic models promote a capitalism-friendly misunderstanding of the causality of economic effects. Some common backward thinking is presented.

1) *Making More Money Leads to Poverty Elimination Or Vice Versa*

"Wealth does not bring goodness, but goodness brings wealth and every other blessing, both to the individual and to the state.”—Socrates

Available evidence shows that material advance on its own is insufficient to increase happiness and social harmony. For instance, it has been shown that average happiness scores do not rise (or rise slowly) despite considerable growth in living standards. This paradoxical insight was first noted by Easterlin (and is thus called Easterlin’s Paradox) who performed multiple surveys in 19 developed and developing countries to conclude that rich countries are not typically happier than poor countries. The general assumption in mainstream economics is that accumulation of wealth and spending on one’s self and consuming desired things makes a person happy. Researchers are realizing now that welfare and happiness depends mostly on noneconomic variables (such as social “capital” or relationships) not considered by economic theory. It has been shown that it is spending on others—rather than on one’s own self—that brings the greatest happiness (Dunn, E. and Norton, M., 2014). Researchers are also now discrediting the hypothesis that success leads to happiness to an improved hypothesis that shows this effect more potently in the reverse, i.e., happiness leads to success (Anchor, S., 2010).

2) *Does Economic Growth—Even if Achieved Exploitatively—Pay In the Long-Run?*

“We were taught to take care of our GNP because it would take care of poverty. Let us reverse this and take care of poverty because it will take care of the GNP”—Mahbub ul Haq

The influential economics hypothesis known as the Kuznet’s hypothesis, which posits that as a country develops economically, inequality first increases and then decreases. This hypothesis has strongly influenced the way in which inequality has been studied and understood over the last half century. This hypothesis has been used to support the “trickle-down effect”, which justifies the exploitation of human labor in the short-term hoping that the long-term benefits of increased economic production will eventually trickle down to the poor. Curiously, the trickle-down theory (based on the commonly-held belief of supply-side economics) is built on a strange motivation theory that posits that rich will work harder at investing if they are made richer, but the poor should be made poorer to make them work harder

This essence of the "*trickle down effect*' theory that we are free to exploit and expend human capital; doing so will allow us to make more wealth, which in the long run translates to more happiness and less unfulfilled needs for all. Experience has shown that the "trickle-down effect" fails to materialize (Chang, H.J., 2012). A better name for the empirically observed effect could be the "vacuum cleaner effect" since the "wealth is sucked up from the poor and concentrates in the loot bags of the rich"[4].

2C - The marginalization of morality, virtue, religion, and ethics

Logical positivism was a 20th century movement that aimed to eliminate subjective statements from social science and instead relying only on empirical data and logic. In line with the time's zeitgeist, economists and social scientists started to marginalize the considerations of virtue, values, and ethical values. Instead of building a normative science that incorporates and engenders desirable virtues of fairness, justice, altruism and generosity, an economics based on the abstraction of a self-interested rational utilitarian homo economicus was constructed. Discussions on justice, fairness, concentration of wealth and power became increasingly less important as they were thought to be `unscientific' and thus not a part of social science (Tawney, 1926). There was a rapid shift in which the Europeans went from believing in the Biblical "Love of money is the root of all evil," to Shaw's "Lack of money is the root of all evil."

The marginalization of morality, virtue, religion, and ethics has resulted in an economics without *telos*. By stripping economics from its teleology, there is a crisis of meaning and a grand confusion between the means and the ends of economics. Just like in technological healthcare where the emphasis is now on diagnostic accuracy and technical performance (leading to overtreatment) rather than on well-being and health, the purpose of economics has become increasing wealth for its own rather than understanding attaining human welfare as the purpose of economics. There is also a concern that the market systems are not appropriate for many aspects of human lives due to various concerns of justice, fair play, and ethical conduct (Sandel, M.J., 2010).

Keynes summarized the attitude of neoclassical economics school when he said that for acquiring wealth, it was temporarily necessary to "pretend that fair is foul, and foul is fair" for "foul is useful, and fair is not." It was assumed that man could pursue wealth using avarice and greed, and when the economic problem of scarcity is solved, man could turn to a moral life. However, experience has shown capitalism brings forward a ruthless economy in which greed engenders only more greed rather morality.

[4] http://tribune.com.pk/story/175843/economics-the-vacuum-cleaner-effect/

3—Economics As If Social Justice Mattered

“Justice is the first virtue of social institutions, as truth is of systems of thought.”—Rawls.

3A - Human Development: An End in Itself

“So act as to treat humanity, whether in thine own person or in that of any other, in every case as an end withal, never as means only.”—ImmanueI Kant in his Grundlegung zur Metaphysik de Sitten

The Pakistani economist Mahbub ul Haq who invented the Human Development Index (HDI) noticed the fallacy of orthodox economic thought that believes economic development to be an end goal. He was brave enough to admit (after toiling for years chasing the “trickle down” chimera) that, "After many decades of development, we are rediscovering the obvious—that people are both the means and the end of economic development”.

Human beings have a dual role in development—firstly, they are an agent of development in that they are directly or indirectly the primary means of all production; secondly; the are end beneficiaries of all progress (Sen, 2003). This dual role has been a constant source misdirected goals since it is easy to fall back into the flawed thinking model in which people are viewed as the means to obtaining productive progress (rather than as seeing human lives as the ultimate concern, and relegating production and economic growth as mere means to those ends). Unfortunately, this all-important distinction has been overlooked in orthodox economics to grave consequences.

The World Bank (2006) report asserts that development is the process of transforming tangible resources into intangibles like human, institutional and social capital. In complete contrast, modern economics is based on the production function which transforms precious human lives (labor) into tangible wealth. The overbearing focus on economic growth has relegated the value of human life, which is now evaluated in terms of how much wealth the human can produce.

3B - Return to Virtue/Morality: Seeking Just Societies

"Economics is essentially a moral science"—Keynes

In modern moral philosophy, there are three dominant ideas relating to justice: maximizing welfare; respecting freedom; and promoting virtue. The predominant theory that follows from neoclassical economic systems well entrenched in modern capitalistic society is (some form) of utilitarianism. We argue that to design just societies, we need to reemphasize a virtue-based system that actively promotes justice.

Unfortunately, The materialist and wealth focused aim of capitalistic economic systems has *turned the traditional notions of virtue and vice* upside down. The goal of pursuit of wealth—considered all-important in capitalistic societies—has been frowned upon universally in almost all traditional cultures, except in our own modern culture. Islam discourages excessive love and pursuit of wealth beyond a person's basic needs is discouraged. The promotion of greed as a virtue in capitalistic societies is also in stark contrast with the Christian tradition, which says, "the love of wealth is the root of all evil." The reversal of traditional values and the undermining of concepts of justice from morality and tradition has led to societies in which some enjoy opulence and wanton luxury while others are even denied basic amenities of life such as food, housing, and health services.

To a large extent, economists in their pursuit for more and more wealth have largely ignored concerns of fairness, ethics, and justice. The American political philosopher John Rawls argued that the distribution of income and wealth that results from a free market with formal equality of opportunity couldn't be considered just. To fairly design such a system, Rawls offers that the distribution mechanisms should be designed under "*veil of ignorance*" in which no person knows his place in society, his class position or social status a priori. Under such settings, it is clear to see that capitalism is not a just system due to the little attention it gives to distribution of resources especially to the downtrodden. Rawls accommodated for some social and economic inequality by considering the *"difference principle"* under which some people in society may have more wealth, income, or power—but only on the basis that these inequalities work to the benefit of the least advantaged members of society and that the social positions are open for all.

3C - Distribution and Quality of Life Aware Economics

The grave lack of focus and indifference to distribution-related issues can be noted in comments of the Nobel Prize-winning economist Robert Lucas, who said that "*Of the tendencies that are harmful to sound economics, the most seductive, and in my opinion the most poisonous, is to focus on questions of distribution…. The potential for improving the lives of poor people by finding different ways of distributing current production is nothing compared to the apparently limitless potential of increasing production*."

Notwithstanding the positive role that economic growth can play in improving the lives of the poor, it is important to emphasize that the distribution of income also has profound effects on the functioning of society and the well being of individuals. The lack of attention paid to distributional issues by mainstream economists is a major reason for exacerbating levels of inequality. Given the state of high inequality in many countries, many economists are now promoting the use of appropriate redistribution mechanisms (Chang, H.J., 2014). (Atkinson, A.B., 2015).

Mahbub ul Haq noted, it is the case in many societies that "*GNP can increase while human lives shrivel*". Many measurements of development can report good results even in "perfectly disgusting" conditions. Consider the point made by Amartya Sen—the 1998 Nobel Prize winner—regarding how an economy can be "optimal" in the Pareto sense even when some people are rolling in luxury and others are near starvation, if the starvers cannot be made better off without cutting into the pleasures of the rich. Amartya Sen underscored his point by saying that "*In short, a society or an economy can be Pareto-optimal and still be perfectly disgusting*."

The diversity of individual profiles embedded in a distribution is often camouflaged by the use of measurement indices (such as averages) that are reductionist and suppress information regarding the variation in the distribution. For example, it is possible for a rise in average income to be shared unequally across groups, leaving some households relatively worse-off than others. In such cases, the median values can be a better indicator of the "typical" individual or household. Also, for studies of justice and fairness, we are usually more interested in what is happening at the bottom of the distribution rather than at the middle or at the top.

4—The Case of Islamic Economics

In this section, we present the case of Islamic economics as a justice-based socially equitable economic system. While we aim to provide a self-contained introduction to the salient points of Islamic economics, our treatment of this vast topic is incomplete. For a more detailed exposition written for a western audience, we refer interested readers to (Zaman, 2008).

4 A — Islamic Economics and Its Goals

Prophet Muhammad peace be upon him (pbuh) said "When a nation abandons justice and fairness in its affairs, failure and destruction becomes imminent for it."

The primary objective of an Islamic economic system—and its defining characteristic—is the imperative to establish economic justice. It is stated in the Quran that the purpose of sending divine messengers to different people is to establish humankind on justice (Quran, 57:25). Modern western economic system—in particular, the capitalistic system—has the acquisition and multiplication of wealth as its prime objective. This makes the end of Islamic economics and western economics markedly distinct (Zaman, A., 2008) (Zaman, A., 2012).

The Goals of Shariah: Objectives (Maqāṣid) and Human Good (Maşlaha)

Islamic law (*Shariah*) provides the framework for all activity within an Islamic society. The famous Islamic theologian Al-Ghazali described the very objective of the *Shariah* is to promote the welfare of the people (*Maṣlaha*). Al-Ghazali summarized human welfare in safeguarding of five things: (1) their faith; (2) their life; (3) their intellect; (4) their posterity; (5) and their wealth. Anything that safeguards these five things is said to serve public interest and is desirable from the point of view of *Shariah*.

Islamic law has underlying objectives called *Maqāṣid*, which refer to the divine intents and moral concepts—such as justice, facilitation, social cooperation, human dignity, magnanimity, chastity, and compassion—underlying actions prescribed in Islamic law (Chapra et al. 2008) (Auda, J., 2008). Islamic economics also falls under the rubric of Shariah and thus is bound by its goal and purpose. Imam Al-Shatibi, the great Andalusi scholar who was an authority on the science of *Maqāṣid*, elaborated on the objectives of *Shariah* by saying, "*Shariah* stands for justice, mercy, wisdom, and good. Thus, any ruling that replaces justice with injustice, mercy with its opposite, common good with mischief, or wisdom with nonsense, is a ruling that does not belong to the *Shariah*, even if it is claimed to be so according to some interpretation." (cited in Auda, J., 2008).

In the Islamic tradition, wealth is understood in a purely instrumental capacity. In Islamic worldview, human development is not the same as accumulation of wealth (Zaman, A., 2013). According to a Prophetic Hadith, wealth is said to be the contentment of the heart. A central concept in Islam that wealth should be used to pursue the *Akhirah*[5] (by doing things that will please God) and not for idle purposes. Acquisition of wealth is permissible only in ways that are just to all the parties concerned. Islamic law prohibits exploitation, arbitrary taxation, and any action that leads to social harm. This puts numerous restrictions on profit-based business practices that can otherwise lead to social inequitable outcomes.

The Indian theologian Shah Waliullah (Waliullah, S., 1750) anticipated the modern welfare state and described how it is the birth right of every human being in an Islamic state to have access to bread, clothes, house, the right to marry, and education and nourishment for his children without any discrimination of caste and creed to get. Furthermore, every citizen of the Islamic state also has an equal right to justice, security of life and property, protection of honor, freedom.

4B — Emphasizing Redistribution

[5] *Akhirah* refers to concept of an afterlife, an important part of Islamic eschatology, in which humans will be resurrected and will be recompensed justly according to their actions in this world

"Make sure that wealth should not be confined among those of you who are affluent." (Quran, 59:7)

Islamic thought emphasizes human brotherhood in which a person's value is based on that person's *Taqwa or* God-consciousness, and not according to the amount of wealth or power that person possesses. The unflinching commitment to human brotherhood is reflected in the Islamic economic system' inviolable goal of socio-economic justice, which in turn requires equitable distribution of wealth and the fulfillment of basic human needs of all people.

According to Islamic thought, any business and trade that confines the circulation of wealth in any particular class of people is ruinous for that society since this will lead to the accumulation of wealth by a minor fraction of the society and the effective enslaving of the poor. This is one of the reasons behind the strict restrictions on interest-based transactions in Islamic law (Quran, 2:278-279).

A simple redistribution of excess consumption towards the fulfillment of the basic needs of the poor can itself do wonders for human welfare. Studies of happiness have shown that wasteful and ostentatious consumption does not even bring happiness to the consumer. Preventing wasteful consumption, as per Islamic teachings, would lead to a happier and healthier society, and also enable resources to be directed towards more beneficial social purposes.

Distinguishing between Needs and Wants

"By no means shall ye attain righteousness unless ye give (freely) of that which ye love." (Quran 3:92)

The needs of human beings are limited even though the desires are limitless. This need and want distinction is extremely important for sustainable human welfare since there is a real chance of the excessive desires of one person impinging on the due rights of other members of the society. It is surprising to see the little attention paid to this needs/wants distinction in the mainstream Western economics textbooks. The needs/ wants distinction finds support from the utilitarian school of ethics, which describes justice as the greater good of all. However, such thinking is very much at the fringes of economics orthodoxy and rarely informs the concerns of modern economics.

An extremely important ingredient of the message of Islam is to spend wealth in excess of our needs on others. The basic principle in Islam is to focus on the needs but to avoid wastage and going to excess (Zaman, A., 2010). In contrast to the conventional worldview, the ideal amount of wealth for a person according to the Islamic worldview is that what is just sufficient for our needs, and it stated that both wealth and poverty are trials from God (Q89: 15-16). Accordingly, Islam discourages the irrational pursuit of wealth for its own sake, and instead encourages charity and spending on others. This is a very different attitude towards wealth distinct from the attitude implicit in economic theories and assumed in capitalist economies.

4C — Transformative Moral Guidance: The Imperative to Establish Justice

"Whosoever of you sees an evil, let him change it with his hand; and if he is not able to do so, then [let him change it] with his tongue; and if he is not able to do so, then with his heart—and that is the weakest of faith." (Arbaeen Nawawi, Hadith 34).

In the economic domain, Islamic law regulates both methods by which money may be earned and also the ways it may be spent. A promising—yet largely ignored—approach to address the problems of widespread hunger and poverty is to encourage altruism and generosity instead of condoning greed by setting it up as the normative "natural" position. Islamic economics is transformative in the sense that Islamic economists do not seek only to study the world but also to change it. To incentivize people to act according to these lofty standards, the Islamic value system praises humane qualities of generosity, empathy, altruism and sacrifice.

The Islamic economics approach to scarcity is markedly different from that of classical economics solution, which deals with scarcity by pushing to producer to increase production; the Islamic economics approach is that we should spend generously on others less fortunate than us and restrict our desires instead of always striving for more wealth. The act of spending in the path of God is known as *Infaq fi Sabilillah* and is one of the highest virtues in Islam. Islam not only encourages the spending of money by the rich on the poor, but it has also stipulated that *the poor has a right on the rich*. A rich person has to spend a minimum of 2.5% of his wealth annually on the poor and pay the *Zakah* (obligatory charity). There is repeated exhortation in Islamic scriptures regarding *Infaq*: e.g., a Hadith of the Prophet Muhammad (pbuh) says, "*The creatures are all dependent on Allah, and the most beloved by Him are those who are most beneficial to His dependents*." The Islamic approach recommends generosity and presents a system in which even the poor can give charity (even if it's little).

In recent times, ethicist such as Peter Singer, and movements such as effective altruism, have worked on mobilized people to give money in charity to people arguing that it is morally indefensible for the rich not to spend on the poor)—many of whom are dying because of trivial preventable diseases. However, such a movement lacks the communal motivation and the sense of brotherhood and telos that binds together the followers of Islam, a religion of more than 1.6 billion people worldwide.

5—Conclusions

The modern economic system makes a grave mistake of confusing generating wealth—which is only an instrumental tool useful for increasing human welfare—as the end goal of economics. We believe that human welfare is both the mean and the end of human development. Accordingly, the fundamental economic problem is to study how to use a given amount of wealth to produce the maximum amount of welfare.

In its bid to become neutral, “value-free”, and scientific, the western economic system has lost its focus on notions of social justice and fairness. Despite its attempt to be value-free, modern economics espouses many criteria that are value-laden. Taking into account its great influence, the field of economics should become much more aware of the values it implicitly or explicitly endorses. In particular, economics should try to incorporate desirable values such as honesty, honor, respect, fairness, and egalitarianism. This goal is not new—although new economics seldom thinks about these issues—and thinkers from at least the time of Aristotle have voiced similar positions.

In this paper, we present the case of Islamic economics as a viable justice-based solution to the modern economic problems of inequality and hunger. The Islamic economic system does not consider accumulation of wealth to be human development and considers the establishment of justice as its end goal. Islamic economics emphasizes equality and brotherhood of all humanity, and has a spiritual incentive system and a transformative attitude towards engendering positive values in societies and individuals. Islamic economics also makes a distinction between needs and desires---the Islamic ethos is based on suppressing desire for wordly luxuries and on sharing the superfluous wealth with the poor and needy through charity.

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