

DIRECTION OF FUTURE RESEARCH

The purpose of the present chapter is to indicate some of the future research priorities for economics. The main conclusion is that the overall framework of Islamic economics can contribute to the development of economics in a direction which will make this discipline meaningful and suitable for the challenges of the future. In fact, our prediction is that the real life problems of the future would virtually force the Islamic solutions on humanity. But it may take much longer for humanity to reach these solutions in a hit and miss fashion. Islamic economics can expedite the process of discovery of those solutions which are essentially needed by humanity. The only precondition is that the world should shrug off its preconceived notions and prejudices against religion and religion-related ideas. After all, the civilized world owes most of its wisdom to religious sources. Even the success of the capitalist system is attributed to Christian ethics. In the following discussion we shall point out some of the most urgent research tasks in order to bring it closer to the Islamic approach to economics.

1. HOLISTIC APPROACH

If economics has to play a helpful role in directing the human future, it must perceive the actual relationship that has emerged between the household, the market, the government, the environment and the international institutions. It must conceive humanity not merely as an economic but also as a social, political and psychological entity whose survival and quality of life depend on all the above factors and their interdependence.

Economists should not be content with raising such questions as: Is the firm profitable? Is there full employment? Are prices stable? Is the growth rate satisfactory? Instead, they should also ask questions regarding human, psychological, motivational and environmental needs. They should also see in which way the economy is deviating from the path of human *falāh*. For concentrating on the economic problem of man is too narrow an approach. It reduces human beings to merely economic creatures, which does offence to both human nature and personality. In fact, there are no economic problems as such! There are only *human* problems. They should be perceived by keeping the human beings in the centre. For example, the relevant questions regarding technology are: How does it affect the employment of those already in jobs? How will it prevent those who are seeking jobs so as to enter the labour market? Who will pay for the re-training and rehabilitation of those misplaced? How will the new technology affect the quality of life of those who will work under the new conditions? What type of stress and strain will it bring? How will the new technology affect the international market? How will it affect the international relations? What will be the new tariff system and how will it affect the existing agreements with other nations? Scores of such questions will merit discussion.

The traditional economics has treated most of such questions as exogenous.¹ One of the reasons for the reluctance to accept this approach is that it introduces qualitative variables into the theory, which violates the economists' obsession with numbers and quantities. Their eagerness to transform everything into quantitative analysis so that some analytical technique comes handy dissuades them from adopting this approach. In fact, one of the reasons

economics could not become a realistic social science is that it has tried to grapple with complex human problems as merely economic problems. As a result, it has lost the comprehensiveness of a human science.

Islamic economics takes a comprehensive view of the human problems. It employs a multi-disciplinary approach to these problems. This is an area where Islamic economics can make a contribution to the global pool of knowledge.

2. SEARCH FOR AN INTEREST-FREE INTERNATIONAL ECONOMIC ORDER

One of the greatest challenges for the twenty-first century would be to develop the vision of an alternative economic order which is free from interest on capital. Islamic economics has produced a body of knowledge which attempts to show how financial institutions can be established on an interest-free basis. But there are still a number of unresolved questions. Such a system would truly succeed if the world as a whole agrees to abolish interest. This would mean 'euthanasia of the rentier' — individuals, organizations, and states. This is an imminent task before humanity if it has to unshackle man from the bonds of finance.

Human development has accepted the political freedom of man as a valid concept but it has not yet fully recognized the importance of the economic freedom of man as a desirable goal. The economic freedom of man will never be realized so far as the fruits of one's labour are allowed to be reaped by the rentier in the form of interest. The challenge before the economists of the world is to find out an institutional mechanism which provides finance free of interest so that the idle resources of the world are used for the benefit of humanity. So far the economists have given very little thought to this great challenge. The day humanity is able to abolish interest effectively will be the day of its real emancipation. Political freedom is only a half-way house. The abolition of interest would mean what Keynes has rightly termed as a 'sea change'. The foremost item on the future research agenda should be to find out a viable and suitable interest-free international economic order.

3. TECHNOLOGY

Economists have not given adequate attention to the subject of technology. The technological revolution has engulfed the entire world. The information technology is influencing our lifestyles, production patterns, resource allocation and development priorities. Economists should not be mute spectators, allowing things to happen as they do. They must analyze the impact of technology on human lives. In this area Islamic economics has a contribution to make. It raises such questions as stated below:

What are the implications of technology for economic justice, both positive and negative? This means, how is technology going to affect the relative shares of different sectors of the economy in the national pie? Or, how can technology be used to reduce economic and infrastructural disparities between rural and urban and backward and developed regions, and between the rich and poor nations?

What could be the international mechanism to share the fruits of human intellectual endeavor without creating the 'free-rider' problem?

What are the possible ethical implications of the new technology and how can it be harnessed to the benefit of humanity?

What are the technological research priorities for the world and for the different nations?

These and similar questions should be the priority of the economists during the years to come.

4. ECONOMIC POWER

Another area which has received scant attention of the economists is the question of economic power. Islamic economics accords a central position to economic justice. The whole question of economic justice hinges on the basic question: how does society protect its weak from its strong? The same is true at the international level. How does the world organize itself to protect the weak nations from the tyranny of the strong in the field of economics? It would require an analysis of the actual conditions to show the various forms of misuse of power against the weak. Then it would require the formulation of such public policies or the development of such institutions as would protect the weak from the strong. Laws alone would not help. Power has to be controlled. It must be made accountable by making individuals participate in decision-making. The Islamic concepts of *khilāfah* (vicegerency), *shūrā* (consultation), *ukhūwah* (brotherhood), *'adl* (justice), *ihsān* (benevolence) have the potential of making a contribution to tackle the problem of economic power.