

Islam and Development

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Summary. – The backwardness of many contemporary Muslim countries is blamed by some writers on various aspects of Islamic beliefs and behavioural injunctions. It is shown in this paper that many of these arguments are based on flimsy grounds. The issue of whether Islam is an obstacle to development is dealt with. An attempt is made to introduce a better explanation for underdevelopment of many Muslim countries (at least in the Middle East area). Historical–institutional factors are emphasized. A case is made that, given the unique *institutional nature of Islam, foreign domination* (by the Ottoman Empire and later by European colonialism) resulted in *stunted institutional development* in the former territories of the Ottoman Empire, which is a basic reason for the present backwardness.

1. INTRODUCTION

Muslim countries constitute a sizeable segment of the underdeveloped (or developing) countries. Although – in terms of GNP *per capita* – some oil-producing countries are considered to be among the richest in the world, they have not attained self-sustaining economic growth – characteristic of more developed economies – nor the institutional set-up necessary to achieve it. Many attempts have been made to account for this phenomenon. The question is often raised: is Islam itself the cause of underdevelopment in these Muslim countries? The connection is simple to make, particularly under conditions of insufficient data or research on Islam and Muslim countries. The situation is even more aggravated by a prevailing ‘distorted image of Islam’, dating back to fourteenth-century Europe’s uneasy relations with Islamic regions, that still persists to this day.¹

Parkinson’s discussion of the ‘non-economic factors in the economic retardation of the rural Malays’² is a case in point. He argues that the Malays’ retardation is to be blamed on their remarkable insistence on resisting change and on certain Islamic beliefs that tend ‘to make them fatalistic in their approach to life’. Another example is Sutcliffe’s study of religious commitment and modern values and practices.³ Although his empirical evidence shows no

significant effect of Islamic religious commitment on modernizing values or practices, he devises an interesting ‘assumption’ tailored to help force his empirical findings into the strait-jacket of clearly outdated Weberian views of Islam. According to Sutcliffe’s interpretation, Islam means submission and repudiation of free will, but actual behaviour of Muslims does not follow that (negative) ideal.

In fact, even the cursory review of Western writings dealing with underdevelopment in Muslim countries reveals a painful repetition of these and other worn-out arguments. We can possibly identify four major discernible themes linking Islam and underdevelopment – either explicitly or implicitly. The following statements may be fair representations of these themes:

(a) The ideal Islamic *belief system* is not conducive to modernization. The belief system is sometimes referred to in the abstract (without reference to time) and sometimes reference is made to the beliefs of contemporary Muslims.

(b) Ideal Islamic *behavioural* injunctions are not conducive to modernization. Reference

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here again is either to the abstract or to the present.

(c) The problem is not in Islamic beliefs or behavioural commandments. The problem is that they (beliefs and behaviours) are not as effective in guiding behaviour as *pre-Islamic elements* which tend to persist after embracing Islam.

(d) The problem is in the degeneration of Islamic ideals as the *masses corrupt* them as a result of Islam's inherent idealism that is hard to apply in reality.

In view of the relatedness of each consecutive couple of these standpoints, it may be proper to collapse them into two categories: Islamic beliefs and behaviours on the one hand, and the corrupted mass conceptions on the other. The next part of this paper will be devoted to a critical appraisal of these two basic themes. After pointing out the basic flaws in the reasoning behind them, an alternative explanation of underdevelopment in Muslim countries will be introduced, which emphasizes the role of stunted institutional development, resulting from the interaction between adverse international power relations and the unique institutional nature of Islam.

2. ISLAMIC BELIEFS, PRACTICES AND DEVELOPMENT

Sutcliffe tells us that the literal Arabic meaning of the word *islam* is 'submission'. He quotes from *Al Koran* (the Holy Book of Islam) verses enjoining the believers that once a matter is decided by God or his Apostle, then a believer is in no position to have choice. He concludes that this runs against free will and, hence, is an obstacle to development. This kind of reasoning is characteristic of many Western writings on Muslim countries and their culture. Such conclusions usually rest on limited knowledge of these countries and their religion (normally a field visit or two to the country involved for a duration of a few months up to 2 or 3 yr). They fail to grasp the inner logic of Islam as it is understood by Muslims and as it supposedly affects their behaviour. In fact, Muslims seem to me to hold sharply different views of what Islam means to them than those presented by Sutcliffe and his Western colleagues. For Muslims, submission to the will of God means accepting his Word, and acting according to the path it delineated for man. Because God created all, is just and omniscient, his commandments could never be partial to any group or social

class at the expense of another. They are intrinsically superior to any power-sensitive, man-made rulings. Submission to divine rulings then 'liberates' man from submission to those biased and exploitative principles created by any human authority — be it that of rulers or priests. So, if God or his Apostle decided a practical matter unequivocally, they would feel comfortable to go by it if they believe in its basic truth. If it was decided only in general terms, then leeway is given for human interpretation within the general limitations. In fact, when these rulings were applied to guide institutional development in early Muslim communities, they produced one of the best-known approximations to ideal society (although for a short time and not from the point of view of the adversaries). Muslims compare these rulings with the flawed ideological applications in the West and in the East, and feel that Islamic ideals are comparatively more than superior.

In addition, Muslims would stress the fact that only matters of basic and enduring nature are decided in detail in *Al Koran* such as acts of worship, rules of inheritance and some aspects of the relations between the sexes. When it comes to other basically changing matters such as the political or economic relationships, a few specific decisions are decreed in detail. And when that happens, there is a clear purpose, that is to ascertain the elimination of a source of injustice. But the bulk is left to be devised by man *within that general framework*. Muslims do not seem to be impressed by terms like free will if it means oscillation between man-made extremes of ideological position *in the absence of any known decisive empirical evidence to guide choice between values*. It could be safely said that Islam is seeking an ultimate sense of free will, one that frees man from the influence and power of other men in areas of basic valuation that are not amenable to empirical validation, while giving full freedom for application of human will otherwise. Or this is the way Muslims would argue their case.

A related item quoted by Sutcliffe from Weber is that 'Islamic belief in predestination easily assumed fatalistic characteristics in the beliefs of the masses', a claim echoed by others as well.⁴ Again, predestination is understood by Muslims as the 'prior' knowledge of God that is revealed to no human being in advance. So, its effect should in fact be to *encourage* rather than to retard positive action, and eventually to *accept* the results, knowing 'then' what was predestined. Modern psychiatrists would recognize the benefits of such *post facto*

acceptance of a mishap for the psychological adjustment of the individual. This should help clear the mind for constructive action. In this light we can understand how millions of poorly equipped Muslims could, against all odds, stand up to dispel colonial modernized military forces from their lands, or more recently why millions of Iranians and Afghans would fight in the streets and on mountains risking their lives to overthrow local tyrants supported by foreign interests.

A variation on the theme of fatalism is that of the belief that the length of man's life and economic lot are also predestined. Sutcliffe found that despite the belief in predestined length of life, he observed that health clinics were always crowded in his study area. Because he could not understand the fine issues involved, he attempted to reconcile the disparity by telling us that the people merely paid lip-service to the belief system. This interpretation is resorted to by Geertz, who when faced by a comparable situation declares that these Muslims are just practising 'self-deception'.⁵ How such explanations could help account for phenomena under study in a meaningful way is difficult to imagine.

Economic beliefs and behaviours, however, receive somewhat mixed reviews. Swift, for example, seems to take the Islamic preaching against 'too much concern' with worldly riches to be inhibitive of wealth accumulation.⁶ On the other hand, Weber (whose views on Islam are still alive in many contemporary writings) took Muhammad's saying to someone who appeared in ragged attire that 'When God blesses a man with prosperity he likes to see the signs thereof visible on him' to correspond to feudal conceptions of status. This again reflects Weber's consistently distorted understanding of Islam as promoting self-indulgence, taking pleasure in 'luxurious raiment, perfume, and meticulous beard-coiffure'!⁷ This selection from the sayings of Muhammad, ignores equally binding warnings by him against vanity, deceit and extravagance. Failure to take account of admonitions against both extremes (miserliness and extravagance) is certain to lead to lopsided interpretations.

Swift, however, seems to understand better that balanced nature characteristic of Islamic preaching when he refers to what he calls an 'ethic of moderation', a conclusion that was reached also by other observers.⁸ The Koran itself, at least in one explicit reference, identifies Islam with moderation.⁹ Only a comprehensive understanding of Islam – or any com-

plex belief system for that matter – could help avoid such misinterpretations. These examples seem to us to be sufficient to make our point. Many references to aspects of belief system or behavioural injunctions as having a retarding effect on development are based on misreading of what these mean to 'Muslims'. It is possible to compile an endless list of quotations from *Al Koran* and *Sunna* to the effect that Islam calls for utilization of utmost reason, skill and effort to better the individual's and the community's lot. But it is clearly outside the scope of this paper to attempt a full study on the effects of Islamic teachings on developmental activities.

3. DEGENERATING MASS BELIEFS, PRACTICES AND DEVELOPMENT

Other writers cite specific examples of old or corrupted beliefs and practices of the masses as evidence that Islam – twisted or displaced – stands as an obstacle to development, although by default. Geertz, for example, dedicated one of his works to show that the peasant Indic heritage of Indonesia and the tribal Berber heritage of Morocco exerted a great influence on Islamic development in these Muslim countries to the extent that it 'is as much to point up their differences as it is to locate their similarities'.¹⁰ Patai refers to the fact that Islam forbids representations of God in paintings or statues, let alone venerating them which is regarded as idolatry. But, then, 'beneath the thin veneer of official doctrine are old popular beliefs, held by the masses who know little of the theological tenets of their religion'.¹¹

This is another familiar argument adopted by some Westerners. Much of the factual observation seems to be valid. But the question to be asked here is: what is the basic reason for such corrupted mass beliefs and practices? Is it inherent in Islam's alleged idealism and complexity that evasions of its commandments and corruption of its beliefs are inevitable? Or is this degeneration a function of discontinuities in the process of socialization and dissemination of proper religious concepts to the masses? It is the contention of this paper that although Islam is an idealistic religion (in the sense that it seeks the attainment of optimal solutions to the human condition), it is also practical and feasible. It was once embraced and successfully applied by ordinary human beings for centuries. And that, incidentally, resulted in a significant contribution to human civilization.

Some Islamists tried hard to prove that Arabs of the sixth century were not – as Muslims claim – uncivilized, crude or backward. Lichtenstadter, for example, takes pains to prove that they were well organized and civilized.¹² Others talk about the other contemporaneous older civilizations that were integrated into what came to be described as a flourishing Islamic civilization in the centuries that followed. But there seems to be a general agreement that Islamic civilization constituted a difference in kind and not only in degree from older and contemporaneous civilizations. The same author cited above has this to say about the Muslim East: 'For centuries, its creative genius had led the medieval world in science, philosophy, and the arts, even after its political decay set in'.¹³ Another writer concludes that without these Islamic (he uses 'Arab') contributions, 'European science and philosophy would not have developed when they did'.¹⁴

Qualifying the above statements goes beyond the scope and space of this paper, but could be found elsewhere.¹⁵ This 'astounding' cultural achievement, especially its scientific contributions, is credited by some, at least in part, to Islam.¹⁶ It is hard to believe that such a civilization was built on ideals that have no roots in reality.

The claim of inapplicability of Islam to 'real life' and its inherent tendency to invite its own corruption by the masses is apparently based on relatively recent research done in Muslim countries under control of foreign powers or those hardly emerging from foreign influences. No serious researcher can assume that such peoples control their own fates or live under sound authentic institutions with genuine Islamic orientation. It is, therefore, more plausible to conclude that the frequently reported corruption of Islamic beliefs and practices in such countries hardly emerging from foreign domination could be attributed to disruptions in educational, political, economic and other social institutions. In fact, this reasoning is only a reflection of the general argument of this paper: that the backward conditions prevailing in Muslim countries today can be better explained in terms of truncated institutional development, which resulted from foreign domination over the fates of people whose religion is as concerned with social, political and economic institutions as it is with personal acts of worship. But this is the subject of the rest of this paper. However, it should be made clear from the outset that we are far

from advocating absolute, unidimensional explanations to such highly complex phenomena as societal development and underdevelopment. Our intention is to direct attention to some neglected variables that are potentially promising as better explanations of such phenomena.

4. STUNTED INSTITUTIONAL DEVELOPMENT

There is general agreement that the Muslim contribution to civilization was not only of pure scientific investigation but also of 'material products and technological discoveries'.¹⁷ In the Middle Ages, while Europe was basking in ignorance and superstition, the Muslim regions were the epitome of 'development' of their time. However, we do not need to prove here that Islam was the sole force behind this tremendous success for our argument to proceed. Nor do we even need to prove that it provided a general context for the scientific and technological advances of that time. The minimum we need for our argument is that *Islam was 'not' an obstacle to development at that time when the balances of international power relations were not unfavourable to Muslim regions.*

What happened, then, to Muslim lands? What caused their observed backwardness now, while Europe and its overseas descendants achieved modern economic development at a scale and pace unknown before? The answer to this basic question lies in exploring two important areas:

- (a) The unique institutional nature of Islam that presupposes full control by Muslims over their decisions. This could be better understood against the background of how *Sharia* (Islamic Law) developed over time.
- (b) The adverse international power relations, especially in terms of the conflicts between the Ottoman Empire and Europe and the subsequent colonial domination of Muslim regions.

(a) '*Sharia*' and societal institutions

Muslims believe that Islam is the last and final version of those messages revealed through the ages by God. It retains some of the valid basic principles included in earlier revelations, but it represents 'the' mature plan to guarantee human happiness in this life and in the hereafter. One feature of this last Word is that such

happiness could not be achieved through exclusive focus on 'personal' spiritual experience alone. It lays an equal *emphasis on social, economic and political arrangements under which people live and function*. In other words, it envisages a personal salvation that cannot be sufficiently realized except through the 'right' institutional arrangements. Both aspects require the same degree of adherence by a Muslim. So, it is as sinful for him to charge or pay interest on a loan as it is for him to neglect doing his five daily prayers or his fasting.

Some of these institutional requirements or rulings were specified in detail in *Al Koran*, some were mentioned in general terms, and still others were left out to be decided on as need arose, but on the basis of the general principles. Because these rulings were taken directly from what Muslims believe to be God's revelation, they are regarded as inerrant. Observing them is not merely a social duty, but '*an act of faith in God*'.¹⁸ Naturally, during the lifetime of Muhammad, the Messenger of God, he was the interpreter *par excellence* of the word of God and its application to novel situations. After his death, his sayings and rulings (*Sunna*) were the second source for what came to be called '*Sharia*' which is translated with some approximation as 'Islamic law'. With the expansion of the Islamic 'nation', there were always new situations that needed rulings. During the first few centuries after '*Higera*' a vast body of the Islamic law (*Sharia*) was accumulating. Systematic codification went on in earnest taking as its source of authority *Al Koran*, *Sunna*, 'analogy from these two prime sources, as well as 'general consensus' of Muslim scholars (among other sources that command less than general agreement). During this period *Sharia* responded effectively to the changing needs of the times and of regions. Not only this, but the jurists of that day and their disciples in their overzeal indulged in attempts to find rulings for far-fetched hypothetical situations that verge on the ridiculous (and that may never come to be needed) in pursuit of logical closures.

After that, there developed a feeling — maybe instigated by overconfidence on the part of religious scholars — that there was no further need for codification or for new applications of the general principles. Maybe this feeling was reinforced by the worldly success of that golden age of Islam. However, this unfortunate and untimely closure of the door to dynamic development of *Sharia* may have taken its toll from its vigour and resiliency.

Naturally, the effects of this development

were not immediately visible. It seems that the societal institutions developed according to early *Sharia* codes were efficient for many more centuries. But *Sharia*'s response to change since then was intermittent. Whenever need arose, an exceptional scholar, like Ibn El Kayim or Ibn Taymiah, emerged to assume responsibility for *ijtihad* (finding rules for novel situations). Some researchers, however, suggest that the door to *ijtihad* was closed only as far as the understanding of the meanings of specific scriptural texts is concerned. They would argue that *ijtihad* in applying *Sharia* rules to everyday living situations was never really closed. According to their view, the negative influence of the assumed closure of the door to *ijtihad* (if it at all existed) would be minimal. Still, if we consider the central place of *Sharia* to the Muslim's life, it is clear that any limitation on its adaptability would have negative effects.

To know what that means for a Muslim, let us remember with Landau that *Sharia*:

... is not merely a set of laws that affect the Muslim on some specific occasions, but rather it is the keynote of his existence; his religious, political, social, domestic and private life is completely bound up and regulated by the precepts of the law.¹⁹

For any generation to claim the final word on such vital areas is certain to deprive society of some elements of vigour. However, the effects of these limitations were not debilitating because of the dynamics of the decentralized rule in pre-Ottoman times. The serious consequences became clear mainly with the centralized rule of the Ottomans.

(b) Ottoman Empire and the great stagnation

It would have been interesting to try to follow Islam through the centuries and across regions to trace the ways in which *Sharia* responded to change. However, for our purposes the Ottoman Empire seems to be a proper cutting point in view of its historical relevance for an explanation of present conditions in a large segment of contemporary Muslim countries.

The golden age of Islam was followed by a period of decline which was brought about, among other things, by the devastating blows dealt by Mogol invasions in the middle of the 13th century and toward the end of the 14th. But the Ottomans emerged in the late 15th century and early 16th as the hope against deterioration. Vigorously, they defended Mus-

lim regions and they appeared as the champions of Islam.²⁰ Under the Ottomans, Muslim expansion reached its peak.

However, that same vastness of the areas it controlled, as well as the continued feud with European powers, was sustained by the Ottoman Empire at a high price. By the 18th century the Empire was in the firm grips of stagnation and decline. As its control over the periphery was weakening, it acutely needed more resources to check the emerging European powers during the 18th century. To survive, it resorted to brutal repression to secure the needed economic resources from the regions under its hegemony. The idea of the 'Caliphate' was resurrected to buttress the Ottoman image and give it a religious sanction. More important for our discussion was the growing paranoid *isolation and seclusion* from outside cultural and technological developments. Ottomans believed in their basic superiority and saw little need for change:

All of the developments in industrial and commercial life, in science and technology and particularly in political and military organization and techniques that had occurred in Europe since the Reformation were simply unknown to the Ottomans. The only direct contacts with Europe were on the battlefield.²¹

Under these circumstances, areas under Turkish hegemony were subject, under the thin veil of religious authority, to a stifling control. These lands were bled white, sustaining a corrupt hierarchy that was always ready with repressive measures against local uprisings, but who succeeded in stemming the tide of European encroachment, for a time. Local deterioration became the rule rather than the exception. Survival rather than vigorous institutional development was the order of the day for centuries. These deteriorating conditions continued until the European powers prevailed at last and, in the process, started their own new page of stunting institutional development in Muslim regions.

(c) Colonial rule

The Ottoman Empire left its territories in a state of rampant stagnation. These territories were henceforward subjected to a new type of foreign rule and exploitation. If the Turks were, in a sense, in-the-family oppressors, Europeans came to be identified as centuries-old, down-right enemies, modern-time crusaders (in Muslim reference a symbol of unjustified aggression).

Although there are those who still argue that European domination was in comparison 'humane and enlightened',²² there was a basic difference. Europeans represented a different culture and a different religion. Now confident in their superiority, they were not only interested in subjugating the people, but also in replacing their way of life with their own. The 'civilizing mission' of the French is a case in point.

The Muslim who thought the heavy yoke of Turkish oppression was being at long last removed from his neck found himself prey to a new vigorous military and economic power that attempted to root out his culture – good and bad – in stark and in subtle ways. 'Modern', a codeword for European or Western, was good – wholesale – and 'traditional' was bad – wholesale. Western institutions were forced upon colonized Muslim areas as if they owned an inherent universal validity for all people. Geertz put it like this: 'Beyond the economic and political, the colonial confrontation was spiritual: a clash of selves'.²³ So, a basic 'spiritual' rejection of colonial institutions that run against *Sharia* was sustained at all times until liberation from foreign rule was finally accomplished. But adjustment to the imposed foreign institutions took divergent forms during the colonial era and its aftermath.

Some realized that centuries of Ottoman stagnation left indigenous institutions in a less than developed state. Finding a successful, ready-made, Western alternative, they chose to buy it wholesale. This is clearly the case with the Kemalist 'reforms' in Turkey. Ataturk built a secular state, in which institutions are fashioned after the successful 'modern' European model, rather than the Islamic model. It should be clear to us now what it means for a Muslim to be asked to adopt secularism. Although Kemalists did not ask Turks to renounce Islam, the call for secularism was tantamount to just that, because of the institutional nature of Islam alluded to earlier. In many other Muslim countries the ruling elite found lesser degrees of adoption of the Western model to be more palatable to the people, and they may have sensed some incompatibility with the local conditions. This eclectic attitude characterized the response of the governments of most of the newly independent Muslim countries (Egypt, Tunisia, Algeria etc.). Where *Sharia* was developed (e.g. personal and family matters), it was retained. Where its general principles had not had a chance of real life application in modern times, borrowing from the West was the solution.

At the level of the day-to-day transactions of the masses, the picture was a little different. Some adopted the new Western ways, while many found Westernized deviations from prescribed rules of *Sharia* more than they could possibly tolerate. But societal institutions systematically went against the latter group. Market necessity meant that they either deal in usury or perish. It is within this group that some found an appeal in 'ruses' or 'evasions' of *Sharia* described in detail by many Western writers,²⁴ while others still stayed in an indeterminate state, knowing of no better alternative to Western institutions but refusing to participate in them. This explains references to people reacting 'in a passive way' and generally standing 'aloof' from foreign inspired capitalism.²⁵ They would partake in the westernized institutions only as far as necessity compelled. This is allowed by *Sharia* under the principles: 'necessities entail exceptions' and 'exceptions should be commensurate with the degree of necessity'.

(d) *The cumulative effect*

We argued that the premature closure of the door to dynamic application of general principles of Islam to novel situations (*ijtihad*) around the 11th century may have robbed from *Sharia* some of its vitality. But the domination of Muslim lands by others (from within or from without) who made major policy decisions and executed them to the benefit of foreign interests was a major factor in stunting their institutions, and subsequently their development.

Writers such as Rodinson argue that it is not possible to know if Muslim societies would have developed along capitalistic lines of the European type had it not been for colonialism.²⁶ However, we have to note that if 'development' is assumed to have happened, it may have taken routes different from the capitalistic one. Islamic emphasis on an absolute 'right to life' and on 'social justice'²⁷ would have affected that model of development significantly. More important, we are here making a clearer case because we are interested in considering not only the effect of colonialism but also, from a cumulative perspective, that of Ottoman rule. Once this cumulative perspective is utilized, the effects of colonialism are seen in their right historical-developmental context; their debilitating nature would be clearer to understand.

It is in the light of this perspective that we can understand phenomena that seem meaning-

less or elicit fantastic interpretations from the outsider. Now, we can understand, for example, why modern Turkey is gradually undoing some measures of the so-called 'modernist' transformations. It could help us understand why thousands would sacrifice their lives towards the establishment of an 'Islamic Republic' in Iran or the parallel movements in Afghanistan and Pakistan. This can also help us understand the avalanche of so-called 'apologetics' in the Arab world whose main aim seems to be at least to clarify the theoretical issues if their hands are chained by foreign domination or by local tyranny. Shallow interpretations would hold that in Turkey the problem is that of the erosion of the power of the modernizing crusaders vs traditional masses. They would tell us people were killed in Iran because they are fanatics rioting against rapid modernization. They would still marvel over the persistence of ineffective apologetics. What they fail to notice is that the present of these societies could hardly be understood in isolation from the past. The yearning of these people to control their own lives and to decide freely on how to build their own basic institutional arrangements according to their own values – a process of which they have been deprived for a long time – is hardly understood by 'modern, enlightened and humane' observers.

5. SUMMARY AND CONCLUSION

Noting the current backward conditions in Muslim countries, writers conclude that Islam is an obstacle to development. An attempt was made in this paper to show that the Islamic beliefs and behavioural injunctions blamed are far from being antithetical to development. As Rodinson shows, *Al Koran* emphasizes rationality, reasoning and activism rather than irrationality, passiveness or fatalism.²⁸

An alternative explanation for the backwardness of Muslim countries is presented here. Backwardness resulted from serious disruptions in the social organization of these societies by foreign domination for long periods. The stunted political, economic and social institutions of these societies are incapable of serving the needs of the population in a meaningful way. Genuine development of institutions in accordance with *Sharia* was halted for centuries. Foreign institutions that run against *Sharia*'s principles are imposed on people who experience a continuous acute conflict between what they hold to be the truth in their conscience and a dismal *status quo*.

Theories of social organization suggest that patterns of social behaviour develop from interactions that take place within the group. Once certain patterns of relationships and norms governing them seem to be functional for the fulfilment of the basic needs of the group, they are institutionalized. This assumes that the flow from need to interaction to relationship to norm to value to full institutional expression runs unobstructed. Once we introduce foreign intervention into the picture we, in fact, break that normal flow. Institutions would develop that are mainly functional for the foreign suprasystem. Although such institutions may benefit some indigenous groups, this does not mean a change in the whole system. Moreover, it seems reasonable to assume that benefits are extended to indigenous groups that show willingness to co-operate with the oppressor and thereby perpetuate his influence.

In the case of Islam, as was explained, institutional development is not left totally to human interaction, obstructed or not. A religious requirement is for these institutions to develop according to certain guiding general principles that guarantee justice for all – by a neutral legislator – God. Once these principles are undermined, Muslims feel that they are not living the 'right' life. They are playing by alien rules if they participate in so-called modern institutions. This could easily be misunderstood as lack of capacity for participation. This quotation from Geertz describing Indonesian small businessmen may serve to illustrate this point:

. . . they display the typically 'protestant' virtues of industry, frugality, independence, and determination in almost excessive abundance . . . They lack the capacity to form efficient economic institutions; they are entrepreneurs without enterprises.²⁹

This may be a valid description for business people in many Muslim countries as well. But this is the bitter harvest of a host of historical-institutional factors (as noted above) not the least of which is colonial domination, or its successor, neocolonialism.

Another advantage of this historical-institutional

hypothesis over and above its possible use to explain underdevelopment in Muslim countries, is that it may help us understand current developments in these same countries as well. The widely reported 'fundamentalist Islamic revival' in most of these countries at present is explained by many analysts in terms of second-order factors, particularly pertaining to the local scene in each individual country. A first-order explanation that cuts across national boundaries should utilize the historical-institutional hypothesis. These movements are a consequence of the accumulated frustrations resulting from the rampant failures of societal institutions that are not rooted in, but are often inimical to social and religious values that command their allegiance. Revelations about the limitations of the overwhelmingly materialistic 'modern' models of development served to reinforce and support the quest for genuineness rather than transplantation. The Club of Rome's call for redirection of society 'towards goals of equilibrium rather than growth' carries a clear disillusionment with the cult of growth. Moughrabi³⁰ explains that:

The old model of development seems to be collapsing under the weight of contradictions and of scarcity. No longer is it desirable or feasible to sustain the social costs imposed by this model, namely, the social and economic inequities, the imbalance in the human and ecological environment, the existence of industrial ghettos and of massive urban problems.

Muslim scholars³¹ argue that the Islamic economic system is uniquely designed to minimize if not eliminate built-in contradictions and inequities such as those characteristic of both capitalist and communist economic systems. If the historical-institutional hypothesis holds true, we may predict the continuation of upheavals in the Muslim world until some genuine accommodation is made between societal institutions whereby people live and function and cultural-religious values that give life meaning and worth. This again is dictated to Muslims by the unique nature of Islam as both a *belief system* and a *social system* in one.

NOTES

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3. C. R. Sutcliffe, 'Is Islam an obstacle to development? Ideal patterns of belief versus actual patterns of behaviour', *The Journal of Developing Areas*, Vol. 10 (October 1975), pp. 77–82.
4. See F. M. Moughrabi, 'The Arab basic personality: a critical survey of the literature', *Journal of Middle East Studies*, Vol. 9 (1978), pp. 99–112.
5. C. Geertz, *Islam Observed: Religious Development in Morocco and Indonesia* (Chicago: University of Chicago Press, 1968), p. 17.
6. M. G. Swift, 'Capital, credit and saving in Javanese marketing', in R. Firth and B. S. Yamey (eds.), *Capital, Saving and Credit in Peasant Societies* (Chicago: Aldine, 1964), p. 150.
7. M. Weber, *The Sociology of Religion*, trans. by E. Fischoff (Boston: Beacon Press, 1963), p. 263.
8. I. Lichtenstadter, *Islam and the Modern Age* (New York: Bookman Associates, 1958), p. 111.
9. *The Holy Koran*, Sura II, Verse 143.
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11. R. Patai, *The Arab Mind* (New York: Scribner's, 1973), p. 145.
12. Lichtenstadter (1958), *op. cit.*, pp. 33–46.
13. *ibid.*, p. 22.
14. Watt (1972), *op. cit.*, p. 43.
15. See, for example, J. Schacht and C. E. Bosworth (eds.), *The Legacy of Islam* (Oxford: Clarendon Press, 1974); or, for a briefer account, see Watt (1972), *op. cit.*
16. R. Landau, *Islam and the Arabs* (London: George Allen & Unwin, 1958), pp. 165–189.
17. Watt (1972), *op. cit.*, p. 84.
18. Landau (1958), *op. cit.*, p. 127.
19. *ibid.*, p. 128.
20. *The New Encyclopedia Britannica*, 15th ed. (1974), Vol. 9, p. 934.
21. *ibid.*, Vol. 13, pp. 783–784.
22. Patai (1973), *op. cit.*, p. 301.
23. Geertz (1968), *op. cit.*, p. 64.
24. See, for example, R. Levy, *The Social Structure of Islam* (Cambridge: Cambridge University Press, 1965), pp. 256–257.
25. Parkinson (1967), *op. cit.*, p. 44.
26. M. Rodinson, as paraphrased by K. S. Jomo, 'Islam and Weber: Rodinson on the implication of religion for capitalist development', *Developing Economies*, Vol. 15, No. 2 (1977), p. 243.
27. Jomo (1977), *op. cit.*, p. 242.
28. *ibid.*, p. 243.
29. C. Geertz, *Peddlers and Princes: Social Development and Economic Change in Two Indonesian Towns* (Chicago: University of Chicago Press, 1963), p. 28.
30. Moughrabi (1978), *op. cit.*
31. For similarities and differences between capitalist, communist and Islamic economic systems, see M. R. Zaman, 'Islamic economic system and modernization', Paper presented to the 1979 Annual Meeting of the Society for Scientific Study of Religion, San Antonio, Texas, October 1979, Mimeo.