SUSTAINABLE ECONOMIC DEVELOPMENT: CONCEPT, PRINCIPLES AND MANAGEMENT FROM ISLAMIC PERSPECTIVE

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Abstract
The basic concern of development in Islamic economic system is on human welfare. This is in line with the very basic objective of Islamic jurisprudence (Shari’ah) which puts important to the welfare of the people and their relief from hardship. Economic development should be consistent with this central objective of Shari’ah. The center for development process in Islam relies on man as an economic agent. It is man to be educated on the entire development process by integrating social development, economic development and environmental conservation and protection. This paper attempts to explain the concept, principles and management of sustainable economic development from Islamic perspective. The paper would start by defining the concept of sustainable economic development and development goals. Next, the Islamic principles for sustainable economic development would be discussed, followed by the discussion on the management of sustainable economic development from Islamic perspective. In conclusion, the paper strongly suggests the economic development process to fully adhere to the Islamic principles as the key for sustainable development which covers both the material and non-material aspects of life.

Keywords: Sustainable development, Economic development, management, Islamic economics, economic system

INTRODUCTION
Development has been understood to involve economic growth, increases in per capita income, and attainment of a standard of living equivalent to that of industrialized countries. Sustainable development ensures the well-being of the human person by integrating social development, economic development and environmental conservation and protection. Social development implies that the basic needs of the human being are met through the implementation and realization of human rights. Basic needs include access to education, health services, food, housing, employment and the fair distribution of income. Economic development expands the availability of work and the ability of individuals to secure an income to support themselves and their families. A country’s economic development is related to her human development, which encompasses, among other things, health and education. Social and economic developments are reinforce and are dependent to one another for full realization of sustainable development.

The economic development strategy is about achieving long-term and sustainable growth in GDP per capita to improve citizen’s quality of life. Achieving of full employment, stability, and equity in distribution were though formally recognized as goals of economic development, growth in GNP invariably occupied center stage. (Hassan, Zubair, 2005: 4) Economic development typically involves improvements in a variety of indicators such as literacy rates, life expectancy, and poverty rates.

Discussion in this paper focuses on the concept, principles and management of sustainable
economic development from Islamic perspectives. The paper is divided into three major areas of discussion. First part is on the concept of sustainable development and development goals. The second part discusses on the Islamic principles for sustainable economic development and the final part elaborates on the management of sustainable economic development from Islamic perspectives.

CONCEPTS OF SUSTAINABLE DEVELOPMENT AND DEVELOPMENT GOALS

Generally, the concept of sustainable development is referring to economic and sustainable development that meets the needs of the current generation without undermining the ability of future generations to meet their own needs. In sustainable development, there are three important aspects that we want to sustain:
1. Maintaining the long run rate of economic growth,
2. Achieving inter-generational equity in the use of natural resources,
3. Restricting as far as possible the increase in pollution for maintaining the quality of environment.

Repetto (1986), refers sustainable development as the one that aims at managing all natural, human and financial resources of a country for increasing its wealth and welfare over the long-run. Sustainable development is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but in the indefinite future. These definitions of sustainable development are similar to the Brundtland Commission (1987), which agreed that sustainable development as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs.” United Nations 2005 World Summit Outcome Document refers to the "interdependent and mutually reinforcing pillars” of sustainable development as economic development, social development, and environmental protection. In short, all the definitions of sustainable definitions are referring to the concept of development which brings betterment to the current as well as the future generations.

The field of sustainable development can be conceptually broken into three constituent parts of environmental sustainability, economic sustainability and sociopolitical sustainability. The United Nations has declared a Decade of Education for Sustainable Development starting in January 2005 which emphasized on the importance of sustainable development instead of just a development.

The first Islamic Conference of Environment Ministers, have identified the major challenges faced by the Islamic world in the field of sustainable development mainly in the poverty, illiteracy, accumulation of foreign debts, degradation of economic and social conditions, disequilibrium between population growth and available natural resources, the weakness of technical capabilities, lack of expertise and skills in environment management, regional conflicts and foreign occupation. The Conference has set general framework of islamic agenda for sustainable development, known as Islamic Declaration on Ssustainable Development, revolves around the following major areas of economic growth, poverty.
eradication, population and urban development, health and environment, and natural resources.

In Islamic economic system, the very basic concern of development is on human welfare. This is in line with the very basic objective of Shari’ah which puts important to the welfare of the people and their relief from hardship. Economic development should be consistent with this central objective of shari’ah. Thus, economic development in Islam may be defined as a balanced and sustained improvement in the material and non-material well-being of man, and development as a multi-dimensional process which involves improvement of welfare through advancement, reorganization and reorientation of entire economic and social systems, and spiritual upliftment, in accordance with Islamic teachings. (Sadeq AHM, 1991: 1-2).

Therefore, the focus of sustainable development in Islam is on men. Man as the economic agent is responsible for the types of development to be undertaken. The economic agents need to be educated with the importance of sustainable development. Thus, the focus of sustainable development in Islam would be on educating the people about the principles and management of sustainable development that adhere to the Islamic framework.

**ISLAMIC PRINCIPLES FOR SUSTAINABLE ECONOMIC DEVELOPMENT**

From Islamic point of view the definition of sustainable economics development which emphasize on development which meets the needs of the present without compromising the ability of future generations to meet their own needs is not holistic since it only focus on the material needs. From Islamic perspective economic development should also taking into consideration the material need and spiritual need. Therefore in economic development, people should stress on both needs in order to live a balance live for this world and the world hereafter according to the Muslims believe. Chapra (1993: 6-7) argues that satisfaction of the spiritual needs requires moral development; satisfaction of the material needs requires the development of all human and material resources in such a just manner that the needs of all human beings are adequately fulfilled. Therefore we attempt to briefly examine and discuss the Islamic principles in sustainable economic development.

Looking deeply and constantly into several texts or verses of the Quran and the Sunnah of the Prophet SAW we will find that these divine texts provide general guidelines and principles as far as the issues pertaining to economic development are concerned. For example, on the issue of damaging the earth Allah prohibit this action as mentioned in Surah al-Qasas (28), verse 77:

> But seek, with the (wealth) which Allah has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as Allah has been good to thee, and seek not (occasions for) mischief in the land: for Allah loves not those who do mischief."

It is clear in this verse that Allah encourage us to work hard to get pleasant of our life but do not ruin this world because Allah hate those who damage the earth (al-Qurtubi, vol. 16, 319-321). Consequently Allah also condemns wastefulness as in Surah al-A’raf (7):31

O Children of Adam! wear your beautiful apparel at every time and
place of prayer: eat and drink: But waste not by excess, for Allah loveth not the wasters.
And Surah al-An’am (6): 141
It is He Who produceth gardens, with trellises and without, and dates, and tilth with produce of all kinds, and olives and pomegranates, similar (in kind) and different (in variety): eat of their fruit in their season, but render the dues that are proper on the day that the harvest is gathered. But waste not by excess: for Allah loveth not the wasters.
These verses are among the principles in Islamic teaching which guide human being on how to manage the earth and use all the resources of the earth to ensure the earth is protected for the human being at present and for the next generation. These guidelines are embedded in the objective of the Shariah or known as maqasid al-syariah. Ibn Asyur (2001:251) defined Maqasid al Syariah as: "The purposes and wisdoms observed by the Lawgiver in almost all aspects of legal rulings. Basically, the main objective of Syariah is to govern human life and to protect their interest or maslahah which can be classified to five fundamental matters in human life (al-Zuhayli, 1999, 218-220):

Chart 1: Objective of Shariah (Maqasid al-syariah)

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<td>of life (alnafs)</td>
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<td>Maqasid al-syariah</td>
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**Protection of al-din**
Protection of al-din at personal level is achieved through the observance of the different kind of ‘ibadah. The aqidah, ibadah and muamalat which are legitimate to all muslim intend to manage the relationship between muslims and Allah and also among muslims themselves.

**Protection of Life (al Nafs)**
The protection of nafs (human soul) is very important and this is the reason why it is placed at the second level of necessity (Daruriyyah). There are many verses in al-Qur’Én which emphasized that killing this nafs is forbidden. One of these verses is Surah al-Isra (17): 33
Nor take life - which Allah has made sacred - except for just cause.
And if anyone is slain wrongfully, we have given his heir authority (to
demand qisas or to forgive): but let him nor exceed bounds in the matter of taking life; for he is helped (by the Law).

**Protection of Dignity (al-‘Irād)**

Protection of dignity includes the protection of individual rights to privacy and not exposing or accusing others of misbehaviors. Islam has also regulate the relationship between man and women in order to protect their dignity. The prohibition of adultery in Islam is manifestation of the protection of dignity. Punishment for those involves in false accusation and adultery is meant to protect dignity.

**Protection of Intellect or Mind (Al-‘Aql)**

Al-‘aql or the intellect is a great gift from Allah s.w.t. to mankind and it is one of the capacities that differentiate man with animals. The manifestation of the protection of intellect is obvious when Islam provide the right to freedom of expression, encourages its followers to acquire knowledge, and forbids them from any activities detrimental to mind. In addition, punishment for those who involve in activities detrimental to mind also supports this principle.

**Protection of Property (Al-Mal)**

Property is one of the necessities of humankind and it should be acquired in legitimate way. The Qur’an emphasis this point when it says (surah al-Baqarah (2): 188):

> “And eat up not one another's property unjustly (in any illegal way, e.g. stealing, robbing, deceiving), nor give bribery to the rulers (judges before presenting your cases) that you may knowingly eat up a part of the property of others sinfully”

In addition, Allah has revealed severe punishment for those who obtain property illegally in order to protect them. Apart form that, Islam has provided guideline that must be observed in financial activities.

From the above explanation we argue that Islam takes care of sustainable economic development through its teaching and Islam also emphasize on looking at both need namely material and spiritual needs.

**Islamic Principles (Islamic Legal Maxims)**

Additionally, Islam provide some principles as a guidelines for the Muslims in their decision of implementing sustainable economic development. These principles concentrate on protecting human interest from any harm as under the principle of “wrong is to be undone” (ضرر يزال ضررًا)(Ibn Nujaym, 1993). This principle shows that nobody can do any harm to him or to any body and also can not harm the earth, animals or the environment. Beside this principle is the principle known as ‘to avoid public injury a private injury may be suffered’ (ضرر عام يدفع الخاص ضررًا يتحملُ). The implementation of this principle can be seen under the price regulation. Islam allows free market operation under the normal situation. But in the case when traders manipulate the market and hoard the basic needs the government should impose price regulation because the interest of the consumers, i.e., the general public, is seriously jeopardized. The government action is justified in regulating prices to protect the interests of the consumers. This is so because protecting public interests is more important than securing traders’ interests. By doing so the government will be preventing the general harm by tolerating a particular harm (Ibn Nujaym, 1993).

Furthermore, there are another few principles supported the Islamic teaching of protecting human kind from any harm, which are:
1. A greater injury may be avoided (enduring) a lesser injury
الضرر بالضرر بإقل الأضرر

2. Unlawful things are to be prevented irrespective of benefit
الضرر جلب على مقدم أمر سد درء

3. A wrong is not avoided by another of the same kind
بإرث كاب اعظمهما روعي ان مفسد تعارض إذا

4. If one of two opposing detriments is unavoidable, the more injurious is averted by the commission of the less injurious
إذا تعرض ضرا أعظمهما روعي ان مفسد تعارض إذا أخف فهما

5. The lesser of two evils shall be chosen
الضرر من أهون بالخرير

MANAGEMENT OF SUSTAINABLE ECONOMIC DEVELOPMENT FROM ISLAMIC PERSPECTIVE

Sustainable economic development should be managed properly so that its objective can be reached. As a way of life, Islam offers guideline and perspective on how to manage economic development in sustainable way for the betterment of human life and the same time, preserving animal and environment interest. This part deals with the discussion of the management of sustainable economic development from Islamic perspective. The discussion is divided into 3 categories as follows:

Management of Economic Sustainability
Determinants of good governance are elements of sustainable development itself, e.g. consultation/ empowerment and popular participation. Good governance are related to policy development and decision-making procedures which in effect lead to institutional change. There are many important elements of good governance such as participation, accountability, effectiveness & coherence, lack of corruption, lack of state capture by interest groups and avoiding subsidiary principle. European Union (EU) has set up 4 principles of good governance namely participation, accountability, effectiveness and coherence (Paltje, 2008). Although consultation and popular participation are essential for managing sustainable development, many Muslim countries still suffering from lack of those criteria. For example, participatory development is particularly poor in Indonesia. This is partly due to a long history of autocratic rule that denied freedom of social discourse in attaining national goals. Yet even the recent evolution of a democratic society has not resulted in a conscious focus on the moral and ethical forces of human empowerment. Consequently, the absence of a vibrant discursive community has impeded Indonesia’s experience in alleviating poverty, unemployment and the establishment of empowerment in marginalized groups (Silvia & Choudhry, 2006).

It is crucial for any countries to invite many parties to participate in decision making and implementation process of the implementation of economic development programme. In Islam, participation in any programme can be connected with shura (consultation or advisory council). More than 1400 years ago the Prophet Muhammad (p.b.u.h) was ordered to take counsel of his followers in matters of state and politics (al-Buraey, 1985). Allah says:
So pardon them and ask forgiveness for them and consult with them upon the conduct of affairs. And when thou art resolved, then put thy trust in Allah. Lo!
Allah loveth those who put their trust (in Him) (al-Quran, 111: 159).

The rulers should manage the collective affairs of Muslims by a process of mutual consultation is a religious imperative. Hence, to consult others in such matters has not been
left to the discretion of rulers. Shaikh Mohd Abduh emphasizes the essential of shura as he says: “A group is generally farther from error than an individual, and the danger is much greater and for more serious for the ummah in entrusting its affairs to a single individual.” What is required is an autonomous institution for a free, unhindered and fearless discussion of all issues relating to public well-being within the framework of the Shariah. The institutions of shura demand widest possible participation of the people affairs of the state, either directly or through their representatives (Chapra, 1993). Al-Buraey (1985) argued that although muslim must be committed to the institutions of shura, no detail prescriptions were given for its implementation. He believed that the basic concepts must be interpreted in light of the particular needs and circumstances of each individual nation, historical context, and national expediency.

The establishment of National Economic Advisory Council (NEAC) in Malaysia is a good example of how participation approach at the level of policy making is now exercised. The NEAC is mandated by the Prime Minister to formulate an economic transformation model for the country. The council shall provide a fresh, independent perspective in transforming Malaysia from a middle income economy to high income economy by Year 2020. NEAC consists 11 prominent members that are expert in economics and management (NEAC website, 2010). NEAC is also welcoming ideas and feedback from ordinary people in its effort to achieve NEAC objective. This is reflected in the Chairman of NEAC’s (Senator Tan Sri Amirsham A.Aziz) statement (NEAC website, 2010): “The NEAC cannot work alone to achieve its goal. All Malaysians must play their part in the development and implementation of economic and social plans which will transform Malaysia from a middle-income to higher-income country.”

Dato’ Sri Mohd Najib Tun Abd. Razak, the Prime Minister of Malaysia has also praised the NEAC members was selected as economic advisor for government based on their expertise.

Management of Environment Sustainability
Salih (2003) argued that in many countries, environmental degradation and resource depletion may go too far in violating economic principles. He suggested that therefore, to maintain sustainable development, the quality of environment of these countries should be maintained. He further stressed that the importance of natural assets suggests that unmanaged degradation and negative changes in natural assets are not welcomed and may violate economic principles.

The environment must be sustained first before sustainable economic development can be achieved.

Sustainable development can be achieved through faith, knowledge and the conduct of good deeds. The reward for “doing good deeds” which are based on Allah’s guidance and have to be accompanied by “belief”, result in sustainable development, safety and vitality in human societies. Figure 1 shows how, by following Islamic teaching and principles, people can realize themselves and in religious terms, as an ultimate goal, reach heaven. In this world “heaven” means productive, safe, healthy, happy and peaceful life. According to this, “belief” and “doing good deeds” can be interpreted as follows (Ghafory-Ashtiany, 2009):

- **Belief.** Believing that our Creator’s (Allah) guidance is for the best of human performance and better living. People are encouraged by being given free will, awareness and knowledge to follow Allah’s guidance. Believing in wisdom, facts and expertise; as well as accepting, respecting and following spiritual, individual. Social and technical laws, rules and regulations.
• **Doing good deeds.** Doing the best acts possible, based on the most correct beliefs and best knowledge.

The lesson can be extracted from Figure 1 is that environmental protection (located in layer 3) need to be delivered first then human being can get pleasure from heaven and social development, or in other words sustainable development (located in layer 4). Islam perceived the development program as holistic in nature in which any development program must take into accounts the environmental issues. For instance, forest must be protected so that wild life can be survived and nurtured. In addition, any property development programme at hill slopes must be monitored carefully to prevent landslide that trigger fatal and disasters.

The Selangor government has put a cap on applications for new development projects on hill slopes in the state. The ruling covers projects on slopes that have a gradient of 25° and above, technically referred to as Class 3 and Class 4 slopes. The Selangor Chief Minister said that main reason for imposing the cap was to prevent landslides. The measure was part of efforts to make the state a greener, cleaner and safer place to live in. The measure was also to preserve the environment as most of these hillside sites had water catchment areas and developing them would cause floods (The Star, 2008).

**Figure 1**

The process of achieving safety, development, vitality and finally “heaven” by following the Islamic form of God’s (Allah’s) guidance.
Meanwhile, the Malaysian conglomerate Sime Darby is delivering sustainability initiatives to preserve forest, wild life, marine ecosystem and orang utan. Sime Darby Plantation’s initiative at Developing Sustainable Futures goes beyond the boundaries of its operations because the Company believes that the sustainability of its businesses is interdependent with the sustainability of the ecosystem surrounding its operations.

**Management of Socio-political Sustainability**

Economic development must be accompanied with socio-political sustainability. Without socio-political sustainability, it is hard to achieve ideal economic development. For instance, economic development that not go together with income inequality and equal economic opportunity will spark dissatisfaction and anger that consequently creates the socio-political instability. Krongkaew (2003) believed that it is important that income distribution must be stepped up so that growing income inequality will no longer be tolerated but dealt with firmly because, without satisfactory income distribution, sustainable development can hardly be attained.

One of the Islamic economic development principles is to guarantee a sufficient amount for
a decent living to every member in the Islamic society, to establish social justice and maintain economic equilibrium among all members of the society. In this conjunction, minimisation of the distributive gap is major social goal of the economic policy of the Islamic state. It is derived from the Qur’an and Sunnah pertaining consumer behavior such as zuhud (voluntary renunciation) and the prohibition of extravagance. It is also derived from Islamic principles i.e. the principle of equal human dignity and brotherhood, and, the principle of the undesirability of the concentration of wealth and income in the hands of the few (al-Buraey, 1985).

Chapra (1993) and Bakhtiari & Meisami (2010) argued that the invaluable contribution of appropriate education, training and health strongly contribute towards improvement in the greater socio-economic justice as education opens the door to social equality and economic opportunity. The research also finds that improving the health and education status in Islamic countries reducing income inequality in Islamic countries.

CONCLUSION
Sustainable development should be carried out in a way that brings betterment to the current generation without depriving the future generations. Man as an economic agent should be given right education and understanding towards sustainable development, which encompass both the material and non-material aspects of human life. Islam has set guidelines for sustainable development that fulfilling both the material and welfare aspects of life for the current and future generations. Maintaining sustainable development is another challenge, but again Islam has given guidelines for the maintenance of sustainable development. Thus, we strongly suggest the economic development process to fully adhere to the Islamic principles as the key for sustainable development. Islam offers holistic approach on sustainable economic development which entails its concept, principles and management. Policy makers and economist must understand this holistic approach to enable them to formulate economic policy and programme that compliance with the requirements of Islam. Compliance to Islamic holistic approach for sustainable economic development will ensure that economic development is handled in proper manner in which the interest of all parties involved i.e. human, animal and environment are protected. On top of all, the Allah’s path in regard to economic development is observed.

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