Sustainable Economic Development: Concept, Principles and Management from Islamic Perspective

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Abstract
The basic concern of development in the Islamic economic system is that of human welfare. This is in line with the very basic objective of Islamic jurisprudence (shari’ah), which places importance on the welfare of the people and their relief from hardship. Economic development should be consistent with this central objective of shari`ah. The crux of the development process in Islam relies on humankind as an economic agent, and it is humankind that must be educated concerning 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 an Islamic perspective. The paper starts by defining the concept of sustainable economic development and development goals. Next, the Islamic principles for sustainable economic development are discussed; this is followed by a discussion on the management of sustainable economic development from an Islamic perspective. Islam provides holistic guidelines for sustainable economic development that encompass both the material and welfare aspects of life for the current and future generations. Compliance with the Islamic holistic approach is paramount to ensure that economic development is handled properly and that the interests of all parties involved, i.e. human, animal and the environment are protected.

Keywords: Sustainable development, Economic development, Management, Islamic economics, Economic system

1. Introduction
Development is 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 humankind by integrating social development, economic development and environmental conservation and protection. Social development implies that the basic
needs of humankind 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 its human development, which encompasses, among other things, health and education. Social and economic development reinforce and depend on one another for the full realization of sustainable development.

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

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

2. Concepts of Sustainable Development and Development Goals
Generally, the concept of sustainable development refers to economic and sustainable development which 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 should be sustained:

1. Maintaining the long-term 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 to maintain the quality of the environment.

Repetto (1986) refers to sustainable development as that which the natural, human and financial resources of a country for increasing its wealth and welfare in the long term. Sustainable development is a pattern of resource use that aims to meet human needs while preserving the environment thereby ensuring that these needs can be met not only in the present, but also in the indefinite future. These definitions of sustainable development are similar to the Brundtland Commission (1987), which agreed that sustainable development is development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. The 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 development refer 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 environmental sustainability, economic sustainability and socio-political sustainability. The United Nations has declared a Decade of Education for Sustainable Development starting in January 2005, which emphasizes, the importance of sustainable development instead of just development.

The first Islamic Conference of Environment Ministers identified the major challenges faced by the Islamic world in the field of sustainable development as mainly 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 environmental, management, regional conflicts and foreign occupation. The Conference provided general framework for an Islamic agenda sustainable development, known as the Islamic Declaration on Sustainable Development which revolves around the following major areas economic
governance, poverty eradication, population and urban development, health and environment, and natural resources.

In an Islamic economic system, the very basic concern of development is that of human welfare. This is in line with the very basic objective of *shari’ah* (Islamic jurisprudence) which places importance on 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 humankind and development as a multi-dimensional process that involves improvement of welfare through advancement, reorganization and reorientation of entire economic and social systems, and spiritual uplift in accordance with Islamic teachings (Sadeq, 1991).

Therefore, the focus of sustainable development in Islam is on humankind. Humankind as the economic agent is responsible for the types of development to be undertaken. The economic agent needs to be educated concerning the importance of sustainable development. Thus, the focus of sustainable development in Islam is on educating the people about the principles and management of sustainable development in accordance with the Islamic framework.

### 3. Islamic Principles for Sustainable Economic Development

From an Islamic point of view, defining sustainable economic development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs is not holistic, as it only focuses on the material needs. From an Islamic perspective economic development should take into consideration both the material needs and spiritual needs. Therefore, economic development should stress both needs in order for people to live a balanced life in this world as well as in the world hereafter in accordance with Muslim belief. Chapra (1993) argues that satisfaction of the spiritual needs requires moral development and that satisfaction of the material needs requires the development of all human and material resources in a just manner in which the needs of all human beings are adequately fulfilled. Therefore, we attempt to briefly examine and discuss the Islamic principles in sustainable economic development.

Through thoughtful and conscientious study of various texts or verses of the Qur’an and the *Sunnah* of the Prophet SAW, we will establish that these divine texts provide general guidelines and principles as far as the issues pertaining to economic development are concerned. For example, concerning the issue of damaging the earth, Allah prohibits this action as mentioned in *Quran* (28:77):

> 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 encourages humankind to work hard for a pleasant life but that we should not ruin this world because Allah does not love those who damage the earth (al-Qurtubi, vol. 16, 319-321). Consequently Allah also condemns wastefulness, as in *Quran* (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 in *Quran* (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 that guide humankind in how to manage the earth and use all the resources of the earth to ensure the earth is protected for both the present and future generations of humankind. These guidelines are embedded in the objective of *shari’ah* known as *maqasid al-shari’ah*. Ibn Asyur (2001) defined *Maqasid al Shariah* as: "The purposes and wisdoms observed by the Lawgiver in almost all aspects of legal rulings."
The main objective of shari’ah is to govern human life and protect humankind’s interests or maslahah, which can be classified into five fundamental matters (al-Zuhayli, 1999):

**Chart 1: Objective of Shari’ah (Maqasid al-shari’ah)**

- Protection of life (al-nafs)
- Protection of property (al-mal)
- Protection of intellect (al-‘aqil)
- Protection of dignity or lineage (al-‘ird)
- Protection of al-din

**Protection of Al-Din**

Protection of al-din at the personal level is achieved through the observance of the different kinds of ‘ibadah. The aqidah, ibadah and muamalat, which are applicable to all Muslims, 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’an which emphasize that killing this nafs is forbidden. One of these verses is Surah al-Isra (Quran 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-‘Ird)**

Protection of dignity includes the protection of individual rights to privacy and not exposing or accusing others of misbehaviour. Islam has also regulated the relationship between men and women in order to protect their dignity. The prohibition of adultery in Islam is a manifestation of the protection of dignity. The punishment of those involved in false accusations 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 humankind and is one of the capacities that differentiate humankind from animals. The manifestation of the protection of intellect is obvious as Islam provides the right to freedom of expression, encourages its followers to acquire knowledge, and forbids them from any activities detrimental to the mind. In addition, punishment for those who are involved in activities detrimental to the mind also supports this principle.

Protection of Property (Al-Mal)

Property is one of the necessities of humankind and it should be acquired in a legitimate way. The Qur’an emphasises this point when it says (Quran 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. In addition, Islam has provided guidelines that must be observed in financial activities.

From the above explanation, we argue that Islam takes care of sustainable economic development through its teachings and that Islam emphasizes the importance of looking at both the material and spiritual needs.

Islamic Principles (Islamic Legal Maxims)

Additionally, Islam provides certain principles as guidelines for Muslims in their decision to implement sustainable economic development. These principles concentrate on protecting human interests from any harm under the principle of any “wrong is to be undone” (Ibn Nujaym, 1993). This principle shows that nobody can do any harm to him or to anybody and also cannot harm the earth, animals or the environment. In addition to this principle, is the principle known as ‘to avoid public injury a private injury may be suffered’

The implementation of this principle can be seen under the price regulation. Islam allows free market operation under the normal situation, however, 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).

Additionally, there are several principles that support the Islamic teaching of protecting humankind from any harm:

1. A greater injury may be avoided (enduring) a lesser injury
2. Unlawful things are to be prevented irrespective of benefit
3. A wrong is not avoided by another of the same kind
4. If one of two opposing detriments is unavoidable, the more injurious is averted by the commission of the less injurious.
5. The lesser of two evils shall be chosen

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 guidelines and a unique perspective on how to manage economic development in a sustainable way for the betterment of human life, while at the same time, preserving animals and environmental interests. This part deals with the discussion of the management of
sustainable economic development from an Islamic perspective. The discussion is divided into three 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 is 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 and coherence, lack of corruption, lack of state capture by interest groups and avoiding subsidiary principle. The European Union (EU) has established four 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 suffer from the absence of these criteria. For example, participatory development is particularly poor in Indonesia. This is partly due to a long history of autocratic rule that denies the freedom of social discourse in attaining national goals. 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 and Choudhry, 2006).

It is crucial for any country to invite various parties to participate in the decision-making and implementation process of any economic development programme. In Islam, participation in any programme can be connected with *shura* (consultation or advisory council). More than 1,400 years ago, the Prophet Muhammad (p.b.u.h) was ordered to take counsel with his followers in matters of state and politics (al-Buraey, 1985). Allah says in *Quran* (111:159):

“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)”

The rulers should manage the collective affairs of Muslims by a process of mutual consultation, which is a religious imperative. Hence, to consult others in such matters has not been left to the discretion of rulers. Mohd Abduh emphasizes the importance 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 *shari'ah*. The institutions of *shura* demand the widest possible participation of the people in the affairs of the state, either directly or through their representatives (Chapra, 1993). Al-Buraey (1985) argued that although Muslims must be committed to the institutions of *shura*, no detailed prescriptions were given for its implementation. He believed that the basic concepts must be interpreted in light of the particular needs and circumstances for each individual nation, historical context, and national expediency.

**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 to maintain sustainable development, the quality of the 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 that by following the Islamic teachings and principles, people can realize themselves and, in religious terms, as an ultimate goal, reach heaven. In this world “heaven” means a 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’s) guidance is for the best concerning human performance and better living. People are encouraged by being endowed with free will, awareness and the 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 that can be extracted from Figure 1 is that environmental protection (located in layer 3) needs to be delivered first then humankind can receive pleasure from heaven and social development, or, in other words, sustainable development (located in layer 4). Islam perceives development programmes as holistic in nature in which any development programme must take into account the environmental issues. For instance, forests must be protected so that wildlife can survive and be nurtured. In addition, any property development programme on hill slopes must be monitored carefully to prevent landslides that trigger fatal disasters.

**Figure 1:** The process of achieving safety, development, vitality and finally “heaven” by following the Islamic form of God’s (Allah’s) guidance.

**Management of Socio-political Sustainability**

Economic development must be accompanied by socio-political sustainability. Without socio-political sustainability, it is hard to achieve ideal economic development. For instance, economic development without income inequality and equal economic opportunity will spark dissatisfaction and anger that,
consequently, creates socio-political instability. It is important that income distribution must be improved 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 (Krongkaew, 2003).

In an Islamic society one of the economic development principles is to guarantee a sufficient amount for a decent living to every member, to establish social justice and maintain economic equilibrium among all members of the society. In this conjunction, minimisation of the distributive gap is a major social goal of the economic policy of the Islamic state. It is derived from the Qur’an and Sunnah pertaining to consumer behaviour such as zuhd (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 and Meisami (2010) argued that the invaluable contribution of appropriate education, training and health strongly contributes to improvement in the greater socio-economic justice as education opens the door to social equality and economic opportunity. The research also found that improving the health and education status in Islamic countries reduces income inequality in Islamic countries.

5. Conclusion
Sustainable development should be carried out in a way that brings betterment to the current generation without depriving future generations. Humankind as an economic agent should be given the necessary education and understanding concerning sustainable development, which encompasses both the material and non-material aspects of human life. Islam has set guidelines for sustainable development that fulfil both the material and welfare aspects of life for the current and future generations. Maintaining sustainable development is another challenge, however, Islam has provided guidelines for the maintenance of sustainable development. Thus, we strongly suggest that the economic development process fully adheres to the Islamic principles, as they are fundamental for sustainable development. Islam offers a holistic approach to sustainable economic development, which include its concept, principles and management. Policymakers and economists must understand this holistic approach to enable them to formulate economic policies and programmes that comply with the requirements of Islam. Compliance with the Islamic holistic approach for sustainable economic development will ensure that economic development is handled in a proper manner in which the interests of all parties involved, i.e. human, animal and environment are protected. Most importantly, the path set out by Allah concerning economic development will be observed.

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