

Toward Islamic Political Economy at the Turn of the Century

Masudul Alam Choudhury

Background and Some Explanatory Terms

With the distancing of Muslim societies from the pristine *tawhīdī* (unity of God) origins of the Qur'an ingrained in the Madinah Charter (metareligious constitution of the earliest organized Islamic state)¹ as the experience of the Prophet Muhammad during his flight to the realm of knowledge across the *sidrat al muntaha* (the tree/region of perfect knowledge, i.e., bliss), their constitutional strengths of life and thought decayed exponentially. This marked both the intolerance and the increasing severance of the Muslim community from the roots of Qur'anic epistemology. Neither rationalism, scholasticism, nor controlled clerical dominance (fatwas) can be the methodology to replace the otherwise unifying epistemology of *tawhīdī* precept in all walks of life.

Unification epistemology (also termed alternatively as *tawhīdī* epistemology and unity precept equivalent to Qur'anic epistemology) is the worldview that establishes life, thought, and their cognitive constituents in the fold of a universally interactive-integrative pervasion of inter- and intrasystemic relationships. In this fold, God-Man-Universe interrelationships are framed according to precise principles. These principles then ground the emergence of laws that remain integral with the unifying epistemology. The emergence and convergence of all processes in this framework are then seen to uphold cause-effect relationships with a uniquely irreducible and logical presence of unity.

The worldview of unification epistemology is premised in this methodical deconstruction of all processes to the irreducible core that foundationally unifies all relationships and that is, in turn, reflected in the self-referential conclusions of all unified systems. What else can that irreducible, unified epistemological premise be but *tawhīd*! While the princi-

ple of unity is to be found in all major religions, in Islam the unity of God and the unifying essence of the divine laws emerge as the cause and effect of the inter- and intrasystemic relations that are derived and evolved in the fold of the divine principles given by the Qur'an, explained further by the authentic Sunnah (sayings and traditions of Prophet Muhammad), and the ongoing rational human/systemic discursions (ijtihad).²

The theory of authentic development presents values and self-reliance as deeply important factors of socioeconomic sustainability. With the parting of Muslim societies from Qur'anic roots and the growing Muslim subservience to Hellenic and Occidental epistemologies, foreign elements were introduced into the authentically Islamic epistemology of development. This brought about not only intellectual deprivation but also the inability to adapt to change in the Muslim world. We thereby find that such Hellenic persuasions in Mu'tazilite doctrine, Muslim rationalism, scholasticism, and the speculative metaphysics of many philosophers even with mathematical strengths could not be sustained in Islamic scholarship.

In the area of political economy of public purpose (*al maṣlaḥah wa al istiḥsan*) Muslims could not emulate the principles propounded by Imām Mālik and Imām Shāṭibī. The absence of participatory democracy in the Muslim world defeated the realization of these profound concepts. The institutions of *ijmā'* (consensus) and *shūrā* (consultation) became narrow conceptions of controlled decision making by the clergy or the state. The social regulatory institution in the market order (*al ḥiṣbah*) propounded by Ibn Taymīyah became a price distortionary approach in what otherwise must be an endogenously ethical transformation of polity-market interrelations. All of this happened when Hellenic influence and the historical legacy of Muslim rationalists and scholastics defined the epistemological foundations or dominant behavior of ruling elites. Consequently, foreign elements of development entered, along with their foreign epistemological absorption, into the body and soul of the early ummah, the conscious world nation of Islam.³

A return to an authentically Qur'anic epistemology thus remains the origin and the end of any Islamic realization in the postmodern age, as it has proved itself in the Islamic history of the authentically Islamic thinkers (*mutakallimūn*). The Qur'an thus presents the philosophy of history (herein termed *historicism*), institutions, and change in the fold of an inexorable and undiluted direction of discovering the unifying epistemology in all shades of thought and human experience. In this sense, Qur'anic historicism remains unbounded by time and space. Its spiritual completeness, perfected by the Prophet, gains exponential material heights with the advance of a postmodern knowledge-centered socioscientific order. It is also this new but ever-existing unifying epistemology of universal reality that establishes the sole foundation of an Islamic political economy. The *tawḥīdī* epistemological methodology is effectively explained in this order.

In this paper, *historicism* refers to the methodology of studying the philosophy of history as a dynamic determinism of underlying principles, just

as cybernetics grounds the study of systems. Human systems and the events that take place in them are seen, under the philosophy of history, to be determined by uniquely integrating factors of particular societal orders. These are seen to provide human motivations in the gamut of worldly endeavors and thoughts, as in the development of institutions. The concepts and parameters of norms, progress, and applications are thereby fashioned under these underlying worldviews that lie intrinsic to the gamut of social, political, and economic systems, emerging by cause and effect within the historical orders. The movements of these over time, through the waxing and waning of human connections premised in the epistemologies, are seen here as the foundation of what we term *historicism*.⁴

Along with the concept of historicism must also be explained the idea of postmodernity, as the latter extrapolates its philosophy from the former. Postmodernity is a philosophy of deconstructionism away from the power-centered visage of modernist self, institutions, policy prescriptions, and ecological and global relationships and into those domains taken up in pluralistic dimensions. In this flair of preferences, while there is a race to replace hedonism by ethics, materialism by metaphysics, ego by self, and the notion of world by cosmos, there is yet an extreme rage of individualism to take over the fettered remains of Eurocentricity. Increasingly, this is found in the rise of political pressure groups that emerge first as interest groups and take protection and power under an intensifying series of institutional, market, and democratic empowerments. Examples are groups supporting reproductive choice, women's liberation, unions, euthanasia, gay rights, and the environment (Green movements). Thus, postmodernity does not look any different in content and details from the modernist tendencies with its last footing in the twenty-first century.⁵

Objective

In what follows, we will develop a critique of Occidental thought and of Muslim *taqlid* (uncritical acceptance of authority) based on Occidentalism in political, economic, and scientific thinking. Then, we will bring out the framework of a theory of Islamic political economy premised on unification epistemology. A positivistic dimension to the same for a possible emerging ummah at the turn of the century will be provided. The intellectual study of interconnections that emerge from and then ground circularly the pervasiveness of unification epistemology in normative and positivistic fields is here referred to as the socioscientific order.

What Is the Theory of Islamic Political Economy?

We have now articulated the premise that the rise of any Islamic socioscientific order in the postmodernist future will invoke serious reconstruction of the unifying epistemology in light of the Qur'an. Islamic political economy is one such area whose theory and practice must be sub-

sumed within this same unique methodology of the unifying (*tawhīdī*) epistemology.⁶ We have mentioned above that all junctures of scientific revolutions, in general, and of economic thought, in particular, were marked by new epistemological inquiries. In this light, classical and neo-classical orthodoxy, Marxism, and Keynesianism all share the common convergent epistemological premise that can be derived from Kantian, Cartesian, and Humean epistemic or ontic roots. Thereafter, politicoeconomic traditions and economic reasoning continued in this uniquely integrated fold of Occidental philosophy of life, thought, and experience.

Stated briefly, Islamic political economy is the study of interactive relationships between polity (*shūrā*) and the ecological order (market subsystem). These interactions are designed to develop human comprehension, social receptivity, and institutionalization of the Shari'ah in the conduct of life. Such a worldview of ethicoeconomic relations is developed through the primacy of the unicity of God, as understood substantively in the socioscientific order. Thus, *shūrā* perpetuates its existence in the midst of this unifying realization. It remains neither *shūrā*'s objective nor strength to use forced institutional intervention or, for that matter, to permit irresponsible market pursuits. Values thus become the endogenous engines of Islamic transformation in such an interactive and integrative polity-market system.

The Islamic perspective of political economy is basically different from the ideas of political economy in the literature. In received literature, political economy is seen as a study of conflicting relationships between the structure of power and the structure of wealth and its distribution. Liberal political economy acknowledges the relevance of collective action in the mitigation of the above-mentioned social conflict but advocates minimum government intervention in the resolution of such power relationships.⁷ In this category, we have the perspectives given by Benthamite-type utilitarian ethics, the neoclassical study of the state that legitimizes and enforces its preferences through policies serving interest groups. In institutionalism we find the concerns of the Fabian socialists, the moral philosophers, and the philosophers of the welfare state on the need for moral control of the market by the institution of the state.⁸ But the neoclassical orientation to new institutionalism remains a significant departure in terms of its leanings on the world of optimal organizations.⁹

We have mentioned that Keynesian political economy or institutionalism is benign in its aggregative analysis toward explaining and resolving power conflicts to bring about social transformation. Keynesianism does not address institutional behavior per se. Rather, it is an analysis of the consequences of aggregative activities that institutions undertake in the economy. The institution of the market and its effect on wealth formation and distribution is replaced, in Keynesian economics, by the end-analysis of the relations of fiscal policy to growth and income determination. Thereby, while the neoclassical economic paradigm accepts the endogenous role of markets in all social determination and treats government

(institutions) as a reflection of the preferences of the market system, Keynesianism does not concern itself with those forces that generate power.

Rational choice theory is yet another politicoeconomic development based on the neoclassical rational choice theory extended to institutional behavior. States and preferences of decision makers are assumed, in the systems affected by rational choice, to be optimal and hence fully informed and predictive in nature. Here is how rational choice applied to governments and institutions in economics is explained:

Economics, the science of markets of exchange institutions, commences with a well-defined structure or set of individual rights and offers explanatory, predictive propositions concerning the characteristics of outcomes along with conditional predictions about the effects of imposed structural changes on such outcomes.¹⁰

Likewise, public choice theory also uses neoclassical methodology to determine social choice menus through collective action. But the neoclassical concept of economic rationality, given consumer preferences and self-interest causing methodological individualism to reign supreme, are all assumed. It is seen that, over the years, the rebirth of political economy has become a paradigm of economic reasoning pursuing neoclassical precepts.

In Marxist political economy, we find for the first time an explicit treatment of social conflict between political (institutional) power and wealth (accumulation and distribution) in terms of epistemological questions. It was the Hegelian concept of the freedom of the World Spirit that motivated Marx to think of the finality of human freedom from capitalist bondage and to formulate his concept of human equality. But being more of an empiricist than an epistemologist, Marx based all ideas of reality on relations in the precept of economic equality/inequality. Thus, economism became a fundamental basis of all social behavior for Marx. Within this milieu, Marx pursued his study of the nature of production and distribution of wealth and the social conflict that characterizes distribution in the capitalist order. But by ascribing an unsocial role to profits, Marx complicated the notion of perceived market prices in his dichotomous theory of value and process.¹¹ This made the market system, as we perceive it, nonexistent and hence unusable for generating ethics and values and an equalizing or socially inducing human transformation.

Hayek and von Mises have argued and written vehemently against the concept of "the social" in Marxist thinking.¹² They have argued that the market, as a vast collective institution, remains benign to the concept of the unsocial as prescribed by Marx. This is due to the consequentialist response of the market system, which, according to Hayek, remains socially neutral.

Such is also a perception developed by Sen.¹³ A market system, therefore, may or may not respond to specific policies notwithstanding the good

intentions that individuals and institutions hold for policing the economy. Hence, when such policies must inevitably fail in the face of the ultimate consequentialism of the market system, to act under the pretext of "the social" is seen as costly and unwarranted. Policy intervention is thus seen to be an inefficient way and a misconstrued premise for determining social acts out of market order. This is also the view of the minimalist state held by Nozick.¹⁴ What Hayek is arguing is seen, first, as a defense of the liberal philosophy of economics that makes all values exist exogenously to market phenomenon. Second, it is seen as a refutation of socialist philosophy, which, in the name of the social, opposes resource allocation through the market system of free exchange.

Von Mises rejected Marxist arguments, which claimed that all societies would move inescapably and relentlessly to international socialism. He argued further that the basis of human reasoning is thwarted by Marxist political economy, which explains reality in terms of the historical relationship of productive processes to society. Thus, von Mises argues that Marx missed the finer mental regress into the realm of thought for realizing the ultimate spring of human reason. This, according to von Mises, is to overly rely on observed historical processes of change. Contrarily, the quest for a theoretical construct must prove to be a universal and unifying experience of the mind.

Von Mises wrote:

Theory as distinct from history is the search for constant relations between entities or, what means the same, for regularity in the succession of events. In establishing epistemology as a theory of knowledge, the philosopher implicitly assumes or asserts that there is in the intellectual effort of man something that remains unchanged, viz., the logical structure of the human mind.¹⁵

In the arguments presented by von Mises in support of economic epistemics is a deeper message for the nature of political economy than that found either in Hayek's critique of the social element or in Marx's dialectical materialism. Von Mises establishes an integration between the premise of reason and the open-ended system of human capacities that is built up in a relational way with the epistemology of full knowledge. It is through the perpetual voyage of the human mind in such a milieu of interrelationships, recognizing the limits of human volitions while experiencing the potential for growth through the advance of epistemological bounds tied with ontic experiences, that the human mind is seen to progress. The theoretical domain takes shape. Societies and institutions evolve. Political economy, in the substantive sense of a study of interactions between the laws and norms of society (of nature) and the realities of market, is born. This, according to von Mises, is the process of discursive reasoning toward the discovery and advancement of truth.

The Knowledge-Based Interactive Process of Islamic Political Economy: The Shuratic Process

Von Mises's ideas on the process of social action is profoundly helpful in comprehending the nature of Islamic social economy. In the latter case, while epistemological foundations are sought in the springs of the Shari'ah, knowledge formation in this area is of an evolutionary and discursive nature, with the primacy of the unicity of God as an axiomatic truth that can lead to and be established in the midst of interactive relations. It is through such interactive relationships, which establish the reality of the unicity of God in the order of things, that the epistemological premise of knowledge becomes integrated circularly with the ontic premise of knowledge. In this continuity of evolutions, finally, purely epistemic (*a priori*) and ontic (*a posteriori*) distinctions, to comprehend and relate with socioscientific reality, disappear.¹⁶

The structure of relationships that brings about such an epistemic-ontic integration is based on the theoretical understanding that morals, ethics, and values are the most fundamental elements of social and economic reality. Based on these precepts, a meaningful socioeconomic and institutional (political) structure can be constructed and regenerated. Even the ideas regarding monetary and currency numéraire are formed on the basis of the fundamental ethical numéraire.¹⁷

Such a socioeconomic reality necessitates, first, the condition that the preferences of neither institutions nor markets (households, individuals) are fixed at any moment of the interactive relationships. Second, social preferences are formed and changed continuously through the interactive preferences of polity and markets. Third, each such state of joint but perturbed preferences generates an interaction of the discursive type. Major knowledge is formed when such interactively formed joint preferences result in social consensus (majority voting or unanimity) on given issues. The cycles of interactive and discursive relationships continue to evolve thereafter.

In such interactive relations, we must assume the primacy of the Shari'ah, commencing with an existing state of its comprehension in *shūrā* at an instance of knowledge formation over the range of evolutionary possibilities. The interactions send responses back to *shūrā*. Such responses form knowledge from the ontic experience. The continuous evolution of joint preferences of polity and markets represent the integration between the purely epistemic and ontic circularity, causing an evolutionary movement toward the unification of knowledge. In Islamic political economy, such a process of interactions may be termed the *shuratic process* (derived from the pervasive and embryonic essence of the interactive-integrative process—consultation—engendered by *shūrā*).¹⁸

The shuratic process is of an embryonic and pervasive essence in all of the Islamic socioscientific order. It thus becomes an apolitical institutional system and assumes the essence of a methodology of universal unification through the processes of interaction and integration. The application of the

shuratic process to the political order is merely one example of the pervasive interactive-integrative processes that underlie sociopolitical and economic relations. We then have the special case of the *shūrā* of polity, as there must exist also *shūrās* of the market and social orders in the midst of knowledge-based exchange mechanisms.

The significance of market response to polity implies the importance placed on markets and the minimality of institutional intervention in Islamic political economy. An institutional presence is necessitated for the moral guidance of the market system. An example of a social regulatory institution for markets was known as *al ḥiṣbah*, which was recommended by Ibn Taymīyah.¹⁹ In Islamic legal theory, consensus formation is known either as *qiyās* (when ruling based on the Shari'ah is done by the Islamically learned [*mujtahid*] in the absence of a viable Islamic community) or *ijmā'* (complete consensus in the community). In my case, either of these may constitute majority rule but not necessarily unanimity. This is a valid Islamic principle and is known to have been upheld by Ibn Ḥazm.²⁰ It appears to have been promoted by al Ghazzālī with respect to maintaining the minimality of axioms and rules for the formulation of essential knowledge on specific issues. He also recommended that matters of detail are better if left for secondary determination.

The integration of preferences, signifying epistemic-ontic continuity in socioeconomic knowledge formation, forms the essence of the unification of knowledge. This convergence, followed by dynamic evolutions, is here equivalently termed *unification epistemology*, the unicity precept and *tawḥīd*, as presented in the Qur'an and explicated by the authentic Sunnah.

It is not my intention here to detail the instruments of Islamic political economy, but simply to bring out the methodology of the shuratic process underlying Islamic political economy as any other Islamic socio-scientific system. The reader may refer elsewhere for more detailed aspects of Islamic political economy and the shuratic process.²¹ This part of the paper has addressed the question of the Islamic politicoeconomic alternative in its normative perspective.

Positive Aspects of Islamic Political Economy in Contemporary Times

Next we address the possibility of realizing the shuratic process in the intellectual framework of a future conscious world nation of Islam, the ummah. We undertake three steps toward such a reconstitution of the process. First, we examine the process of shuratic transformation within Muslim nation-states. Second, we examine the same issue for the Organization of Islamic Conference (OIC) members. Third, throughout the *modus operandi* of interrelations between these two steps, we take the grass-roots model of social, political, and economic transformation. We claim that this is the unique method toward realizing the future shuratic process of Islamic transformation.

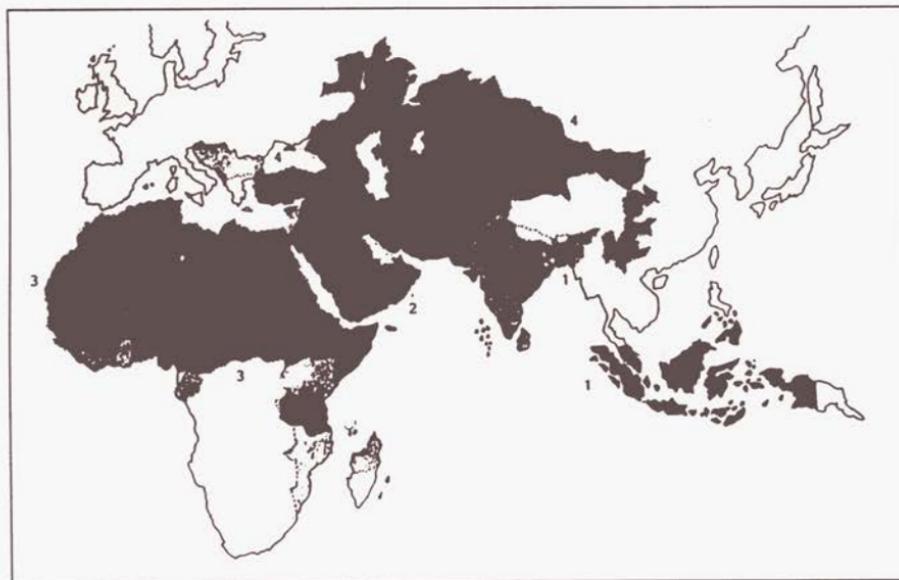
In Figure 1, we divide the Muslim world into four groups according to their similar intergroup diversities with respect to representations by population size, manpower availability, and technological knowledge. This choice of socioeconomic variables is motivated by the shuratic focus on grass-roots and human-centered development.

The term *grass-roots* used here refers to that segment of society comprising the poor, marginalized groups, microenterprises, intellectuals, and other interest groups, all of whom share collectively in the common goal of enhancing each other by a complementarity of interests. Thus, collective interest emerges at the end of the unequally shared preferences among the groups. Sacrificing this common goal would result in a deprivation of the collective as a whole. Self-interests of the cooperating agents of the grass-roots are transformed by cause and effect into mutually enhancing benefits.

In this context, the goal of the grass-roots is to attain a feasible level of collective well-being as a composite index of various types of entitlement, empowerment, and socioeconomic variables, including a factor in it that sustains well-being. The idea of well-being here is thus a complementary function of all such variables, interactively related to each other and resulting in a simultaneity of the goals of economic efficiency and distributive equity.

Geographical grouping does not mean mutual exclusiveness in inter-regional cooperation and relationships. Within each grouping, individual countries are guided by a common prescription of development centered around population size, manpower requirements, and technological knowledge.

Figure 1: Four Regional Muslim Groupings That Address the Population-Manpower-Technology Focus in Islamic Political Economy.



Muslim Groupings by Population Characteristics

All of the groupings shown will follow the same types of responses in their interactions at the grass-roots levels as defined here. For example, the Muslim nations of Southeast Asia are guided internally by their models of grass-roots development with conscious programs and policy prescriptions. Countries with a smaller population size aim at grass-roots development by focusing upon population increase, human resource development for improving factor productivity, and choice of equally-labor-capital augmented technological change that would adapt progressively to the levels of human resource development. With the codetermining aspect of the grass-roots, as defined here, the participatory essence provides developmental inputs by discursive mechanisms rather than by solely authoritarian governmental actions. Countries with a larger population size will make regimes of dynamic basic needs the basis of development planning. Human resource development and labor-intensive technologies are then introduced to adapt to the progressively changing basic needs regimes of development. Here again, codetermination among various agents of the grass-roots becomes the basis of development planning.

The common element in development planning between these two types of countries within a region is the nature of the grass-roots. This enables the codetermination of priorities at various levels. The methodology of discursions by cause and effect between polity (government and the representative agents of grass-roots and institutions) and society at large (markets and sectors where the grass-roots work) now endogenizes the ethical preferences of structural transformation. Such preferences are interactive ones between those of polity and the social order, because of the common representation they carry with them through the grass-roots agents in both polity and the social order. Endogeneity of ethics, which singularly characterizes the shuratic process of polity-society interactions through the grass-roots representations, now becomes the empowering medium of knowledge formation in society at large. Now, it alone determines the direction of national development planning.

Muslim Groupings by Manpower Characteristics

The more populous nations in the groupings shown will choose development regimes, technological change, and human resource development to comply with the graduated (dynamic) basic needs regimes of development. Technological advance then adapts to the progressing nature of skill formation within the basic needs regimes of development. This is contrary to the usual perception to put high-level technology in place, followed by manpower training to work them out. The result of such an approach has proved to be contrary to productive gains and immensely debt burdening. Most Muslim countries have fallen victim to such a mismatch between inappropriate technology, available manpower supply, and external sector balance.

The less populous nations will adopt equally–labor–capital augmented technological change menus. Here, too, a dynamic basic needs approach to development is used to promote appropriate technologies by the presence of the grass-roots focus. Thus, it is codetermining decision making that establishes priorities within the broader context of the common good pronounced by the grass-roots with respect to manpower and technological choice.

The shuratic process works out through codetermination between the grass-roots levels and all rungs of markets, governments, and institutions. Since the nature of the grassroots enacts the direction of market transformations, development priorities, privatization, manpower requirements, and technological change, the preferences set by it in a discursive fashion, with the aim of developing the common good in accordance with the directions given by Islamic law (Shari'ah), becomes the interactive–integrative premise of the underlying shuratic process. In this way, once again, the endogeneity of ethical preferences in the development process with manpower focus is established.

Muslim Groupings by Technological Focus

Along with the adaptation between manpower availability and technological change determined by the grass-roots focus in both labor-abundant and labor-scarce economies, the technological menu is determined concurrently. The elements of the Shari'ah that determine this complementarity between manpower and technological change in more- and less-populous economies are the following: attaining social and distributive justice, economic efficiency, and entitlement empowerment at all levels of society. This coexistence, in turn, determines the principles of just balance, creative sustainability, and well-being as pronounced by the Qur'an. These elements, in turn, thereby form the unifying epistemology of *tawhīd* in a positive perspective of Islamic political economy.

Interrelationship among the Population–Manpower–Technology Focus

With the specific nature of the grass-roots and its catalytic role in establishing interactive preferences between polity and social order, we infer a series of complementary relationships. These determine the following circular cause-and-effect interrelationships between polity and social order. They are of the nature of epistemic–ontic circular causation and continuity flows that characterize the shuratic methodology:

- population size → manpower development → population choice.
- technological choice → manpower development → population size.
- Furthermore,
- (empowerment, human resources, entitlement) → population size.

Thereby, the whole menu of population–manpower–technology focus is determined by empowerment, human resource, and entitlement.

On the other hand we also have,

Technological change → new levels of empowerment, human resource, entitlement,

in a dynamic basic needs regime of adaptation between manpower and technological choice as determined, discursively, by interactions between the grass-roots and all levels of decision making. Hence, circular causation and continuity methodology is determined by the following cause-and-effect relations:

old levels of empowerment, human resource, entitlement → new levels of empowerment, human resource, entitlement.

Consequently,

old levels of population-manpower-technology → new levels of population-manpower-technology.

Such circular cause-and-effect interrelationships in a grass-roots focus on development using the instruments of the Shari'ah governing population–manpower–technology and as discursively derived rules (*aḥkām*) on the basis of a Qur'anic epistemology (unification epistemology, etc.), become the universal methodology of the shuratic process. Here, it is applied to the specific case of Islamic political economy. One recognizes the fact that since the broad essence of just balance, creative sustainability, purpose, and well-being grounds the tenets of the Shari'ah, there is no one route toward determining an *aḥkām* or an action. We have mentioned already the differing possibilities that will exist for more populous and less populous countries within Muslim groupings. Yet, the *modus operandi* and methodology of the shuratic process remains unique in respect to a population–manpower–technology interactive–integrative focus of Islamic political economy.

Coordination among Inter-Muslim Groupings: Extension of the Shuratic Process Applied to a Population–Manpower–Technology Focus

The common focus on the grass-roots institution for determining the direction of development and bringing about codetermination and ethical endogeneity in preference formation between polity and the social order enables a lateral transference of the interactive–integrative process to the level of inter-Muslim groupings. In this way, the possibility of complementarity is expanded from the limited scope within national development

plans to Muslim groupings as a whole. The global perspectives of inter-trade and developmental planning in the Muslim bloc are thus engendered. It is even more advisable to phase out a total ummatic globalization by the intermediate step of regional coordination subsequently built into the grand ummatic shuratic process.²²

Any external cost of a trade diversion for maximizing intergrouping trade and developmental matters is written off by mutually establishing relevant strategies. Through the role of the grass-roots, we are maximizing the presence of markets and privatization in a globalizing environment directed to Muslim groupings, the formation of interactive preferences by the extended form of the circular causation and continuity model applied to the Muslim groupings involves micro- and macroeconomic policy coordinations that have reciprocities with the market order—the social economy. The evolution of Islamic political economy now experiences a broader domain of interactions, complementarities, certainty, and growth while the endogenously ethical transformation manifested in the underlying shuratic process carries forward the momentum of the change.

Institutional Issues Relating to Inter-Muslim Groupings

Since the grass-roots now form the agent of change, the existing structure of the OIC and its sister institutions therefore must reform themselves toward this vision of future politicoeconomic change in a post-modernist Muslim ummah. There are two options in this transformation process.

First, since the population focus of development has been placed in the example taken up here, voting on discursive issues must be engendered, according to population proportionality in the codetermination of the shuratic process. While such collective decisions would not interfere with national development plans, they would guide collective actions in the direction of the mutual well-being of the ummah as a whole.

The question is: What would serve the interests of existing capital-surplus Muslim countries that do not subscribe to such grass-roots democratic processes in their development planning? The answer to this is that the nature of the grass-roots invoked here and its catalytic role in privatization and markets in the face of globalization will engender sufficient interests to undertake such a collectively discursive decision making among the majority of Muslim countries. Furthermore, the interregional orientation of ummatic integration in this case would add to the economic attractiveness of the program.

Second, the existing OIC system cannot afford to resist real politico-economic change in this population–manpower–technology mix if it wants to avoid disorder in Muslim ranks. In a less ummatic transformation, disorder will be compounded with the growing pace of globalization as

Muslim countries compete and marginalize each other in the drive for gaining oligopolistic shares in world markets.

Subsequently, two consequences could arise. First, when left to itself, the OIC will be pressured to reconstruct and reorganize. Thereafter, the new order will yield an alternative paradigm and institutional order of change. Alternatively, regional blocs in the linked ummatic model may devise their own appropriate development organizations with the possibility of coordination among themselves. Such a modality also presents the alternative for an Islamic Common Market of the future to come about, although it has been a fiasco so far.

In the ummatic sense, the feasibility of a grass-roots focus on globalization brings with it the strong possibility of the economy's structural shift followed by complementary political power from the state monolith to the microprivate sector. This is the natural process of change emerging in the postmodern age of microenterprise focus and pressure groups. The same kind of structural shift also will mark the natural order of political transformation toward the inherently micro-decision making characterizing the shuratic process. Under the inexorable impact of this change in a globalizing, privatizing, and power-sharing world of the future, the present autocratic world system of the Muslim countries will lose.

Conclusion

We conclude this paper by invoking the epistemological orientation taken up in the delineation of a theory of Islamic political economy in its normative and positive forms. We have argued that the postmodernist awakening of Islam, after its long slumber, as an active intellectual force requires fundamental deconstruction and reconstruction. These approaches, taken up in the universally unique principle underlying the shuratic process as a socioscientific methodology, point out that an Islamic awakening in the frame of a Qur'anic epistemology has yet to attain its revolutionary heights and that it differs from the way many early Muslim thinkers assimilated a Hellenic worldview in a partially Qur'anic mold. The revolution will also be different from the contemporary type of Occidental subservience (*taqlid*) by Muslims both intellectually and institutionally.

The revolutionary reawakening of Islam in the postmodern age calls for a return to the principles of the knowledge-centered worldview that characterized the experience of the Prophet in his flight to the *sidrat muntaha*, which, in turn, became the essence of the Madinah Charter. The evolution of the Shari'ah is to be guided by this unique epistemology, and all disciplines of thought emanating from it must revolve around a conscious address to this unifying epistemology—the *tawhīdī* worldview.

Endnotes

1. I. R. al Fārūqī, "Meta-Religion: Toward a Critical World Theology," *American Journal of Islamic Social Sciences* 3, no. 1 (September 1986): 13-57.
2. M. N. Siddiqi, "Tawhid: The Concept and the Process," in *Islamic Perspectives*, eds. K. Ahmad and Z. I. Ansari (Leicester, UK: The Islamic Foundation, 1979), 17-33.
3. F. Rahman, "The Principle of Shura and the Role of the Ummah in Islam," *American Journal of Islamic Studies* 1, no. 1 (Spring 1984): 1-9.
4. T. Koizumi, "History as a Systems Science," in *Interdependence and Change in the Global System* (Lanham, MD: University Press of America, 1993), 101-107.
5. M. Nerfin, "Is Global Civilization Coming?," in *Change: Threat or Opportunity? Political Change*, ed. U. Kirdar (New York: United Nations Publications, 1992), 315-22; see also M. A. Choudhury, "A Critique of Modernist Synthesis in Islamic Thought: Special Reference to Political Economy," *American Journal of Islamic Social Sciences* 11, no. 4 (Winter 1994): 475-503.
6. The subject of the theory of Islamic political economy is developed at length in M. A. Choudhury, *The Principles of Islamic Political Economy: A Methodological Enquiry* (London, UK: Macmillan and New York: St. Martin's Press, 1993); see also M. A. Choudhury and U. A. Malik, *The Foundations of Islamic Political Economy* (London, UK: Macmillan and New York: St. Martin's Press, 1992).
7. O. H. Taylor, "The Future of Economic Liberalism," in *Economics and Liberalism* (Cambridge, MA: Harvard University Press, 1967), 294-311.
8. D. R. Fusfeld, "The Human Family," in his *The Age of the Economist* (Scott, Foresman & Co., 1992), 89-105.
9. Neoclassical foundations of institutionalism is the theme of K. J. Arrow, *The Limits of Organization* (New York: Norton, 1974). The subject matter is covered at length by O. E. Williamson, "Kenneth Arrow and the New Institutional Economics," in *Arrow and the Foundations of the Theory of Economic Policy*, ed. G. R. Reiwel (London, UK: Macmillan, 1987), 584-99.
10. J. M. Buchanan, *The Limits of Liberty, Between Anarchy and Leviathan* (Chicago: University of Chicago Press, 1975), 19.
11. G. D. H. Cole, *The Meaning of Marxism* (Ann Arbor: The University of Michigan Press, 1966), 210-42.
12. Their principal works in this regard are F. A. Hayek, *The Constitution of Liberty* (Chicago: The University of Chicago Press, 1960), and L. von Mises, *Epistemological Problems of Economics* (Princeton, NJ: Princeton University Press, 1960).
13. A. Sen, "The Moral Standing of the Market," in *Ethics and Economics*, eds. E. F. Paul, J. Paul, and F. D. Miller, Jr. (Oxford, UK: Basil Blackwell, 1985), 1-19.
14. The neoclassical idea of entitlement given by Robert Nozick is covered by H. Steiner, "Entitlements," in *New Palgrave: Social Economics*, eds. J. Eatwell, M. Milgate, and P. Newman (New York: W. W. Norton, 1989), 40-44.
15. L. von Mises, *The Ultimate Foundation of Economics Science* (Kansas City: Sheed Andrews and McMeel, Inc., 1976), 16. See also 11-33.]
16. M. A. Choudhury, "The Epistemic–Ontic Circular Causation and Continuity Model of Socio-Scientific Reality: The Knowledge Premise," *International Journal of Social Economics* 21, no. 1 (1994): 3-18.
17. M. A. Choudhury, "The Ethical Numeraire," *International Journal of Social Economics* 19, no. 1 (1992): 60-76.
18. See M. A. Choudhury, "The Unicity Precept in the Socio-Scientific Order: Special Reference to Islamic Political Economy," in *The Unicity Precept and the Socio-Scientific Order* (Lanham, MD: The University Press of America, 1993), 21-48.
19. The social regulation of markets is the theme of Ibn Taymīyah's classic *al Hisbah fi al Islām*, translated by M. Holland as *Public Duties in Islam: The Institution of the Hisbah* (Leicester, UK: The Islamic Foundation, 1983).

20. F. I. Abdallah, "Notes on Ibn Ḥazm's Rejection of Analogy (*Qiyās*) in Matters of Religious Law," *American Journal of Islamic Social Sciences* 2, no. 2 (December 1985): 207-24.

21. M. A. Choudhury and U. A. Malik, "Principles and Instruments of the Islamic Political Economy," in *The Foundations of Islamic Political Economy* (London, UK: Macmillan and New York: St. Martin's Press, 1992), 19-62.

22. M. A. Choudhury, *Theory and Practice of Islamic Development Cooperation: Recent Experience of Some Asian Countries* (Ankara, Turkey: Statistical, Economic and Social Research and Training Centre for Islamic Countries, 1993), chapter 5, 159-82.