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**“Adel, Mizan, Ihsan and a Peaceful Jihad Toward
the Economic and Human Development of the Arab World”**

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Good Morning - Sabah al Kheir, Salaam Alaykum

To give you a bit of background:

I lived in the Arab world for 6 years and have traveled throughout that region and visited it for even longer. I am a Ph.D. economist by training. However, I am self-taught about the region and Islam. This occurred over many years of travel, study, and meeting with scholars, diplomats, leaders, businesspersons, military persons, and the regular folks of the region. I have spent a lot of time roaming the cities, towns and the countryside of the region.

One thing that seems stunningly clear is that what one sees in some areas is hardly fitting toward any definition of economic justice.

In one country there is an area where ministers of the government have seaside homes. It looks like Malibu, California. One day while visiting there I took a walk from the ministers' area to where the regular folks live. I found some women cleaning their cloths, and pots and pans, in fetid, filthy, green water. That was over eight years ago and it is still sharp in my mind. From golden doorknobs and gated, brick-tiles roads to a filthy pool of water within a few hundred yards is quite a change.

Many students at the private universities and colleges in the region are relatively well off. One need not walk too far from these campuses of privilege, where students are dropped off in Mercedes by their drivers, to places where little children beg in the streets and old widows are selling Flora tissues to get a bowl of *fool* for their families.

¹ All opinions expressed are those of the author alone and do not represent those of the National Defense University or any other entity of the US Government.”

Also, if a student does not have *wasta* (connections), he or she is destined not to go far in some places. ***Wasta and Koosa (zucchini-like growing connections) are banes of economic justice in the region.***

Some students I knew had straight As, and ended up with jobs way below their education. Those with connections, even if they were mediocre students, often landed great jobs via *wasta* through their “big families”.

That poor little girl begging for scraps from the LL Bean kids at the college McDonalds does not have a shot at any kind of economic prosperity or justice.

Unemployment rates in the Arab League states are usually in the 15-20 percent ranges, depending on the country. In the Palestinian Territories and Iraq unemployment rates might be in the 60-80 percent range. Algeria’s official rate of unemployment is close to 40 percent. Underemployment is vast. The underemployed are those who are working below their educational levels and skills, and those who live often in grinding frustration at their plights. The Arab world will have many high school and university graduated looking for jobs that will likely not be there without some serious and significant economic, financial, and governance changes.

The average income of the average Arab worker in real terms is about the same today as it was in 1973. Poverty has been creeping up over the last few years in some places. In other places, like the Palestinian Territories it is more like a hurricane of poverty and despair have hit them. Poor and hopeless people do not make good partners in peace.

The public education systems in the region are mostly decrepit. It is the only World Bank region where putting more money into education actually produces less return.

There are demographic bulges that threaten the economic and political stabilities of many Arab countries. Total real per capita incomes have been in decline in many of these countries as the populations have increased, and the economies have not kept up to that pace. Saudi Arabia’s GDP per capita was about \$27,000 in 1981. It is now about \$6,000. What a precipitous and frightening drop. Consider the social and familial repercussions from such a massive net per capita wealth loss.

Part of the economic justice issue can hark back to the oil prices being in decline in real terms on average since 1981. Oil prices in the \$40 range do not compare to the (real 2004 dollars terms corrected for exchange rate valuation changes also) \$120 per barrel in 1980-1981. The oil states of the region do not seem to have used their oil wealth to the best advantage of all of their people since the short-lived oil holiday in the 1970s and early 1980s. **Economic justice can be a leadership and governance problem.**

Many Arab countries that base their economies on oil have harmed their people by not properly diversifying, and not sharing the wealth from oil by investing in more jobs producing industries. Oil and natural gas are not labor heavy industries, except in the early stages of construction and lying down of pipeline, etc. People don’t need flash-in-the-pan jobs.

Saudi Arabia's unemployment rate may be in the 30 percent range. The unemployment rate for Saudi Arabia's youth may be much higher. The underemployment rates are far higher. This is a country that imports millions of people to work in their country.

Libya's income has been halved in real terms since 1981. It has huge unemployment, and massive underemployment. It also imports a large amount of labor compared to its small population of 5 million.

To be fair, we can see by looking at the data on the region that there have been great strides in health, education, literacy, and more since the Arabs gained their independence from the Ottomans, Western powers and others. But the Arab world has fallen behind many other regions during that same time period.

Egypt was once richer than South Korea. Algeria had some hope. The Sudan was to be a breadbasket and a massive source of cotton and other agricultural goods. It is now a basket case. Oil was the gift that was to save the Arabs from their poverty and backwardness. That sweet crude ended up to be, partly, a sour curse.

What happened to the trillions in oil revenues to the region? A huge swath of that money went to buying military goods, building bulky bureaucracies, and importing luxuries and other goods in massive amounts.

There is a rich elite, and a huge mass of unemployed and underemployed average Arab youth. These are the hang-around guys, or hang aground guys, the *Hittistes*, and the young men who need to leave their families and countries to find jobs in foreign lands.

They get angrier, more frustrated and more humiliated by the day. In some traditional societies having to leave the hearth and home to go long distances to find work is heart wrenching.

About \$800 billion in Arab oil money is invested outside of the region. There are great inequalities of income and wealth. Even if the official statistics in some areas contradict this, walking around some of these countries will show otherwise. Observation can trump data sheets.

There are also huge gaps amongst the economies of the Arab world. A AUE (\$20,000 per year per capita GDP) is different from a Mauritania (\$450 per year per capita GDP). There are resource and governance reasons behind this, as well as other reasons, such as bad luck, history, inertia, and more. But if one is to consider these economic issues in the context of the Muslim *umma*, rather than the nation, then things look rather sour.

Economic injustice can lead to great instability. Economic injustice can lead to terrorism. Economic injustice can lead to great drains on the Arab world: brain drains, drains on budgets for military and security costs, drains on people's time and effort for they need to put huge amounts of time trying to develop connections rather than be productively employed. There are also drains on the hopes of the youth.

When it should be going forward, the Arab world is going backwards in many ways compared to the rest of the world. The Arab people deserve much better than what they have been getting.

Corruption is also an issue. There is often a lack of a rule of law, any law, either Islamic or secular. Without a rule of law one cannot have economic justice, or even proper economic development. The wolves will eat the sheep. *Wasta, Koosa, and Shilla* are manifestations the *Zulm al-Harimyoona* (the tyranny of the thieves). The rich get richer, and the poor have more children. The slums of the cities get worse.

Economic justice is not just an academic concept to discuss at meetings in nice hotels in Washington. It is a national security and national prosperity issue for the Arab states, and for my country – whether certain leaders and opinion makers understand that or not.

Caliph Omar is known to have said something along the lines of: If the leaders of a country do not bring peace and prosperity to their people then they will not go to heaven with them.

One of the only ways to get closer to economic justice in Islamic or any other ways is to develop the people. This does not mean just increased GDP or increased exports and decreased imports. It means true economic and human development. As the Muslim prophet Mohammed said upon returning from a battle: “We have come from the small jihad [holy war] to the big jihad [being good Muslims].”

The really big Jihad (effort or struggle) for a Muslim is to be a good Muslim. That is something most reasonable Muslims would agree on. Good Muslim leaders have prosperous, free, educated, creative, and hopeful people. Good Muslims cannot allow huge proportions of their societies to fall through the economic cracks.

Questions some people might ask of themselves:

Are we good stewards of God’s gifts? (All there is here is a gift from God, according to the Koran.)

Are some people allowed to eat the wealth of others?

Are some judges being paid to support the corrupt and venal? And who is allowing this?

Are children and others robbed of their inheritances, their land, and their future?

Is there economic justice for women? This is a huge issue in the region.

All these are mentioned in the Koran in its many passages related to economic justice and justice in general. Also, Mohammed was a champion of justice, and economic justice.

Economic injustice harms families. Such hurt can lead to humiliation, which can lead to *erhabeen* (terrorists).

We see violent jihads (small J) against some of the leaders in the region. Through a peaceful Jihad (large J) of economic and human development possibly this can be turned around. This peaceful jihad of human and economic development is a necessary, but not a sufficient condition for the violent jihads to end: necessary, but not sufficient.

This is because another part of the story is the policies of the US and others toward the region and its people, and the perceptions of the Arabs of the meanings and purposes of US policies in the region. The bottom line to all of this is people.

If the US and others contribute more, and more effectively, to this peaceful jihad for economic and human development then maybe even that part of the source of anger toward the US could be turned around. But that is another story, and for another talk.

There is also the problem of ignorance of religion amongst the extremists. One could argue that the problem is not too much religion, but not enough.

Each has his or her own part to play: the leaders in the region, the people in the region, the true religious scholars and judges, the US, the EU, and others.

It is not up to me to decide how the Arabs should define economic justice. It should be up to the Arabs to do this. As an aside: dictators are usually not the best people to define economic justice. Economic justice will likely not occur in the region until more democracy is developed by the Arabs and in their own ways. The Arabs should be able to judge their own societal welfare function. They should also be able to judge their own inter-existential, inter-temporal, and other tradeoffs in their definitions of economic justice.

There is no one definition of economic justice. Through the concepts of *shura*, *ijma*, and through the opening of the door of *ijtihad* to apply Koranic economic concepts to the context of today there may be some hope for this for those who may want to go this way.

My sense is that economic justice as defined by most Muslims probably looks a lot like economic justice as defined by Christians, Jews and others.

The Arab world needs this peaceful Jihad. We are all losing too much to violence, hatred, prejudice, bigotry and anger. The violent extremists, today's *Khajarites*, gain popularity by default every day. True leaders cannot leave vacuums of hope for these murderous monsters to fill in. The youth should not be pushed into this vacuum by the siren song of the sword. The world the extremists will bring will be a dangerous, cold, cruel, and mostly impoverished one. One of the reasons for the fall of Islamic civilization in the past is that the uncreative extremists were allowed too much power and control.

There are other reasons for anger and loss of hope in the region, but economic injustice remains an important underlying reason. The Arabs have lost enormously due to the lack of peace, and their dictatorships in the macro and the micro.

Either we move in the peaceful direction and try to nullify the growing calls for the small jihads, or we will pay very high prices in the future. *We need more of a focus on adel, mizan, and ibsan and less on fitna and shar. One can see that amal (hope) is the flip side of adel (justice). Without adel, amal is a long way away.*

Insh'allah, the future will be better for the Arabs. But without more justice at many levels, it will not be. It will be much worse. Justice is the key to the Arab's future.

Thank you. *Shokran jiddan*.