

## **The Dynamics of the *Shari'ah* and the World-System**

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*Abstract.* The topic of Islamic worldview versus neo-liberalism is discussed. The epistemology of unity of divine knowledge called *Tawhid* in the *Qur'an* as the basis of the Islamic future is contrasted with that of self-interest and individual sovereignty in liberalism. The methodology underlying the *Tawhidi* worldview as the overarching formalism of unifying world-systems is explained. Premised on this universal methodology of systems-based unity of knowledge the creative co-evolutionary process model involving knowledge-flows and knowledge-induced entities of world-systems is explained. The example of capitalist globalization as the offshoot of neo-liberalism is contrasted with the demands and organization of the Islamic world-system called the *Ummah*. The alternative framework of *Ummatic* globalization in contrast to capitalist globalization is suggested. Some of the underlying artifacts of this momentous change, particularly the money-finance-real economy complementary linkages according to the systemic unity of *Tawhidi* knowledge and using the instruments of the *Shari'ah* are examined. The dynamics of the *Shari'ah* is explained in terms of the *Tawhidi* worldview in contrast to how the framework of the *Shari'ah* is understood by the prevalent Muslim mind far away from an endogenous functioning of the *Tawhidi* episteme in it. Prevalent thinking in Islamic economics, finance, science and society is critically examined against the background of the *Tawhidi* methodological worldview. The paper concludes with relevant policy prescriptions.

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## Background of the Theme

The background of this paper is a view of the *Ummah* in contrast to capitalist globalization. Two initial conceptions must be explained, namely of liberalism that grounds Capitalist Globalization and the *Shari'ah* that grounds the *Ummah*. Following this contextual commencement of this paper, the objective of this paper will follow.

We raise the questions whether the capitalist globalization process, which confronts the world today in all entirety, is really the last epoch of the human race? Or is the capitalist globalization a challengeable idea and replaceable by an alternative context of globalization in the context of an ethical and moral world order?

If the answer to the first question is in the affirmative then we will argue that the human race is in the precincts of ever-widening perils of social and ethical deprivation. The end of history would then mean the gradual extinction and impoverishment of many by the yoke of affluence and inequality globally speaking of a few. While the economic problems of a fortunate section of mankind may be solved, yet these will continue to be a dark reality at an immense cost of social and political deprivation for many. The final result of the end of history would then be a cataclysmic event of global entropy.

On this global entropy writes Korten (1996, p. 11):

The continued quest for economic growth as the organizing principle of public policy is accelerating the breakdown of the ecosystem's regenerative capacities and the social fabric that sustains human community; at the same time, it is intensifying the competition for resources between rich and poor – a competition that the poor invariably lose.

Heilbroner presents his dark views on the human prospect (1991, p. 11):

There is a question in the air, more sensed than seen, like the invisible approach of a distant storm, a question that I would hesitate to ask aloud did I not believe it existed unvoiced in the minds of many: "Is there hope for man?"

On the specter of the economic future of mankind Keynes wrote (1963, p. 319):

.... I may do well to remind you, in conclusion, that the fiercest contests and the most deeply felt divisions of opinion are likely to be waged in the coming years not around technical questions, where the arguments on either side are mainly economic, but around those which, for want of better words, may be called psychological or, perhaps, moral.

If the answer to the second question posed above is in the affirmative, then the problem posited by the first question is negated and a new vision of the future arises. We then enter a discursive medium of combating the prognosis of capitalist globalization by a moral and ethical alternative. The elements of this new regime of social transformation is a massive normative question that embraces momentous changes in the ideals, praxis and enactment of the vision of a globally acceptable ethical and moral precept that must supercede all issues of life that global exchange and partnership embraces for common human wellbeing. Is this normative issue Utopia or a fundamental reality? If we can successfully explain that this vision of the future is indeed a reality then the specter of capitalist globalization is unreal in the sense of its unsustainability in the history of the future.

Henderson (1999, p. 56) puts this contrasting picture between human wellbeing and capitalist globalization succinctly:

The good news is that this (capitalist globalization) is forcing us to “go inside ourselves” and ask some pretty basic questions: What do I *want* to pay attention to? Who am I and what do I want written on my tombstone? Such basic defensive reactions will define the growing sectors of our Attention Economies and their inexorable shift from material goods (measured by traditional GNP/GDP per capita), to services and more intangible factors in living standards, measured by the new Quality of Life scorecards.

## **Objective**

The thesis we want to propound here is that with the new wave of thinking that post-modernity is bringing with it, there is a parallel and powerful rise of a unitary and symbiotic way of thinking and organizing life that emanates solely and wholly from the Islamic worldview. This is a theme that we will take up here in respect to organizing an alternative paradigm of globalization in which global ethics and morality are not only central to the human prospect but also usher a structurally novel way of looking at the world. This way has always been there at the heart of historicism, but it gains momentum at the turn of every critical juncture, which in this case is the new millennium. We will argue that the end of history is indeed this historically established human future premised on the unitary prospect of life and its organization. Elsewhere (Hossain *et al.*, 1998) we have called this historical turning point as ‘reversible entropy’ of the socio-scientific order.

### ***Contrasting Paradigms in Globalization***

Some coterminous problems arise in examining the structure of capitalist globalization. These are contrasts centered on the liberal philosophy of thought that drives capitalist globalization on the one hand. On the other hand the

inexorable opposition to liberalism is raised by none other but Islam. Thus a new epistemology drives Islam that being opposed to liberalism is also contrary to capitalist globalization. It is the conflict between these two opposed epistemes of the world order that is marking the rise of Islam-West divide in today's world-system. These are the contrasting paradigms of the end of history and the last man (Fukuyama, 1992). Islam is a morally centered vision of human future where all world-systems converge in a unified field of consciousness. Contrarily, the liberal mind of Occidentalism marks the entropy order of capitalist globalization.

Liberalism is entrenched in individual sovereignty. Freedom and liberty of thought and action in liberalism belong to the untrammelled presence of the individual as the ultimate arbiter of a self-centered decision-making. In this framework, the corresponding constitutional framework of nations, polity and civilization exerting economic, social and political legitimacy is defined by the extension of the liberal mind over these macro-levels (Minogue, 1963). The same character of self-interest, conflict, competition and hegemony of self now extended to the macro-level govern the institutions of markets, polity and ethical social norms.

James Buchanan and Gordon Tullock (1999) explained the liberal constitutional social contract in terms of methodological individualism collectivized by its supporting polity, institutions, markets and social order to reign as the hegemony that enforces liberalism on the world-system. There is no innocent way by which liberalism has thus spread through the world-system. Contrarily, such a hegemony was enacted through the praxis of methodological individualism enforced by political power, economic governance and a mindspace of self over other. James Buchanan (1999, p. 391) writes in this regard, "Concomitant with methodological individualism as a component of the hard core is the postulate of rational choice, a postulate that is shared over all research programs in economics".

On the nature of constitutional economics Buchanan (p. 390) writes:

For constitutional economics, the foundational position is summarized in methodological individualism. Unless those who would be participants in the scientific dialogue are willing to locate the exercise in the choice calculus of individuals, *qua* individuals, there can be no departure from the starting gate. The autonomous individual is a *sine qua non* for any initiation of serious inquiry in the research program.

Buchanan sounds the end of any possible scientific dialogue between the opponents of methodological individualism and the school of liberalism in the occidental worldview. The individualism of the liberal order remains neutral to

the so-called rational choice between alternatives by ignoring whether these are 'good' or 'bad'. On this matter Buchanan (p.391) writes, "The test for individual rationality in choice does require, however, the minimal step of classifying alternatives into *goods* and *bads*".

The inadequacy and failure of the liberal order in addressing matters of ethics, morality, culture and values is sounded in Buchanan's words: (pp: 394-95). "The domain (constitutional economics), as such, cannot be extended to include inquiry by those who choose to perceive social interaction differently. There is simply no common basis for scientific argument, and ultimately agreement with those who choose to perceive social interaction either in purely conflictual or purely idealistic visions".

### ***Globalization and the World-System in the Paradigm of Liberalism***

Globalization meant as networking of ideas emanating from liberalism and crystallized into organization, governance and its consequences in the domains of self in relation to economy, corporation, technology and supra-developmental policies and controls by powerful organizations and nations, is a medium that carries the liberal philosophy to its limit. In this context of its neo-liberal structure globalization is not tantamount simply to issues of free and competing markets exchange, trade liberalization, capital flows, technology transfer and organization of development and growth menus in line with the policies and conditionalities imposed upon members by development financing organizations. More extensively, through all these instruments of the global change globalization means entrenchment of the philosophy of liberalism into all nations that intend to be members of the capitalist globalization process.

Sklair (2002, p.84) writes on globalization as a networking process for sustaining liberalism: "Globalizing processes are abstract concepts, but the transnational practices that create them refer directly to what agents and agencies do and derive meaning from the institutional settings in which they occur, and because of which they have determinate effects." The multinational corporations act as medium for mobilizing the conceptual space of neo-liberalism and neo-mercantilism. Sklair refers to such a transformation of the neo-liberal idea into the domain of global capitalism as the conceptual space for transnational practices (TNP).

### ***Money-Real Economy Relationship in the Liberal Paradigm***

Capitalism presents a relationship between money and the economy that remains indelible in all the relations, preferences, practices and policies involving the economy, markets and economic policy. Heilbroner (1985)

explained this endemic causality between money, capital formation and the economic transformation in terms of Marx's MCM relationship. This can be explained briefly as follows:

A quantity of money (M) as fiat money is commodified (C) through the process of saving in response to interest rates. This saving then enters the time-lagged production process to cause the money held through savings to be mobilized partly into the real economy while the greater part of the savings continues in the liquid form as long as interest rates as the return on money remain attractive to the savers. This process of commodification of money followed by the emergence of more money can be explained by the simple cycle,

M0(initial quantity of money)

= M01(real money) + M02(money in the form of papers)

↓

↓

→savings

= [C01(resource mobilization into real economy) + C02(saving in financial papers)]

↓

↓

→ M11(monetary growth by real returns) + M12(monetary growth by interest rates).

In the above schema, the part represented by **M01 → C01 → M11** is a purely resource mobilization channel that links money to the real economy. By this portion of the economic transformation is realized the participation of productive labour in economic activity. But this sequence also requires spending in the good things of life in order to qualify for both purposeful work efforts and mobilization of other productive factors that are complementary to labor. Thereby, participation increases in the purposeful social and economic contexts. This causes the relevant form of productive technological transformation, empowerment and growth of entitlement to take place. In this context, saving is purely a form of resource mobilization as money and real economy are complemented together causing productive utilization of factors, the advancement of technological change and social wellbeing.

The portion **M02→C02→M12** is caused by withholding of financial capital in the form of idle savings, that is papers. As long as this form of saving continues money is severed from its complementary linkage with the real economy. Consequently also the productive capacity of the economy and the social wellbeing suffers.

While productive agents are the beneficiaries of the money-real economy linkage, those of the second category form property and property rights of the capitalist masters. Such a capital accumulation gives rise to large financial organizations and speculative capital markets, portfolio investments as opposed to foreign direct investment and the ensuing overall instability.

Capitalist globalization is entrenched in the above form of a dichotomous MCM relationship between the use of money for direct productive and socially rewarding activities and its use as paper money for the growth of more money through the process of capital accumulation. The latter form of capital accumulation is based on savings pursuing interest rates. It thereby institutionalizes the holding of financial capital. At the end, in the light of the scarcity assumption of all of economic theory, the marginalist tradeoff between the real economy and the saving economy partitions financial flows between these activities in perpetuity. Capitalism cannot get out of this continued form of allocating financial resources between the two competing ends according to the scarcity picture of resources. By doing so, capitalism perpetually must promote inequality, loss of productivity, social wellbeing and cause perpetual instability due the volatility of the financial sector in response to speculation and the growth of interest-based financial papers. The last point is established by noting that the short and long run rates of interest that move randomly in different portfolios.

What is the status of entrepreneurial capitalism in the capital accumulation process on which Schumpeter (1961), Hayek (1990) and Weber (1947) wrote their prolific pieces? Entrepreneurial capitalism is a process of innovation premised on continuous innovation by the rise of human creativity. Nothing is static in this process as creative destruction defines the perpetual causation of an evolutionary paradigm of innovation and development. Capital formation as a process is realized out of such an evolutionary process of converting money capital into real capital. Yet what is the problem with the theory of entrepreneurial capitalism?

The assumption of scarcity of resources, economic competition and rational choice behaviour continue on to mark the human spirit and the human ego of reason (von Mises 1976). Consequently, the liberal axiom of individual sovereignty remains intrinsic to these Austrian economic doctrines. The combination of the scarcity, competition, and rational choice assumptions once again reverts to maintaining the economic marginalist tradeoff doctrine of substitution instead of complementarities between alternatives. Thereby, savings (as opposed to resource mobilization) and the real economy once again substitute each other in the resource allocation doctrine of the marginalist way

of economic reasoning. Hayek (1999) in his *Good Money* brings out this belief on the prevalence of the marginalist school of the neoclassical genre.

### ***The Liberal Entrenchment in Capitalist Globalization***

The theme of the end of history according to capitalist globalization paradigm can now be summarized by the following schematic design of entrenchment of the liberal epistemology in the capitalist world-system (Wallerstein, 1980):

Liberalism

→[Markets, Economy, Science, Society, Technology, Global Hegemony] (liberalism)

→World-system as totality of the above system of transnational relations

= Capitalist world-system

→ Capitalist Globalization.

Since the above schema is universally intrinsic to capitalist globalization, therefore the differentiated forms of the society, economy, polity, and value relationships remain the permanent characteristics of global relations under liberalism. With this kind of systemic permanence of global capitalism the picture of the human future under capitalist globalization is one of conflicting polarity between differentiated parts of the human order. Such a competition results in the loss of the social worth of human existence premised on self-actualization caused by the growth of consciousness. Sztompka (1991, p. 94) explains the role of consciousness in social realization as follows: Consciousness “leads us back to the central claim: what truly exists in society, in the full ontological sense, is the *unified socio-individual field*, the ‘third level of reality’ between traditionally conceived levels of totalities and individualities”.

### **Capitalist Globalization With a Human Face?**

The arguments given above to explain capitalist globalization as an entrenched neo-liberal and neo-mercantilist transnational process negates the possibility for a truly moral and ethical society to emerge, one that can be governed and directed by any law other than that determined by individual will as the final determiner. Yet there are many who argue that a reformed capitalist globalization with a human face could be possible. Dunning (2004) proposes a top-down approach of institutional guidance, which can be equivalent to the enforcement of the religious beliefs and laws. This would be combined by a bottom-up approach, in which an intensive education and awareness is created at the grassroots levels to understand and adopt the top-down agenda.



Yet at the end of the above explanation, Dunning summarizes the views of other scholars who find that in the face of current ideas on global ethics, pluralism, and secularism a post-modern age will not respond to the religious ethical and moral basis of the proposed transforming scenario. Consequently, one returns back to the methodological individualism of self-interest in the globalization process, which then determines the character of the totality of liberalism upon which capitalist globalization rests. In the end, the experiment on adorning globalization with a human face disintegrates into a massive contest of individual wills that are then galvanized together in the crucible of power, hegemony and pre-determined choices. The present political tempo gripping the world and creating stereotypes out of it is sufficient evidence of the catastrophe of a hegemonic collectivization of individual choices and wills under power-driven and culturally differentiated global geo-politics. In this regard Nitzan and Bichler (2000, p.68) write: "From this perspective, the gradual ascent of global capitalism reflects the changing relationship – both contradictory and reinforcing – between state power anchored in sovereignty and capitalist power rooted in ownership".

### ***The Universal Epistemology and Paradigm for the Global Future***

The moral, ethical and social vacuum left by capitalist globalization in material and methodological sense under liberalism opens up the frantic search for an alternative to liberalism, capitalism and capitalist globalization that can universally establish and reconstruct the future of mankind under a holistic epistemology of self and other. This is our earlier stated objective of searching for the methodology of systemic unity of knowledge to realize integrated wellbeing of the human race. In such a world-system, economy, society, science, technology, polity and cultural diversity of the human race are complemented together and implemented under an umbrella of co-determination between the discursive entities. It is our claim here, which needs to be established by reason and evidence, that the epistemology of unity of knowledge in the symbiotic systems context is the uniquely universal methodology that can resolve the problem of alienation and differentiation arising from the pluralistic design of liberalism and its artifacts. Such an epistemology and its immanent paradigm must resolve the issues of a unified world-system as it gets complemented both by the ethical and moral bond as well as economic progress. The immanent paradigm must render higher levels of wellbeing and be endogenously sustained by the human response in the global sense.

We will now turn to arguing that the search for this unique episteme is found only in the systemic understanding, reasoning and application of the Divine Law to the details of the world-system. Such a world-system overarches

the domains of thought, institutions, and instruments of actions, structures of sustainability to form the nexus of unified relationships within and between the human and ecological world-systems. Markets, society and polity are subsumed within this grand ecology, of which both humans and non-humans are codetermined parts (Hawley, 1986). Towards this search and inquiry for the universal paradigm of the knowledge-centered worldview we now turn (Choudhury 1999a).

### ***The Methodology of the Episteme of Unity of Divine Knowledge***

In the *Qur'an* the strict monotheism of *Allah* is referred to as *Tawhid*. *Tawhid* is premised on the complete and absolute knowledge and law that are attributes of *Allah*. *Tawhid* does not imply configuration of the number 'one' as oneness. The latter is *Shi'rk* (associating enumeration with *Allah*). Thus the absoluteness and completeness of divine knowledge with *Allah* and His Divine Law (*Sunnat-Allah*) as the creational essence of existence from aye to eternity of creational history mark the all-embracing domain of the Divine Law. The Divine Law stands for unity of knowledge (*Ilm*) that is manifested by the high morality of justice (*'Adl*), balance (*Mizan*), human solidarity (*Ikhwa*), moderation (*la-Israf*), toleration, cooperation and consciousness (*Tadabbur* and *Tafakkur*) at all levels of inquiry. The circular strong causality between these is the essential meaning of systemic unity of knowledge. It thereby also carries all the variables, entities and their relations along with the systemic causal *interrelationships*. None of the mentioned attributes can be ignored in the resource domain of human potential as it is governed and driven by the divine guidance and law. Therefore, every human concern that touches the grand ecological order, of which we are a part, is uniquely and totally overarched by the totality of the attributes of morality and ethics that the *Tawhidi* unity of knowledge bestows upon the nexus of interrelations.

### ***A Systems Formalism of Unity of Divine Knowledge***

We now formalize the systems model of the *Tawhidi* unity of knowledge in terms of the following symbolically defined terms:

1. Firstly, there is the epistemology of *Tawhid* as the Unitary Law that bestows guidance and instruments of conduct to the grand ecological world-systems. We denote this epistemological premise by the symbol  $\Omega$ .

2. The carrier of the unitary law into human cognition and application is done by the medium of guidance of the Prophet Muhammad (*Sunnah*). We denote this premise as the transmitter mapping by S.

3. The first level of human knowledge is thus formed by the realization of a 'bit' of the Divine Law through the medium of the Prophetic Guidance. Symbolically we denote this 'bit' of knowledge formation in the real world-system by the set  $\{\theta\}$ , which spans all world-systems in an evolutionary way across human potential and nexus of world-systems.  $\{\theta\}$  is therefore the result of human comprehension of the world-systems by the mapping of a 'bit' of  $\Omega$  onto the world-system by the medium of S. We write this transmission mechanism as,  $\{\theta\} = S(\Omega)$ .

4. The initial causation of  $\{\theta\}$  on ontological entities reveals and produces the world-system. That is, if a guidance is available in the form of  $\{\theta\}$  from  $\Omega$  through S then a 'bit' of the world-system is effected in terms of the conduct of the law and the organization of life according to this conduct of the Divine Law through the prophetic guidance.

The formation of  $\{\theta\}$  is an extensively discursive process that incessantly evolves into higher levels of certainty as the discursive process continues along the realm of investigation by means of the Divine Law.

5. We denote the 'bit' of the spontaneously emanated knowledge-flow  $\{\theta\}$  on the ontological entities by the set  $\{\mathbf{x}(\{\theta\})\}$ , meaning that the emanation of the world-system arises spontaneously from the domain of the episteme of unity of knowledge through the impact of knowledge-flows.

6. A constructed world-system is thus denoted by the spanning of the pair,  $(\{\theta\}, \mathbf{x}(\{\theta\}))$ . This pair marks the ontology of the constructed world-system on the basis of the *Tawhidi* unity of knowledge.

7. The ontology of the constructed world-system on the basis of unity of divine knowledge is thereafter evaluated for testing the degree of human achievement, response and further actionable decisions that must sustain such experiences in unity of knowledge across systems. We thereby move from the reality of the *Tawhidi* epistemology comprising  $(\Omega; S)$  to the derived and constructed ontology of  $(\{\theta\}, \mathbf{x}(\{\theta\}))$ .  $\{\mathbf{x}(\cdot)\}$  is multidimensional along with  $\{\theta\}$  as these span a diversely complementing nexus of world-systems. In our earlier terminology such spanning world-systems comprise the grand ecological order. Thereafter, the world-systems learn and sustain themselves from the constructed ontology to higher evolutionary realms of the *Tawhidi* unitary worldview. That is,  $(\{\theta\}, \mathbf{x}(\{\theta\}))$  evolves into higher knowledge-flows, and thereby, into higher levels of the constructed world-systems.

The above circular relations can be written down as follows:

$$(\Omega;S) \rightarrow \{\theta\} \rightarrow (\{\theta\}, \mathbf{x}(\{\theta\})) \quad \text{evolutionary } \{\theta\} \rightarrow \text{evolutionary } (\{\theta\}, \mathbf{x}(\{\theta\})) \rightarrow$$

$$\downarrow \text{Evaluation} \uparrow \quad (1)$$

In expression (1), the portion,

$$[\{\theta\} \rightarrow (\{\theta\}, \mathbf{x}(\{\theta\})) \rightarrow \text{Evaluation}] \quad (2)$$

marks a completed process of ontological construction of the world-system as derived from the epistemology of  $(\Omega;S)$ .

The portion,

$$[\text{evolutionary } \{\theta\} \rightarrow \text{evolutionary } (\{\theta\}, \mathbf{x}(\{\theta\})) \rightarrow \text{Evaluation}] \quad (3)$$

marks an evolutionary phase of post-evaluated constructed ontologies through and the medium of *Tawhidi* unity of knowledge.

Two central issues need to be pointed out in expression (1). The medium of knowledge formation at any point along the sequences of evolutionary processes concerning the knowledge-induced world-systems is always of a discursive nature. Only the fundamental epistemology remains outside discourse because of its axiomatic nature in the constructed ontology. A discourse along a process is described by interaction leading to consensus (integration) followed by the beginning of a post-evaluated co-evolutionary process involving the tuple  $(\{\theta\}, \mathbf{x}(\{\theta\}))$ . Consequently, the *Qur'anic* meaning of the *Shura* as the grand ecological participation to reveal knowledge denoted here by systemically unifying knowledge-flows  $\{\theta\}$  is combined intrinsically with the unification experience of the world-systems under the Divine Law. The latter is denoted by  $\{\mathbf{x}(\{\theta\})\}$ . The spanning of all world-systems along the evolutionary experience of interaction and integration in the *Shuratic* processes conveys a meaning of the *Qur'anic Tasbih*. Thus yet other equivalent terminologies for the *Shuratic* process are the *Shura-Tasbih (ST)* experience, and the Interactive, Integrative and Evolutionary process (IIE-process). The evolutionary spanning of  $(\{\theta\}, \mathbf{x}(\{\theta\}))$  in expression (1) defines the constructed ontologies as the learning and evolutionary '*Alamin (Qur'anic world-systems)* on the foundation of  $(\Omega;S)$ .

The second important property of the *Tawhidi* String Relation (TSR) of expression (1) is circular causation that permanently defines the knowledge-induced process methodology. Processes are derived in a recursive manner under the force of the *ST*-experience. Sustainability of the processes in

expression (1) is determined by the *ST*-experience, and thus by the circular causation between entities, variables and sub-relations of nexus in the unifying processes.

The third important point to note in the methodology of expression (1) is its nature of openness and closure. Since the circular causation and continuous learning in the *ST*-experience are pervasive over the unifying world systems, the processes remain open. They are only temporarily bounded by evolutionary equilibriums that determine attained epochs of consensus (limiting values) in  $(\{\theta\}, x(\{\theta\}))$ -values (Grandmont, 1989). But in the very large scale *Tawhidi* universe the completion of knowledge of *all* nexus of world-systems is towards  $\Omega$ . Thus while the component processes and hence world-systems remain open-ended in the *Tawhidi* universe, the very large scale *Tawhidi* universe is closed though not bounded, for there is no configuration for  $\Omega$ ; only relational epistemology is meaningful. The final completion of  $\Omega$  brings into existence and completes the Qur'anic reality of *Lawh Mahfuz* or *Akhira* (Hereafter) (*Qur'an* 85:21,22).

This explanation determines the *interrelationship* between the closed and open *Tawhidi* universes through co-evolutionary processes as follows:  
 $(\Omega; S) \rightarrow \text{Evolutionary 'Alamin} \rightarrow \text{Evolutionary 'Alamin} \dots \rightarrow \text{Hereafter} = \Omega$  (4)

Complex nexus interrelations in the  $(\{\theta\}, x(\{\theta\}))$ -values and their recursive post-evaluation of simulated objective criteria occur as conceptually and empirically determined ontologies within this IIE-process methodology. The sustainability of *ST*-experience is thereby pervasive in the unifying learning experience along the diverse trajectories of evolutionary equilibriums of such unifying world-systems. See elsewhere (Choudhury, 2000) for a mathematical and empirical formulation of the ensuing issues of expressions (1) and (4).

### ***Addressing Globalization Issues in the TSR***

#### *Systemic embedding by means of knowledge*

The central issue of globalization as a networking of market, economic, institutional and cultural issues according to the unity of nations is addressed in the TSR by the unification and complementing principle of pervasive discourse according to the law of unity. The endemic knowledge-centricity in this experience is endogenous in nature. That is such ethical consequences are not driven by coercive policies, rather by guidance out of learning in the IIE-processes. Such a dynamic is similar to that proposed by Dunning in his top-down and bottom-up meeting. However, it takes place in the *ST*-experience by strong causality of circular causation. In such an endogenous framework of

guidance, policing and learning to coordinate, organize and evolve there exist increasing returns to scale in the production of social goods (*i.e.* wellbeing, knowledge, human resource development) with minimizing social and private costs through the medium of sharing of resources, benefits and discourse that open up possibilities for diversity of opportunities. Diverse entities complement each other according to the Divine Law and its implementers or contrary entities are phased out and replaced if not acceptable to the law.

The issues of market transformation is subsumed by the ethical priorities of the grand ecological sustainability according to the preservation of life by the guarantee of necessities and the upholding of the Divine Law that protects the moral transformation. The knowledge-induced endogenous way of market transformation has been formalized elsewhere (Choudhury, 1994).

The *Qur'an* presents a grand ecological model of general wellbeing for mankind and the total environment. Within this, social issues of poverty alleviation, distributive justice, common good, empowerment by participation and entitlement by redistribution and productive involvement using cooperative instruments *etc.* altogether form an embedding of economy, market, polity and social relations. Heiskala (2003) refers to such an embedding as social semiosis, which means the interpretation of social meaning according to an analytical symbolization of circular causation. In the TSR the meaning of reality is rooted in the derivation of rules (*Ahkam*) from the Divine Law and using this to induce consequences in the ontology of the constructed world-systems. Such constructed world-systems symbolize the discursive and unifying ontology. We thus have markets and economy that are built upon the knowledge-flows, consciousness, action, response and continuity of such knowledge-induced ontologies of world-systems.

There is nothing in the *Qur'anic* guidance that is contrary to global ethical bond. Nothing remains unacceptable to human kind in the divinely guided reasoned process. What the *Qur'anic* Law simply turns away from mankind is the arrogance of self, leading to collective hegemony and the evil things (*Fahsha & Munkar*) as determined by the Divine Law. The *Qur'an* declares, "There is no compulsion in religion. Truth stands out clear from error: whoever rejects evil and believes in *Allah* has grasped the trustworthiest handhold that never breaks. And *Allah* hears and knows all things." (*Qur'an* 2:256).

#### *Factor complementarities in the knowledge-embedded order*

According to this principle of inexorable and indelible truth of unity of being in the market order and the economy, we also have co-determination and pervasive complementarities in resource allocation between the otherwise

contending and competing entities of the liberal order. The *Qur'an* (36:36) refers to such pervasive complementarities in its imagery of the 'paired' universe. In this sense of pervasive complementarities are determined the empirical representation of linkages and unity of systemic knowledge between noble entities.

The implications of cooperative mechanisms thereby arise between capital and labour; between different segments of a discursive society involved in the *ST*-experience of continuous learning; between different production menus as joint production that are discursively derived and implemented to realize production-diversification, risk-diversification, and sectoral or economic diversification. In turn, the discursively determined economic menus endogenously promote the social and institutional privileges of participation and sharing in costs, risk and benefits. We are thus formalizing a pervasively complementary allocation system between cooperating possibilities that continuously undergo simulation in the IIE-process, as opposed to the pervasive rule of marginal rate of substitution and non-learning of the optimal and steady-state equilibrium universe of mainstream economic reasoning. In the latter case there remain flaws even in the endogenous growth theory (Romer, 1987) and the endogenous family decision model (Becker, 1989) of the neoclassical economic genre.

### ***Complementary Financial Instruments of the Knowledge-Embedding Order***

Next let us turn to the nature of *interrelationship* of the financial instruments with the real economy that heightens the participatory process and thus lubricates the extension of the law of unity of systemic knowledge across the experiential universe. The direct linkage between money, finance and the real economy logically removes the presence of interest rates from the resource allocation mechanism. Consequently, savings understood as holding of capital from the real economy is replaced by resource mobilization into the good things of life.

The *Qur'an* presents a model of embedded development in its ecological framework of total wellbeing explained by the circular causation that pervades between the avoidance of interest, the spending attribute in the good things of life, the charity to all and everything, and the participatory spirit of the paired universe established by the medium of trade in the good things of life. The *Qur'an* gives the basis of such analytical conceptualization involving the moral embedding of economy, society and polity (*Qur'an* 2: 261-83). Such strong circular causality is pervasively sustained in the TSR till the Hereafter. A *Hadith* (saying) of the Prophet Muhammad declares that the doors of search and discovery from the sources of the *Qur'an* and the *Sunnah*, called *Ijtihad*, will prevail until the end of time.

Consequently, money enters the human world, not simply the economic domain, as a great blessing (*Ni'mah*). Money cannot be commodified as in the MCM model of the liberal order, for there is no return on money. The only return to money is from the real economic activities that carry the blessings of being in the good things of life. In turn the social and economic, polity and global benefits are distributed over the complementing noble things. The *Qur'an* (31:10) declares, “..... We send down rain from the sky, and produce on the earth every kind of noble creature, in pairs.”

### **International Trade in TSR**

International trade in the good things of life comprising flows of merchandise and capital as raised and produced according to the ethical guidance of the Divine Law brings benefits to mankind (*Qur'an* 2:164). In the parlance of the principle of universal complementarities (Choudhury 2003) between the good things of life and the ontological construction of the economy, markets, society and polity as embedded domains carrying the unification of divine knowledge by the instruments of the Divine Law, is now further extended by the medium of international trade. Through such systemic extension and strong circular causation interrelationships between the embedded domains with international trade in goods and services, the global model of a grand unified ecology is presented. This marks the knowledge-flows of the TSR that induce and unify the embedded entities, and their circular causation relations establish the unity of knowledge in the *Tawhidi* world-system.

### ***The Nature of Enlightened Self-interest in the Qur'anic Sense***

The neo-liberal consequence of alienation of capitalist globalization with interest, competition, scarcity and the ‘nicety’ of optimality and steady-state equilibrium as opposed to the reality of the simulated world-system of complex nexuses of unification of knowledge is now fully replaced. The methodology of the TSR does not allow for marginal rates of substitutions and the resource allocation consequences that these postulates embody (Choudhury 1998). Only the principle of pervasive complementarities defines the resource allocation, institutional participation and social symbiosis between ‘noble things in pairs’.

The assumption of self-interest, individual sovereignty and methodological individualism, all coterminous with each other are replaced in the *Qur'anic* context by the principle of reward, mercy and blessing as against punishment in response to the practice of truth as opposed to falsehood, respectively. Thus the cooperating individual aims for and reaps the benefits of a shared social, political, economic and global order only in terms of the expectations of individual rewards, blessing and mercy as against punishment. This is true for



both the material rewards and punishment in life and in the Hereafter. Some refer to this kind of human preference as enlightened self-interest (Griffiths 2004). But the precept of unified decision-making transcends lobby-group dynamics associated with the idea of enlightened self-interest. Social coordination is guided by the Divine Law and also in turn is cumulatively driven towards this goal. We name such a strong circular causation structure of decision-making and choice as ethical endogeneity – being a phenomenon of the unifying learning systems. It is inherent in the *ST*- process of the TSR.

### *Private property rights*

Other axiomatic differences between Islam and neo-liberalism are those of private property right and the spontaneous order of market action (Holton 1992). Property rights are not absolute in Islam but are sanctified when admissible property is held according to the legal tenets. Property is treated as a major social artifact that establishes not only claim but also duties to others. The important case of *zakah* (wealth tax), the annulment of interest in financial dealings, just pricing, avoidance of monopoly and socially abhorring businesses and penalizing the destruction of mutual property rights in the community both locally and globally are used to establish just property rights. Joint venture and joint production and the sharing context of an embedded socio-economic system promote the production of common goods for a market in which decisions are developed through discursive medium of consultation and exchange. Policy matters in such cases of rewards, penalty and guidance emanate from the participation of polity with community and economy locally and globally in the sense of the IIE-process. This is the nature of endogenous polity and policy determination. Consequently, the imposition of policies on socio-economic matters is always preceded by the *ST*-knowledge induction and responses in the community at large.

### *Spontaneous order*

The meaning of spontaneous order is relegated to spontaneity between knowledge-flows and their induction of the world-system variables in accordance with the *Tawhidi* precept of unity of knowledge using the instruments and institutions of unification. Spontaneous order does not mean the idea of market catalysis advanced by Hayek (1967), whereby a market equilibrium and information flow automatically responds to human designs. In such market processes there is no power in market exchange and visible institutions remain exogenous to market determination. Only invisible institutions or those that replicate the rational behavior in decision-making prevail at large. In the case of the TSR, the presence of pervasive guidance, process of discourse and morally embedded socio-economic and political

decisions transform market exchange into powerful social contracts (Choudhury 1996). Market equilibrium and any other socio-scientific process-oriented equilibrium are characterized by evolutionary and unifying character across higher planes of the *ST*-experiences marking the progress of the historical trajectory of TSR.

### The Economy in TSR

At the end now we can define an economy denoted by 'E' for the case of the TSR by the topological relation given in expression (5) (Choudhury 1999b). See Debreu (1959) for a topological definition of Liberal Economy under perfect competition:

$$E = E(\mathbf{R}, \mathbf{p}, \mathbf{q}, \mathbf{P}, \mathbf{T}; W)[\theta] \quad (5)$$

with  $\theta \in (\Omega; S)$  being also recursively determined,

Here **R**(resource), **p**(price), **q**(quantity), **P**(policy instruments), **T**(resource mobilizing instruments and technology), **W** (wellbeing) are each recursively interrelated according to the unifying relational epistemology of  $(\Omega; S)$  through the medium of knowledge-flows  $\{\theta\}$  so derived and impacting upon these variables and relations. Bold symbols signify vectors. From this broad characterization, specific cases can be derived.

In the case of microeconomics, **W** can stand for the objective criterion of knowledge-*simulated* household social wellbeing function with  $(\mathbf{R}, \mathbf{p}, \mathbf{q}, \mathbf{P}, \mathbf{T}; W)$   $[\theta]$  representing the corresponding household-specific variables through the recursive learning experience of the household in its *Tawhidi* experience in unity of knowledge.  $\theta$  denotes a limiting consensually determined collective and coordinated knowledge-value in decision-making on forms of spending in the good things of life.

In the macroeconomic sense, **W** would signify the knowledge-*simulated* social wellbeing function that is aggregated over complex nexus by the IIE-process extending over households in concert with the embedded economic, society and polity circular causation interrelationships. Once again the  $(\mathbf{R}, \mathbf{p}, \mathbf{q}, \mathbf{P}, \mathbf{T}; W)$   $[\theta]$ -relations are taken into account over recursively determined knowledge-flows derived from the *Tawhidi* epistemological foundations. Thus a conscious community in unity of knowledge and the world-systems is established. The *Qur'an* names such a community as the *Ummah*, the conscious world-nation of Islam.

### The Shari'ah and Its Dynamics

Our preceding explanation and formalism lead us to the understanding of the *Shari'ah*, Islamic Law in the light of the *Tawhidi* worldview. The TSR identifies two parts with the *Shari'ah*. The part,  $[(\Omega;S) \rightarrow \{\theta\}]$  is the epistemological core of the *Shari'ah* and it remains exogenously pre-determined as the immutable axiomatic core. The recursive part of the  $\{\theta\}$ -values simulated over the unification experience of the *Qur'anic* world-system is the evolutionary periphery of the *Shari'ah* sustained by the inner core. The *Tawhidi* knowledge-flows and their knowledge-induced entities of the world-systems ('*Alamin*) are ever expanded and strengthened by the increasing comprehension of the *Tawhidi* epistemology. The *Tawhidi* epistemology alone remains perfect, absolute and complete and determines the totality – the Great Message (*al-Naba al-Azim*) of the *Qur'an*.

Thus in the TSR characterization, the *Shari'ah* is not a human law conditioned in the first place by the vagaries of human rationalism, discourse and interpretation. TSR is not solely based on circumstantial interpretations of *Shari'ah* rules (*Fiqh*). Rather the necessary and sufficient condition for the derivation of *Shari'ah* rules (*Ahkam*) is the primacy and direct reference to the epistemology of *Tawhid* in the *ST*-process of knowledge formation and its ontological construction of the knowledge-induced world-systems.

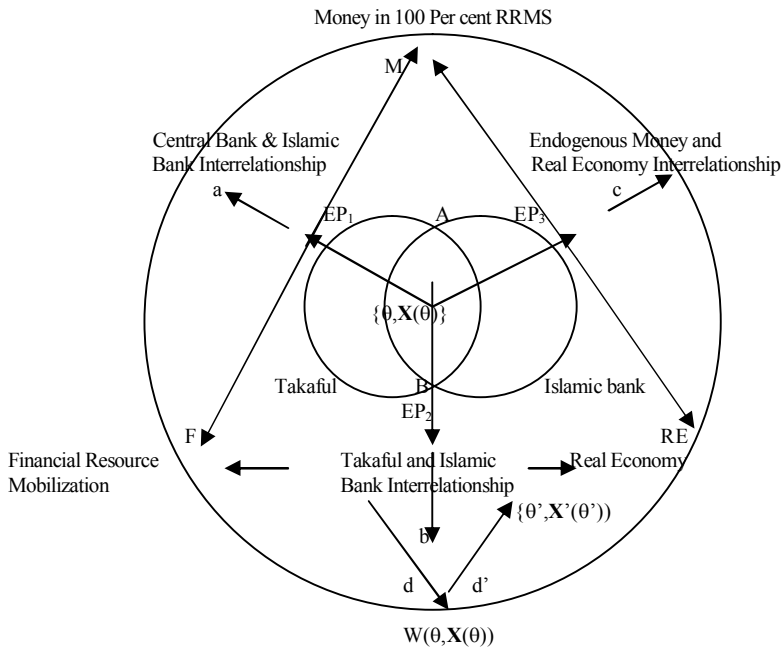
The dynamics of the *Shari'ah* emanate from the *ST*-experience or the IIE-process interrelationships of circular causation in the TSR. The dynamics of the *Shari'ah* touch pervasively the micro and the complex construction of the micro-macro interface premised on the unification of knowledge. From this fundamental basis *Shari'ah* rules are derived, explained and implemented in concert with the ontologies of constructed world-systems, as explained earlier.

#### *A Special Case of the Money-real Economy Complementary Linkage*

In a specific case of deriving *Shari'ah* rules from the TSR we examine again the money and real economy interrelationship according to the methodology of unity of knowledge in the TSR. This is explained by means of Fig. 1 (Choudhury & Hoque, 2004).

In Fig. 1, the intersection region between Islamic bank and Islamic insurance (*Takaful*) is the starting point of an ethico-economic process that commences with the determination of  $\{\theta, \mathbf{x}(\theta)\}$ . These variables were defined earlier. The arrows spanning outwards indicate the enlarging effect of the *ST*-experience with the region AB widening out and carrying along with this the three institution-market interactive and integrative ethical policy, program and organizational variables, namely, EP<sub>1</sub>, EP<sub>2</sub>, EP<sub>3</sub>.

$EP_1$  denotes the relationship between Central Bank and financial institutions, *i.e.* Islamic bank as an example, in the 100 per cent reserve requirement monetary system. In other words, the institutional arrangement then is to have the Central Bank hold all the reserve of depositors in the Islamic banks. The commercial bank simply matches its clientele with spending outlets, and thereby, asks the Central Bank to supply a quantity of money, for which the commercial bank pays a service charge to the Central Bank.



**Fig. 9.1. Ethico-Economic General Equilibrium Takaful-Economy Interaction in 100 Per cent Reserve Requirement Monetary System.**

In the case of the 100 per cent Gold Dinar backed currency held by the Central Bank, the minting of the gold by the Central Bank is charged to the commercial bank, which the Islamic bank would raise from service charges to clientele.

Besides this, the risk and product diversification is shared between the Islamic bank and the clientele according to their respective profit-sharing ratios. The Central Bank is primarily an overseer of monetary and economic development and planning authority. The Islamic bank is a clearance house on spending for the Central Bank's reserve liquidity, which is now managed by the Islamic bank on behalf of the clientele. In this venture the commercial bank can

assume either proportionate risk with other co-operating agents or full risk by lending the total amount. In the latter case, the sharing ratios are determined by adding to the loaned venture capital the imputed production factor costs by the clientele.

EP<sub>1</sub> also includes the financial instruments, such as the principal ones, *Mudarabah*, *Musharakah*, *Foreign Trade*, *Murabahah*, *Bay Muajjal* and secondary financing instruments revolving around the principal ones.

Above all these, EP<sub>1</sub> also includes the organization of the ST-experience between the Central Bank, the Islamic bank and the clientele.

EP<sub>2</sub> denotes the use of the same kinds of financing instruments and ways of realizing risk and product diversification in order to mobilize financial resources from the Islamic banks through non-bank financing institutions. An example of non-bank financial institutions is the Islamic insurance. It acts as the medium of risk-diversification and resource mobilization. Above all these, the organization of the ST-experience involving Islamic bank, *Takaful* and clientele is foremost in EP<sub>2</sub>.

EP<sub>3</sub> denotes activating of market friendly policies and programs, such as dynamic preference formation in the clientele for attaining regimes of life-sustaining goods, rather than 'wants' and conspicuous spending.

Through EP<sub>3</sub> it is possible to give a valuation to monetary flows in terms of the returns in the real economy realized by effective financial resource mobilization. Such returns being functions of real market transactions are simply net profit rates. The net profit rates can be expressed as a weighted sum of the profit-sharing ratios. This implies that monetary aggregates are micro-monies specific to markets and clientele in the 100 per cent reserve requirement monetary system (Choudhury 2004a).

The further extending arrows 'abc' denote the evolution of the circular causation interrelations between the  $\{\theta, x(\theta)\}$  variables. At the end of every such circular causation there is a post-evaluation of the choices and consequences of  $\{\theta, x(\theta)\}$  variables in the simulated system. Post-evaluation for attained levels of unity of knowledge in complementing possibilities is done by simulation of the  $W(\theta, x(\theta))$  function in any given phase of the complete circular causation. The simulation is realized along ST-experience. The circular causation arising from such post-evaluation and its continuity is shown by the arrows dd'.

The double-directional arrows along the sides of the MFRE-triangle imply the endogenous nature of the IIE process of circular causation between M, F and MRE. We now derive the *Shari'ah* rule on phasing out of interest rates. It is not based on an imposed policy of interest-abolition as is usually pre-determined by Islamic banks. Rather, the *Shari'ah* rule for effective interest reduction is based on the unifying experience of money-finance-real economy linkages with institutional guidance and enforcement.

### ***How are Shari'ah Ahkam Viewed in the Islamic Economics and Finance Literature?***

#### *Predicaments of Muslim scholarship*

Asad (1987) correctly puts the predicament of Islamic scholarship as naïve following of spiritual declarations by Muslims (*Fatwa*) and its silence on the *Qur'anic* foundations of the mind. He writes (op cit, p. 54), "This is how it has come about that for centuries past the majority of Muslims have been practicing *taqlid* (literally, "garlanding", *i.e.* investing with authority): in the words of the classical philologists, this means "a person's following another in what he says or does, firmly believing him to be right therein, without consideration of proof or evidence... It goes without saying that this practice is an antithesis to a Muslim's duty of thinking and reflecting which is so unambiguously stressed in the *Qur'an*."

Modern *Taqlid* of Muslims is to rely without deep questioning, on the bastion of neo-liberal thinking with only a palliative of Islam on it. This attitude has entered lock stock and barrels the body framework of Islamic economics and finance as a fashion of the present times. Yet the origin of *Qur'anic* thought premised in the *Tawhidi* epistemology has been left in oblivion by the Muslim scholars' unquestioned submission to *Fiqh* and *Fatwa* to derive *Shari'ah* rules (*Ahkam*). *Fiqh* thus becomes the substantive epistemology for understanding the world to the scholarly naiveté. This predicament of Islamic scholarship has disabled the rise of the *Qur'anic* mind for the actualization of the *Ummah* (Ben Nabi 1983).

Muslim subservience to the neo-liberal world-system has predominated thinking in Islamic economics and finance to the extent that the functionality of the *Tawhidi* worldview and its systemic methodology in unity of knowledge remains incomprehensible to Muslim writers and practitioners today. Even the basic interest-based concepts, such as the time value of money, opportunity cost of resource allocation, utilitarian ideas of wellbeing and material happiness, exogenous treatment of ethics and morals in prevailing models of mainstream economics, and received macroeconomic models and policies have been

legitimized. (See articles in various issues of Islamic Economic Studies and Review of Islamic Economics). The end result is that *Tawhid* in Islamic economics and finance exists simply as a mentioned axiom. It does not result in a methodology that would influence in a substantive way the issues, practices and development of the world-system upon which a universal socio-scientific paradigm can be established (Choudhury & Hoque 2003).

*How is the question of capitalist globalization treated?*

In the global context the challenge of an *Ummatic* globalization (Choudhury, 2002) remains foreign to Muslim thinkers and writers as they increasingly immerse themselves in the mind space, institutions, businesses and human resource training experiences of capitalist globalization with simply a palliative of Islamic coating and no interior. Most Islamic financial institutions have succumbed themselves to this catching-up fervor in capitalist globalization. It is no wonder how the Muslim World has lost its capacity to uphold the challenges of the *Tawhidi* epistemology in the post-modern age, and instead has increasingly deepened its bondage on all fronts to the whims, caprices and suppression of the West. Thus submission to capitalist globalization by the Muslim World in its present state is not amenable to change, unless the *Tawhidi* epistemology of systemic oneness, (*i.e.* complementarities and linkages by strong circular causation (Maxim 1999, Smith 1992) is not searched and discovered as the networking of the *Ummah* to establish a universal theory of civilization change. Present capitalist globalization and its emulation by the Muslim World are not premised on this pedestal of hope and renewal (*Tajdid*).

Yet Muslim thinkers like Ahmad (2004) and Chapra (1992) have dealt with the theme of globalization in a palliative of Islamic virtues of justice, fairness and equality that does not bring out the central theme of *Tawhidi* functionality in the global world-system. They take the view that Islamic virtues can be externally applied to the global transformation process through discourse – but discourse with and between whom? -- The vultures of power and greed reigning supreme in the world today? The theme of *Jihad* versus McWorld (Barber 1995) does not arise in their writings. At the end in any outer discourse we are meeting the liberal capitalist giants simply for a social occasion that despite its abhorring of the capitalist enigma with good words of Islamic piety, remains lost in the glamour and maze of deception, confusion and greed.

Muslim writers do not understand the political philosophy underlying the theme of ‘cultural pluralism’ as they plunge into this recently coined term of the Western democratic and neo-liberal genre to mean all is good in diversity and power (Raphael, 1990). The words of Ahmad in regard to cultural pluralism are

particularly troubling in the context of a free, superior and independent stand of Islam in the world. Ahmad writes (p.191): “It (Islam) spells out a genuinely pluralistic religious and cultural landscape for mankind”. Both the words “pluralistic” and “cultural” are contrary to the *Qur’anic* injunction of *Haqq al-Yaqin* (the true reality) and *al-Sirat al-Mustaqim* (straight path) (*Qur’an* 10:32) without compromise.

## Conclusion

How therefore must Muslims enter a post-modern age of globalization? I have rejected the existing piecemeal approach of the Muslim scholars and institutional developments as a non-starter that has not provided even a challenge in the area of thinking far from its application in the conscious awakening of the *Ummah*. I have called for the continued re-examination of the *Tawhidi* functional worldview as the core in the reconstruction of the *Shari’ah* in all details of life and thought through the *Shura-Tasbih* process (equivalently the IIE-process), away from both the on-going *Fiqhi Taqlid* (Alwani 1991) and Muslim subservience to liberalism. Islam and liberalism are unmixable (Murden 2002).

Towards attaining this end the following broad recommendations are proposed here. But one must note that these are simply suggested as points for further discourse. No detailed analysis is given here. The reader may turn elsewhere for such functional details that bring the *Tawhidi* methodology and worldview to empirical and applied scientific constructs (Choudhury and Hoque, 2003).

1. Harmonize the understanding and application of the *Shari’ah Ahkam* in the *Tawhidi* worldview of systemic unity inculcating the *Shura-Tasbih* process methodology. This will require reform in the educational system by a collective will of Muslim people if not of the Muslim states. Independent forums must be established that would be financed by private funds and must give incentive for jobs and participatory decision-making in the private sector Islamic organizations as a network across the world. A strong network of linkages must be established between these organizations and the economic, social and institutional activities. A private sector secretariat must be established to efficiently run such an organization by private funding.

2. Human resource development along lines of *Tarbiah* (instilling belief through education) by the *Tawhid* methodology must be inculcated in mainstream school, college and higher educational programs and curriculums with the scientific momentum for understanding, analyzing and applying the *Tawhidi* methodology and worldview to the socio-scientific understanding of reality.



3. Bring about open and specialized forums for the understanding and application of the *Tawhidi* methodology and worldview in both human resource and institutional development. Thus bring about continuous cross-fertilization between Islamic scholars and institutions on the basis of the *Tawhidi* worldview of socio-scientific thought and its applications. In this phase of knowledge dissemination the most modern and sophisticated of methods will be applied in order to galvanize the *Tawhidi* methodology and worldview into quantitative world-systems dynamics.

4. The dynamics of the *Shari'ah* as a continuous advancement for understanding, searching and discovering diverse possibilities in the domain of the *Shura-Tasbih*- experience must be discoursed between all who are consciously involved in the Islamic transformation to the *Ummah*.

5. Islamic transformation in the above form by knowledge consciousness and institutional developments in the private sector ought to think of trade and development across segmented markets of Islamic goods and services. In this way, the evolutionary phases of trade between Islamic units of exchange will increase the supply of dynamic basic needs and raw materials and services between them. Then by sheer market forces this kind of transformation will alter the supply relations of processed and semi-processed materials of the Muslim world with the outside World. As demand remains higher and the supply to the outside World shrinks, the terms of trade of Muslim traders will increase. The higher export revenue so earned can be converted into a developmental fund to enhance the process of *Ummatic* transformation (Choudhury 2004b).

6. Changing the existing monetary and financial system of the Muslim world by privately driven money-real economy complementary and strong circular causation linkages must spearhead the catalysis of the above kind of *Ummatic* transformation.

7. The momentum of the Islamic transformation building upon the sustainability of the private sector participation in it must take microenterprises as partners along with participants from all rungs of society. Thereby the financial and developmental resources must be mobilized by the full gamut of Islamic development financing instruments.

Many other side-implements of the above recommendations can be made. The above approaches must be taken up simultaneously rather than in piecemeal fashion. The overall focus here is that Islam must be embraced, as the *Qur'an* say, enter Islam with full heart. Thereby, the capitalist globalization agenda will

be challenged by the rise of *Ummatic* globalization (Choudhury, 2002, *op cit*). The understanding of such an Islamization process on the foundational basis of the *Tawhidi* worldview must be at the core of the overarching private sector-led cooperative agenda for the realization of the *Ummatic* globalization process. The mistaken idea of pluralism in beliefs to lead to a wholesome world-system is a liberal Utopia and must be avoided. All along, the knowledge and institutions of the *Shura-Tasbih* experience of the *Tawhidi* worldview must centrally fuel such *Ummatic* transformation. Overseeing all such *Ummatic* change must be a guiding institution of the Muslim World with its independent private sector secretariat, well funded and equipped with incentives of material and spiritual benefits in the agents and engines of Islamic change.

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## ديناميكية الشريعة الإسلامية والنظام العالمي

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المستخلص. تناقش الورقة النظرة العالمية الإسلامية مقابل الليبرالية الجديدة. ويتم هنا مقارنة الاستمولوجيا المتضمنة في القاعدة المعرفية للتوحيد كأساس للمستقبل الإسلامي مع تلك المعرفة الخاصة بالمصلحة الشخصية والحرية الفردية في الليبرالية. وهنا نوضح المنهجية التي تقوم عليها النظرة التوحيدية كصيغة لأنظمة العوالم التوحيدية.

وتأسيساً على هذه المنهجية الجامعة للوحدة المعرفية القائمة على النظم فإننا نقدم شرحاً للنموذج التصوري الخلاق المتضمن في التناقضات المعرفية والوحدات التي تحفزها أو تثيرها المعرفة لأنظمة العوالم.

ومثال العولمة الرأسمالية كفرع لليبرالية الجديدة تتم مقابله مع إطار نظم العوالم الإسلامي المسمى "الأمة"، وهنا يتم اقتراح إطار العمل البديل للعولمة للأمة الإسلامية بالمقارنة بالعولمة الرأسمالية. ويتم هنا كذلك فحص أدوات أو وسائل التغيير عظيم الأهمية، وعلى وجه الخصوص الروابط التكاملية بين النقود والمال والاقتصاد الحقيقي، وفقاً لوحدة المعرفة النظامية لمعرفة التوحيد واستخدام أدوات الشريعة.

إن ديناميكيات الشريعة يتم توضيحها على أساس النظرة العالمية للتوحيد بالمقارنة مع فهم إطار عمل الشريعة بالعقلية الإسلامية السائدة، التي هي بعيدة جداً عن العمل الداخلي للاستمولوجيا التوحيدية المتضمنة فيها.

إن التفكير السائد للاقتصاد الإسلامي والمال والعلم والمجتمع يتم تقييمه نقدياً في ظل ظروف النظرة العالمية المنهجية التوحيدية. وتقدم الورقة خلاصاتها مع توصياتها بخصوص السياسات المطلوبة.