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Viewpoint by Guest Writer

Islamic Development Model: A Shift from Growth-driven to Prosperity-driven Model

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ABOUT THE GUEST WRITER

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For far too long the Islamic Economic Community (IEC), be in Malaysia or in any other OIC nations, has been over-dependent on Western development model. Some of the development indicators or in short the KPI are less suitable for the IEC. The Western models are so dominant since their international consulting institutions such as PwC, E&Y, F&S, Deloitte, OECD or even more established fraternities such as HSBC Global Research or Standard Chartered Global Research, are aggressively promoting their economic model. Even our National Economic Policy (NEP), formulated in early 1970, was made possible with inputs from the West. However, fortunate for us, the main architect of the said Policy, the late Tan Sri Dr Just Faaland of Norway, is more Malay than the Malay and more Muslim than the Muslim. Since then, no single Islamic-based of such consulting institution has come forward to match those parties, in promoting our very own Islamic development model, suitable for the present days. So much so that when we formulated our New Economic Model (NEM), some forty years after the NEP, we still have to depend on the Western scholars.

Islamic development model is nothing new. The formulation of the Medina Charter for example, is a classical case of a noble initiative taken by Prophet Muhammad (pbuh). The Charter, the first written legal framework of any enactment or by-law in the world, is to govern the Islamic development model but taking into consideration the presence of the non-Muslim in the Muslim-led plural community. While the Muslim is governed by the Maqasid Syariah and other syariah rules, the Medina Charter is to accommodate the others, within the Islamic legal framework, be it in business or in any other endeavours. Since then, not that many global initiatives led by the Muslim that we can be proud of. Perhaps, the waqf funding initiative by the University Al Azhar is something worthwhile to be mentioned here. Malaysia is known to champion the development of several Islamic development models. Islamic banking and finance, the Islamic insurance, takaful and the halal and syariah compliance, are among the few we are proud to claim as the frontier. The Syariah Index, developed and promoted by JAKIM and was launched by the YAB Prime Minister on 10th Feb 2015, is the latest initiative taken by Malaysia in continuing our legacy in the development of the Islamic development model.

Being the first of such Index by any Muslim nations, it has many indicators almost similar to the index developed by the London-based Legatum Institute of Prosperity, the Prosperity Index. The plus-factor of the Syariah Index is that, each of the eight indicators are to be measured by the five pillars of the Maqasid Syariah; ad-deen, life, akal, zuriat and property. The eight (and now nine) indicators of the Legatum Index of Prosperity have a slight difference from the eight indicators of the Syariah Index. The slight deviation of difference is quite understandable since the Legatum Index of Prosperity is developed based on the Western values while the Syariah Index is purely on the Islamic values. However, the six universal indicators are the same; governance, education, economy, health, society and environment. Surprisingly, security is not a major indicator of Syariah Index.

A much deeper look at both the Legatum Index of Prosperity and the Syariah Index, will take all of us to one single point of commonness in the future direction that we both, the West and the IEC are looking at, that is the future direction favoured by the society. The present and the future society, be in the West or the Muslim, is more inclined towards developing a prosperity as against about growth, development and competitiveness. Prosperity is all about a balanced and sustainable growth that blends the elements related with wealth, wellbeing and happiness. For now, let us open our mind and look at the Legatum Index of Prosperity and place it side by side with the Syariah Index. There surely be an area we could compromise and make the necessary adjustment to both, and come up with our very own Islamic Prosperity Index.

Table 1. Legatum Index of Prosperity

Legatum Index of Prosperity			**Syariah Index**	**Proposed Islamic Index of Prosperity**
KPI	**Prosperity Index 2016:**		**KPI**	**KPI**
	Malaysia	**New Zealand**		
Governance	40	2	Politic	Governance
Economic Quality	23	1	Economy	Economy
Business Opportunity	16	2		
Education	31	15	Education	Education
Health	37	12	Health	Health
Security	58	19		Security
Personal Freedom	112	3	Culture	Culture
Social Capital	33	1	Social	Social
Environment	49	13	Infra & Environment	Environment
			Islamic Law	*(should be part of KPI on Governance)*
Global Ranking	38	1		

For the past 10 years Malaysia's overall rating by Legatum Institute of Prosperity based on the above KPI was among the top 45. For the first time in 2016 it made a huge leapfrog to be ranked 38th, while New Zealand for the first time being ranked the first, overtaking Norway. Our rating could have been better if we were to drop the KPI on Personal Freedom, of which it is more suited of the Western values but not us. Surely many of us have to learn from both New Zealand and Norway in terms of prosperity.

As for the Syariah Index, since it was launched in 2015, not much has been done to apply it, neither for global reference nor for evaluating the syariah compliance of any state government, ministry or the implementing agencies. I am in the opinion that if the Syariah Index were to be adjusted or modified to be comparable to the Legatum Index of Prosperity, to make it more palatable as a tool to measure the Islamic Prosperity Index, the eight indices proposed as the KPI (as indicated in the right column of the above table), look justifiable. Each KPI shall have several universally acceptable sub-indices. The question is, who shall be the champion to measure this development or prosperity index among the OIC member nations. In Malaysia, who shall take the initiative to measure the index among the state government, ministry, implementing agencies and even GLC and GLIC. This is indeed very important and the availability of such evaluation is timely.

I do follow the application of several other indices, especially those developed by World Economic Forum (WEF), such as the Competitive Index, the Inclusiveness Index and few more. As a strong proponent of the Legatum Index of Prosperity, mainly due to my bias preference of measurement of prosperity as against the growth, development and competitiveness, I do subscribe to the movement to promote the agenda of prosperity-driven development, more than the growth-driven model. For example, in the pursuit of growth, development and competitiveness, one will consider a high-income as of paramount importance. In a growth-driven economic model, the high-income status, even at the expense of quality of life and healthy lifestyle, will create a high priority, irrespective the level of happiness. In contrast, in a prosperity-driven development model, such a high-income status is of a lower priority, if the quality of life is compromised or sacrificed.

While the West are beginning to accept and recognize the Prosperity Index developed by Legatum Institute of Prosperity for almost 10 years, the faith of the Syariah Index, even among Islamic institutions in Malaysia, is much to be desired. It is about time for JAKIM to seek the assistance of reputable central agencies especially ICU (Implementation & Coordination Unit Prime Minister Department), or even the university, to help promote the application of the Syariah-based Islamic Index, to steadily develop the Islamic prosperity-driven index, to help shape a more comprehensive Islamic development model. It is about time we promote the many good values of Islam rather than to scare the plural society, with the many don'ts that the politically-driven motives try to promote. There are so many beautiful worlds of Islam we need to promote for this religion of Allah SWT in order to gain the respect and recognition it deserves. We could improvise the Syariah Index by making a fusion of the best elements in the Legatum Index of Prosperity, with those in the Syariah Index, referred herein as the Islamic Development Index. As long as we know what we wish to have is for the betterment of Islam, we shall strive for it. We shall pave the way for others to follow. We are known for that and we shall continue to inspire the others. Malaysia boleh. Muslim boleh.

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