

## AN ANALYSIS OF HUMAN DEVELOPMENT TO THE ECONOMICS OF WELFARE THROUGH ISLAMIC JURISPRUDENCE

**SOUMIK KANTI GHOSH**

Research Scholar  
AR19BPHDEC004

**Enrollment No  
ECONOMICS**

**Dr. SURENDRA SINGH RAJPUT**

**Supervisor**

SARDAR PATEL UNIVERSITY, BALAGHAT

**DECLARATION:** I AS AN AUTHOR OF THIS PAPER /ARTICLE, HERE BY DECLARE THAT THE PAPER SUBMITTED BY ME FOR PUBLICATION IN THE JOURNAL IS COMPLETELY MY OWN GENUINE PAPER. IF ANY ISSUE REGARDING COPYRIGHT/PATENT/OTHER REAL AUTHOR ARISES, THE PUBLISHER WILL NOT BE LEGALLY RESPONSIBLE. IF ANY OF SUCH MATTERS OCCUR PUBLISHER MAY REMOVE MY CONTENT FROM THE JOURNAL WEBSITE. FOR THE REASON OF CONTENT AMENDMENT/OR ANY TECHNICAL ISSUE WITH NO VISIBILITY ON WEBSITE/UPDATES,I HAVE RESUBMITTED THIS PAPER FOR THE PUBLICATION. FOR ANY PUBLICATION MATTERS OR ANY INFORMATION INTENTIONALLY HIDDEN BY ME OR OTHERWISE, ISHALL BE LEGALLY RESPONSIBLE.(COMPLETE DECLARATION OF THE AUTHOR AT THE LAST PAGE OF THIS PAPER/ARTICLE

### **Abstract:**

During the height of Islam, the world was mostly split into developed and developing nations. Developed nations were those with goals centred on the idea of the welfare of people through human growth and values, whereas emerging nations were still formulating these goals. However, following the overthrow of Muslim monarchs, the definitions of developed and developing nations altered, and all resources were concentrated primarily on those goals that were comprised of important elements of economic growth, which is a restricted component of the welfare of humanity. These goals are categorized as physical goals. In this article, an analysis of human development to the economics of welfare through Islamic jurisprudence has been discussed.

**Keywords:** Human, Development, Economics, Welfare, Islamic, Jurisprudence

## **INTRODUCTION:**

Physical capital formation, which was regarded as a key component of economic progress, put an end to these physical goals. Therefore, all economic activity was managed by those capitalists who held physical capital. They argued that no one had the right to obstruct the fight for evolution or efforts to make money, whether it be the church, the state, or society. In this way, the proponents of this theory employed all available means to advance the causes of tolerance, nonconformity, liberalism, and, in their own words, "Capitalism," and this procedure was known as "classical development," in which there was little room for the welfare of humans.

As a result, there were no limitations on the use of resources and no means of ensuring equitable opportunity. On the basis of overall performance, a person with higher physical capital resources could contribute significantly to economic development through the generation of physical capital. The disparity or inequality between the wealthy and the poor grew as a result. This ideology led to problems in all areas because it was believed that an unequal distribution of resources would increase the rate of growth rather than decrease it by making a desirable transfer of funds to a particular segment of society with a higher propensity to consume. The conflict between the mode of production and the economic value assigned to the roles of various agents of production was a significant contributor to the skirmishing between the two groups, and this was viewed from an economic perspective as a significant problem. Whereas the first group held a sizable amount of physical capital, its numbers were lower than those of the second group, which sold its labour.

Thus, throughout the past 40 years, macroeconomics courses have mostly concentrated on issues of growth and stability in connection with long-term sustainable GDP growth and a desired rate of inflation. More specifically, per capita GDP was seen as the best indicator of a nation's level of stability and growth, followed by development. The per capita GDP synthesis gradually lost favour as a central idea in macroeconomics. This consensus viewpoint failed as a result of both theoretical and empirical points of view. A counter thesis that claimed that only economic growth and stability were adequate indicators of a nation's level of progress emerged

as a result of this. The importance of a new phrase, human capital formation, for economic activity that was based on education was part of the post-industrial era at that point.

In the economic literature, there were two main justifications for this kind of conclusion: first, the topic of coordination assumed significance as a holistic development strategy. Will economic stability and growth be "automatically" coordinated by comprehensive development? What should the institution's quality and make-up be in order for it to succeed or fail? These issues are regarded as macroeconomics' most fundamental. Second, it is thought that economists will eventually attempt to incorporate the analyses and findings from other behavioural disciplines into the dominant economic theory. The "simply economic growth and stability" hypothesis had to be abandoned once that had occurred. As a result, new development strategies are required to look into welfare economics.

#### **RESEARCH METHODOLOGY:**

The present study was motivated the gaps revealed in the review of existing literature. Such discrepancies have acknowledged the need to commence a comparative analysis at the Muslim founded Higher Education Institutions of India to make out their role and how abundantly it has translated in bringing a more significant expansion of human development based on Islamic Jurisprudence.

Ahead of creating a composite index, the determination of the source of data and structure of dimensions and their indicators is needed. Furthermore, after obtaining data, its inspection and transformation according to the measurement instrument is an essential part of data analysis that should be checked out before going to the study. Therefore, the process of collection and then an examination of available information on the dimensions of Islamic Jurisprudence need to be performed carefully to maintaining the integrity of a composite index. These all steps determine the application and the measure of the extent of the theoretical framework of Islamic Jurisprudence in the form of a composite index.

Therefore, for deciding how to gather data, the study laid down itself on observations and interviews because the structure of the dimensions is based on both in the past empirical findings. As a consequence, for the collection of primary data, some of the grave issues related

to the subject are highlighted in this section. Considering the vast geographic size and enormous population, it was not possible to keep track of the whole India and its Muslim educational institutions. Still, the figures and facts mentioned in this study are evidence enough to understand the present situation of the Muslim founded education institutions and the Muslim community in India.

## **ANALYSIS, RESULTS AND DISCUSSION:**

### **Traditional Approaches of Human Development to the Economics of Welfare:**

This battle of the sexes over opportunity rights led to the industrial revolution, which got its start in the eighteenth century with the switch to new manufacturing techniques. Prior to the Industrial Revolution, as was already established, the production of physical capital was seen as the primary driver of economic activity. The latter has been discussed in the literature as a useful tool for ensuring sustained and long-term development. As a result, the explicit focus has shifted from the conventional method of using economic growth and stability as benchmarks for development to the more contemporary approach of focusing on human welfare. The idea of human development had arrived just in time.

The economics of Welfare phenomenon is seen by the human development perspective as the major goal of the process of development. This places more emphasis on what individuals get out of something than what they put into it. In this regard, the UNDP's annual human development report (2015) provides in-depth details regarding the numerous indicators and methodologies related to human development. Five indices—the Human Development Index, Inequality-Adjusted Human Development Index, Gender Development Index, Gender Inequality Index, and Multidimensional Poverty Index—are used to measure the knowledge that has been gained.

The Human Development Index, a composite measure measuring average success in three fundamental dimensions—long and healthy life, knowledge, and a respectable level of living—is the most often studied index. Life expectancy at birth is a measure of a long and healthy life. The predicted years of schooling and the mean years of schooling are the key metrics used to calculate knowledge. A decent standard of living is correlated with gross national income (GNI) per capita.

Inequalities in the three primary aspects of human development are taken into account when calculating the inequality-adjusted Human Development Index (HDI). They primarily employ the Atkinson inequality index and the work of Palma (2011), and this average inequality is found in the three fundamental areas of human development. The gender development index measures the difference between female and male HDI values. Entities are classified into five groups based on how far they are from gender parity in terms of HDI scores. The Gender Inequality Index, on the other hand, highlights the achievement gap between men and women in terms of empowerment, reproductive health, and the labour market. The maternal mortality ratio and teen birth rate are used to compute it, while labour force participation and the proportion of seats held by women in the national legislature serve as indicators of women's empowerment.

The intensity of deprivations is used to adjust the percentage of the population that is multidimensionality poor; the intensity of deprivation of multidimensional poverty is the average percentage of deprivation that multidimensionality poor individuals experience. The population near multidimensional poverty, the population in severe multidimensional poverty, the contribution of deprivation to overall poverty, the population below the national poverty line, and the population below PPP \$1.25 a day are the other divisions of the Multidimensional Poverty Index.

The index is created using this entire approach to guarantee cross-country and, more specifically, cross-level comparison. Along with a steady pulse of changes in absolute values and standards across countries, this cross-national comparison also reveals alternate intra-cultural comparisons of values and norms, which are seldom included in the UNDP's proposed human development model. In addition, cross-level comparison is used, where a higher level of attainable indicators is needed regardless of what acts and methods are legal and illegal, which are again defined by value judgment, norms, and beliefs.

It is also acknowledged that many new difficulties have emerged that call for a re-evaluation of values, customs, and beliefs. Even though the UNDP's existing HDI may be the most

complete indicator, it is insufficient to capture all aspects of human development in situations where individuals have distinct cultures, identities, customs, etc. Regardless of a society's identity or culture, the UNDP recommends complete HDI measures. There are many different ethnic groupings, particularly when discussing Indian societies. Depending on their personal value judgments, some of them place greater value on a materialistic lifestyle than a non-materialistic one, and vice versa. It is now argued that in the spirit of human development, neither its objectives are fulfilled nor its methodology is compatible with the other side of human development, such as a value judgment, in light of the irregular modifications in the HDI and its components and a variety of criticisms attached to it.

Because of this, it is difficult to establish policies that are relevant to values, norms, and beliefs using the current human development models, which are insufficiently thorough and representative. This is mostly attributable to these models' recent failures, which include the fact that the number of civil wars is constantly increasing, as well as in part to the fact that they lack a solid theoretical foundation. The next argument assumes great significance since, in order for these models to be useful, their formulation must be completely altered in order to grasp their relevance and abandon the previous basis, which is the frequency of civil wars.

We need a different theory because, as society develops, there are constantly moral decisions to be made and value judgments to be made. Some systems of measurement and assessment are important to determine the course of human growth, evaluate the progress achieved along the route, and create the necessary policies to aid the process. Here, measuring and assessment procedures should be constructed in accordance with clear value judgments regarding materialism and non-materialistic approaches to human development. This is true not only at the individual level but also—and more significantly—at the level of society, as decision-making and its implementation at a group level necessitate collaborative awareness of the issues and then coordinated efforts to resolve them. Therefore, rather than just focusing on a few aspects of a person's life, it is important to give policies that do much more to improve the idea's application to the person's life.

In response to this requirement, a brand-new index that is in line with the ethos and philosophy of Islam—an alternative way of life—is put out as the Islamic human development index. By assuming continuous progress within a framework of Islamic Jurisprudence, as the name implies, the new human development index has aimed to revive Islamic ways of human development analysis. Purification of the soul is included in the Islamic understanding of human evolution and is reflected in all human endeavours and relationships, whether they be social, economic, or personal. In order for Islamic economics to advance naturally, human development studies require the most important intellectual tools and methodologies available today. As the fundamental theory and concept to build UNDP's suggested HDI is not founded on Islamic Jurisprudence, Muslim scholars have used it to advocate reform and revival in many important areas of life.

### **Human Development Based on Islamic Jurisprudence as an alternative approach to the economics of Welfare:**

Shariah, Fiqh, and Fatwa are the three main terms that make up Islamic philosophy. The Qur'an and the Prophetic tradition, which are manifestations of the revelation that Muhammad (Peace Be Upon Him) had received and made the message and mission of his life to uphold, constitute the meaning of Shariah. More specifically, according to Ibn al-Qayyim (d. 748 AH/1347 CE), "Shariah is founded on intelligence and accomplishing people's wellbeing in this life and the hereafter. Shariah is all about fairness, compassion, knowledge, and virtue. Therefore, even though it is claimed to be so by some interpretations, any rule that substitutes wisdom for foolishness, common good for evil, mercy for its opposite, or justice for injustice is not a Shariah judgment.

The vast body of legal judgments provided by numerous jurists from diverse schools of thought is known as the fiqh (Islamic Jurisprudence), and it is the subject of this article. The application of this Fiqh to contemporary human life is known as a fatwa. Thus, the actual achievement of human progress in this life and the afterlife is achieved by the implementation of Shariah into human life through Fatwa while keeping people's welfare and the goals of Islamic Jurisprudence (Arabic: Maqasid-al-Shariah) in mind.

As a result, practically every aspect of human existence is covered by Islamic law, which places a strong emphasis on the welfare of the masses as a whole, particularly the impoverished and marginalized. According to Islamic legal theory, having access to sufficient resources or income, living a healthy lifestyle, and receiving an education are important elements of human development. On the other hand, achieving all of these requirements still represents a tremendous achievement. For example, what are the legal actions and methods for meeting these requirements?

This is the main obstacle to human development initiatives, and as a result, there are more inequities and violations of basic social and economic rights. Human development nowadays appears to be value-neutral. In terms of ontology, the value-neutral paradigm is materialistic. The traditional index's sole emphasis on material well-being without any mention of an individual's value system is one of its most significant and obvious flaws. It even disregards the relationship between God and humans, as well as the infinitely large dimensions of human beings. The materialist school of thought, which emphasizes the money approach to human welfare, is where this theory mostly originates. Even those who reject the existence of God generally agree that nothing outside of matter and metaphysics should have any bearing on objective beings.

Similar to how postmodernists contend that everything is ultimately relative and subjective in terms of epistemology. They believe that, like other phenomena in the universe, humans are phenomena. His independence and his ability to make decisions are natural and relative. In reality, most people don't intend to advance the common good or realize how much they're doing so. They simply have their security and profit in mind. Equally, value-neutral anthropology rejects the idea that humans are endowed with the capacity for either good or evil by God. Therefore, human growth is solely defined from a global perspective within the value-neutral paradigm. It is not necessary to aim toward moral and spiritual growth.

On the other hand, given that value-neutral and value-based approaches would have quite different end goals, their perspectives and perceptions must also differ. Here, the study's main



goal is to show that Islamic human development—in general, Islamic Jurisprudence—has planned higher goals than conventional and to show how these major obstacles can be overcome as well as techniques to recognize and validate them. According to Islamic law, all laws and regulations are created by Allah with the purpose of promoting human welfare. Furthermore, God created mankind with a proclivity for civilization, the highest expression of which is the ability to govern their own lives. Traditionally, general models have not taken into account the God-given desire for civilization. The non-materialistic phenomena of human development are therefore not given importance by them.

As stated before, contemporary economics emphasizes the material aspects of human welfare. The Islamic system, in contrast, explicitly emphasizes themes like faith, social and economic fairness, moral responsibility, and human rights in addition to the standards of traditional indices. Islamic law's key pillars for addressing problems like poverty, injustice, corruption, criminality, illiteracy, child trafficking, etc. are faith in God and the ensuing judicial system.

The atheistic value system and the ensuing unfairness can be directly blamed for the unfavorable social, moral, and economic situations that are present in communities all over the world. All of the prophets who were sent by God emphasized the necessity to respect people as God's creations, to be aware of Him, to uphold justice, and to eradicate all forms of oppression, corruption, and unfairness in society. Indeed, in addition to the material and immaterial factors, human rights and social justice must be upheld in order to realize the objectives of Islamic human development. The mainstream economist rejects the idea that the world would be habitable for human well-being if there were justice and God consciousness.

Most metrics used to measure current human development are based on the idea of value neutrality and do not take human spirituality into account when determining moral responsibility on their own. For instance, when considered as the consequence of human ideas and actions toward the elimination of poverty for human growth, the built indicators are very much tied to the physical resources, but the idea and application are completely silent about where and how these physical resources are produced. On the other hand, the term "blocking the means" in Islamic economic theory provides a response to this query. It involves prohibiting

or preventing a means because it might be used to commit illegal acts. The incorporation of a higher level of the ecosystem, the perpetuation of environmental issues due to excessive economic activity primarily focused on personal gain, etc. are examples of unlawful behaviors from the standpoint of Islamic law.

Nuclear weapons are also among the most destructive in terms of environmental imbalances and destruction. These are the steps involved in converting resources from Halal to Haraam. In fact, this transition is justified as a strategy or planned way of achieving and maintaining long-term economic growth that is quickly expanding across nations. The overall effect of these efforts is to produce a contemporary, colonized world based on a system of fear, which goes against the fundamental principles of Islamic human development, such as peace and freedom. In fact, these kinds of issues will arrive at the shore and be resolved by collective efforts when we use the principle of declining marginal utility and cost-benefit approaches on the margin without differentiating between legal and illegal behaviors.

### **FINDINGS:**

Therefore, before applying these scientific techniques, our goal should be to distinguish between actions that are consistent with value-based worldviews and those that are not. The goal of the current study was to support this effort by creating a thorough reconstruction of human development using axioms derived from Islamic jurisprudence.

The alternate hypothesis—that there is a difference between human development in traditional approaches to the economics of welfare and in Islamic law—is thus accepted after a thorough examination of the concepts of human development in traditional approaches to the economics of welfare and in Islamic law.

### **CONCLUSION:**

The first talked about the study's main goal, which was to compare the fundamental theories of human growth in the Welfare Economics and Islamic Jurisprudence models. After studying both strategies, we rejected the first one, and this decision has a significant theoretical impact on how human development will proceed. The growing body of research on Islamic human

development as an alternative to welfare economics, as noted by the aforementioned reviewed literature, demonstrates one objective of the profound effects that inevitable rejection has on the growth of human development research.

## REFERENCES:

1. Chowdhury, O. H. (1991). Human development index: A critique. *The Bangladesh Development Studies*, 19(3), 125-127.
2. Mb Hendrie Anto (2018) "Introducing an Islamic Human Development Index (I-HDI) to Measure Development in OIC Countries" *Islamic Economic Studies*, Vol. 19 No.2, pp. 70-89.
3. Bagolin, I., & Comim, F. (2008). Human Development Index (HDI) and its family of indexes: an evolving critical review. *revista de Economia*, 34(2), 7-28.
4. Hanushek, E. A., & Woessmann, L. (2012). Do better schools lead to more growth? Cognitive skills, economic outcomes, and causation. *Journal of economic growth*, 17(4), 267-321.
5. Aydin, N. (2017). Islamic vs conventional Human Development Index: empirical evidence from ten Muslim countries. *International Journal of Social Economics*, 44(12), 1562-1583.
6. Nizam, Ismail. (2014). An Integrated Maqasid Al-Shariah based Measure of Socio-economic Prosperity: A Composite Index. Volume: 2, pp. 1-19.
7. Peters, R.S. (1967). *What is an Educational Process?*, Routledge & Kegan Paul Ltd, p. 1.
8. Yusoff, M. B. (2011). Zakat expenditure, school enrollment, and economic growth in Malaysia. *International Journal of Business and Social Science*, 2(6), 175-181.

9. Oded, G. (2011). Inequality, human capital formation, and the process of development. In Handbook of the Economics of Education (Vol. 4, pp. 441-493). Elsevier.
10. Sagar, A. D., & Najam, A. (1998). The human development index: a critical review. Ecological economics, 25(3), 249-264.

### **Author's Declaration**

I as an author of the above research paper/article, hereby, declare that the content of this paper is prepared by me and if any person having copyright issue or patentor anything otherwise related to the content, I shall always be legally responsible for any issue. For the reason of invisibility of my research paper on the website/amendments/updates, I have resubmitted my paper for publication on the same date. If any data or information given by me is not correct, I shall always be legally responsible. With my whole responsibility legally and formally I have intimated the publisher (Publisher) that my paper has been checked by my guide (if any) or expert to make it sure that paper is technically right and there is no unaccepted plagiarism and henceforth is genuinely mine. If any issue arises related to Plagiarism /Guide Name /Educational Qualification/Designation/Address of my university/college/institution/Structure or Formatting/ Resubmission / Submission /Copyright / Patent/ Submission for any higher degree or Job/Primary Data/Secondary Data Issues. I will be solely/entirely responsible for any legal issues. I have been informed that the most of the data from the website is invisible or shuffled or vanished from the data base due to some technical fault or hacking and therefore the process of resubmission is there for the scholars/students who finds trouble in getting their paper on the website. At the time of resubmission of my paper I take all the legal and formal responsibilities, If I hide or do not submit the copy of my original documents (Aadhar/Driving License/Any Identity Proof and Photo) in spite of demand from the publisher then my paper may be rejected or removed from the website anytime and may not be consider for verification. I accept the fact that as the content of this paper and the resubmission legal responsibilities and reasons are only mine then the Publisher (Airo International Journal/Airo National Research Journal) is never responsible. I also declare that if publisher finds any complication or error or anything hidden or implemented otherwise, my paper maybe removed from the website or the watermark of remark/actuality maybe mentioned on my paper. Even if anything is found illegal publisher may also take legal action against me

**SOUMIK KANTI GHOSH**  
**Dr. SURENDRA SINGH RAJPUT**

\*\*\*\*\*