



Introduction to the Discussion on Making Development Work

Farouk Abdullah Alwyni, MA, MBA, ACSI, CDIF

Economy & Finance Division
Central Board of the Prosperous Justice Party
International Webinar – 24th March 2021



Islamicity Index: Is this a successful development index?

- About the Index
- The Background
- The Methodology
 - The Elements
- Review & Assessment
- Conclusion: Points of Discussion

About the Index

- It is an index developed originally by two George Washington University's Professors, Scheherazade S. Rehman & Hossein Askari (2010), through a publication in Global Economy Journal of Berkeley Economic Press;
- Since then, a number of books have been published related to the subject, and a foundation established to promote the index;
- The index basically measures the level of the Islamicity of countries all over the world (starting with 208 countries in 2010) reflected by their compliance on among others equal opportunity for all to develop, social and economic justice, absence of corruption, rule of law, respect for human rights and freedom, a legitimate political authority, good governance, and contribution to the world;
- The overall Islamicity index is the summation of four different indices. These are: (i) Economic Islamicity index; (ii) Legal and governance Islamicity index; (iii) Human and political rights Islamicity index; and (iv) International relations Islamicity index;
- The initiators of the indices claim that the constructions of all indices are derived solely from main Islamic teachings, the Qur'an and the tradition of the Prophet Muhammad PBUH. However, they focus only on those aspects that affect society, not on personal requirements of Muslims.

About the Index

Islamicity Indices 2019

Countries	Overall		Economy		Legal & Governance		Human & Political Rights		International Relations	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
New Zealand	1	9.07	3	8.80	4	9.62	5	9.13	8	8.34
Sweden	2	9.03	4	8.75	7	9.45	1	9.43	21	7.42
Iceland	3	9.02	8	8.51	10	9.20	9	9.07	1	9.93
Netherlands	4	9.00	5	8.73	8	9.31	2	9.41	19	7.62
Switzerland	5	8.88	2	8.83	1	9.69	3	9.18	50	5.93
Denmark	6	8.85	1	9.14	5	9.60	12	8.79	39	6.32
Ireland	7	8.81	9	8.40	17	8.91	4	9.18	6	8.48
Norway	8	8.76	6	8.69	2	9.67	8	9.08	55	5.56
Luxembourg	9	8.75	13	8.23	6	9.47	11	8.98	15	7.72
Australia	10	8.67	11	8.32	9	9.24	6	9.13	32	6.75
UAE	44	6.14	23	7.79	38	7.31	79	4.38	97	4.44
Malaysia	45	6.02	30	7.17	44	6.71	76	4.58	51	5.89
Albania	46	5.99	56	5.73	63	5.23	46	6.26	15	7.72
Qatar	51	5.85	36	6.90	39	7.17	79	4.38	92	4.57
Oman	57	5.22	48	6.26	50	6.39	91	3.98	114	3.57

The Background

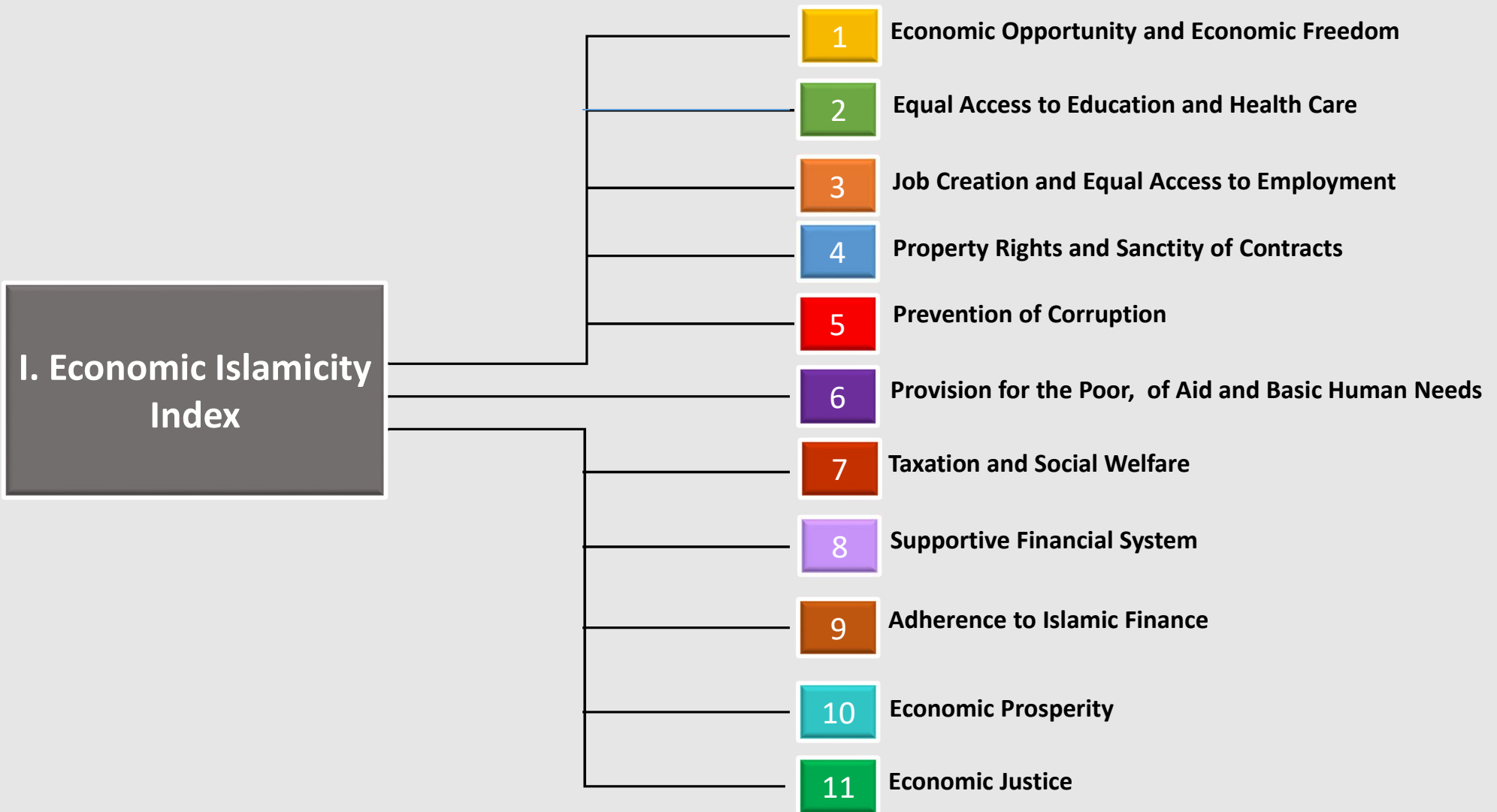
- The initiators of the index shared the sentiment voiced by Muhammad Abdu over a hundred years ago: “I went to the West and saw Islam, but no Muslims; I got back to the East and saw Muslims, but not Islam”;
- They believed that the reasons of the economic underperformance of the Muslim countries, or their economic development failure, was because of their non-compliance to principles of Islam contained in the Qur’an and the tradition of the Prophet Muhammad PBUH;
- They also believed that had Muslim countries successfully adapted those primary references in their development efforts, their economy, would have been at par with the present so-called developed countries;
- However, they see there is a need to bring out the substance, the fundamental aspects of Islamic teachings that can bring about the change and make real positive impact on the society;
- They contended that, if applied correctly, societal aspects of Islamic teachings for economic, social, legal, and political practices are basically in line with today’s best practices and recommended institutional structures.

The Methodology

- Identifying the foundations of Islamic teachings. These include among others:
 - Greater degree of justice, higher moral standard, honesty and trust in the marketplace and in economic transactions;
 - Rule of law, control of corruption, freely elected governments that serve the people;
 - Poverty eradication, a more even distribution of wealth and income, no hoarding of wealth;
 - High quality education and medical care, high quality jobs and low unemployment;
- Better social infrastructure, better treatment of workers, higher degree of environmental preservation.
- Coming up with the indices that can best reflect the above teachings, translating them into measurable and quantifiable indicators, so the progress can be monitored.

The Elements





**II. Legal and
Governance
Islamicity Index**

Legal Integrity

The Management Index

Government Governance

Perceptions about the Government

III. Human and Political Rights Islamicity Index

01

Human Development

02

Civil and Political Rights

03

Women's Rights

04

Global Democracy

05

Perception of Well-Being

**IV. International
Relations
Islamicity Index**

Globalization Index

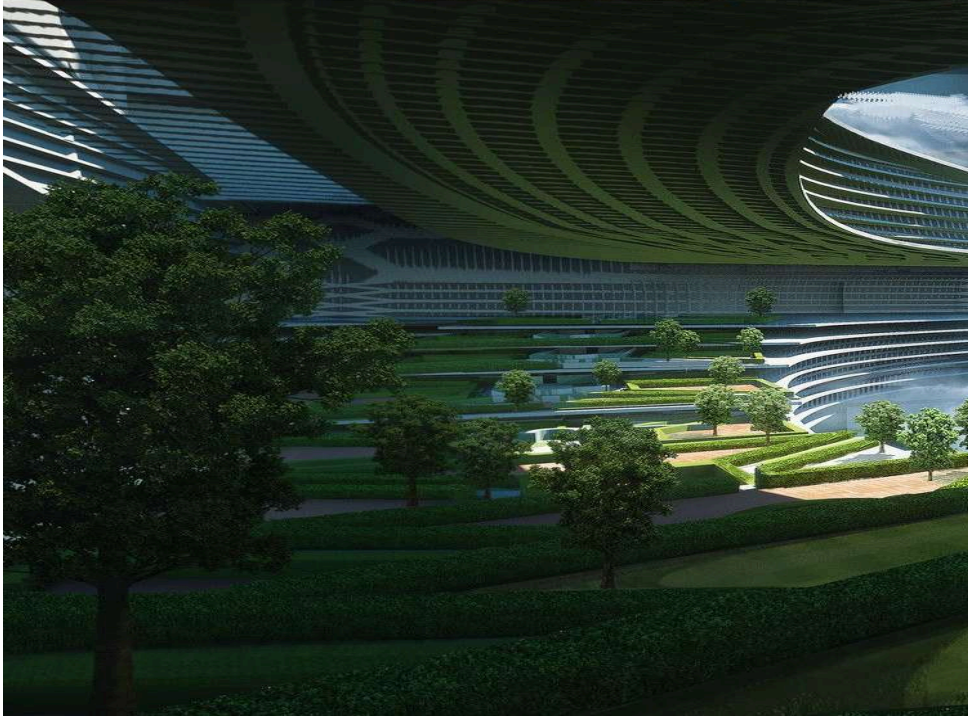
Military/Wars

Review & Assessment

- The index attempted to develop a path based on universal aspects of Islamic belief system for sustainable development and progress in the Muslim world;
- However, to enable a proper comparison among countries, the index itself can be applied not only for Muslim countries, but also for all countries;
 - The index, however, does not address the issue on the need to develop industries, but rather focusses more on creating effective and enabling institutions;
 - Nevertheless, it argues, based on vast empirical research, that effective institutions improve economic performance and sustainable economic growth;
- Considering that the Islamicity index can be applied to any country regardless of religion, it seems that this index basically can also be called a successful development index.

Conclusion: Points of Discussion

- Most countries in the world including all Muslim countries are still considered as developing countries (as per IMF classification, there are only 39 countries considered developed/advanced out of over 220 countries in the world);
- Out of hundred developing countries in the world, only few countries in East Asia considered relatively successful and start catching up with the Western developed countries (Hong Kong, Singapore, South Korea, and Taiwan);
- The West is not perfect, it has also its own development challenges, but compared to most countries in the world today (including Muslim countries), they are much better;
- The issue of development has now gone beyond an economic perspective. It is not only the issue of the rise of income, but it also cares more toward social and environmental achievements, and indeed the state of well-being of the people. Rising income is indeed still one important indicator, but it is not everything;
- Among many aspects affecting development success, the Islamicity index is an attempt to show the importance of effective institutions in fostering economic growth and sustainable development. It endeavors to create a path guided by Islamic teachings that could lead to development success, to fill the gap between the message of Islam and the development reality of Muslim countries.



THANK YOU !