

European Journal of Business and Management

ISSN 2222-1905 (Paper)

ISSN 2222-2839 (Online)

Vol. 2 No. 2

2014



Center for Research on Islamic Management and Business (CRIMB)



International Institute for Science, Technology & Education
Accelerating Global Knowledge Creation and Sharing

Special Issue on
Islamic Management & Business



Center for Research on Islamic Management and Business (CRIMB)



International Institute for Science, Technology & Education
Accelerating Global Knowledge Creation and Sharing

GP Cover- Front

Islam gives highest importance in seeking knowledge. Some Quranic verses and Hadiths have given below supporting about this

- ❖ "Read! In the name of your Rabb (Cherisher and Sustainer) Who created— created man, out of a leech-like clot: Read! And your Rabb is Most Bountiful Who has taught (the use of) pen. He has taught man that which he knew not." (*Qur'an*, 96:1-5)
- ❖ "...Say: 'Are those equal, those who know and those who do not know? It is those who are endowed with understanding that receive admonition.'" (*Qur'an*, 39:9)
- ❖ "Do they not travel through the land; so that their hearts (and minds) may thus learn wisdom and their ears may thus learn to hear? Truly it is not the eyes that are blind, but the hearts which are in their breasts." (*Qur'an*, 22:46)
- ❖ "He grants wisdom to whom He pleases; and he to whom wisdom is granted receives indeed a benefit overflowing; but none will grasp the Message but men of understanding." (2: 269)
- ❖ "O my Rabb! Increase me in knowledge." (*Qur'an*, 20:114)
- ❖ Allah's Messenger (Sallallahu 'alayhi wa sallam, said, "Seeking of knowledge is incumbent upon every Muslim..." (*Ibn Majah* 1/224 and *Tirmidhi* 218)
- ❖ The Prophet (Sallallahu 'alayhi wa sallam) said: "If Allah wants to do good to a person, he makes him comprehend the religion and of course knowledge is attained by learning." (*Bukhari* 1/67).
- ❖ "...He who treads the path in search of knowledge, Allah will make that path easy, leading to Paradise for him. And those persons who assemble in one of the houses of Allah (mosques), recite the Book of Allah and learn and teach the Qur'an (among themselves), there will descend upon them tranquility, mercy will cover them. The angels will surround them and Allah will mention them in the presence of those near Him. He who is slow-paced in doing good deeds, his (long) descent does not make him go ahead." (*Muslim* 6518)
- ❖ Prophet (Sallallahu 'alayhi wa sallam) used to say after the dawn prayer, "O Allah, I ask you for beneficial knowledge, acceptable action, and good provision." (*Tirmidhi* 2487, *Ahmad* and *Ibn Majah*)
- ❖ "A man shall be asked concerning five things on the day of resurrection: concerning his life, how he spent it; concerning his youth, how he grew old; concerning his wealth, whence he acquired it, and in what way he spent it; and what was it that he did with the knowledge that he had." (*Tirmidhi* 5197).
- ❖ Abdullah ibn Abbas (radhiallahu anhu) narrated that Allah's Messenger (Sallallahu 'alayhi wa sallam) said, "Acquiring knowledge in company for an hour in the night is better than spending the whole night in prayer." (*Tirmidhi* 256)



MANARAT INTERNATIONAL UNIVERSITY
A Center of Academic & Moral Excellence

Islam shows us a wonderful way of Business Management, Banking, Finance & Savings, Transparent distribution policy of money and provides best investment system. Some splendid Quranic verses and Hadiths have given below supporting this statement

- ❖ The Holy Qur'an says "O you who believe! eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual goodwill: nor kill (or destroy) yourselves: for verily Allah has been to you Most Merciful" (*Qur'an*, 4:29).
- ❖ O you who believe! Intoxicants (all kinds of alcoholic drinks), and gambling, and Al-Ansah, and Al-Azlam (arrows for seeking luck or decision) are an abomination of Shaitan's (Satan) handiwork. So avoid (strictly all) that (abomination) in order that you may be successful. (*Qur'an*, 5:90)
- ❖ One of the verses says "And give full measure when you measure, and weigh with a just balance. That is good and better in the end" (*Qur'an*, 17:35)
- ❖ The Prophet (sww) is reported to have said "A sale is a sale only if it is made through mutual consent" (*Ibn Majah*, No: 2176). The Prophet (sww) also said "The truthful merchant [is rewarded by being ranked] on the Day of Resurrection with prophets, veracious souls, martyrs and pious people" (*Tirmidhi*, No: 1130).
- ❖ The Holy Prophet said: "Traders are wicked people". The Companions asked: 'O Messenger, has Allah not permitted business?' The Messenger replied: 'Of course He has declared trading lawful. But they (i.e. the traders) will swear by Allah and do evil, they will not speak but tell lies' (*Ahmad*, No: 14982). The Prophet (sww) invokes Allah's mercy thus: May Allah's mercy be on him who is lenient in his buying, selling, and in demanding back his money (or debts). (*Bukhari*, No: 1934)
- ❖ The Prophet (sww) is also reported to have said "Allah and His Messenger made illegal the trade of alcoholic liquors, dead animals, pigs and idols" (*Bukhari*, No: 2082)
- ❖ The Prophet (sww) also said "If Allah makes something unlawful, he makes its price also unlawful" (*Ahmad*, No: 2546). It is reported that once the prices of some products shot up during the period of the Prophet (sww). The people said "O Messenger of Allah! Prices have shot up, so fix them for us. Thereupon the Messenger of Allah said: 'Allah is the One Who fixes prices, withholds, gives lavishly, and provides, and I hope that when I meet Allah, none of you will have any claim on me for an injustice regarding blood or property'" (*Tirmidhi*, No: 1235).

Now days, lot of business institutions, banks, insurances have established through following these Quranic verses and Hadiths and have achieved enormous popularity with well performance in this arena.

In South East Asia, Islami Bank Bangladesh Limited (IBBL), the first Shariah based bank is Pioneer in welfare banking. IBBL, through accelerating its financial and non-financial performance, is poised to carry forward its mission through the next course of its journey and develop itself as a model for welfare banking around the globe.



Islami Bank Bangladesh Limited

GP Cover- Back

Vol 2, No.2 (Special Issue), 2014

Table of Contents

Articles

Special Issue Editor's Note	
01. Islamic Management and its Present Applications in Islamic Organizations in Bangladesh — Dr M. Ataur Rahman — Dr. Md. Golam Mohiuddin	01-11
02. Entrepreneurship: A Culture Embedded in the Religion of Islam Service — Taskina Binta Mahmud — Sayema Hoque	12-26
03. Omens and their Impacts in Bangladesh : Remedy from an Islamic Management Perspective — Md. Mokhter Ahmad — Md. Mahabub Alom	27-48
04. An Islamic View of Human Development: Special Reference to Abdul Rahman Ibn Khaldun — Salah ben Tahar Machouche — Benaouda Bensaid	49-64
05. The Level of Consumers' Awareness and Perceptions in Consumption of Halal Certified Products — Prof. Dr. Ekrem Erdem — Prof. Dr. Inci Varinli — M. Emin Yıldız	65-75
06. Professional Ethics Under Islamic Perspective: A Study on Islamic Banks Operating in Bangladesh — Mohammad Zahid Hossain Bhuiyan — Md. Showkat Imran — Nazneen Fatema	76-88
07. Hybrid Contract in Islamic Banking and Finance: A Proposed Shariah Principles and Parameters for Product Development — Muhammad Iman Sastra Mihajat	89-99
08. An Insightful Assessment on Customer Satisfaction from Contemporary and Islamic Perspective — Khatijah Othman	100-112
09. Micro Financing Products and Business Model of Islamic Micro Finance Institution (Imfis) in Indonesia: Lessons from Baitul Maal Muamalat (BMM) — Euis Amalia — Muhammad Iman Sastra Mihajat	113-123
10. Are Islamic Finance Products and Services Islamic: A Perceptual Analysis from Malaysia and United Arab Emirates — Dr.Fayaz Ahmad Lone	124-136
11. Determinants of Liquidity Risk in Islamic Banks: A Panel Study — Khoutem Ben Jedidia — Hichem Hamza	137-146
12. Micro Finance with Regard to Beneficiaries Perspective in Conventional and Islamic Paradigm with the Effect of Riba (interest): A Case Study on a Particular area of Bangladesh — Kazi Farzana Shumi — Afroza Bulbul	147-156

Editor's Note

There are different business, banking, finance and management philosophies and principles established by the respective specialists in different ages. The classification of management and styles of businesses are overlapping and homogenous with slight differences. It is observed that the variation of management and business styles arise due to differences in the types of organization, national culture, personality of the managers and business environment. Although it has been inherent in all human endeavors throughout history, its significance surfaced only fairly recently when task and activities in all aspects of production, resource allocation, distribution and marketing increased in complexity and sophistication. Throughout history various school of management have succeeded one another in attracting the attention of the world's management readers. In this journal, we will try to shed some light on a relatively obscure management and business school that far outperformed more than its contemporaries, and left indelible marks on the minds of innumerable researchers, leaders, businessmen, students, researchers and managers that followed. The success of early Muslims was achieved so rapidly yet many of consequences are lasting until today. This historically unique success induced Michale Hert to consider Prophet Muhammad (SAW) as the best influential man in human history.

Some readers might ask what Islamic management means and what distinguishes this perspective from what is found in current management literature. Is there a deficiency in current management principles and what further knowledge can be offered by trying to study Islamic management? In essence, the distinction of the Islamic perspective is that, unlike the common concepts of management, it encompasses the dimensions of belief in Allah in the hereafter. These added dimensions have innumerable ramifications on the actions and interaction of individuals, organizations and societies.

This journal is based on the belief that the teaching of Islam provides perfect guidelines and instruction for the success of mankind especially for the Muslim Manager, Businessmen and other practioners. In other words, the teaching of Islam represents a perfect plan that, if implemented, will certainly lead to success in this world and in the hereafter. Considering the teaching of Islam as a plan, we have attempted to deduce some distinctive managerial , business and banking-finance lessons from them. This means that we have attempted to derive some specialized concepts and guides from the way the Islamic teachings are structured and integrated .The major source of management knowledge is the direct teachings of Islam which are included in the Quran and in the tradition of Prophet Muhammad (SAW). Other sources of knowledge include the leadership style of Prophet Muhammad (SAW) and his successors, the writings of Muslim as well as non-Muslim scholars who, through their intellectual and field work, have been able to understand a lot of governing rules of a human behavior that Allah (SWT) asked us to study and reflect upon. Alhamdulillah, whenever I was awarded Ph.D degree on Islamic Management (and Its Present Applications in Bangladesh) first time I felt strong encouragement to produce some thing regular basis on the mentioned discipline. In this regard I am grateful to Professor Dr Musharaf Hossain, my honorable supervisor , Professor Dr M. Ataur Rahman, Chairman of Management Studies Department, Dhaka University, Prof. Dr Khaliq Ahmed, Dean, Faculty of Economics and Management Sciences, Professor Dr. Abu Bakr Rafique, Vice Chancellor, International Islamic University, Chittagong, Bangladesh, Professor Dr Abu BakarHamid, Former Head, Marketing Department, University Technology Malaysia and Professor A.J. M. Nuruddin Chowdury, Former Vice chancellor, Chittagong University, Bangladesh.

In fine we are grateful to IISTE and its Chief Editor, Dr. Alexander Decker for his generous conception about Islam and patiently support to our initiatives.

Guest Editor: Dr. Md Golam Mohiuddin, Executive Director: Center for Research on Islamic Management and Business, (CRIMB), Permanent Staff: Department of Management, Islamic University, Kushtia, Bangladesh. Former Staff: Faculty of Management and Human Resource Development, **University Technology Malaysia**, (UTM), Johor Bahru, Malaysia.

E-mail: islamicmanagement2010@gmail.com, ejbmspecialissue@gmail.com, 01856644994, 01778835511

An Islamic View of Human Development: Special Reference to Abdul Rahman Ibn Khaldun

Salah ben Tahar Machouche

Department of Fundamental knowledge and inter-disciplinary Studies, International Islamic University, P. O
Box 10, 50728, Kuala Lumpur, Malaysia

Tell + 603 6196 6150, e-mail: bentahar@iium.edu.my

&

Benaouda Bensaid

College of Art and Sciences, Effat University, Jeddah Saudi Arabia

Abstract :

A perusal of theories of human development reveals attempts to build a broad platform for growth characterized by an inclusive approach to the religious, historical and cultural diversity of world communities today. A poor representation of the theological tenets and ethical values underlying the perception and undertaking of human development unfortunately persists. This research examines the religious and moral perspective of Islam on human development while exploring the concept and structure of human development and its theological and 'umranic implications in the framework of Islam. Of particular interest is the perspective of Ibn Khaldun (d. 1406), a Fourteenth-Century Muslim jurist, sociologist and economist who, in his Muqaddimah, dedicates serious discussion to a number of relevant themes including the innate nature of man, and development of human knowledge, skills and craft. His thesis highlights vision of catalyzing sustainable human development set according to fundamental Islamic themes such as stewardship, support and cooperation, defence, protective order or social organization, and the power of thinking. Ibn Khaldun's perspective also provides some of the crucial keys necessary to understanding the value of human development according to the Islamic worldview while enriching contemporary scholarship with critical insights required for an effective approach to human development in a cross-cultural and multi-religious context. The understanding of the Islamic perspective on the issue of human development is instrumental not only to researchers in social sciences in general and Khaldunian studies in specific, but also to the ongoing discourse on human development in current times, and to topics such as economic productivity, efficiency and management of human resources.

Keywords: Ibn Khaldun. Human development. Muqaddimah.

Introduction

Understanding the human nature, purpose of life, human needs, and motivation, responsibility, and potential in the broad discourse on human development are all critical issues to effective socio-economic growth and transformation. Depending on their respective worldviews however, diverse religious, cultural and value systems perceive these themes differently, at times in spite of commonly held themes and orientations. In modern industry for instance, the position of man is described as that of a machine or unconscious tool, or as the hub of consuming machines. For Marcuse the physical power of the machine surpasses that of the individual or group, going onto postulate that the machine in all of its collective grandeur is the most effective political instrument in any society¹. Needless to say, the utilitarian-rational conception of the individual as yet another unit or component of a larger economic transaction, even in pursuit of development and growth, may face challenges in being reconciled with faiths, ideologies and cultures that place intrinsic socio-spiritual significance on the individual. In this regard, while the means to growth and sustainability may be unanimously agreed upon through the development of human capital, the sought-after ends may not necessarily be held to universal

¹ Herbert Marcus, *One-Dimensional Man: Studies in the ideology of advanced industrial society* (London and New York: Routledge, 2nd Ed., 1999), p. 6.

yardsticks or perceived, and therefore pursued with shared unanimity. This therefore presents a challenge to the application and discourse of development, and in effect endogenous growth.

The first UN Human Development Report, issued in 1990, terms human development (United Nations Development Programme, 1990) emphasizes that development is primarily a people-centric initiative, seeking to expand human choices; taking care to note that the expansion of human choice is not only measured in Gross National Product or Per Capita Income, but more significantly in the provision of human rights, and enabling of human endeavor characterized by health, safety and creativity. This measure of the 'good life' is ancient, and by no means novel. In his *Nicomachean Ethics*, Aristotle tackles *eudaimonia* (happiness) and asserts that capital and wealth are in effect means to an end, objects of necessity, and not the human objective in of itself. For Aristotle the merit of any socio-political configuration is in its capacity for creating the 'flourishing life', or self-actualization.² The concept of man as an end to development, and not a means is echoed in the words of modern political and economic thinkers such as Kant,³ and resonates across a wide spectrum of thought ranging from Karl Marx to Adam Smith.

This explains part of the ambiguity, and perhaps the complexity affecting the understanding and appreciation of human nature, original capacity and human need, as well as the relevant pertinent perspectives on human development and the building of human capital. In the present day, human capabilities and potential have been reduced and quantified to human capital that is in effect believed to encompass the intangible assets of skills, competencies, knowledge and social experience invested for optimal economic and financial profit. Human capital is general viewed in line with the development of the personal traits, intelligence, fulfilling work energy, positive attitude, reliability and commitment, ability to learn, imagination, and creativity. Social psychologists such as Sharon S. Brehm, Saul M. Kassir, and Frederick X. Gibbons, maintain that human capital is markedly broader than the economic production skills of the individual. During the 1960's, interest in the prospects and potential of human capital began to surface. In early scholarly contributions, emphasis was placed on the contribution of human capital to a person's standard of living (income per person), and its grander contribution to aggregate wealth; later however, emphasis shifted to human capital's role as a contributor and catalyst of aggregate economic growth. The pioneering work of Schultz⁴ and Becker⁵ contributed greatly to the swing in emphasis leading away from physical capital accumulation, instead lighting the path to a systematic study of the role of human capital.

Schultz identified human capital narrowly with investment in education, and put forward the proposition that "important increases in national income are a consequence of additions to the stock of this form of [human] capital". Schultz sees human capital as the sum of knowledge and skills acquired during education and training; and the result of a deliberate investment that yielded return. Education and training are therefore perceived as the medium for improving productive skills and talents throughout the workforce, leading to economic development. He goes on to argue that investment in education could account in large for the increase in per capita income in the United States. Becker on the other hand broadened the concept of human capital beyond the traditional understanding of formal schooling to include additional sources of human capital accumulation such as on-the-job training (both general and specific on-the-job training), the informal gathering of information which enhances a worker's productivity, and other investments to improve emotional and physical health. He proceeded to analyse the amount of investment individuals would require for the purposes of training, and the rate of return to said investment.⁶

The current resurrection in interest began with the seminal paper put forward by Barro (1991) and its emphasis on the empirical determinants of long-term economic growth. While Barro's paper did not specifically pertain to the role of human capital, it propelled human capital (identified with formal education and measured by enrolment rates) to the centre stage in the economic growth process. Shortly following the appearance of Barro's

² Rowe, C. J., & Broadie, S. (Eds.) *Nicomachean ethics* (Oxford University Press, 2002), p.98.

³ (Kant, Immanuel. *Groundwork for the Metaphysics of Morals*. (Yale University Press, 2002), p. 33

⁴ Schultz, Theodore W. *Investment in Human Capital; the Role of Education and of Research* (New York: Free Press, 1970).

⁵ Gary S. Becker, *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education* (University of Chicago Press, 3rd. Ed., 1993).

⁶ Becker, *Ibid.*, p. 201-21

empirical investigation of economic growth, the work conducted by Mankiw, Romer, and Weil (1992) provided a theoretical justification for the central role of human capital in the growth process. The model demonstrated that inclusion of human capital in the aggregate production function yielded income shares for factors of production that are consistent with empirical evidence.

Mankiw, Romer and Weil's augmented Solow model places emphasis on human and physical capital accumulation and predicts that differences in cross-country per capita income may be explained by differences in saving, education, and population growth, an assertion they verified empirically. Moreover, they derived the transition to the steady state and obtained estimates of the speed of convergence to the steady state. The most frequent measure of human capital in cross-country comparisons of growth is the quantity of formal education each adult member of society possesses. The concept of human capital, however, is much broader, encompassing the quality of education, the general state of health of the working population, and various forms of training such as on-the-job training or other types of informal education⁷

The Mankiw-Romer-Weil model treats human capital as an input for aggregate production function that assumes decreasing returns to the reproducible factors of production; both physical and human capital. In another widely cited paper, Lucas (1988) focuses on the reproducible nature of human capital and the possibility of externalities generated by human capital. It is quite natural to speculate that knowledge accumulated by human beings (whether as a result of formal education or otherwise) would have an impact on the productivity, not only of on individuals accumulating knowledge, but also that of their co-workers, colleagues, and others. Thus, investigators began the search for human capital externalities. At the empirical level however, all the above studies identify a nation's level of human capital with the quantity of education possessed (on average) by each adult member of the nation's population⁸ On the other hand, Pigou argues that there is such a thing as investment in human capital as well as investment in material capital. For him, as soon as this is recognised, the distinction between economy in consumption and economy in investment becomes blurred. For, up to a point, consumption is investment in personal productive capacity.⁹

The Islamic Concept Of Human Development

As the concept of human development is coined, developed, and applied within the current intellectual and economic discourse, a serious need emerges to review it in the context of Muslims beliefs and values, in such a way that the religious, spiritual and moral perspective of Muslims is reflected in the global agenda of sustainable human development. Seen through Muslims' lenses, the views mentioned above are value-laden, and as such show inherent weakness and flaws. The principal weakness in the research on human development might be perhaps inherent in the way in which economic research is generally undertaken¹⁰. Essentially an economic theory, human capital research exhibits similar characteristics, and potentially similar problems in view of the fact that the main characteristic of economic-oriented research is the maximization of profit – the optimal use of resources to yield maximum benefit. As such, people are believed to make choices based on which would yield the highest returns¹¹. Rossilah further argues that there are several reasons to dispute the notion that one's education influences earnings, that non-educational factors influence earnings, and that furthermore there are weaknesses in the way 'benefits' and 'costs' of education in the human capital discourse are defined¹². The discussion of the Islamic perspective will contribute new suggested changes to the thesis of human capital and as such touch upon the concepts and definitions, process and direction of development, worldview, ethics and implications for society.

The understanding of a collective societal-individual shared value is not strange to Muslim societal consciousness. Islamic human capital may be traced back to the principle of the divine and touches on themes such as the duty of stewardship, potential and skills, social value, and accomplishments. Some define Islamic

⁷ Savvides & Stengos, 2009, 4.

⁸ Ibid., 7.

⁹ A. C. Pigou, 1928, 29

¹⁰ Rossilah Jamil (2004). "Human Capital: A Critique" *Jurnal Kemanusiaan* ISSN 1675-1930

¹¹ Rossilah, Ibid, p. 5.

¹² Ibid.,p. 10-16.

human capital in terms of competency (*ahliyah*) which refers in juristic terms to the eligibility to hold duty and the validity of having legitimate rights¹³. In Islam, human development is not simply geared to the producing of people with better technical knowledge, skills and social value but also with better souls. Islam calls for a holistic approach to human development while placing spiritual and material incentives for individuals' growth in the areas of faith, moral discipline, education, skills, work, and health. These are explained in the qualities of intellect, knowledge, freewill and guidance, which God grants humans to order to discharge their duty of vicegerency¹⁴. Human development is in turn set to produce resources with good moral value; and is characterised with dynamism, innovation and creativity, knowledge and confidence¹⁵.

Human development in Islam should not be isolated from the fundamental *raison d'être* of human creation (Qur'an, 51: 56) which is taken as the highest index for evaluating human activities and achievements in its overall view. The Qur'an often draws on the basic meanings of life's existence and human creation, and shows the creation of humans with honor and dignity in order that they may worship God and carry out their responsibility of stewardship, requiring that they draw on the theological and ethical meanings of existence. As such, this introduces a broader and more meaningful perspective of a purposeful creation of humanity. Specifically, the Qur'an addresses the origin of man, the innate human nature, the duties and responsibilities assigned to humans, their potentials and constraints, the spiritual and moral character of humans as well as their cognitive and religious capacity. Along a similar parallel, the Qur'an exhorts humans to embark on a process of reflection, purification and discipline of the self by means of investing in proper knowledge, wisdom and goodness.

The Qur'an shows serious preoccupation with the question of human change to the degree that it made some believe that the main theme of the Qur'an revolves around humans following that of God, as may be shown in the repeated 1252 citations of humans in the Qur'an. The Qur'an is essentially about God and humans, the visible and invisible worlds. Servitude of God is intertwined through the responsibilities of reform, vicegerency, sustaining good life conditions and worship through prayers, charity, enjoining the good and forbidding the evil. Nevertheless, the Qur'anic vision of human development is set in degrees proportionate to the cultivation of a range of inner values, human capabilities and skills required for prosperous states of living both in the mundane world and in the hereafter. The Qur'an's approach to building human capital is broad in nature and scope, consisting of cultivating knowledge, spirit, character, ability, talent and skill; all of which are found to be intermeshed with key concepts such as the meaning and purpose of human creation and trust of humanity's potential.

The Qur'an sets the understanding of human nature as a crucial key to proper vision and implementation of human development, while revealing the attributes of human creation, whether positive as in the case of divine honorability (*takrim ilahi*), Perfect form of creation (*ahsan taqwim*), and potential of learning, and vicegerency (*khalifah*). Other significant attributes are acquired through learning and practice as found in patience, repentance, thankfulness, or are negative in essence such as *zulum* (transgressing), *za'ifun* (weak), *ya'us* (despairing), *kafur* (unthankful), *khasm mubin* (manifest enemy), *qatur* (fear of spending), *akthar jadalan* (arguing too much), *qanut* (hopeless), *kafur mubin*, *halu'an* (impatient), *'ajul* (hasten), *taghi* (oppression), *jahul* (ignorant), and *kanud* (ungrateful).

The Qur'an advances a rather holistic perspective for human development, one which seeks to cultivate to the best possible level the cognitive, spiritual, behavioural, and physical capacities. The Qur'an's interest in human development is expressed through terms such as "*taghyir*" (change), *islah* (reform), *tazkiya* (purification), *ihsan* (perfection and excellence), "*ta'lim*" learning. The scope of human development according to the Qur'an draws on two categories, namely the innate and the acquisitive. The first involves the types of change, people generally cannot escape, as found in the stage of *intikas fi al-khalq* (reverse in creation) (yasin: 68), *ardhal al 'umr* (the age of senility) (nahl: 70), *du'f* (feebleness). The acquisitive change however, indicates one's positive inclination towards ascendancy, described as "*irtiqā*" (progressive) in the case where human development is

¹³ A. Zaydan, *al-Wajiz fi Usul al-Fiqh* (2001), p. 280.

¹⁴ Hashi & Bashiir A, 2009, 5.

¹⁵ "Human Capital Development", *Shariah Journal*, Vol. 17, No. 2 (2009) 353-372, 12).

conducted according to the right course of change (*sabil al-rashad*). The second however, is negative and regressive, referred to in the Qur'an as "*irtidad*" when the course of change and development is set according to norms of wrongness and evil known in the Qur'an as "*sabil al-ghayy*" (the way of error) (A'raf: 146).

Given that human development is the result of thinking, the Qur'an provides yet another explanation about what styles of thinking are qualified to be sound or otherwise. Sound thinking is based on the power of evidence referred to as *burhan and sultan*, clear explanation (*bayan*), and well-being (*salah, maslaha*). The potential of thinking as described in the Qur'an reflects a rather systematic operation carried out through the entire cognitive faculties and its supporting organs. On two occasions however, the Qur'an attributes thinking (*ta' aqul and tafaquf*) to the organ of the heart. The spiritual, cognitive, mental and behavioural dimensions of human nature appear to be interrelated, with both affecting the other. This in turn would indicate that human development is not to be approached as a one-dimensional process of change of human personality. Rather, it describes a comprehensive state of being, and as a result is unjustifiably related to the Western dialectic meaning of the term, which was born as a challenge to the dominance of the concept "economic development" or some of its requisites.

Similarly Islam defines human capital not only in mechanistic terms and relations but rather according to multiple relations, movements, and processes resulting in an individual performance that is set in alignment with the very destiny for which God created humans; referred to in the Qur'an as '*sa'y*' meaning striving, endeavour, labour, or doing good or bad. The Qur'an states: "And that human has only that for which he labours, and his labour will be brought forth to be seen (Qur'an, Najm: 39-40, Ali Unal Trans.) The Qur'an also describes work and labour as a fundamental condition for life (Qur'an, 53: 39) and uses the term *kabad* (hardship) to describe hardship and trial (Qur'an, 90: 4), providing key directions towards a holistic yet transcendental approach to developing human capital and fulfilling the trust of God. In line with the Qur'anic reasoning, the tradition of Prophet Muhammad provides further explanatory details on the issue, alongside the parable of what defines human capital and what parameters are to be used for its evaluation, as found in the case of Prophet Muhammad asking his companions about the definition of the bankrupt, brave, strong, or intelligent. In other reports, Prophet Muhammad compares believing persons to gold, palm tree, beneficial rain, ears of wheat and bees.

The Qur'an also supplies norms and guidelines for human development which may be applied to emotion, thought and behaviour; speaking of a state of highest performance (*istiqamah, al-ihsan*) and success (*falah, fawz*). Such norms are compatible with the order of the universe, and are described as "*Sunnat Allah*" (the order or path of Allah) and perfectly serve the welfare and well-being of humanity. According to the Qur'an, human development can be seen as the grounds for the good life "*hayatan tayyibah*" (good life). The Qur'an states: "Whoever does good, righteous deeds, whether male or female, and is a believer, most certainly we will make him (or her) live a good life [*hayatan tayyibah*], and most certainly we will pay such as these their reward in accordance with the best of what they used to do." (Qur'an, 16: 97) Human development reflects a holistic process of the improvement of the human being and her states of being in light of the Islamic worldview which encompasses: the Creator, humanity, life, and both the seen and unseen worlds.

2. Ibn Khaldun's Thesis Of Human Development

Muslim scholars have used the divine value, human responsibility, moral and social values, skills and potentials as foundational constructs of Islamic human development. Taking the Qur'an and tradition of the Prophet Muhammad as a frame of reference, Muslim scholars in their different fields of scholarship, and more clearly perhaps education, spirituality and mysticism, have contributed to the elaboration of themes of human development. One must acknowledge however, that the very title human capital per se is not to be found in Muslim works, but rather an overarching yet no less detailed discussion of its meaning, aspects, nature, motivations, religious and spiritual base, as well as its impediments.

The work of 'Abd Rahman b. Muhammad Ibn Khaldun (1332-1406) is among the many notable intellectual contributions to the theme of human development. Ibn Khaldun studied Muslims society, its dynamics and development, perhaps more deeply, thoroughly, and systematically than any scholar of his time. His famous work the Prolegomena continues to be seen by many as an outstanding work of its genre in which he successfully studied and analyzed the conditions of Muslim human association, known as the '*umran* and

civilization of his time. Civilization, known as *hadharah*, implies the custom conditions that surpass the necessary conditions of sedentary culture ['*umran*'] with respect to the unlimited differences in prosperity and population strength or weakness of the nations¹⁶. Some of his ideas, thought, views and theories continue to be authoritative in various fields of human knowledge to the present day. Ibn Khaldun's influential position is also manifested in his style of thinking and methodology, in which he was able to integrate both the authority of scripture and the evidences of socio-cultural and psychological realities.

The central theme of his *Muqaddimah* is the human being, and offshoot themes related to it. Ibn Khaldun's thesis on human development appears to be set clearly according to the norms and perspective of the Islamic Revelation, particularly in regards to the essence of humans, their responsibilities and social conditions. According to Ibn Khaldun, God grants human beings abilities and potential to fulfill their needs and lead their way with success in the mundane temporal life and in the hereafter. Those abilities and potentials however, need to be nurtured and cultivated so that they will be available during times of need. They require the guidance of revelation to ensure their aptness and efficiency. His views on human development transcends the general needs and context of labour, geared often to optimizing economic and financial resources and profit while underscoring the critical role of religion and the supporting context of civilization responsible for shaping effective human development.

Ibn Khaldun did not utilize the term 'human development' per se; but did discuss many of its meanings and implications, nature and manifestations, motivations and hindrances, and relationship to the state and to the general context of human association, which he described in his *Prolegomena* as the '*umran*'. According to him, human development is principally concerned with the cognitive, spiritual, and behavioural qualities of individuals and communities in order that they worship God and discharge their responsibilities. As such, he positions humans at a rather ultimate end, as opposed to changing means in an ever-changing context of labour while relegating all that are related to human life to the field of human development. He for instance lays great emphasis on the concept of innate human nature, which highlights what humans can do or choose to become, and as such draws heavily on the definition and position of human predisposition, knowledge and skills.

For Ibn Khaldun the prosperity of human society depends largely on the qualitative and quantitative values of its human development. His assertion is that when labour is either completely gone or diminished in a given civilization, God would cause the abolition of profits. Cities with few inhabitants offer insignificant human labour, whereas in cities with a larger supply of labour, residents enjoy increased favourable conditions and luxuries¹⁷. Ibn Khaldun identifies three distinct areas for developing human capital development, namely religion and learning, professions/labour, in addition to states/dynasties and civilization. In the initial stage, the city establishment requires the organization of a large group of people who need to be rewarded or forced to work, and need work protection. The state is the only agency with the power and finance to organize such a large collective and to lead them to work out of fear of punishment or interest in reward, while providing them protection against invaders. In his discussion on the nature and context of human development in Islam, Ibn Khaldun identifies the following critical constituents used in the evaluation of human development, both at the individual and community level.

a. The asset of innate human nature

According to Ibn Khaldun innate human nature helps identify and simultaneously explain the metaphysical origin of humanity, the genuine needs of human life, the reservoir of skill potential granted by God, and the boundaries of human potential and capacity while highlighting in general forms positive and negative human qualities and their attitudes towards ascension or decline.¹⁸ For Ibn Khaldun, the created essence of human nature represents a whole structure underlying human abilities set for self-development through learning,

¹⁶ Abdu Salam Cheddadi, *Muqadimat Ibn Khaldun* (Morocco: Dar al- Bayda': Bayt al Funun wal- 'Ulum wal-Adab, 2005), vol. 2, p. 222.

¹⁷ Franz Rosenthal, *Ibn Khaldun, The Muqaddimah: An Introduction to History* (London: Routledge & Kegan Paul, 1986), vol. 2, p. 314.

adaptation, assessment, self-amendment and purification processes. This significant place given to the precept of *fitrah* extends its function in the way Ibn Khaldun built his thoughts and arguments that support them. The precept of *fitrah* represents a referential framework that helps identify both the normal and abnormal behaviour of people. Under this reference, processes of verification, demonstration, argumentation and refutation of a given statement or a claim are constructed holistically in such a manner that they embrace the spiritual, psychic, mental, cognitive, personal, collective and social components and dimensions of human existence.

The innate human nature refers to the whole innate structure underlying human abilities required for self-development by means of processes of learning, adaptation, assessment, self-amendment and purification. The Qur'an addresses the behaviour of innate human nature with respect to the environment according to the following patterns: a) association as shown in the Qur'an's usage of terms that highlight the human '*umranic*' conditions whether pertaining to individuals, families, kinship, groups, or communities, b) cooperation and support of one another, and c) communication through the use of soft skills, languages, thinking styles and reasoning. The growth of knowledge occurs through two intertwined cognitive processes, namely, reception (narration) and experience, d) competition and prevention through which human nature provides a sense of competition and repelling, and e) adaptation and self-amendment describing the process of learning and accommodation of experiences whereby individuals are equipped with systems of learning, storing, transmission, retrieval of information and performance of skilful motions. Ibn Khaldun uses this picture of innate human nature to develop theories of '*umran*' while bearing in mind both its permanent and changing conditions on all scales.

b. The asset of skills (*malakah*):

Ibn Khaldun utilizes terms such as *tajriba* (experience) and '*adah/ta'awwud* (habit) to describe specific actions developing into skills. While the acquisition of high skills are required in certain professions, crafts are also needed some other professions of a minimal level of knowledge and skill. For Ibn Khaldun, skills are better acquired through repetition and training of particular tasks. Mastery of skills however, largely depends on the learner's cognitive capacities and practical profile. Skills do play a critical role in the determination of both the quality and duration required for the acquisition of a specific skill set. Unlike soft skills, practical ones are acquired faster¹⁹. Crafts refer to the skills of a particular action pertaining to both thought and action, while a habit refers to a deep-seated quality acquired through repetition of certain actions up until the form of the action is fixed. Habits that are built as a result of personal observation are much more perfect and firmer than those based purely on conjecture and data.²⁰

Depending on their nature however, skills can either be simple or complex. Simple skills are necessary for meeting the needs of society while complex ones transcend basic social necessities and are rather more concerned with conditions of luxury and entertainment. Ibn Khaldun grants simple skills priority while acknowledging that both rest on flexible ground. He finds that they are determined in effect by the level of knowledge, form and method of learning, time, social requisites, degree of civilizational development, and human potential to think without ceasing to transform all kinds of crafts, including the complex ones, from potentiality to actuality throughout to perfection²¹. This level of skill development is closely related to the conditions and needs of human association. Similarly, skills and crafts may be divided into general skills necessary for life, specialized skills, low-level skills, and added-skills used for promoting sophisticated life styles and dealing more with comfort and luxury.

Ibn Khaldun further maintains that skills are developed according to specific needs. Cooperation among people and regions however, helps specialization take effect and shape²². In a chapter entitled '*certain cities have crafts others lack*', Ibn Khaldun explains how the human capital of a society may be developed through cooperation

¹⁹ Franz Rosenthal, *The Muqaddimah: An Introduction to History*, vol. 2, P. 280.

²⁰ Ibid., vol. 2, p. 301.

²¹ Rosenthal, Ibn Khaldun, *The Muqaddimah: An Introduction to History*, vol. 2, p. 346.

²² Ibid., vol. 2, p. 235.

and specialization. He states: "...this is because it is clear that the activities of the inhabitants of a city necessitate one another, since mutual co-operation is innate in civilization. The necessary activities are restricted to certain inhabitants of the city. They are in charge of them and become experts in the crafts belonging to them."²³

Human skills enfold outwardly useful activities, states of beliefs and spirit and draw on the principle of creation according to which God declares that humans are created in the perfect form and design. This is described in the Qur'an as *ahsan taqwim* (best of mould/best stature) (Qur'an, 95:4). The inclination towards divine perfection is a living state imbued in all humans, which is essentially ready to be brought out under favourable conditions.

Ibn Khaldun uses different terms to describe the development of skills such as suitable, coherent and practical ('*amali*') practical as is the case with terms like *qudrah* (ability), *iqtdar* (being capable), *malakah* (skill), *sina'ah* (craft), '*umran*' (human organization and development); all of which converge with human potentials, abilities and skills. For Ibn Khaldun, skills may be classified according to their nature and outcome and as such, three distinct categories of needs are identified: necessity, concerning simple skills for simple outcomes; semi-complex skills, for complimentary needs; and highly complex skills, needed for luxuries, which are found to be abundance at the peak stage of a civilization. Desires for enjoyment and lust may cause indulgence in this last category.

Using learning as foundation, Ibn Khaldun rejects all claims of mysteries surrounding the development of skills while refuting a number of popular opinions which champion the ethnically biased roots of human creativity and skills. He for instance explains how progressing religious learning in the Muslim East (*Mashriq*) against its counterpart, the West (*Maghrib*), was made possible through the development of '*umran*' alone without assigning Muslims in the East any extraordinary racial or hereditary attributes. He clarifies his point as follows:

"Now, the inhabitants of the East are more firmly grounded and more advanced in scientific instruction and crafts [than the Maghribis], and the Maghribis are closer to desert life, as we have stated before in the preceding section. This led superficial people to think that the residents of the East are distinguished from the Maghribis by a certain perfection (of theirs) touching the reality of humanity. That is not correct, as one should be able to understand."

In his learning theory, Ibn Khaldun identifies a number of issues concerning learning of skills including the need for a trainer (*mu'allim*), methods (*wujuh*), specialization, learning faculties, experience (*mu'ayana*), and cooperation (*musharakah*). Learning skills do not simply occur through the allocation of a limited time for activities, but rather via a continuous process of perfection as mandated by the needs and development conditions of '*umran*'. Ibn Khaldun raises the question of demand, creativity and innovation, quality, aesthetics, perfection, growth, availability, mother skills (*ummahat al-sana'i*), prestigious skills, and the licensing and accreditation (*rusukh, istihkam*) of the skills and crafts.

c. The asset of knowledge

Ibn Khaldun argues that the spirit of Islamic intellectual disciplines and sciences stands on both theory and practice and as such carries integrated dimensions, relationships and implications. He states:

"The establishment and subsequent growth of the state and the city and the development of economic prosperity, enlarge the range of human experience. Their increasing complexity forces men to reflect upon the causal connections between the various stages through which the potential is actualized and ends are achieved in order to be able to produce the complex articles demanded in the

²³ Ibn Khaldun, *The Muqaddimah: An Introduction to History*, vol. 2, 346

city and to make plans for building, trade, and the organization of human life. Such knowledge is at first purely practical and experiential²⁴.

Ibn Khaldun shows much concern with an active yet positive human knowledge in numerous fields of human association order leading to prosperity and stability. Knowledge goes along with religion, sovereignty and state, economics, crafts, skills, community development, and communication. With this in mind, knowledge is not simply an abstract exercise of data but rather a milieu for interactive reasoning moving towards the understanding of human association and solving problems posed to individuals and communities. Such a perspective on human knowledge shapes the growth directions of human development without which knowledge would remain stagnant, having flimsy effects on the making of human association, infrastructure or building of core institutions of society.

d. Public welfare

On numerous occasions, Ibn Khaldun draws on the theory of Shari'ah objectives to support his perspective on labor in the context of *'umran*. He does so while associating the concept of public interest with *i'tibar al-maslaha* (consideration of social wellbeing), *mura'at al-masalih* (observing of social wellbeing), *muqtada al-maslaha* (social wellbeing implications), *ikhtilaf al-masalih* (diversity of social wellbeing), *ri'yat al-masalih* (protection of social wellbeing), *al-nazar fi al-masalih* (inspecting of social wellbeing), *jalb al-masalih*, or *haml al-nas 'ala al-masalih al-'ammah* (acquiring social wellbeing). These considerations are critical to endogenous human development, and most importantly to the orientation and shaping process of skills and standards of human labor in general. Public interest is viewed as a key determinant underlying the motivation leading people to acquire new skills and enhance their performance, while providing an overarching universal sense of meaning, direction and focus in the evaluation of plan or actions. Consideration of public interest however, not only reinforces the positive course of human action, but also vitalizes the very vision and course of *'umran*, and in doing so extends its span and influence significantly. Such significance is clear in view of the fact that when political and social systems fail to secure public welfare, they begin to deteriorate and eventually collapse altogether.

For Ibn Khaldun, human development is subject to change and fluctuation depending on certain internal and external dynamics. The state and its political system are referred to by Ibn Khaldun as the 'greatest market', and viewed as the most critical institution exerting considerable impact on human development²⁵. Interestingly, Ibn Khaldun factors the significance of institutions of learning, including the role of educational curricula, teaching methods and programs, management, as well as performance and social impact. In bringing light to bear on the efficacy of educational institutions, he sought to ensure that certain categories of learning with no positive effects on human development such as philosophy, astrology, magic, and pseudo-chemistry would be marginalized and discredited. He also draws on the social and epistemological history of some other leading sciences with high impact on Muslim life and his/her development such as tafsir, hadith, fiqh, 'Ilm al-kalam, tasawwuf, and language in addition to natural sciences²⁶.

e. Milieu of Skills development

Ibn Khaldun posits that the community that plays a crucial role as the driving force and shaping influence of human development, as it represents the natural cradle, which promotes learning, cooperation and competition. This would imply that the process of human development is intimately associated with the roots and sources of families and tribes. Kinship, social cohesion or solidarity (*'asabiyyah*) exists as the first concrete platform for human development, with the major orientation processes inherent within families and tribes. Ibn Khaldun further identifies two directions for development; the rural/bedouin and sedentary associations in which human development varies according to the principle of need. The community is inclusive of the larger market, where people customarily search for livelihood. In a chapter entitled "*the various ways, means and methods of making*

²⁴ Muhsin Mahdi, *Ibn Khaldun's Philosophy of History: A Study in the Philosophic Foundations of the Science of Culture* (1957) (K. Lumpur: The Other Press, 2006), p.221.

²⁵ Cheddadi, *Muqaddimah Ibn Khaldun*, vol.2, p. 286.

²⁶ Cheddadi, *Ibid.*, vol., 2, 3. (Chapter 6).

a living”, following a definition of livelihood, Ibn Khaldun discusses a number of means of living/livelihood, each of which is in need of a set of skills including impost and taxation, hunting and fishing, farming and agriculture, crafting, services and commerce²⁷

The development and growth of skill according to Ibn Khaldun, occurs primarily in the sedentary city. Sadly, he reports, cities are deserted and have turned into cemeteries. This poor fate of civilization is engendered in the deterioration of human capital, particularly when associated with widespread indulgence in prohibitions and crimes. Ibn Khaldun argues:

“Life of the city forces its inhabitants to spend all their energies on the acquisition of goods they have become accustomed to need. When it becomes impossible for them to acquire those goods through rightful means, they resort to all kinds of corrupt practices to acquire them. They strain their intelligence to invent new ways of lying, gambling, deceiving, stealing, and of avoiding punishment. They become masters in craft and treachery. Their desire for luxury starts to lead them to self-destruction. Religious commands lose their effectiveness”²⁸

f. Planning and management

The mode of planning and management are decisive factors that catalyze the growth of human capital quality and the expansion of its achievements. Ibn Khaldun paid close attention to both micro- (policies/institutions) and macro- (policies of the rulers/political authority) systems in which human capital is developed. The given form and nature of the state, dynasty, civil institutions, government policies, social elite, community, modes of commerce, trade, and lifestyle are all accounted for in the building of human capital. The term *tadbir* (management) appears in Ibn Khaldun’s discussion of the caliphate (*khilafah*) and its qualifications. For him, the condition of ability (*kifayah*) includes the possession of a set of skills such as fighting, interaction and dealing with people; the knowledge of communities (*‘asabiyah*), and the strength to bear the difficulties and challenges of politics. These examples help build the edifice of the caliphate by way of protection of religion, resistance against hostility, execution of Islamic law, administration of human affairs and managing the common interest of the public²⁹

Accordingly, an effective management is actualized by way of identifying and forging balanced and moderate states of the human condition. This is only possible however, when proper knowledge, skills, self-experience, and good personal traits characterizes leaders in charge of public affairs. On a few occasions, Ibn Khaldun explains how mismanagement of economic capital, as in spending extravagantly beyond the capacity and budget of subjects causes the collapse of dynasties³⁰. Similarly, Ibn Khaldun explained the flagging jurist-led popular social reform towards eliminating corruption, in light of their failure to appreciate the factors of strength including the position, role and impact of *‘asabiyyah* (community support)³¹.

3. Human Development And Islamic Spirituality

Ibn Khaldun’s general discussion of Islamic spirituality is no different than mainstream Muslim scholarship. One distinct mark of his contribution however, is his discussion of spirituality and human capital in the context of *‘umran* (human association). Although Ibn Khaldun acknowledges the impact of material factors on the shaping of human development, including their movements, habits, and so forth, he takes into consideration other factors he perceives critical such as belief, honorability of man, group cohesion, spirit of competition, familiarity, passion for leadership and social status, possessions, and governance. Some other elements include the feelings of compassion, gentleness, keenness for support, competition, imitation (*taqlid*), passion and desire for learning, in addition to some negative aspects such as humiliation and intimidation, contempt, and the

²⁷ Rosenthal, Ibid., vol. 2, 315-316.

²⁸ Muhsin Mahdi, Ibn Khaldun’s Philosophy of History: A Study in the Philosophical Foundations of the Science of Culture (1957) (K. Lumpur: The Other Press, 2006), p. 215.

²⁹ Cheddadi, al-Muqaddimah, vol. 1, p. 333.

³⁰ Ibid. vol. 2, p. 97-98.

³¹ Cheddadi, Muqaddimah. vol. 1, 270-272.

belittlement of others³². Mahdi argues that there exist other elements, which play the role of a set of new relations and feelings between those who have satisfied them [desires] and those who have not³³

To better define the spiritual dimension required in the context of human capital, Ibn Khaldun compares two modes of living that shape the human personality; the nomadic (*badawi*) and urban (*hadhari*) mode of life. Chapter titles such as “Both Bedouins and sedentary people are natural groups”, “Bedouins are prior to sedentary people”, “The desert is the basis and reservoir of civilization and cities”, “Bedouins are closer to being good than sedentary people”, “Bedouins are more disposed to courage than sedentary people” illustrate his points well. Ibn Khaldun also explores the socio-ethical character of both groups; their salient characteristics, and the needs of both environments in human development. For this purpose, he uses the three common levels of *maqasid* in Islamic law and jurisprudence, namely the fundamentals, necessities and embellishments. In this context, he explains the individual traits of the Bedouin and sedentary peoples with reference to the level of needs they seek to fulfill in their life of ‘*umran*. Moreover, he also compares their activities, skills, social bonds, manners and morals; concluding that the nomads are closer to healthy human nature (*mustaqim al-fitrah*) than city dwellers whose life styles involve luxury and entertainment.

What is interesting in Ibn Khaldun’s thesis is the attention he grants to the impact of skills and order of ‘*umran* in building sustainable human capital. For him:

“Sedentary people are much concerned with all kinds of pleasures and are accustomed to luxury and success in worldly occupations and to indulgence in worldly desires. Therefore, their souls are colored with all kinds of blameworthy and evil qualities. The more of them they possess, the more remote do the ways and means of goodness become to them. Eventually they lose all sense of restraint.”³⁴

Sustaining the impact of human capital should not simply be measured with reference to purely materialistic or economic dimensions of societal development (*hadara*) because the latter represents the peak of the declining process of ‘*umran*. Ibn Khaldun states: “This is obvious. It will later on become clear that sedentary life constitutes the last stage of civilization and the point where it begins to decay. It also constitutes the last stage of evil and of remoteness from goodness”³⁵.

4. Influence Of Environment

Ibn Khaldun acknowledges the influence of the natural and social environment on human development in general, without perceiving it as an authoritative or deterministic model. That is perhaps because human capital essentially deals with what one can feel, rather than do; a space closely intertwined with values and morality. Ibn Khaldun however, argues that the Arabs or Bedouins find difficulty learning crafts or demonstrating the sophisticated practice of skills in life. Similarly, he argues that certain values pertinent to urban life were lost because of the detrimental influences of environment. He appreciates however, the impact of external factors on human development, and as such encourages traders and merchants to acquire skills necessary for safely overcoming the risks and challenges of market transactions. He makes the latter recommendation in light of honest traders becoming few, and the proliferation of cheating, tampering with merchandise, delaying payment, and denial of obligations.

Ibn Khaldun does not justify the attitude of abstaining from business. He is of the opinion that when individuals have the skills necessary to manage quarrels, and the knowledge needed to settle accounts, they would then be prepared to settle disputes or attend courts, and would stand an even better chance for receiving fair treatment. When those qualities and skills are lacking however, Ibn Khaldun then offers another alternative for which less effort is required but still represents a different set of high skills; namely to solicit the authorities’ protection³⁶. Ibn Khaldun identifies the courses of innate human nature and work as the building blocks for sustainable human development. He makes his point that it would be insufficient to simply show an understanding of the

³² Muhsin Mahdi, *Ibn Khaldun's Philosophy of History*, p.179.

³³ Ibid.

³⁴ Rosenthal, *The Muqaddimah* (Ed. N. J. Dawood), p, 94

³⁵ Ibid., p. 94.

³⁶ Rosenthal, *Al-Muqaddimah*, vol. 2, p. 342

innate human nature, without rendering matters according to their own implications. This in turn implies that failure to properly understand the principle of innate human nature and its implications would lead to a failure of efforts of organisation, prioritisation, direction, or assistance of people with their genuine needs (Source).

Although critical, Ibn Khaldun's observations and thought appear to be non-pessimistic, showing a keen and avid interest in politics, economics, history, knowledge and science, arts and education. Similarly, his attention to the types of needs, especially those associated with the intrinsic world, is apparent. In his discussion of labour injustices for instance, Ibn Khaldun draws on a number of inner dimensions such as hope. He asserts that fearing the risk of falling into oppressive social systems only implies the elimination of hope from people's hearts. Ibn Khaldun sought to address some of the most critical human activities affecting the life of both the individual and community. The gravitational center of human activity for him was the making of human association and the configuration of supportive institutions necessitating use and development of specific human capacities and abilities alongside the upholding of values reflecting the genuine contribution of the individual or groups.

Ibn Khaldun argues that any decline in those values would eventually cause wane of the whole edifice of human association. For him, social strength should be measured according to the power of its cohesion (*'asabiyyah*) which is largely supported by way of good moral values instead of selfishness. Ibn Khaldun also believes that powerful social cohesion is built on the foundations of religious creed instead of kinship (blood relations), as religion teaches sacrifice instead of caring narrowly for personal interests. In his discussion of the influences of the environment, Ibn Khaldun highlights a number of critical elements impeding the building of sustainable human development, including injustice and oppression, which he describes as the causes of civilizational ruin. He cites some examples of injustice shown to people in regards to their work and skills (*masa'i, a'mal, tamawwulat*)³⁷. He states:

"Attacks on people's property remove the incentive to acquire and gain property. People, then, become of the opinion that the purpose and ultimate destiny of (acquiring property) is to have it taken away from them. When the incentive to acquire and obtain property is gone, people no longer make efforts to acquire any. The extent and degree to which property rights are infringed upon determines the extent and degree to which the efforts of the subjects to acquire property slacken"³⁸.

From a Khaldunian perspective, the efforts and incentive of the community should be seen as part and parcel of human capital's psychological form. If disregarded, it manifests itself in stagnation and laziness among people once negatively affected. Ibn Khaldun's definition of injustice is broad and comprehensive. Injustice implies not only the unjustifiable confiscation of wealth or property from its owners, without any compensation; it is more general than that. Injustice involves seizing someone's property, employing workers in indentured or forced labor, pressing unjustifiable claims against a person, or imposing a duty beyond the jurisdiction of religious law. Injustice does not affect the individual, social and professional groupings only, but also the state and the *'umran* altogether, alongside their own beings and supportive institutions. This is understandable in light of Ibn Khaldun's thesis, where people represent the breaks of states and dynasties, and reflections of the *'umran* leading to realization of viscegerenship on earth. Because of the devastating impact both oppression and injustice leave on the building of society, Ibn Khaldun establishes Islam's prohibition of these acts in all of the five categories of *Shari'ah* fundamentals, under the critical mandates of protection of religion, intellect, self, progeny and wealth³⁹.

Ibn Khaldun addresses yet another relevant factor pertaining to the method of delivery of knowledge, education and learning instruction. In a chapter entitled 'Harshness does harm learners', Ibn Khaldun draws on some psycho-cognitive and social impacts resulting from using harsh methods in learning. He states:

Students, slaves and servants who are brought through injustice and (tyrannical) force are overcome by it. It makes them feel oppressed and causes them to lose their energy. It makes them lazy and induces them to lie and be insincere. That is, their outward behavior

³⁷ See: Cheddadi, al-Muqaddimah, vol. 2, p. 80-85.

³⁸ Rosenthal, The Muqaddimah (Ed. N. J. Dawood), p.238.

³⁹ Cheddadi, al-Muqaddimah, vol. 2, p. 83

differs from what they are thinking, because they are afraid that they will suffer tyrannical treatment (if they tell the truth). Thus, they are taught deceit and trickery. This becomes their custom and character. They lose the quality that goes with social and political organization and makes people human, namely, (the desire to) protect and defend themselves and their homes, and they become dependent on others. Indeed, their souls become too indolent to (attempt to) acquire the virtues and good character qualities. Thus, they fall short of their potentialities and do not reach the limit of their humanity. As a result, they revert to the stage of "the lowest of the low,"⁴⁰

5. Sustaining Islamic Human Development

In the beginning of his Prolegomena, Ibn Khaldun introduces a set of fundamental concepts such as the Islamic worldview, Islamic stewardship, cooperation, defence, protective order or social organization, and the power of thinking.

a. Supremacy of Religion

In Ibn Khaldun's thesis of *'umran*, religion is a comprehensive divine system for life, and represents the ultimate reference used to validate all sorts of premises, perceptions, thoughts or rules concerning human life and society. This meta-epistemological principle helps Ibn Khaldun grasp the meaning of sustainable human capital which is based on some of the most viable human values transcending all material gains. Ibn Khaldun's perspective on human capital follows the general framework of Islam, with particular interest in the conditions of *'umran* of human development and the goal of worship of God.

In the examination of Ibn Khaldun's discipline of *'umran* however, there arises the need for human social organization to be set according to three key revelational determinants, namely, the Creation of God, the innate human nature, and the divine guidance. Ibn Khaldun explains: "The necessary character of human social organization or civilization is explained by the fact that God created and fashioned man in a form that can live and subsist only with the help of food. He guided man to a natural desire for food and instilled in him the power that enables him to obtain it"⁴¹. Ibn Khaldun considers the material infrastructure of *'umran* necessary by the law of God, and set to serve an ideal destiny showing the wisdom of God in the creation of humans and existence. Social organization is necessary for human species without which, human existence would be deficient. God desires to settle the world with human beings and to leave them as His representatives on earth, which otherwise would not be possible.⁴²

b. Cooperation and Defence

For Ibn Khaldun the nature of human capital is detected through observation and analysis of human association, where real forms of dynamism occur. To bring those real forms to light, Ibn Khaldun sought to answer a number of basic questions concerning the reasons that compel people to live in communities. The immediate reason he identifies is collective defence and cooperation, which represents the basic components in building of civilization. Man however, cannot do without the combined power and empowerment obtained from his fellow human beings, if he is to obtain food, whether for himself or for the rest of the community. Each individual requires the help of others for defense. Through cooperation, the needs of a number of persons, many times greater than their own (number) can be satisfied. Within this framework, Ibn Khaldun asserts that it is necessary for humans to cooperate with one another because the lack of co-operation entails a failure to obtain any food or nourishment; and consequently, life cannot not materialize. Ibn Khaldun states:

"When, however, mutual co-operation exists, man obtains food for his nourishment and weapons for his defense. God's wise plan that humankind should subsist and the human species be preserved will be fulfilled. Consequently, social organization is necessary to

⁴⁰ Franz Rosenthal, *Ibn Khaldun: The Muqaddimah*, edited by: N. J. Dawood (London: Bollingen Series, Princeton University Press, 1967), p. 425.

⁴¹ Franz Rosenthal, *Ibn Khaldun: The Muqaddimah*, edited by: N. J. Dawood (London: Bollingen Series, Princeton University Press, 1967), p. 45.

⁴² Rosenthal, Ibn Khaldun: The Muqaddimah, (ed. N. J. Dawood), p. 46.

the human species. Without it, the existence of human beings would be incomplete. God's desire to settle the world with human beings and to leave them as His representatives on earth would not materialize. This is the meaning of civilization; the object of the science under discussion"⁴³.

c. Order and Authority

Ibn Khaldun extensively uses the term '*wazi*' (order) with reference to certain intrinsic constituents of human behavior. He identifies two categories of order; the first is religious and originates from within, while the second is non-religious and is a result of externalities. He also associates order with political authority (*mulk/sultan*), cohesion (*shawkah/usbani*), legal rulings and laws. The following statement illustrates his substantiated point:

"When mankind has achieved social organization, as we have stated, and when civilization in the world has thus become a fact, people need someone to exercise a restraining influence and keep them apart, for aggressiveness and injustice are in the animal nature of man. The weapons made for the defense of human beings against the aggressiveness of dumb animals do not suffice against the aggressiveness of man to man, because all of them possess those weapons. Thus, something else is needed for defense against the aggressiveness of human beings toward each other. It could not come from outside, because all the other animals fall short of human perceptions and inspiration. The person who exercises a restraining influence, therefore, must be one of themselves. He must dominate them and have power and authority over them, so that no one of them will be able to attack another. This is the meaning of royal authority"⁴⁴

d. Power of Natural Thinking

Ibn Khaldun argues that the ability to think and physical power are two great divine gifts God granted humans; they sustain human protection and defense against all forms of aggression, and spur its growth. Ibn Khaldun states: "Aggressiveness is natural in living beings. Therefore, God gave each of them [animals] a special limb for defense against aggression. To men, instead, He gave the ability to think, and the hand. With the help of the ability to think, the hand is able to prepare the ground for the crafts. The crafts, in turn, procure for man the instruments that serve him instead of limbs, which other animals possess for their defense"⁴⁵. This statement not only points to the meaning of thinking within the context of '*umran*' but also highlights some salient features which set it apart from the human intellect, reason, or mind. The use of the hand symbolizes the practical and applied dimension of the intellect. Ibn Khaldun's understanding of intellectual ability is perfectly aligned with the Islamic notion of human ability, which tends to undermine extreme forms of intellectual abstraction, transcendence and dependence on the 'human intellect'. For him reasoning is a complex cognitive process involving various human abilities, the sum total of which stands at the boundaries set by God. In the field of human association, humans are in need of the higher epistemological reference of Revelation, in addition to their innate nature, acquired skills and abilities.

As such, a large section of sustainability in Muslim human development depends on the high ratio of conformity to the norms of Revelation in human life. It was with this in mind that Ibn Khaldun attempted to understand the relationship between human cognitive faculties such as reasoning, sensation and the development of skills. He then proceeded to explain the impact of skills on developing these faculties. At this point, in addition to discerning reasoning ('*aql tamyizi*') and experimental reasoning ("'*aql tajribi*'"), Ibn Khaldun advances theoretical reasoning ('*aql nazar*') and additional intelligence ('*aql mazid*'); both representing a synthesis of three: *tamyizi*, *tajribi*, and *nazari*. Ibn Khaldun states:

"It is necessary that each kind of learning [*al-'ilm*] and speculation [*nazar*] should provide (the rational soul) with additional intelligence [*'aqlan mazidan*]. Now, the crafts and the habit of (the crafts) always lead to the obtainment of scientific norms [*qanun 'ilmi*], which results from habit. Therefore, any experience provides intelligence. The

⁴³ Rosenthal, p. 45

⁴⁴ Rosenthal, the Muqaddimah, (ed. N. J. Dawood), p. 47.

⁴⁵ Rosenthal, the Muqaddimah, (ed. N. J. Dawood) p. 46

habits of the crafts provide intelligence. Perfect sedentary culture provides intelligence, because it is a conglomerate of crafts characterized by concern for the (domestic) economy, contact with one's fellow men, attainment of education through mixing with (one's fellow men), and also administration of religious matters and understanding the ways and conditions governing them. All these (factors) are norms (of how to do things) which, properly arranged, constitute scientific disciplines. Thus, an increase in intelligence results from them."⁴⁶

Conclusion

Ibn Khaldun discusses the nature and constituents of sustainable Islamic human capital, placing its development in a much broader context of 'umran. His views reflect the Qur'anic worldview, which revolves around the essential precept of the human being as a cohesive and integrated unit of creation, and a socio-religious being. Ibn Khaldun's approach to building human capital may further serve as a solid foundation for theorizing, managing and planning for human development, particularly in Muslim communities and societies. This is particularly relevant given that endogenous growth requires an internal sustainable societal drive and conviction, and cannot be effectively imposed from without. Moreover, a significant range of socio-religious instances is not effectively compatible with a materially-oriented development discourse. This presents challenges to the application of development theory, and reduced efficacy. Ibn Khaldun's conception of human capital development and endogenous civilization growth provides a much required and equally meaningful moral and spiritual framework that may be applied across a broad cross-cultural and multi-religious spectrum.

References :

- Al-Attas, Muhammad Naguib and Muhammad Naguib al-Attas. *Concluding Postscript to the Origin of the Malay Shīr*. Kuala Lumpur,: Dewan Bahasa dan Pustaka, 1971.
- Becker, G. Murphy, K. & Tamura, R. (1990). "Human capital, fertility, and economic growth". The journal of political economy. University of Chicago Press.
- Becker, G. Human Capital. The Concise Encyclopaedia of Economics. <http://www.econlib.org/library/Enc/HumanCapital.html> Bernarda Zamora. (2007)
- Becker, G. (1994). Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education. . Chicago: The University of Chicago Press. Becker, G (1971).
- Keeley, Brian. OECD Insights; Human Capital.. OECD Insights; Human Capital. 2007.
- Ceridian UK Ltd. Human Capital White Paper. Retrieved 2007-02-27.
- Gary S. Becker (1964, 1993, 3rd ed.). Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education. Chicago, University of Chicago Press. ISBN 978-0-226-04120-9. (UCP descr)
- Haq, Mahbubul (1996). *Reflection on Human Development*. Delhi: Oxford University Press.
- Jane Idleman Smith Yvonne Yazbeck Haddad, The Islamic understanding of death and resurrection (Albany: State University of New York Press: 1981).
- Kant, Immanuel. *Groundwork for the Metaphysics of Morals*. (2002) Yale University Press, 33)
- Rossilah Jamil (2004). Human Capital: A Critique. Jurnal Kemanusiaan.
- Rowe, C. J., & Broadie, S. (Eds.). (2002). *Nicomachean ethics*. Oxford University Press.
- Samuel Bowles & Herbert Gintis (1975). "The Problem with Human Capital Theory--A Marxian Critique," American Economic Review.

⁴⁶ Rosenthal, p. 46.

Savvides, Andreas and Thanasis Stengos. *Human Capital and Economic Growth*.

Stanford, Calif.: Stanford Economics and Finance, 2009.

Schultz, Theodore W. *Investment in Human Capital; the Role of Education and of Research*. New York,: Free Press, 1970.

Sherwin Rosen. "Human capital," *The New Palgrave: A Dictionary of Economics*. 1987.

Seymour W. Itzkoff. *Intellectual Capital in Twenty-First-Century Politics*. Ashfield, MA: Paideia, 2003.

International Symposium on Economic Theory, Policy and Applications. Block, F. 1990

Human Development Report 1990, UN Development Programme (UNDP),

http://hdr.undp.org/sites/default/files/reports/219/hdr_1990_en_complete_nostats.pdf (1990), retrieved March 2014