

A. Mazhar Jaffery

CO-OPERATION FOR ECONOMIC DEVELOPMENT IN MUSLIM COUNTRIES: A PROPOSED FRAMEWORK

Economic Backwardness of Muslim Countries

It is a curious coincidence that invariably all Muslim countries in our time belong to the Third World, an indication of the economic backwardness of these countries. Although the religion of Islam puts highest importance on economic development of the Muslims, but it seems that this fundamental has been relegated to a secondary position.

The reasons for this economic backwardness are both historical as well as causative. Among the historical factors are the plundering of Muslim countries by the western nations during the last couple of centuries and it was only during the last 3 or 4 decades that most of the Muslim countries gained independence and were able to plan their developments. However, economic development cannot be brought overnight, rather it is a continuous process which has to be maintained consistently over a period of time before it bears fruits.

Among the causative factors of economic backwardness are (a) not-too-serious efforts on the part of the Muslim countries to bring about a positive change in the economic life; (b) not-too-close a rapport among the Muslim countries for working towards a common strategy of helping each other; (c) a planted mistrust among the Muslim countries themselves through a western conspiracy so that in spite of gaining independence these countries do not become economically or politically strong to resist the western plundering.

Natural Resources

The natural resources in Muslim countries are plentiful. They can grow all sorts of agricultural crops which could make them completely independent in respect of their food and raw material requirements. Their mineral wealth is abundant and today most of the oil producing and exporting countries are Muslims. In addition, the Muslim countries contain many other minerals like gas, iron, copper, gold, tin, silver,

uranium, zinc, diamonds, and other industrial raw materials which are needed for sustaining modern industrial ventures.

Statistics for Development

The information available in Muslim countries about the extent of natural resources is sketchy and so it is about their existing level of development. It is, therefore, urgently desired that, before embarking on any programme of economic cooperation between Muslim countries, sufficient information should be developed which could speak out for sure as to what is available that could be traded among the Muslim countries. Trading is universally recognised as the most desirable vehicle for cooperation and development, and any exchange of information about trading goods and commodities will be a positive action in creating economic harmony.

In the economic planning there are a number of pre-requisites which should be handy for taking meaningful steps. Among these are included:

- (a) quantity and quality of manpower.
- (b) state of technological advancement.
- (c) potential of development.
- (d) appropriation of existing educational and other facilities responsive to economic demandments.
- (e) development of a common desire to form a base for developing a co-operative spirit among the Muslim nations.

Direction of Trade

The information on hand indicates that a significant portion of trade by Muslim countries is done with the western industrialized countries and Japan. This information also points out that most of the countries have perpetual deficit trade balances, leaving aside oil exporting countries of the Middle East like Iran, Iraq, Kuwait, Saudi Arabia. UAE, Libya and Indonesia in the Far East. The number of Muslim countries catered to by principal industrialized countries are as follows :

USA	:	22
EEC	:	20
Japan	:	19
USSR	:	6

The biggest concentration of Muslim countries trading with non-Muslim partners comprise oil exporting countries in the Middle East, followed by other countries in Asia, West Africa and East Africa. Statistics relating to individual country's trade with each other are not

available, but it is for sure that trade among Muslim countries is highly insignificant as compared to western countries.

Imports into Muslim Countries

On the import side, the Muslim countries by and large import all sorts of commodities right from producer to consumer goods. On the machinery account, in all 40 countries, out of 44 surveyed, are the importers. On the textile account, 23 countries are the importers, while the importers of food items are counted at 34. The total value of imports* in 1975 was around \$ 55.4 billion which increased to \$ 96 billion in 1978, a span of three years. The projection for 1979 was around \$ 105 billion.

Cooperation for Development

The desire on the part of developing nations to improve their economic conditions is most natural. However, until such time the development process is followed through a well considered framework, it is unlikely to achieve desirable results. Among the Muslim countries, some countries are reasonably well off technologically (like Pakistan, Bangladesh, Egypt, Malaysia, etc.) while others are well placed financially. In these circumstances, the most immediate requirement will be to pool together all the resources and see how these could be amalgamated in a manner whereby all Muslim countries may be benefited.

Framework for Development

To start with, it would be desirable that following measures are undertaken :

1. Detailed information are obtained in individual countries according to a standard prescription, This information is to be coordinated at regional and then all-Muslim-countries basis.
2. In order to create a feeling of oneness, the idea of establishing a Common Market right from Morocco up to Indonesia should be implemented. This Common Market will consist a population of about 800 million people and their requirements will be immense. The opportunities of all-round development are unlimited.
3. A spirit is created among the Muslim countries whereby first priority in trading is accorded to Muslim countries and that we become mentally prepared to accept a somewhat inferior quality of whatever products are mutually available. It will be only

*Muslim OPEC Countries.

through this sacrifice that Muslim countries which are not as advanced as other western countries may get a chance to prosper.

4. Efforts should simultaneously be made for establishing a monetary system which on the one hand emphasizes transactions in the local currencies of individual countries and on the other hand it pursues the creation of a common currency for the region for dealing with the outside world. Our experience with the western financial system has many lessons in stock and we can meet it only by making a start, no matter how mediocre it is. In the financial fields the Muslim region has produced persons who have made great names internationally and have achieved remarkable feats in the fields of banking and commerce. All these things constitute resources of the highest order. The only factor missing will be the evaluation of development plans and a considered approach for achieving the best results.
5. Means of communications between Muslim countries should be given highest priority so that better contacts are assured. The inter-country links should be appropriately linked up with the intracountry links so that possible hurdles in this regard may be removed.

The foregoing is a brief review of the resourcefulness of the area and now it is up to us to determine how to utilize these bounties. The priorities to be worked out should be strictly in line with our requirements immediate and long-term, and to see that the growth achieved is highly balanced.