



4<sup>th</sup>

# International Conference on Islamic Business 2016

Quaid-e-Azam Auditorium,  
IIUI Faisal Masjid Campus,  
Islamabad, Pakistan

20 - 22  
February, 2016



Islamic Economics, Finance, Entrepreneurial  
Development & Public Policy for the Ummah's  
Socio-economic Wellbeing

Under the above theme, the speakers / paper presenters will discuss the vision of Islamic economics, business and finance, public policy for entrepreneurial development and to enhance social inclusion and good governance, meaning how to develop Islamic countries' economies giving fair opportunity to all segments of the society and provide them not only suitable jobs / employment but also dignity and respect in the society and falah in this world and the Hereafter. As it is possible only through application of the principles of the Shariah, in letter and spirit, in all socio-economic disciplines and business and finance affairs, Shariah compliance of all institutions, products and activities would also be covered in the Theme of the ICIB-2016 event.

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# A Divine Economics Approach to Universal Values: Overview of a recent study

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# Think for while !

The next war will be the clash of civilizations  
or  
the clash of values ...

... the good and evil values  
regardless of race, region and

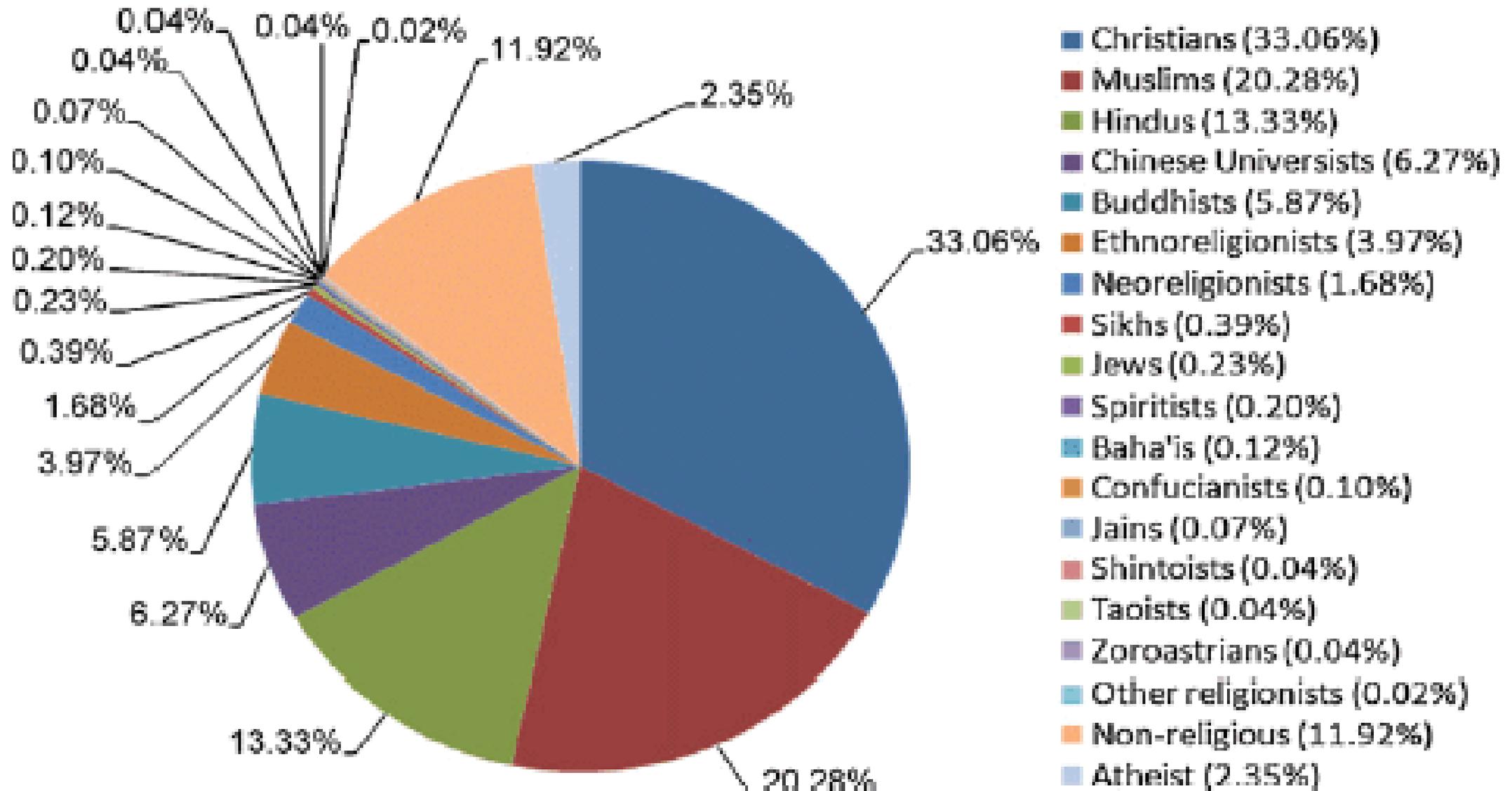
religion?

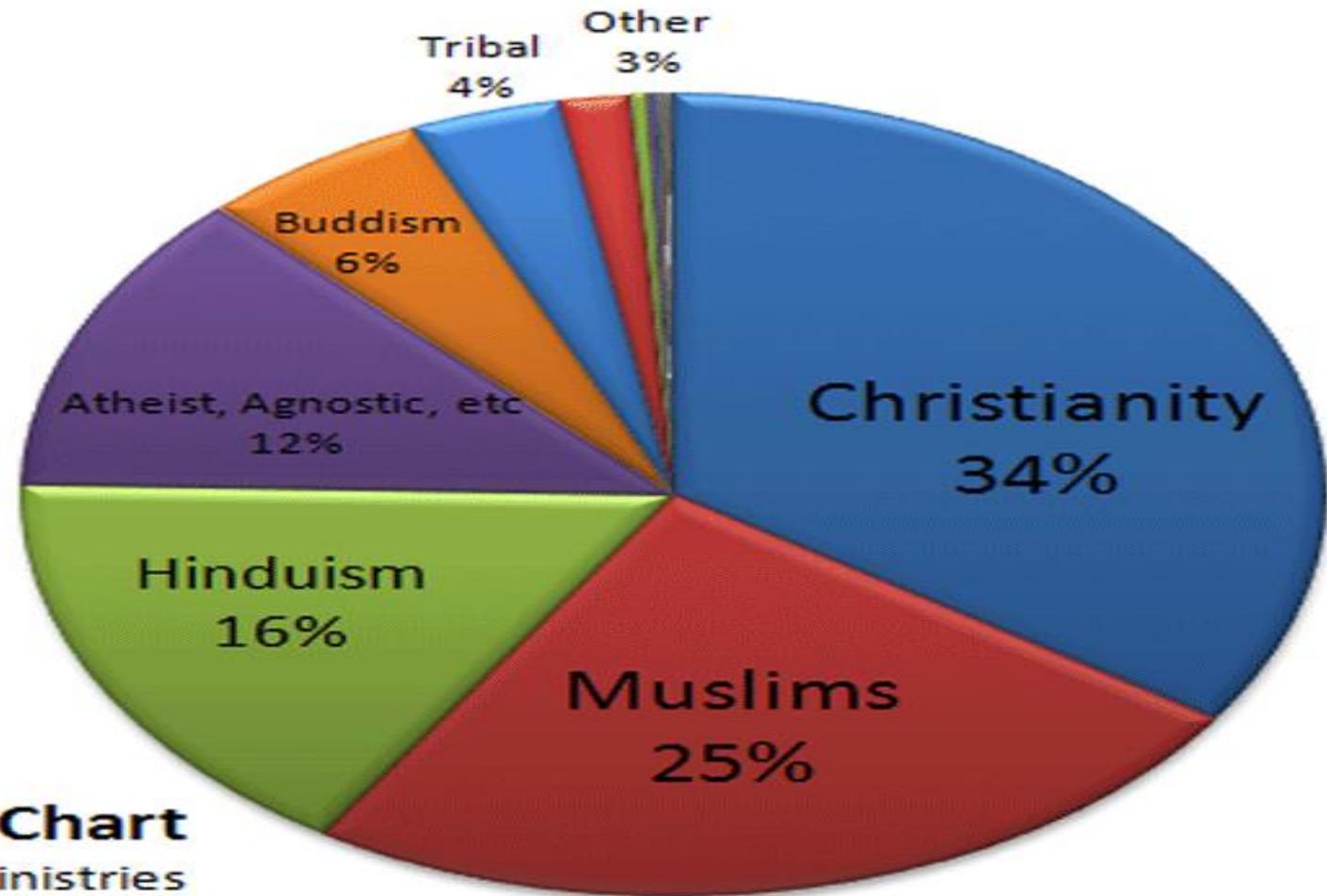
# Intended outcomes of today's talk

- To review a recent study (HEC March 2015) that introduces a new approach to universal values. The methodology suggested in this study may be of practical assistance to researchers in economics and other multidisciplinary sciences.
- To further elaborate the alternative approach for identification and classification of Universal values presented in the study under review.
- Provoke new research interest among economists and social scientists, regarding some - so far - neglected aspects that are important for Pakistan life ideology and culture
- Team building for future collaborative research on values

Background

## Worldwide percentage of Adherents by Religion (mid 2005)





**World Religions Chart**  
Reclaiming the Mind Ministries  
2009

# Conclusion from world population data by religions

- World population which follows some religion.....% ?
- World population that does not follow a religion .....% ?
- Those who show no affiliation but do have .....% ?
- Conventional economics represents only a small portion of world population. For substantial majority we need faith-based models such as Divine Economics

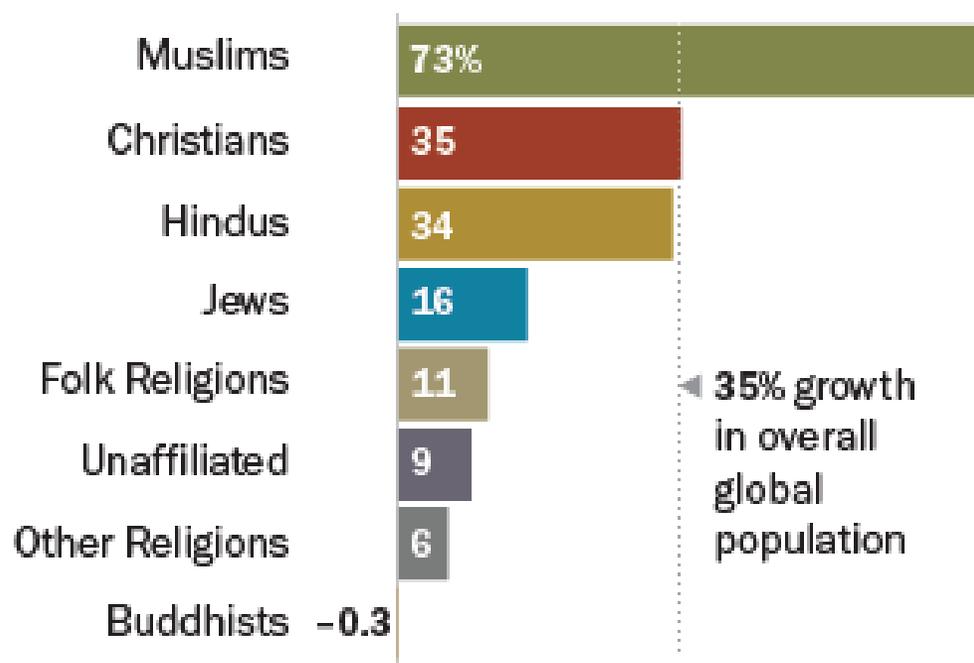
What is going to happen in future?

Divine religions are growing

## Islam Growing Fastest

*Muslims are the only major religious group projected to increase faster than the world's population as a whole.*

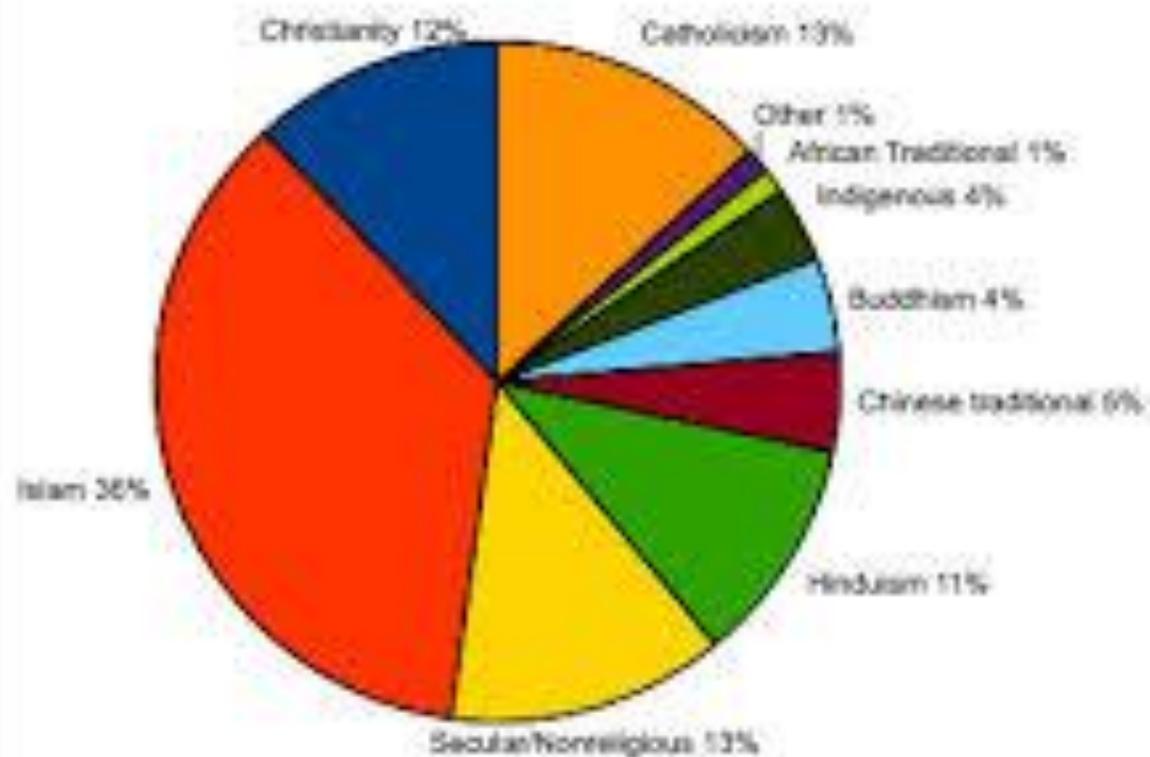
### Estimated change in population size, 2010-2050



Source: The Future of World Religions: Population Growth Projections, 2010-2050

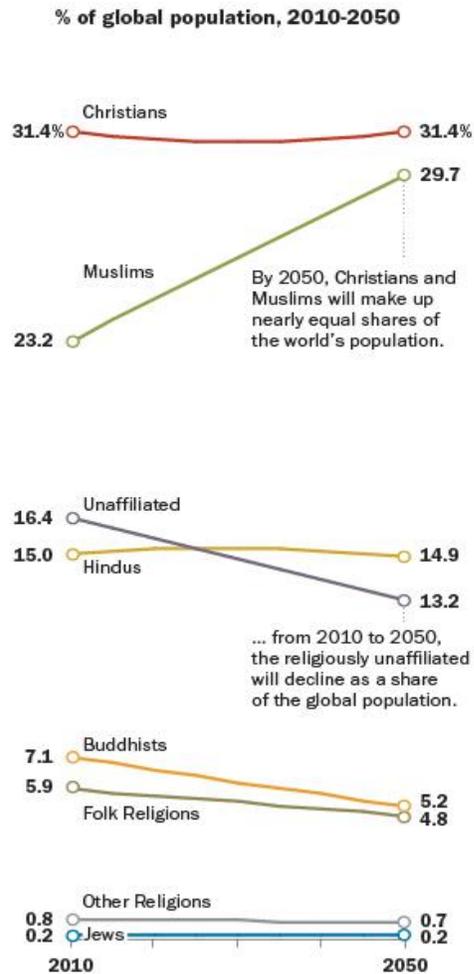
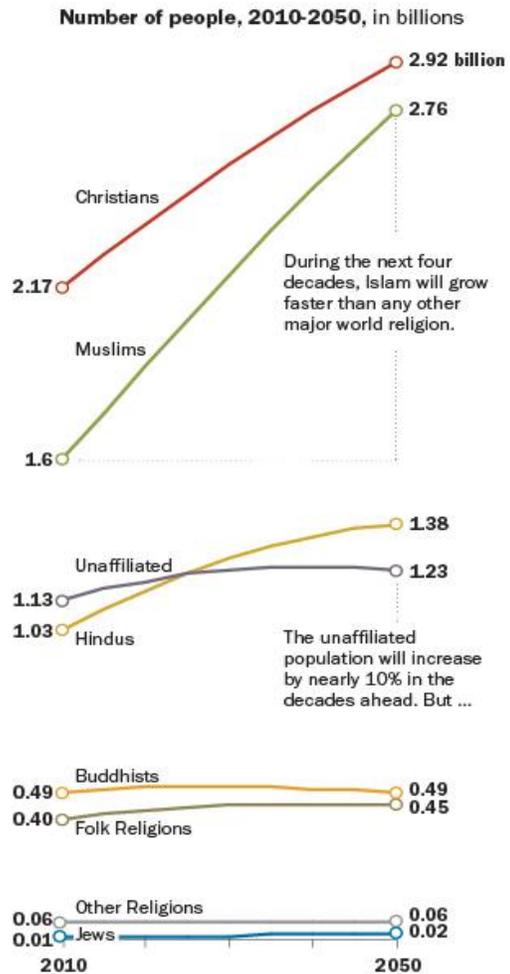
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## World Religions by Population by 2050



## Projected Change in Global Population

With the exception of Buddhists, all of the major religious groups are expected to increase in number by 2050. But some will not keep pace with global population growth, and, as a result, are expected to make up a smaller percentage of the world's population in 2050 than they did in 2010.



Source: The Future of World Religions: Population Growth Projections, 2010-2050

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# The Divine Economics Approach

# Dictionary Meaning of the word 'Divine'

- Being God or anything relating to God, a Supreme Being or a god; Devoted to God or a god; a supreme excellence, perfect
- adjective - heavenly, spiritual, holy, immortal, supernatural, godlike, sacred, religious, sanctified the message of the Divine books
- noun - priest, minister, clergy man
- verb - Having the nature of or being in worship of a sacred. OR to know by inspiration, intuition, or reflection [divine guidance].
- Informal - perfect, excellent, marvelous, superlative, man of God

# What is Divine Economics?

- Economic ideology relating to a Supreme Being or God
- Economics - as interpreted by Divinely guided personalities such as Prophets, Imams, Saints, priests, ministers, theologian, religious scholars, clergyman; and men of God
- 'Economics' - contextualized as religious, spiritual, holy, sacred, purified
- Economics – as inspired by reflection or divine guidance.
- Set of economic principles, rules and models that may be derived from Divine Religions or the economic message of the Divine books

## What is Divine Economics?

- It is a faith-based scientific framework for the study of economics and religion in each other's perspective
- It is the study of human allocation decisions taken under the Divine principles to maximize current, future and afterlife expected stream of well being within available material and non-material resources
- It is the study of allocations for self and others

# Key features of Divine Economics?

- DE is a multi-disciplinary economics that examines how economic and non-economic factors shape an economy and society and how far any change affects its patterns of allocations, faith, spirituality, values and other socioeconomic interrelationships.
- It analyses the response to the changes in certain economic variables such as prices, income, wages, taxes etc., as well as non economic variables such as prayers, spirituality, morality and religiosity indicators etc.
- It is similar to and also different from conventional economics, Islamic economics and EoR [Christian-Jewish Economics].

# Key features ..contd

- DE uses economics and religion in the study of human behavior not as 'economic man' but as 'man' in its natural setting.
- This must not be misunderstood as pluralism in economics to accommodate all diverse thoughts under one umbrella

# Research Work in DE: 1999 - 2015

- Religiosity scales
  - Variety of questionnaires
  - Testable propositions
  - Survey Series since 2000
  - 2 PhDs
  - 12 M.Phils
  - 24 M.Sc.
  - Above 25 articles and reports
- 
- You may contact if needed

# The Report

“A Divine Economics Approach to Universal  
Values”

Research Project Report  
Kashmir Institute of Economics UAJK

March 2015

# Report contents

## INTRODUCTION

Why to studying UVs?

## REVIEW OF LITERATURE

Values Meaning and Types

Personal vs. Shared Values

Cultural values and Religious values

Spiritual values

Local, Regional vs. Global Values

Organizational vs. Professional Values

Environmental Values

Disaster, Recovery and Rehabilitation values

Islamic Values

Economic Values

Other Description of Value Types

The Case for and Against Universal Values

# Report contents - PART-2

## DIVINE ECONOMICS APPROACH TO CLASSIFICATION OF VALUES

Theoretical Background and Methodology

Natur of Universal Values and a New Definition

Values and Divine Economics

Universal Values and Religions

Universal Values of Divine Religions

Universal Values and Islam

Are there some *Relative* Universal Values?

## PROCESS OF DIVINE ECONOMICS CLASSIFICATION FRAMEWORK

Propositions

Data generating process

## SUMMARY AND CONCLUSION

- The research project is funded by HEC and Conducted by the Kashmir Institute of Economics, University of AJK

# Defining values

- According to Rokeach (1973), “values function as cognitive standards for individual actions”.
- “Human values are a set of consistent behaviors and measures that guide human beings in doing what is right and acceptable by the society “ (Santrock J. W. 2007)
- Linton (1954) states that value is *“anything capable of influencing the individual’s decisions in choice situations and anything capable of producing an emotional response”*.
- Kluckhohn (1971) defined values as “An explicit or implicit conception; distinctive of an individual or characteristics of a group, often desirable which influences the selection from available means and ends of action”.

# Defining Universal values

- universal values - something which has the same value or worth for all, or almost all, people.
- the universality or wider acceptance makes some values different from local, regional, cultural, economics and other types of values.
- something is a universal value when everybody finds it valuable or finds reason to give it importance.

# DE Definition of Universal values ... 2014 and revised.

Hamdani (2014) – revised

- “Values are perceptions, beliefs, preferences and practices leading the people to relinquish, sacrifice or achieve their desirables such as money, time, power, prestige, freedom, favorites, or life itself”.
- Values can be positive for one and negative for others.
- “The universal values are the values most widely regarded by majority of people across the world or over a longer time period”.

Favorites e.g. affection, affinity •

Relinquish means to give up (something) : to give (something, such as power, control, or possession) to another person or group •

# Popular ways of measuring values

- **Empiricism -Top values out of 18:** Rockeach (1967) measured human values by asking respondents to rank values from the given set of 18 values. (Criticism-Not theory driven, less useful for uneducated people)
- **Empiricism:** Schwartz (1992) put forward Schwartz Value Survey (SVS), .. respondents rate the importance of each value "as a guiding principle in their lives" on a 9-point scale labeled seven (of supreme importance), six (very important), 5, 4 (unlabeled), 3 (important), 2, 1 (unlabeled), 0 (not important), -1 (opposed to my values).
- **Psychology:** In the same way, Schwartz, (2005b); Schwartz, et al., (2001), contrary to Schwartz (1992) put forward another scale called Portrait Value Questionnaire (PVQ)... as an alternative to the SVS. ...in order to measure the intensity of ten basics. In PVQ respondent were asked to rate themselves matching with a person whose features were given item wise in the questionnaire. [WVS has adopted Schwartz PVQ)

# The major gap

*Currently we are not in apposition to have full appraisal of existing universal-values-theories, yet the following observations are tentatively presented;*

- the available empirics-based approaches to identification of universal values are not appropriate for the societies which follow some faith patterns.
- Conventional theories or lists on values or universal values ignored classical literature of Islam
- empirical methodology of available studies is debatable [Sampling, methodologies]
- Empirically declared UV lists are vulnerable to shocks and likely to become invalid from time to time due to changing world problems and priorities
- Studying values in economics is a task of multi-disciplinary Scholars but there seems no notable effort in this direction done by economics community

# “ A DE Approach ..... contd

- The present study attempted to fill this gap by proposing an alternative methodology for identification of universal values based on fundamentals of Islam and other religions.
- Using the Divine Economics criteria for values classification it also developed survey-instruments for the collection of data.
- As earlier studies have highlighted that their list of universal values is short and not final (Kienner, 2000), the present study has attempted to make refinement in procedure of values classification and widened the lists too.
- As a result of this research assisted by HEC, a series of new short lists of universal values is being published which shall open new avenues for economics studies.

# “ A DE Approach ..... Contd.

- conventional economics assumes that individuals are motivated by self-interest [hence behave in selfish way] and one can expect that a self-regarding individual will mainly prefer to consume resources for self or for today as compared to the 'others-regarding' individual who would forego something for others' wellbeing or the future generations.
- The 'other-regarding' behavior emerges due to a set of values which are systematically different under different religions, sects and spirituality patterns.
- the fact is that the conventional economics has failed to assign due importance to important factors affecting human behavior such religiosity, spirituality, ethics and reinforcement.

# The Divine Economics Approach to classification of values

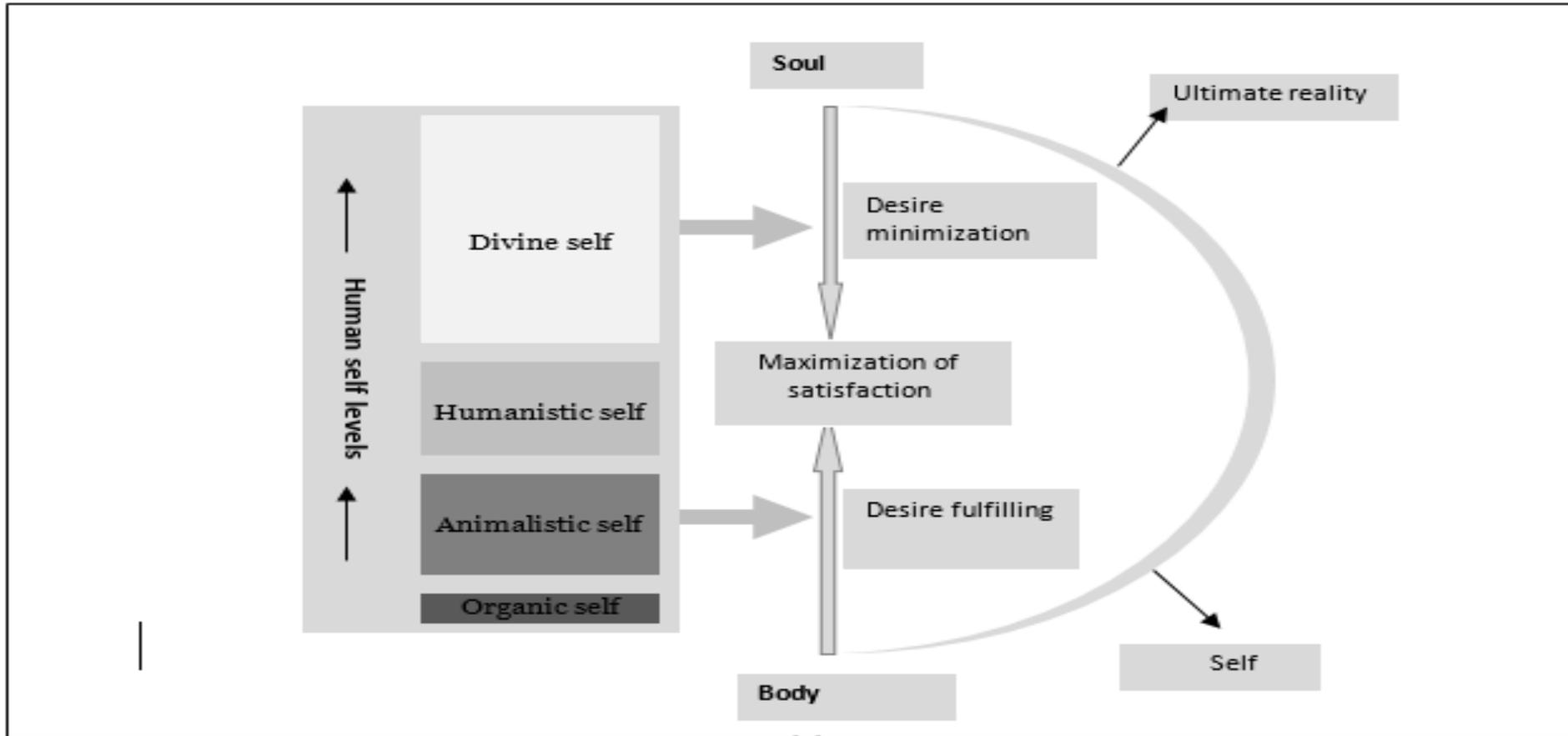


Figure 6: Types of self and their objectives

# The DE methods of universal-values classification

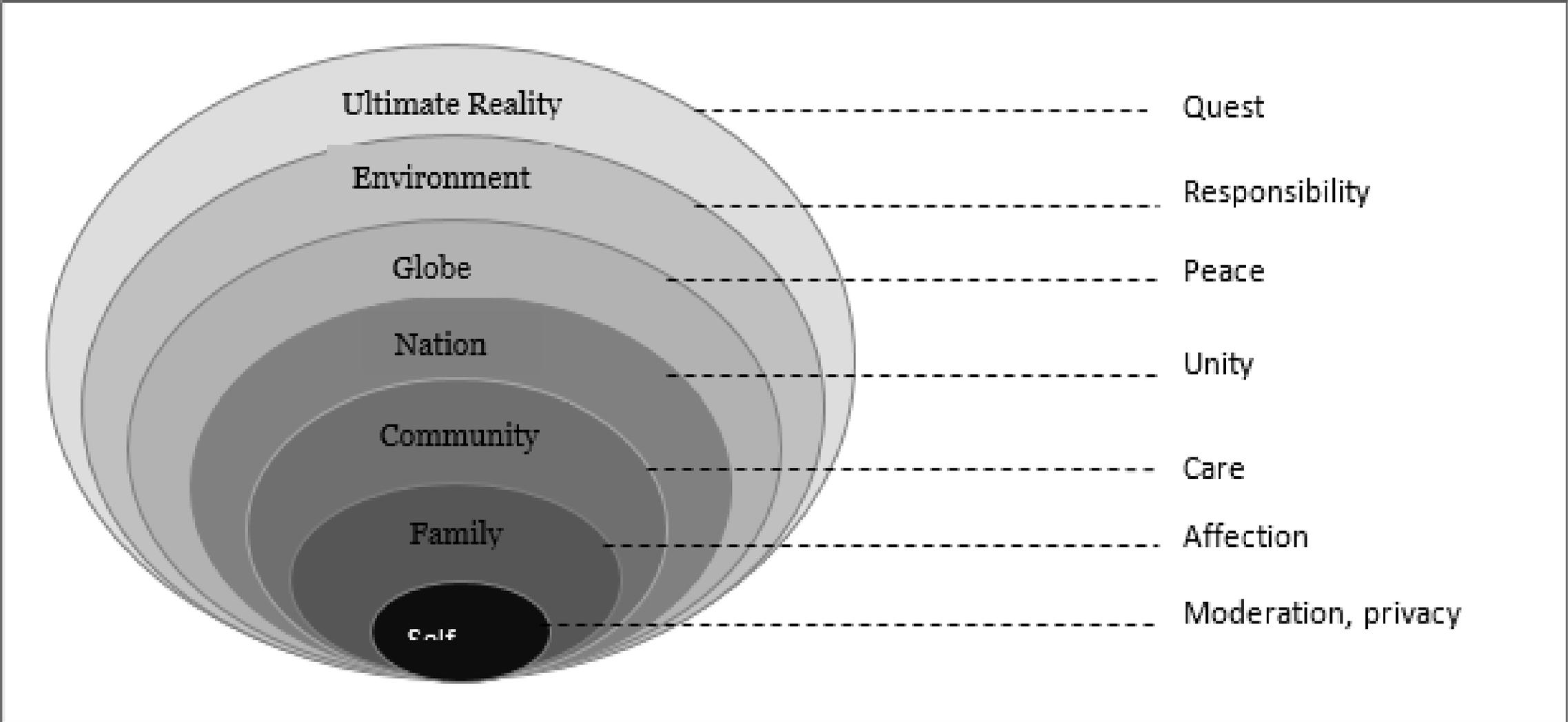


Figure 1 Classification framework of values proposed by Hamdani (2014).

# The DE methods of Universal values identification

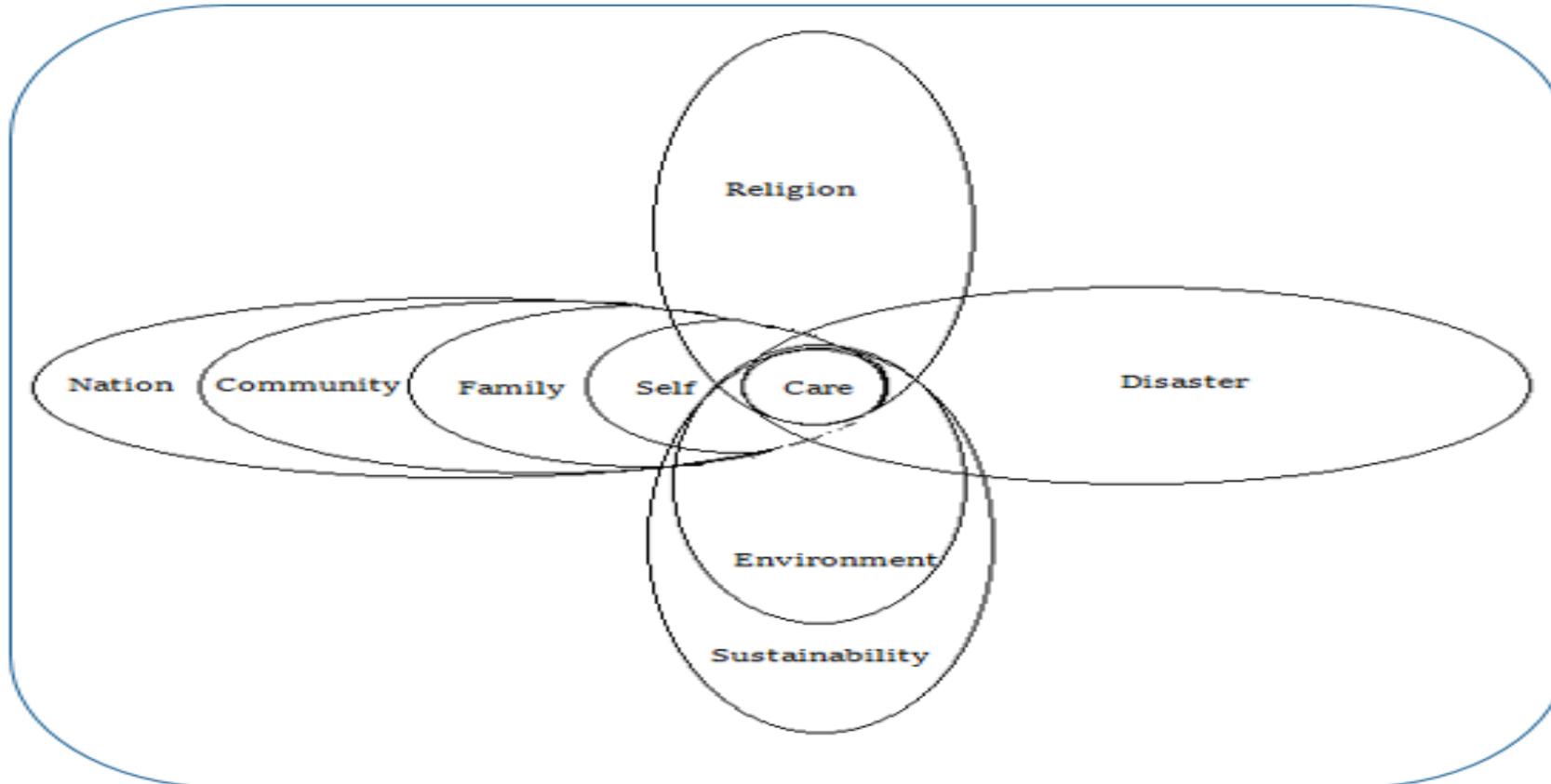


Figure 2 Framework for identifying universal values proposed by Hamdani (2014)

# Universal Values Survey

link to online

## **Universal Values Survey**

- [https://qtrial2014.az1.qualtrics.com/SE/?SID=SV\\_3gGIGq3KJZRHZvT](https://qtrial2014.az1.qualtrics.com/SE/?SID=SV_3gGIGq3KJZRHZvT)

Concluding remarks

# Thank You !

...and

**God Bless You**

**for your interest in Divine Economics**