

Islam, Globalisation and Ecology

Fazlun M. Khalid

THE GENESIS OF GLOBALISATION AND THE ECOLOGICAL CRISIS

Globalisation is not a new process. The popular time attributed to its beginnings is the industrial revolution that took place in Europe in the 19th century but, it goes a little further and the dates of the triggers that activated this process can be located with some precision. The first of these took place in 1545 when Henry VII legalised the payment of interest in Britain following on from the edicts, which broke with Christian tradition, laid down by Calvin the reformer.ⁱ The other trigger was the publication of Rene Descartes' *Meditations on First Philosophy*ⁱⁱ almost a century later in 1641 which initiated the scientific revolution.

These two events provided the basis for Western hegemony over all other cultures which persists with increasing intensity to this day to the extent that even the Islamic world view has been severely attenuated with almost universal Muslim co-option into the new world order. Globalisation in its present manifestation is a highly sophisticated form of neo-colonialism and an indictment on the Muslims themselves in that they accommodated it. It is based on a corruption of certain fundamentals common to all traditions and has led us into a mindset which sees the natural world exclusively as an exploitable resource.

As what we now understand by modernity, as the secular ethic progressively seeped into the Muslim psyche and as industrial development, economic indicators and consumerism became the governing parameters of society, there has been a corresponding erosion of the Muslim perception of the holistic and a withering of its understanding of the sacred nexus between the human community and the rest of the natural order: *'The creation of the heavens and the earth is far greater than the creation of mankind. But most of mankind do not know it'* (*Qur'an - Ghafir* (40):56).ⁱⁱⁱ

As a people who participate in the development paradigm and who benefit from it materially, Muslims have a contribution to make to the growing debate on how society is run. There is now an urgent search in the texts and traditions for answers. There are irreconcilable factors deep in the interface between Islam and the West that call for some assessment.

This chapter examines in some depth the two triggers — the 1545 and 1641 events — and looks at the Cartesian doctrine first as it redefined the human view of existence itself and changed everything that followed in its wake. It also briefly dwells on the reason why US President Richard Nixon removed the US dollar from the gold standard.

THE CARTESIAN DOCTRINE

The traditional world view, which includes that of the West, was challenged by what we have come to know as the Enlightenment, which has its origins in 16th century Europe. These events are usually seen as a time in which science began its ascendancy over religion.

Richard Tarnas^{iv} observes that this movement achieved its maturity in the 19th century, finally resulting in a radical shift of psychological alliance from the divine to humankind. Descartes, the French philosopher and mathematician, finally breached the flood gates of the old order by splitting mind from body and proclaiming a dualistic world view in his well-known statement “I think, therefore I am” (*cogito ergo sum*). The fruit of the dualism between rational subject and the material world was science, including the scientific capacity for rendering intelligible certain aspects of the material world and for making man “master and possessor of nature” (in Descartes’ own words).

This view is on a collision course with how Islam teaches Muslims to view the world. There is only one master and possessor of nature and that is the one who created it, *Allah*. This is unequivocally expressed in the first line of the *Qur’an*, “Praise be to Allah, the Lord of all the worlds” [*Al-Fatiha* (1):1] and the last verse in the *Qur’an*, “...I seek refuge with the Lord of mankind, the King of mankind, the God of mankind” [*An-Nas* (114):1-3]. After Descartes was Isaac Newton’s

world view led to the well known mechanistic conception of the universe and totally away from the holistic and organic interpretation of things. The result was that after the seventeenth century science and religion became totally divorced.^v

People would find it impossible to live in today’s world without money, but one increasingly comes across interesting appraisals of it like the following for example: In spite of all its fervid activity, money remains a naked symbol with no intrinsic value of its own and no direct linkage to anything specific.^{vi}

Money has come to be recognised as mere tokens and

there is something quite magical about the way money is created. No other commodity works quite the same way. The money supply grows through use; it expands through debt. The more we lend, the more we have. The more debt there is, the more there is.^{vii}

These tokens of value that we create from nothing and use every day grow exponentially *ad infinitum*. But we know that the natural world, which is subject to drastic resource depletion, has limits and is finite. This equation is lopsided and the question is for how long can we continue to create this infinite amount of token finance to exploit the real and tangible resources of a finite world. Looked at from this perspective, money, as the modern world has conceived it, assumes the characteristics of a virus that eats into the fabric of the planet. The consequences of this become visible as global environmental degradation.

This magical system underwent a metamorphosis in 1971 when President Nixon unilaterally abandoned the gold standard. The background to this event is discussed below. It suffices to say now that,

by abandoning the gold standard.... he also moved the world into a new standard: the interest standard.^{viii}

It is generally known that Islam prohibits usury or the taking of interest and the term used in the *Qur'an* for this is *riba*.^{ix} This term has wide connotations. Simply put, it means one cannot have something out of nothing. Thus, *riba* is also seen as prohibiting the free creation of credit. The *Qur'an* denounces these practices vehemently and we can see why from the foregoing discussion:

Those who practise *riba* will not rise from the grave except as someone driven mad by *shaytan's* (satan's) touch [Al-Baqara(2):274]

Also,

You who have *iman* (faith)! have *taqwa* (awe) of Allah and forgo any remaining *riba* if you are *muminun* (believers). If you do not, know that it means war from Allah and his Messenger" [Al-Baqara(2):277,278].

No other proclamation in the Qur'an matches this degree of trenchancy.^x

As we are discussing an accommodation with globalisation it is as well to understand that we are dealing with an entity that makes it impossible for Muslims, individuals or nation states, to give expression to a normative Islam. This model, which we are not inevitably a part of, is in direct conflict with two fundamentals that constitute the Islamic world view. This condition may be described as a psychosis in Muslim society; it strives to maintain its deep attachment to Islam on the one hand, while on the other it persists in tasting the fruits of a globalised order run on principles which are an anathema to it and moreover not of its own making.

The Bretton Woods Agreements concluded in 1944 by the main powers as part of the process of post-war reconstruction put the US dollar centre stage where all other trading currencies were linked to it in a system of fixed exchange rates. The US dollar itself had its value firmly linked to gold. One of the effects of this system was that it kept prices stable as money supply was in equilibrium with the real economy. In August 1971, President Nixon reneged on this agreement and decoupled the US dollar from gold for mainly domestic reasons. Kaufman says of this

...closing the gold window, although buried in a long laundry list of essentially useless economic policy changes, represent the biggest challenge to the world economy since the great depression... It was a change of monumental proportions that not only redefined money but created the opportunity to dramatically speed up the rate at which transactions between companies and countries took place. ...It also initiated the process of decoupling the "money" economy from the "real" economy. As a result, two plus decades later, the money economy, where transactions take place purely for financial or speculative gain, and the real economy, where the world's raw materials, goods and services are produced and traded are badly out of balance. That was Nixon's economic legacy.^{xi}

For Nixon, read Bush; and for Bretton Woods, read Kyoto. The point is national interest rules supreme and it takes priority over the rest of the globe, be it world trade or the environment.

RIBA AND EXPONENTIAL GROWTH

Analysts have come to recognise that history is moving too fast. This can be experienced in what we often describe as the hectic pace of life which we complain is getting faster by the day. People are unable to cope with so-called modern existence as they set about achieving higher and higher economic and social targets in shorter and shorter time intervals. This civilisation is now defined by levels of consumption, the consumer index, and per capita incomes, among others. Levels of production and consumption are controlled by the collusive forces of banks, industry, big businesses and politics, with this whole affair kept in balance for some of the people some of the time by the assiduous manipulation of interest rates. Economists provide the rationale, bankers and financiers make their profits, and politicians wallow in power. In the meantime, environmentalists continue to produce their reports. The common factor of both production and consumption is growth and the rate of this growth is now being described as exponential. The rapid expansion of technology allied to manipulative mass advertising makes this possible. These factors also control and distort market forces, a term that now no longer bears any resemblance to its description in classical economics. In addition, market forces are also influenced by monopoly distribution and a productive culture orientated towards the maximisation of profits. People are now being exhorted to want things far beyond needs and necessities or be left out of the consumer feast. The ethics of the 20th century are about acquisition, and values are about material possession.

The problems that arise from this model not only implicate politicians, economists, scientists and technocrats, but also the rest of us by default. The Club of Rome founder Aurelio Peccei^{xii} says that there has been a large-scale overshoot in the way

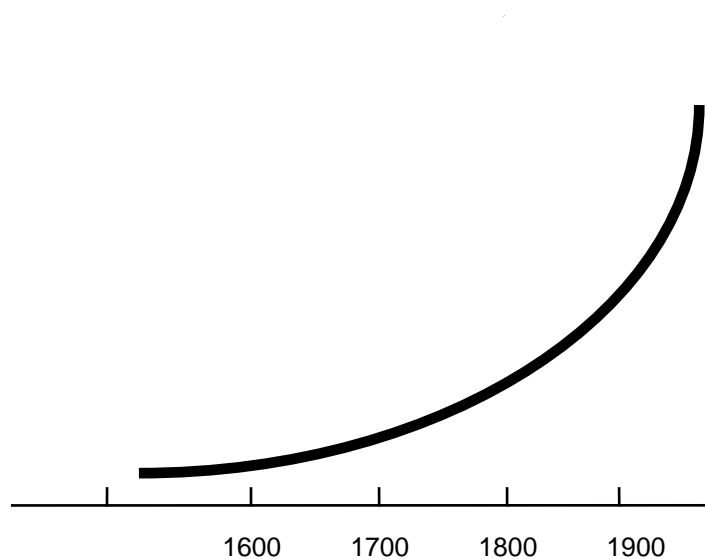
... the human population and economy extract resources from the earth and emit pollution and wastes to the environment. Many of these rates of extraction and emission have grown to be unsupportable. The environment cannot sustain them. Human society has overshoot its limits, for the same reason that other overshoots occur. Changes are too fast. Signals are late, incomplete, distorted, ignored or denied. Momentum is great, responses are slow.

There is no longer any doubt that exponential growth is the driving force causing the global economy to breach the physical limits of the earth.

These ideas are not new and, interestingly, were first postulated a century ago. Scientist and historian Henry Adams^{xiii} propounded a theory in the early part of the last century which suggested that the acceleration of technological change is forcing the acceleration of history. It suffices to say that Adams constructed a graph on a logarithmic time base to show that there was a relationship between the rate of consumption and utilisation of energy and what is described as technological progress. The result was an exponential curve and he observed that the acceleration of the 16th and 17th centuries was rapid and startling.

The world did not double or treble its movement between 1800 and 1900, but measured by any standard known to science.... the so-called progression of society was fully a thousand times greater in 1900 than in 1800;...

What is interesting about the graph is that it ran parallel to the base line for a time (see figure below) and then suddenly began a steep incline. Now, just over a century later, this curve is close to and almost parallel to the vertical axis. Adams said in 1905^{xiv}



... at the accelerated rate of progression since 1600, it will not need another century to turn thought upside down. Law in that case would disappear...and give place to force. Morality would become police. Explosives would reach cosmic violence. Disintegration would overcome integration.

All these forecasts have either already unfolded or are in the process of so doing especially in the way the ecosystems of the planet are seen to be disintegrating. Echoing Adams' concerns 100 years later the *Millennium Report* of the UN Environmental Programme^{xv} observes

... the global human ecosystem is threatened by grave imbalances in productivity and in the distribution of goods and services...sustainable progression of extremes of wealth and poverty threatens the stability of the whole human system...the world is undergoing accelerating change, with internationally co-ordinated environmental stewardship lagging behind economic and social development. Environmental gains from new technology and policies are being overtaken by the pace and scale of population growth and economic development. The processes of globalisation that are so strongly influencing social evolution need to be directed towards resolving rather than aggravating the serious imbalances that divide the world today.

Of crucial interest to us is the point when the graph began to rise. As Henry Adams himself has shown us, this abrupt upward trajectory coincides almost exactly with the period covered by the 16th and 17th centuries. It is during this time that we can begin to discern the appearance of the two triggers first mentioned in the introduction section of this chapter. Henry Adams, in his historical cultural context, was only aware of what we now see as secondary and tertiary causes. What was important to him was technological change allied to energy consumption and his valuable work nearly 100 years ago produced the first exponential growth curve. A closer examination of this from an Islamic viewpoint will, we believe, show us the effect of the primary cause, which is uniquely visible from this perspective. This is the weapon of human plunder which can simply be described as money as we have come to understand it today.

The whole history and ethos surrounding money is apart from a tiny minority, almost wholly ignored by Western economic analysts and historians (Kurtzman is a rare exception and heed should also be paid to Tawney,^{xvi} who first wrote about these matters in 1922). Muslim economic analysts steeped in Western tradition, fare no better than their Western counterparts as they modify Islam to seek compatibility with the dominant model consisting of nation states competing for prime places in the per capita incomes league. But there are Muslim thinkers who take a different position based on a deep understanding of the *shari'ah*.^{xvii} It did not surprise us to discover, however, that it was in 1535 that the Christian community legitimised *riba* (usury) in Europe. This event coincides almost exactly with the period when the Adams curve begins to show a decided upward movement.

Credit creation, though a standard and daily bank practice like the charging of interest, is an aspect of banking little understood by the general public. What the banks are allowed to do legally by the state, Muslim states included, is to create credit, that is, to make money appear out of thin air. This is what moved John Kenneth Galbraith, an American professor of economics, to observe that the mind is repelled by the way banks create money. *Riba* has a wider definition than the one that is commonly held. If charging interest on money is unlawful gain, then creating it out of nothing is a much graver infringement of the position the *Qur'an* takes on this matter. The gradient of a graph representing the growth of credit since, say, the establishment of the Bank of England in 1694 would look even more startling than the Adams curve. In this context, it would be interesting to see the growth curve representing credit creation by the Tiger economies (comprising Singapore, South Korea, Taiwan and Hong Kong) in the past 25 years or so. It should be remembered that this exponential creation of credit is non-wealth. It does not represent anything but entries in bank ledgers, balance sheets and hard disks. It cannot be emphasised enough that this so-called wealth, which helps us to sustain the fiction of progress and development and hence globalisation does not exist in reality. It could be called a kind of fiscal psychosis. But this infinite amount of 'nothing' is deployed against the finite resources of *Allah's* creation. It is not difficult for anyone to conclude from this that if the human race carries on like this the earth will soon be reduced to empty desert and dead ocean.

As a species we have already devoured the earth a few times over and it is no comfort to Muslims that Islamic banks have contributed to the process. Their ethos is only partially Islamic as they are in the first instance set up to produce the same results as the other banks

but with a modified way of operating. As far as it is known, Islamic banks create fictitious credit like every other bank although they do not specifically charge interest.

If one penny was invested 2,000 years ago at 4 per cent compound interest, it would have bought one ball of gold the weight of the earth in 1750 and over 8,000 balls of gold of the same weight in 1990. At 5 per cent compound interest, the same penny would have bought this ball of gold by the turn of the 15th century and over 2,000 billion balls of gold the same weight as the earth by 1990.^{xviii} Even one percentage point can make an enormous difference and it now becomes clear why the *Qur'an* condemns *riba* so vigorously. Although we cannot go on creating balls of gold the weight of the earth forever, we are not dealing with gold any more. Now the pace of money creation has increased with the invention of cyber money which has created a

“high-tech financial economy with its boom and bust cyclicity and its daily volatility that has taken nearly complete charge of the real economy For humanity as a whole, that is a new and highly uncertain condition”.^{xix}

Money now is a mere abstraction. It is a disconcerting thought that our entire lives are built on this fiction and it is this fiction that makes globalisation possible. Exponential growth of unreal wealth has caused the exponential growth of all human activity, including scientific inquiry, technological innovation and industrial production. Since the 16th century onwards it would seem that our global civilisation was run by magicians who juggle with our lives on a vast scale. We are now ruled by routine fraud committed by the banks and financiers aided and abetted by the political establishment. This does not offer Muslims any mitigation from our own collusion in the process.

TAMING THE PREDATOR

It could be said at its very basic that the philosophical formulations of Descartes turned the human race into a predator. For what he was “proposing was a new religious revelation, a radical revision of nature that had not really occurred to any other social animal”^{xx} or to any previous civilisation in human history. It would be interesting to speculate on the course history would have taken had Descartes not lived but the *Qur'an* shows us where we belong. “*Allah's* natural pattern on which He made mankind. There is no changing *Allah's* creation” [*Ar-Rum*(30):29]. Humankind was created within the natural patterning of nature and being of it, its role is defined by this very same patterning. This is at one and the same time both a simple and lucid ecological definition of our place in the natural order.

Allah created humankind as part of His original creation to function within His original scheme. We were then subjected to Allah's unchangeable laws as was the rest of creation, making us – at the biological level – equal partners with the rest of nature. The different elements of the universe working together keep nature in balance. We can modify the environment to suit our purposes up to a point but we cannot change its basic make up. The environmental problems we experience today could be described as adjusting mechanisms that keep the earth in order. Like the human body the earth is a self-healing entity and it will tend to close the wounds inflicted upon it. Also like the human body the earth will react drastically to the deeper levels of

injury we keep subjecting it to. But we have yet to understand these processes.^{xxi}

We are living in an illusory world of our own making and one does not have to be a Muslim to understand this. In fact the cutting edge analysis for the current state of the planet comes mainly from those who are not Muslims. Islam gives the clearest understanding of this condition. In spite of this, we seek to deepen our attachment to the illusions created by this civilisation. Our further adaptation to globalisation can only lead to further marginalisation of Islam, not that there is any further space left to do this in, as our expression of it is now wholly confined to ritual. Moreover, all the evidence shows that we are hitching our futures even more firmly to a collapsing civilisation.

There is clearly an issue of conflicting paradigms; one based on predation and the manipulation of greed through credit creation, and the other on submission and the conduct of transaction with what is real. How then can Muslims accommodate the former? Muslims have been doing so for the past 200 years or so to the extent that the *shariah* is now a moribund, if not a dead, force. For example, even in countries that claim to be Islamic, the system of *awkafs* that served Muslims so well over the centuries by providing schools, hospitals and relief to the poor is now replaced by *riba*-based real estate ventures. At another level, it is interesting to note that efforts to meet the challenge of environmental degradation in Muslim countries are made by secular agencies. It is all but forgotten that deep in the matrix of the *shariah* there exists institutions that can effectively deal with these problems.

It was observed earlier in this chapter that there is nothing inevitable about Muslim countries participating in the processes of globalisation. But, given the nature of human affairs, this is bound to happen anyway in some shape or form. There is one possibility that Muslim rulers and politicians may wish to consider however, and that is the re-establishment of the Islamic trading system which had served Muslims well for centuries. It should be open to all who want to participate in it, be anything but hegemonistic, and decouple trading from the hypnotic effects of the illusory world of global finance. This may set in motion the very moves for a change in direction the world is waiting for.

Fazlun Khalid is the founder and director of the Islamic Foundation for Ecology and Environmental Sciences, Birmingham, UK.

This paper was delivered at the conference on The Impact of Globalisation on the Islamic World, Kuala Lumpur, Malaysia, 2001 and now published in: S.N. bin Syed Kamarulzaman and Sharifah Munirah Alatas (eds), *The Impact of Globalisation on the Islamic World: Issues and Challenges in the 21st Century*, Institute of Diplomacy and Foreign Relations, Kuala Lumpur, Malaysia, 2001. See chapter 10, Fazlun Khalid, *Islam, Globalisation and Ecology*.

ⁱ Davies, Glyn, *A History of Money* (Cardiff: University of Wales Press, 1994), p. 221.

ⁱⁱ Honderich, Ted ed. (1995) See entry under Descartes, Rene (p.188), Oxford University Press, Oxford.

ⁱⁱⁱ Khalid, Fazlun M "Islam and the Environment" in *Encyclopedia of Global Environmental Change*, Vol. 4, (London: John Wiley and sons, 2001).

The translation of the Qur'an used is that by Bewley, A. and A., *The Noble Qur'an*, (Norwich: Bookwork, 1999).

-
- ^{iv} Tarnas, R., *The Passion of the Western Mind* (London: Pimlico, 1996), pp.275-281.
- ^v Nasr, S.H., *Man and Nature, the Spiritual Crisis in Modern Man* (London: Unwin Hyman, 1990), p. 20.
- ^{vi} Kurtzman, J., *The Death of Money* (Boston: Little, Brown & Co, 1993), p. 77.
- ^{vii} Op. cit., p. 85.
- ^{viii} Op. cit., p. 94.
- ^{ix} For an appraisal on interest see Diwaney T .E. El (1997) *The Problem With Interest*, Ta Ha, London.
- ^x For an extended analysis of the foregoing, see Khalid, Fazlun M. "Islam and the Environment" in *Encyclopedia of Global Environmental Change*, Vol. 4, (London: John Wiley and Sons, 2001)
- ^{xi} Kurtzman J. *The Death of Money* (Boston: Little, Brown & Co, 1993), pp. 51-53.
- ^{xii} Aurelio Peccei, *Overshoot, State of the World 1992* (London: Earthscan, 1992).
- ^{xiii} Adams, Henry, *The Tendency of History & the Phase Rule Applied to History* (New York: Brooks Adams, 1999); see also *The Degradation of the Democratic Dogma* (New York: Peter Smith, 1949).
- ^{xiv} Calder and Amirsadeghi (eds.), *Future of a Troubled World* (London: Heineman, 1983; see essay by Piel, Gerard *The Acceleration of History*).
- ^{xv} UN Environmental Programme, *Global Environment Outlook 2000* (London: Earthscan, 1999).
- ^{xvi} Tawney, R. H., *Religion and the Rise of Capitalism*, (Penguin 1990).
- ^{xvii} Abdal Halim Orr and Others, *Usury the Root Cause of the Injustices of Our Time* (Norwich: Paid Publications, 1990); see also Lubis A R and Others, *Discredit Interest Debt—The Instrument of World Enslavement* (Penang: Paid Network, 1995).
- ^{xviii} Kennedy, Margrit, *Interest and Inflation-free Money* (Steyerberg: Permaculture Institute Publications, 1988).
- ^{xix} Kurtzman, J., *The Death of Money* (Boston: Little, Brown & Co, 1993).
- ^{xx} Gough, John, (see essay) Rene, "What Have You Wrought?" in *The New Internationalist*, No.333 (UK: April 2001).
- ^{xxi} Khalid, Fazlun, *Qur'an, Creation and Conservation*, (Birmingham: Islamic Foundation for Ecology and Environmental Sciences, 1999).