



Heterodox Economics and Good Governance: Integrating Social Structures, Money Circulation, and Islamic Insights for Sustainable Development

Dr. Kalsoom Paracha

*Professor Department of Islamic Studies & Comparative Religions - The Women University
Multan*

Mrs. Farhana Ashraf

M.Phil. Scholar Islamic Studies - The Women University Multan

Prof. Dr. Saeed ur Rahman

Chairman Department of Islamic Studies, University of Southern Punjab Multan

saeedurrehman@isp.edu.pk

Abstract: An effective governance is essential for fostering a stable and prosperous economy in any nation. Good governance involves the effective and efficient administration of a nation's resources and affairs. The social structure of any country vitally contributes to its economy. In past, the social structure & culture didn't matter in the economy. The economy was based on a factor of production only.

Now the economy is heterodox economics. Today social governance, social structure, culture, politics, & behaviors matter. The circulation of money provides the foundation of a stable economy. The development of a macroeconomic is based on well structure micro-economy.

Islam, a religion with a rich history, has long recognized the interconnectedness of social challenges and economic prosperity. This perspective aligns with modern governance principles, highlighting the importance of addressing societal issues to foster a thriving economy. Islam emphasizes the well-being of individuals and communities as a cornerstone of economic development.

Keywords: Good Governance, Heterodox Economics, Macro-economic, Micro-Economy, Social Structure, Social Governance.

Introduction:

The Propose of this paper is twofold First Economic Problems Due Social challenges. It looks at contemporary economical system from a critical analysis, identifies the problems of



social governance and present the Islamic view of economic development based on light of Quran & Sarrah.

Governance concerns authority, Decision making and accountability in all domains. Governance is about to quality institutions and the process that they support. National Level governance, governance at regional and municipalities and governance at firm level.¹

Social infrastructure across countries is that the primary, fundamental determinant of a country's long-run economic performance is its social infrastructure. By social infrastructure we mean the institutions and government policies that provide the incentives for individuals and Firms in an economy².

Many econometric studies that show strong correlation between long-term economic performance and good governance. In other words, the quality of governance fundamentally determines long-run developmental outcomes.

The second Economic System of Islam and Social Governance. This covers the application of Islamic philosophy, address particular policy issues in social governance. It provides Islamic inputs on a number of primary socioeconomic issues. This part suggest an Islamic management system as remedy for existing social governance issues in economy.

What is Good Governance?

The term "governance" is often misconstrued as synonymous with government, implying solely administrative powers and authority. However, since the 1990s, scholars have redefined this concept to encompass a broader spectrum, integrating social and economic dimensions. Governance now involves all stakeholders, including the state, the public, and the economy. The contemporary concept of good governance emphasizes the importance of fostering a healthy relationship between administration, citizens, and businesses.

The United Nations Development Programme (UNDP) defines good governance as "the effective, efficient, and accountable exercise of power and authority in the management of a country's resources for the benefit of all its citizens. *United Nations Development Programme. (1997). Human Development Report 1997. UNDP.*

Today's economy suffers with instability, feudalism or capitalism, cartels & monopoly.

The importance given to the economic problems of nations and states around the world

Social Compliance: A Cornerstone of Good Governance and Economic Growth:

The Definition of governance by UNDP is "The exercise of economic, political, and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences."³

According to the World Bank, good governance is evaluated by the implementation capacity of governance principles of a country, providing a framework for market development and economic growth.

We have enough literature on this which shows positive relationship between good governance & economic growth see, David Dollor and Aart Kraay, "Institutions, Trade and Growth." *Journal of Monetary Economics* 50 (January 2003):133-163; Daron Acemoglu, Simon Johnson and James Robinson, "Reversal of Fortune: Geography and Institutions in the Making of Modern World Income Distribution," *Quarterly Journal of Economics* 117, No.4(2002): 1231-1294; David Landes, *The Wealth and Poverty of Nations: Why some are So Rich and Some So Poor*(New York: W.W Norton, 1998); Dani Rodrik, Arvind Subramanian and Francesco Trebbi, "Institutions Rule: The Primary of Institutions over Geography and Integration in Economic Developments." *Journal of Economic Growth* 9 (2004): 131-165 and Daniel Kaufmann and Art Kraay, "Governance Redux: The Empirical Challenge," *Global Competitiveness Report* (Genev: World Economic Forum, 2003).

Scholars agree that social compliance is a fundamental pillar of good governance. Businesses are encouraged to adopt best practices that not only support societal well-being but also open new avenues for economic growth. As a result, modern frameworks and standards have been developed for both governments and businesses to ensure adherence to social accountability, health and safety, transparency, and environmental protection. European and American markets, in particular, have mandated these standards within their supply chains, including in developing countries. Furthermore, developed nations have enacted stringent laws focused on social justice and environmental protection, which are enforced rigorously across global corporate supply chains. Additionally, various associations and NGOs actively monitor the implementation of these regulations.

Indicators of Good Governance according to the World Bank:

The Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for over 200 countries and territories over the period 1996–2021, for six dimensions of governance:⁴

1. Voice and Accountability
2. Political Stability and Absence of Violence/Terrorism
3. Government Effectiveness
4. Regulatory Quality
5. Rule of Law
6. Control of Corruption

Social Challenges for Good Governance

1.1 Capital Worship

1.2 Cartels & Monopolies

1.3 Self-Aggrandizement and Luxuries

1.4 Social Issues

1.5 Corporate Responsibility

1.6 Environmental Disaster

1.7 Injustice & Corruption

1.8 Nepotism

1.9 Poverty and Unemployment

1.10 Inflation

1.1 Capital Worship:

In Today's economy we have two capital raising activities as

1. Loans from Financial institutes on interest;
2. Capital from shareholders.

But both methods jointly create as division between society one rich peoples class with small numbers group of privileged people, who own more than what they need and use their recourse to grow even richer; and other one poor people the larger segment of the society who have little, just enough for their needs or nothing to invest. This could give rise to class-conflicts and confrontation in society.⁵Islamic path of moral and economic, Islam acknowledges the person's right of earning but does not permit him to use anti-social or corrupt means to earn.

Islam imposes legal restrictions on the use of the wealth that is saved after spending on one's lawful needs. It prohibits interest-based transactions; consequently, breaking the backbone of the oppressive capitalist system.

Islam replacing the capitalist trend with circulation of wealth and social security. The Islamic system of Zakah is actually social insurance for the society.

فَنَابِذَا الْفَرَبِي حَقَّهُ وَالْمَسْكِينِ وَأَبْنِ السَّبِيلِ ۚ ذَلِكَ خَيْرٌ لِّلَّذِينَ يُرِيدُونَ وَجْهَ اللَّهِ وَأُولَئِكَ هُمُ الْمَفْلُحُونَ ۝ ۳۸

So give your close relatives their due, as well as the poor and the 'needy' traveller. That is best for those who seek the pleasure of Allah, and it is they who will be successful⁶

This Qur'anic verse tells us that Poor Relatives & needy people have a right to our wealth

1.2 Cartels & Monopolies:

The cartels & monopolies give raised to small group of business holders to acquired complete or big portion of market resources. According to IMF commonly cartels holds 80% marketing shares⁷. This market behaviors kills the opportunities for small business & increase inflation as well.

Islamic economic philosophy is against cartels or monopoly link a small group of people owns large factor of production & misuse their position against society.

Islam also condemns the storage of products or holding a supply of products that affects human needs.

Self-Aggrandizement and Luxuries:

The current corporate world refuses to accept people in the community who are deprived & poor. The policies, subsidies & immunities encourage the small but rich class. Thus the same class has good investment opportunities instead of a large portion of the community hardly managing their day-to-day expanse.

Luxuries & brands kill local businesses. Now the common consumable products are converted to giant invested brands. Malls in replacement of hundreds of small shops.

Brands replace many small industries. The chance to survive or grow for a small business is more difficult than ever before.

The Qur'an similarly condemns in strong terms anyone who squanders away the wealth he earned through lawful means in unlawful ventures, or who consumes it by living lavishly and with luxuries, as though he has no right use or purpose for his riches other than raising his living standards higher and higher. The best course for man is to follow the middle road in his spending. He himself, the members of his family and his dependents have a right to his wealth, and he must not be niggardly in discharging his obligations towards them. However, this does not mean that he should spend lavishly on them but must remain mindful of his other social and religious obligations⁸

Correct way of spending in light of Quran

Quran directly brief about best way of spending as we study,

al-Qur'an, 2:219;2:195; 3:92; 4:36-38), charity (al-Qur'an, 2:177; 24:33) descent earning (al-Qur'an, 2:273).

وَلَا تَمُدَّنْ عَيْنَيْكَ إِلَىٰ مَا مَتَّعْنَا بِهِ أَزْوَاجًا مِّنْهُمْ زَهْرَةَ الْحَيَاةِ الدُّنْيَا لِنَفْتِنَهُمْ فِيهِ ۚ وَرِزْقُ رَبِّكَ خَيْرٌ وَأَبْقَىٰ

Do not let your eyes crave what We have allowed some of the disbelievers to enjoy; the ‘fleeting’ splendour of this worldly life, which We test them with. But your Lord’s provision ‘in the Hereafter’ is far better and more lasting.⁹

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَحْرِمُوا طَيِّبَاتِ مَا أَحَلَّ اللَّهُ لَكُمْ وَلَا تَعْتَدُوا ۚ إِنَّ اللَّهَ لَا يُحِبُّ الْمُعْتَدِينَ ﴿٥٠﴾ وَكُلُوا
مِمَّا رَزَقَكُمُ اللَّهُ حَلَالًا طَيِّبًا وَاتَّقُوا اللَّهَ الَّذِي أَشْرَبَكُمْ مُؤْمِنِينَ ﴿٥١﴾

(‘Believers! Do not hold as unlawful the good things which Allah has made lawful to you, and do not exceed the bounds of right. Allah does not love those who transgress the bounds of right. And partake of the lawful, good things which Allah has provided you as sustenance, and refrain from disobeying Allah in Whom you believe.’)

... كُلُوا مِمَّا رَزَقَكُمُ اللَّهُ وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُّبِينٌ ﴿٥٢﴾

(‘Eat of the sustenance that Allah has provided you and do not follow in the footsteps of Satan, for surely he is your open enemy.’)

1.3 Social Accountability:

Social Accountability concerns to child labor, force labor, freedom of association, discrimination, health & safety & Environmental issues. Social issues now days a big concern of emerging corporate world. In present time stake holders, Civil Society, NGOs, Media & Governments focuses on social issues.

Social problems were increased after industrial revolution. Urge for production enforce worker to work on any conditions which sometimes leads to breach of social/ labor laws or people’s rights. Reasons behind social nonconformance basically cost cutting & negative attitude towards social responsibility.

In 21st century the burden of production is on 3rd world countries due globalization & digitalization. For underdeveloped countries it’s very difficult to sustain production level as per requirement with acceptable social compliance.

Modern slavery is the very antithesis of social justice and sustainable development. The 2021 Global Estimates indicate there are 50 million people in situations of modern slavery on any given day, either forced to work against their will or in a marriage that they were forced into. This number translates to nearly one of every 150 people in the world. The estimates also indicate that situations of modern slavery are by no means transient – entrapment in forced labour can last years, while in most cases forced marriage is a life sentence. And sadly, the situation is not improving. The 2021 Global Estimates show that millions more men, women, and children have been forced to work or marry in the period since the previous estimates were released in 2017.¹²

Numerous international standards, organizations & regularity authorities formed to ensure social compliance like ISO (International Organization for Standardization) SA8000 SAI-Social Accountability International. Sedex - Empowering Responsible Supply Chains, ILO (International Labor Organization). WRAP- WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION.

Islam alone guarantee the social justice, the social accountability issues faced today already address by Quran & Serah nabi.

Narrated 'Abdullah: Allah's Apostle said, Everyone of you is a guardian and is responsible for his charges. The ruler who has authority over people, is a guardian and is responsible for them, a man is a guardian of his family and is responsible for them; a woman is a guardian of her husband's house and is responsible for them; a slave (Abu) is a guardian of his master's property and is responsible for it; so all of you are guardians and are responsible for your charges.

Quran & Serah nabi ensure freedom of persons, education for children, health & safety of peoples.

1.4 Corporate Responsibility

Corporate Social Responsibility (CSR), a term broadly used for characterizing the obligations of the corporate world towards the general public. Term CSR is not new for corporate sector but its significance increases on various dimensions.

Today like never before companies are under the vigilant eyes of their stake holders, civil society, Governments & media. They ensure that companies should be answerable to public what they do. This is all because of deficiency of our natural resources, climate changes, environmental pollution & threat of health & life for general public associated with industries.

Corporates have big chunks of budgets for CSR to develop their brand image, trust & value in public.

In Islamic economical system the rules corporate social responsibility was well defined. what best practices today's world set now; Islam encourages in Seerah.

"A Muslim is a brother of another Muslim: he neither wrongs him, nor leaves him without help, nor humiliates him" (Muslim).

حَدَّثَنَا مُحَمَّدُ بْنُ الْمُثَنَّى، وَابْنُ إِسْحَاقَ، قَالَا: حَدَّثَنَا مُحَمَّدُ بْنُ جَعْفَرٍ، حَدَّثَنَا شُعْبَةُ، قَالَ: سَمِعْتُ قَتَادَةَ، يُحَدِّثُ عَنْ أَنَسِ بْنِ مَالِكٍ، عَنِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ: لَا يُؤْمِنُ أَحَدٌ حَتَّى يُحِبَّ لِأَخِيهِ - أَوْ قَالَ: لِجَارِهِ - مَا يُحِبُّ لِنَفْسِهِ

14

It is narrated on the authority of Anas b. Malik that the Prophet (may peace and blessings be upon him) observed: None amongst you believes (truly) until he loves for his brother - or he said for his neighbour - that which he loves for himself.

حَدَّثَنَا عَاصِمُ بْنُ عَلِيٍّ، حَدَّثَنَا ابْنُ أَبِي ذُنَيْبٍ، عَنْ سَعِيدٍ، عَنْ أَبِي شُرَيْحٍ، أَنَّ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ: وَاللَّهِ لَا يُؤْمِنُ وَاللَّهِ لَا يُؤْمِنُ وَاللَّهِ لَا يُؤْمِنُ قِيلَ: وَمَنْ يَا رَسُولَ اللَّهِ؟ قَالَ: الَّذِي لَا يَأْمَنُ جَارَهُ بِوَأَيْقِهِ، تَابِعَهُ شَبَابَةٌ، وَأَسَدُ بْنُ مُوسَى، وَقَالَ: حُمَيْدُ بْنُ الْأَسْوَدِ، وَعُثْمَانُ بْنُ عَمْرٍ، وَأَبُو بَكْرٍ بْنُ عَيَّاشٍ، وَشُعَيْبُ بْنُ إِسْحَاقَ، عَنْ ابْنِ أَبِي ذُنَيْبٍ، عَنْ الْمُغْبِرِيِّ عَنْ أَبِي هُرَيْرَةَ .

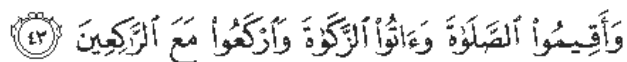
Narrated Abu Shuraih: The Prophet said, By Allah, he does not believe! By Allah, he does not believe! By Allah, he does not believe! It was said, Who is that, O Allah's Apostle? He said, That person whose neighbor does not feel safe from his evil.¹⁵

Sadqah, Zakah, Ushr

Islam gives a wonderful charity system for business with well-defined amounts in Zakah and Ushr

يَتَأَيُّهَا الَّذِينَ ءَامَنُوا لَا تُبْطِلُوا صَدَقَاتِكُمْ بِالْمَنِّ وَالْأَذَى كَالَّذِي يُنْفِقُ مَالَهُ رِثَاءَ
النَّاسِ وَلَا يُؤْمِنُ بِاللَّهِ وَالْيَوْمِ الْآخِرِ فَمَثَلُهُ كَمَثَلِ صَفْوَانٍ عَلَيْهِ تُرَابٌ فَأَصَابَهُ
وَأَبْلٌ فَفَرَّكَهُ صَلْدًا لَا يَمْدُرُونَ عَلَى شَيْءٍ مِمَّا كَسَبُوا وَاللَّهُ لَا يَهْدِي
الْقَوْمَ الْكَافِرِينَ

O you who have believed, do not invalidate your charities with reminders [of it] or injury as does one who spends his wealth [only] to be seen by the people and does not believe in Allāh and the Last Day. His example is like that of a [large] smooth stone upon which is dust and is hit by a downpour that leaves it bare. They are unable [to keep] anything of what they have earned. And Allāh does not guide the disbelieving people.¹⁶



Establish prayer, pay alms-tax,¹ and bow down with those who bow down. 17

1.5 Environmental Crises & Climate Change:

Our ecosystem is in danger the reason is written on the wall. Although we think we are growing but our ecosystem a bubble of life is shrinking.

Yes we are developing but on cost of Biodiversity and Nature Loss, Climate Change, Pollution and Waste, Chemicals , Disasters and Conflicts. According to UNEP CO₂ concentration in atmosphere is growth 420.99 parts per million. Globally 0.85 c temperature is raising yearly.

Islam give concept that natural recourse are for wellbeing of mankind all can take benefit from it but not anyone allow to heart it.

Planting a tree is continuous charity (Saheh Muslim)

Al Quran 6:38(Allah tells animals & bords like a human)

And, (O mankind,) there is no moving (animal) on the earth nor a bird that flies on its two wings but (such) that they are species like you (umamun amthalu-kum—in several traits). We have not omitted anything (which is not given symbolic or elaborate details) in the Book. Then all (the people) will be gathered before their Lord.

1.6 Injustice & Corruption:

Accountability cannot be enforced without transparency and the rule of law, accountability is a key requirement of good governance. Not only governmental institutions, but also private sector and civil society organizations must be accountable to the public and to their institutional stakeholders.¹⁸

Today there several studies & report evidences that the corruption & injustice is biggest hurdle in progress of society. Especially in developing currencies it's more terrible. Different international organization like transparency international witness that the corruption in government and injustice in the society is major cause of economic crises

إِنَّ اللَّهَ يَأْمُرُ بِالْعَدْلِ وَالْإِحْسَانِ وَإِيتَاءِ ذِي الْقُرْبَىٰ وَيَنْهَىٰ عَنِ الْفَحْشَاءِ وَالْمُنْكَرِ وَالْبَغْيِ يُطَٰقُكُمْ
 لَعَلَّكُمْ تَتَّقُونَ ﴿١٩﴾
 ('Surely Allah enjoins justice, kindness and the doing of good to kith and kin, and forbids all that is shameful, evil and oppressive. He exhorts you so that you may be mindful.')

19

In this brief Quranic verse, we are enjoined to observe three traits on which the health of the entire society depends. The first trait is 'Adl (justice) which is a combination of two values: (i) balance and harmony among the people in their rights; and (ii) each person getting his rights honorably and with no strings attached. According to the Qur'anic concept of justice, an equilibrium and balance is sought, not equality, except for certain matters such as citizenship. The second trait is the quality of Ihsan, which includes kindness, fair dealing, magnanimity, tolerance, courtesy, caring for each other, mutual respect, giving another more than their due and accepting for oneself less than one's right.

... قَالَ يَتَقَوَّمُوا عِبَادُ اللَّهِ مَا لَكُمْ مِنْ إِلَهٍ غَيْرُهُ قَدْ جَاءَكُمْ بَيِّنَةٌ مِنْ رَبِّكُمْ فَأَوْفُوا الْعُقُوبَ وَالْمِيزَانَ
 وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تَتَّبِعُوا فِي الْأَرْضِ بَعْدَ إِسْلَامِهَا ذُرِّيَّتَهُمْ غَيْرَ لَكُمْ إِنْ كُنْتُمْ مُؤْمِنِينَ ﴿٢٠﴾
 ('He [Shu 'ayb] exhorted them: "O my people! Serve Allah, you have no god other than He. Indeed a clear proof has come to you from your Lord. So give just weight and measure and diminish not to people their things, and make no mischief on the earth after it has been set in good order. That is to your own good, if you do truly believe".')

20

وَقَالَ الَّذِينَ كَفَرُوا مِنْ قَوْمِهِ لَبِئْسَ مَا آتَيْنَاكَ مِنْ رَبِّكَ إِذَا لَعَنُوا قَوْمَهُمْ
 ('The disbelieving elders of his nation said: 'Should you follow Shu 'ayb you will be utter losers?')

21

لَا يَكُونُ ذُو فَتْنَةٍ بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ وَمَا آتَاكُمْ الرَّسُولُ فَخُذُوهُ وَمَا نَهَاكُمْ عَنْهُ فَانْتَهُوا وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ ﴿٢٢﴾
 ('Whatever (from the possessions of the towns' people) Allah has bestowed on His Messenger belongs to Allah, and to the Messenger, and to his kinsfolk, and to the orphans, and to the needy, and to the wayfarer so that it may not merely circulate between the rich among you. So accept whatever the Messenger gives you, and refrain from whatever he forbids you. And fear Allah: verily Allah is Most Stern in retribution.')

22

1.7 Nepotism & Discrimination

Nepotism hearts the equality, Nepotism is not product of today but still this most common injustice in professional life. Discrimination on bases of race, caste, national origin, age, disability, marital status & political affiliation in practices unfortunately. There many international studies & reports indicate issues relating to anti-racism and anti-discrimination

like Islamophobia, Black Europeans and People of African Descent in Europe and Asian migrations in Europe & USA.

To deal with discrimination every international standard which is applicable for organization has major clause against discrimination. Today we released that any deprived group or destitute social segment can demolished or may cause hit economic development in long run.

Many international organizations like ILO, SAI & amfori BSCI advocates impartiality at work place. Now this bounded by several international standards, Organization & Association on business that they should clearly define their policies, procedures & ensure practices against Nepotism & Discrimination.

In the Quran, Allah says: “O mankind, verily we have created you from a single (Pair) of a male and a female, and have made you into nations and tribes, that you may know each other. Verily the most honored of you in the sight of Almighty Allah is the most righteous” (Quran, 49:13).

Islam is a first religion who address human equality not only in term preaching's but by law as well. No one have any superiority in front on law. Islam gives everyone to grow economically on his capacity. As other backward regimes Islam not bound any tribe or cast for specific work. Everyone is free to choose his occupation under the limitation of serrah

1.8 Poverty and Unemployment

Apart from development of science and technology every work is easier & effective but unemployment increases. With help of industrialization and biological developments we can produce much higher than ever before but property and unemployment still one of major problem to resolve as day one of man history. According to unemployment rate 2019-2020 employment increases by 33 million and reached to 220 million worldwide.²³ These figures are record breaking in human history.

Furthermore in an additional 75 million–95 million people will live in extreme poverty in 2022.²⁴

Although we are claiming that world are development in every subject science and technology, industrialization and biological development but unfortunately we also developing in poverty and unemployment. Which clearly seems a mismanagement social governance.

The poverty and unemployment now days a biggest challenge for any economy, if we see the whole system of islamic economic philosophy they address these issues. By sadaq, zakat, & ushr society can accommodate poor people in very systematic way. Islamic economy gives the concept of dar mal, which supports poor people.

By the principles of islamic economy everyone responsible to earn for their needs. Allah ensure the reziq of every living thing.

* وَمَا مِنْ دَابَّةٍ فِي الْأَرْضِ إِلَّا عَلَى اللَّهِ رِزْقُهَا وَيَعْلَمُ مُسْتَقَرَّهَا وَمُسْتَوْدَعَهَا كُلُّ فِي كِتَابٍ مُبِينٍ ﴿٢٥﴾

There is no moving creature on earth whose provision is not guaranteed by Allah. And He knows where it lives and where it is laid to rest. All is 'written' in a perfect Record.¹

25

1.9 Inflation and uncertainty.

According to International Monetary Fund Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 Inflation higher than seen in several decades.²⁶ In Pakistan it will be increases to 19.15 in 2023 as in 12.1 in 2022.

Now days we have big financial institutes, commercial banks and support a crossed the world but inflation & uncertainty bigger and worst. Especially for developing countries it seem turbulent challenge.

Just look into the situation of poverty and uncertainty in developing or under developing countries it's horrible. Peoples losses their health and life due to inflation. Many studies like "Employment status, inflation and suicidal behaviour: An analysis of a stratified sample in Italy" August 2011 International Journal of Social Psychiatry by Paola Solano,1 Enrico Pizzorno.shows there is positive correlation between suicidal behavior of society and inflation rate.

Inflation and uncertainty are venerable now days which make a curled economy for the general public. In islam this a governance responsibility to control prices and develop an environment which reasonable for public. Islam good practice for trade and economy produce sustainable society.

Social Governance as a Catalyst for Economic Development within Islamic Economic Framework

Islam gives precise principles and requirements for enconomic development which ensure both economic development & social compliance. Economy in Islam is based on justice & fair play. Islam clear regulate the economic affairs with law Haram and Halal. Islam only

support wealth with man kindness. It seeks to ensure that the production, Use, and distribution of wealth functions within the limits²⁷.

Islam supports other who are less privileged to establish a balance between individuals & society.

“Islam affirms the ownership right of man on his lawfully earned wealth. This right is however not unlimited. Islam lays down a system of checks and balances to prevent indulging in unwarranted luxuries or squandering of wealth. An individual can save his earnings provided he pays zakah on it and is allowed to invest only in lawful businesses. Wealth gathered through lawful means should not be left to accumulate for long, the law of inheritance ensures that it passes on to legal heirs for a wider circulation. It thus makes it impossible for any sort of feudalism or capitalist cartels and monopolies to prosper. Zakah and Ushr along with other social obligations discourages the accumulation of wealth. Overall, Islam places a lasting curb on the possibilities of the rich growing richer²⁸

Economical Philosophy of Islam.

Basically, Islamic philosophy of economies is social justice, a balance between rights & duties of individual & society, equal opportunities for material progress & moral character.

The economic philosophy of Islam is unique in every respect and it alone ensures a society's multidimensional progress.²⁹

Islam ensure the personal freedom restriction only to safeguard of society. Every person have freedom of earning, ownership, business, & politics.

Islam guarantee harmony in moral and material progress of human personality. The economics system of Islam promotes sustainability of society. It does not divide society in classes rich & poor.³⁰

Conclusion:

In a nutshell our study conclude that Islam give right to economically growth but not on cost of social values & loss of natural resources.

Islamic economic philosophy based on these points

- Social justice: Balance between rights and obligations of individuals and society.
- Equitable economic system: Equal opportunity for character and moral excellence.

- People-friendly political system: Avenues for constituents' struggle for a better future.

.The Islamic economic framework provides a robust foundation for achieving good governance. By tackling social challenges through ethical practices, promoting social justice, and prioritizing responsible consumption and production, Islamic economics offers a path towards a more sustainable and equitable future for all. This journey requires collaboration among governments, businesses, and civil society, all guided by the principles of fairness, accountability, and social responsibility.

.Poverty and unemployment remain persistent problems in many parts of the world. Islamic economic tools such as Zakat and Ushr (charity on agricultural produce) are designed to alleviate poverty and provide social safety nets. Additionally, promoting access to education and skills development empowers individuals to contribute to the economy and improve their own well-being..

.Cartels and monopolies stifle competition, leading to inflated prices and limited choices for consumers. Islamic teachings oppose practices that benefit the few at the expense of the many. Encouraging fair competition and ethical business practices fosters a healthy economic environment that benefits both producers and consumers.

.Inflation and economic uncertainty create hardships for the public. Islamic economic principles emphasize just and fair trade practices. Governments have a responsibility to ensure reasonable prices for basic necessities and create an environment conducive to market stability.

.The current financial system, reliant on interest-based transactions, contributes to wealth inequality. Islamic economic principles, with their emphasis on profit-sharing and risk-sharing mechanisms, offer an alternative path. Zakat, the obligatory charity, further promotes redistribution of wealth and social responsibility. This fosters a more equitable distribution of resources, ensuring everyone has a chance to contribute productively to the economy.

.In Actual good social governance is not only necessary to promote human rights or protect civil liberties, but also good social governance is highly and positively correlated with economic development and have the potential to deliver significant improvements in living standards. Although the numerous countries have improved the quality of their social governance and much still need to be done.

References

1. Alexander Plekhanov during the Development Day conference 2019. Alexander Plekhanov is Director, Transition Impact and Global Economics, at the European Bank for Reconstruction and Development in London, EBRD's annual economic report. Prior to 2007
2. Robert E. Hall and Charles I. Jones, "Why Do Some Countries Produce So Much More Output per Worker than Others?" *Quarterly Journal of Economics* 114, no. 1 (February 1999): 84, 95.

is greater than ever before. Without a good social governance this is impossible to attain sustainable development of an economy.

3. World Bank http://web.worldbank.org/archive/website01020/WEB/0_CON-5.HTM

4. World bank WGI report: <https://info.worldbank.org/governance/wgi/>

5. Sayyid Abul A'la Mawdudi's 'FIRST PRINCIPLES OF ISLAMIC ECONOMICS' Chapter-1 Mankind's Economic Problems & Their Solutions

6. Al-Quran, 30:38

7. Macroeconomic Effects of Market Structure Distortions: Evidence from French Cartels Prepared by Flavien Moreau, Ludovic Panon Authorized for distribution by Olaf Unterberdoerster May 2022

8. Economic Teachings of the Qur'an Article, 1963- Mawdudi, S. A. A. (2011). First principles of Islamic economics. (A. I. S. Hashemi, Trans., K. Ahmad, Ed.). Leicestershire, UK: The Islamic foundation.

9. Al-Quran, 20:131

10. Al-Quran 6:142

11. Al-Quran 5:87-88

12. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022

13. Bhukhari- 5188, Part-6, Chapter 68

14. Muslim-170, Part-11, Chapter 17

15. Bhukhari-6016, Part-8, Chapter 79

16. Al-Quran-2:264

17. Al-Quran-2:43

18. Civil society, composed of nongovernmental organizations, faith-based groups, trade unions, indigenous people's groups, charitable organizations, professional associations, and private foundations, has emerged as a major force in international development in the past two decades.

The dramatic growth of civil societies has been aided by the expansion of democratic governance

and globalization. Societal groups, by mobilizing thousands of supporters around the world, have played an important role in shaping global public policy-exemplified by successful advocacy campaigns involving such issues as the banning of land mines, debt cancellation,

19 Al-Quran-16:90

20 Al-Quran-7:85

21 Al-Quran-7:90

22. Al-Quran 59:7

23. United Nations Department of Economic and Social Affairs, Statistics Division (<https://unstats.un.org/sdgs/report/2021/goal-08>)

24. Economic and Social Council-UN Report of the Secretary-General 29 April 2022(2022 session 23 July 2021–22 July 2022)
25. Al-Quran-11:6
26. World economic outlook (International Monetary Fund) Oct-2022 Countering the Cost-of-Living Crisis
27. Sayyid Abul A'la Mawdudi's 'FIRST PRINCIPLES OF ISLAMIC ECONOMICS' Centre for Islamic Economics (CIE) International Islamic University Malaysia
28. Seharvardi Hafeez ul Rahman, "Islam Ka Iqtisadi Nizam" Ex. Teacher International Islamic university, Ex member of National Assembly, pg.586
29. Based on Sayyid Mawdudi's speech delivered at a specially convened moot of the Economic Society of the University of the Punjab, Lahore, 9 February, 1951. The original chapter comprises of 6 pages with 2 sections.
30. Seharvardi Hafeez ul Rahman, "Islam Ka Iqtisadi Nizam" Ex. Teacher International Islamic university, Ex member of National Assembly, pg. 631