A Divine Economics Framework for Moral Economy

AERC, KARACHI UNIVERSITY
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Divine Economics Project
KASHMIR INSTITUTE OF ECONOMICS, UAJK

ASSISTED BY HIGHER EDUCATION COMMISSION
WWW.AJKU.EDU.PK; WWW.DIVINE-ECONOMICS.ORG
In your opinion, what are the **TOP-TEN PROBLEMS OF PAKISTAN**? Please make a list below:

Name: .......................................................... Subject

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Moral Economy

• **Definition:**
  • “A moral economy is based on goodness, fairness, and justice”.
  • More effective in micro[local] economies. If micros are good .... Macor economies can also be good.

• **Our definition - “Moral economy is the economy based on values”**

• **Need of Moral Economy:**
  • The Global Economic System is extensive with injustice.
Beyond wellbeing .... Best-being!

- **Divine view:** Human are Divine’s will on earth and are created as the most high [Ashraf-ul-makhlooaat]. Hence, ‘Human Excellence’ is the ultimate end.

- **Hedonic view:** Utility, pleasure, benefit, or happiness as the ultimate end, hence, Developing Satisfactory infrastructure and increasing income.

- In Conventional economics Workers are as ‘means’ of profit only and not a partner in wellbeing.

- **Borrowed and hybrid vies of conventional economics:**
  - Now moving towards ‘satisfied humans’
  - Balance between social needs and economic freedom
  - Concept of social justice, crimes, trust etc.
  - Work-life balance

- **My view:** The hybrid views shall merge within the Divine View sooner or later.

- DE uses economics, religion, spirituality, and morality in the study of human behavior not as ‘economic man’ but as ‘man’ in its natural setting.

- [Bowels, 2017], Necati Aydin, 2016
Today’s talk

1. Introduce the Divine Economics Framework and extend it towards moral economy
2. Provoke a thinking among economists to study economy from real man’s perspective
3. Draw attention towards economic economics in Pakistan’s specific context
What is ethical?

The Golden Rule
Key questions?

1. Do ethics fall in domain of economics?
2. Is religion relevant to economy? ...... now and in future?
3. Scope of Conventional economics
4. Morality and values are relevant to economy?
5. What is ethical in economy?
Worldwide percentage of Adherents by Religion (mid 2005)

- Christians (33.06%)
- Muslims (20.28%)
- Hindus (13.33%)
- Chinese Universists (6.27%)
- Buddhists (5.87%)
- Ethnoreligionists (3.97%)
- Neoreligionists (1.68%)
- Sikhs (0.39%)
- Jews (0.23%)
- Spiritists (0.20%)
- Baha'is (0.12%)
- Confucianists (0.10%)
- Jains (0.07%)
- Shintoists (0.04%)
- Taoists (0.04%)
- Zoroastrians (0.04%)
- Other religionists (0.02%)
- Non-religious (11.92%)
- Atheist (2.35%)

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.

- **Number of people, 2010-2050, in billions**
  - Christians: 2.92 billion
  - Muslims: 1.60 billion
  - Unaffiliated: 1.13 billion
  - Hindus: 1.03 billion
  - Buddhists: 0.49 billion
  - Other Religions: 0.06 billion

- **% of global population, 2010-2050**
  - Christians: 31.4%
  - Muslims: 23.2%
  - Unaffiliated: 16.4%
  - Hindus: 15.0%
  - Buddhists: 7.1%
  - Other Religions: 0.8%

During the next four decades, Islam will grow faster than any other major world religion.

By 2050, Christians and Muslims will make up nearly equal shares of the world’s population.

... from 2010 to 2050, the religiously unaffiliated will decline as a share of the global population.

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

PEW RESEARCH CENTER
Part-B
The Divine Economics to Moral Economy
What is Divine?

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

• Noun - Almighty, Creator, God Almighty, Godhead, Jehovah, Lord, Maker, Judeo-Christian God

• Adjective – heavenly, spiritual, holy, immortal, supernatural, godlike, sacred, religious, sanctified, the message of the Divine books

• Source: Mariam Webster Dictionary; Wikipedia, Urdu.wordinn.com
What is Divine Economics?

• It is the study of human allocation decisions taken under the Divine principles to maximize stream of well being in current and perceived afterlife within available material and non-material resources.

• Divine Economics is the study of resource allocation between *self* and *others*.

• DE is a *multi-disciplinary* economics that analyses the response to the changes in *economic* variables such as prices, income, wages, taxes etc., as well as *non-economic* variables such as religiosity, spirituality and morality.
Why Divine Economics?

1. Growing religious population
2. Growth of Islam
3. Failure of conventional economics
4. A growing concern among economists to study economics that deals with the real-man who may have some religious or philanthropic motives for an economic activity instead of just ‘self-regarding’ conventional economic decision-making [Lancaster (1966); Becker (1976); Pencavel (1986)]
Conventional vs. Divine Economics

Self vs others

Conventional economic man

\[ U^A = f(X^A, Y^A) \]

Divine Economics

A natural man

\[ U^B = f[(X^B, Y^B), (X^A, Y^A)] \]
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<th><strong>Let’s differentiate between</strong></th>
<th><strong>Conventional approach</strong></th>
<th><strong>Desired approach</strong></th>
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<td>• Individual responds to economic variables such as prices, wages, income, etc.</td>
<td>• Individual responds to economic, social, religious and other variables such as prices, wages, income religiosity, etc.</td>
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<td>• Analysis moves around individual</td>
<td>• Analysis is holistic</td>
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Source: Hamdani, Syed Nisar Hussain (2006), Why Divine Economics?, Lecture delivered faculty of Pakistani universities at Learning Innovation Division, HEC, Islamabad

• Religiosity scales
• Variety of questionnaires
• Testable propositions
• Survey Series since 2000
• 2 PhDs
• 12 M. Phils
• 24 M.Sc.
• Above 25 articles and reports
• 4 Books [in process]

• You may contact if needed

Main Theory .. Faith integrated Models
• Divine Capital Model
• Values and Wellbeing Model
• Non-income poverty model
• Saving model
• Etc.

• You may contact for details at divineeconomics@gmail.com
null
Conclusions

Activity-2: Conclusions to be drawn by participants
Additional information for researchers
The Divine Economics Approach – Human Nature

Economic Man vs. Man ... implications for wellbeing

Figure 6: Types of self and their objectives
The DE methods of Universal values identification

Figure 2 Framework for identifying universal values proposed by Hamdani (2014)
The way forward for M.Phil/PhD in Divine Economics

1. 14 Propositions – to be tested
2. Empirical testing of recent Models
3. Further development and refinement of Religiosity Scales
4. Comparison across Divine Religions and sects
5. Effect of Changing technology on languages, culture and economy w.r.t. religiosity

For more topics, please contact:

divineeconomics@gmail.com
Specific areas of research on religion, ethics and moral economy

The 'other-regarding' behavior emerges due to a set of values which are systematically different under different religions, sects and spirituality patterns.

Some of the proposed issues are as follows;

• Inclusive Growth (Inclusive growth with Justice, equality)
• Economic performance (Activeness, hardwork, wisdom)
• Institutions (Justice, Equity, no-discrimination, rights)
• Poverty (Empathy, compassion and mercy)
• Environment (Values of care, responsibility, integrity and sacrifice)
• Labor leisure choice under alternative set of values
• Consumption – saving behavior (Values effect these patterns)
• Universal Values [e.g justice] and global Peace, human well being]
• Universal Values and Consumer Behavior
• Universal Values and Islamic Economics
Values & Wellbeing Research - 2017
Divine Economics Survey - 2017

Starting from Karachi this week
Interested ones may submit their expression of interest at

divineeconomics@gmail.com

Phone: 0345-79143134
Applications of Divine Economics

“A Divine Economics Approach to Universal Values”

Outcome of HEC assisted Research Project Report
By Kashmir Institute of Economics UAJK

March 2015
A DE Application

link to online

Universal Values Survey

• https://qtrial2014.az1.qualtrics.com/SE/?SID=SV_3gGlGq3KJZRHZvT
Thank You!

...and

God Bless You

for your interest in Divine Economics