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# A Divine Economics Framework for Moral Economy

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AERC, KARACHI UNIVERSITY  
March 21, 2017

Divine Economics Project  
KASHMIR INSTITUTE OF ECONOMICS, UAJK

[ASSISTED BY HIGHER EDUCATION COMMISSION](#)  
[WWW.AJKU.EDU.PK](http://WWW.AJKU.EDU.PK); [WWW.DIVINE-ECONOMICS.ORG](http://WWW.DIVINE-ECONOMICS.ORG)

# Activity-1

Divine Economics: Towards Moral Economy

**ACTIVITY – AERC Karachi University, March 21, 2017**

*In your opinion, what are the **TOP-TEN PROBLEMS OF PAKISTAN**? Please make a list below;*

Name: ..... Subject

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

# 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-makhlooqaat*]. 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

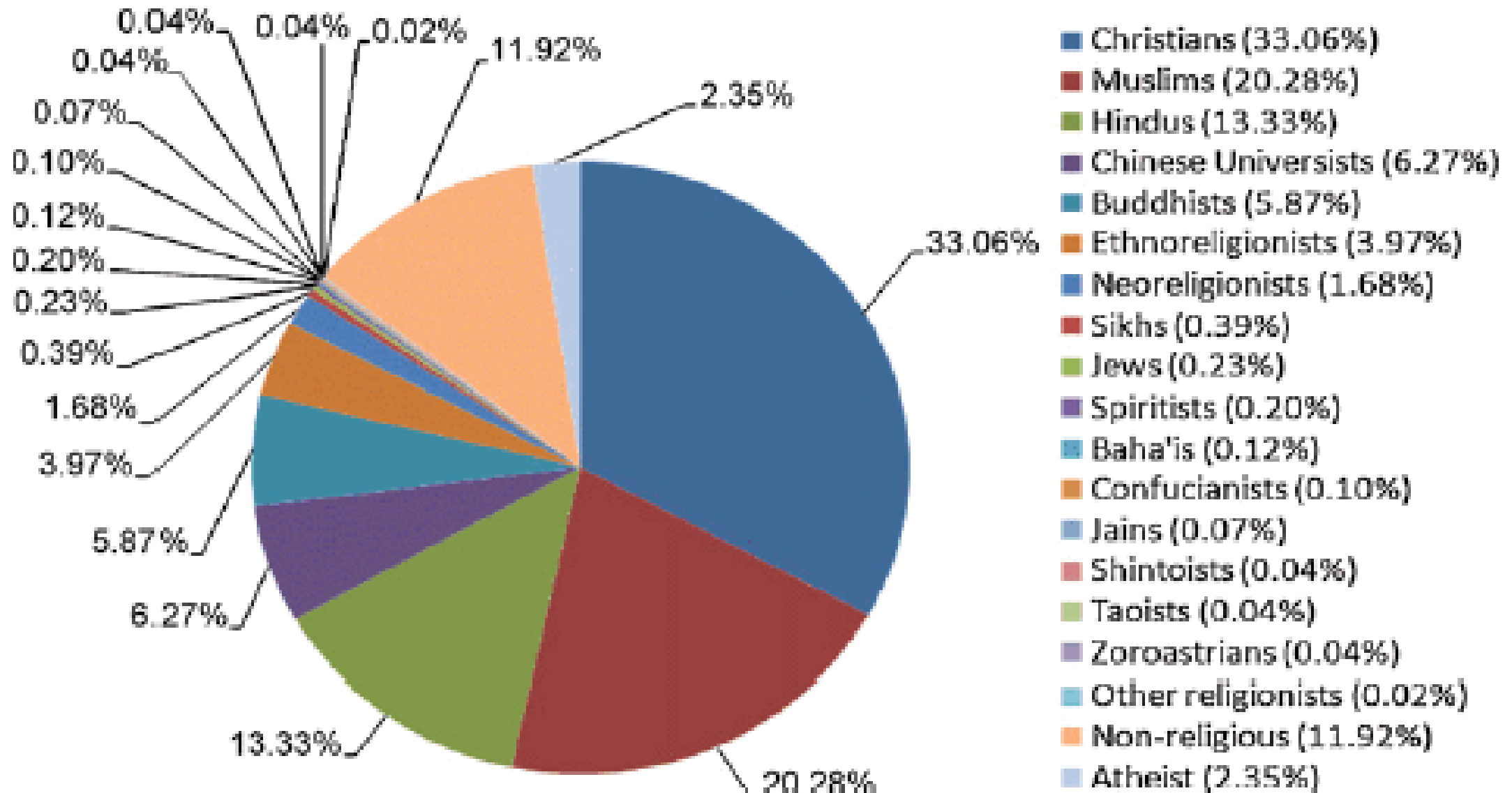
# What is ethical?

## **The Golden Rule**

# Key questions?

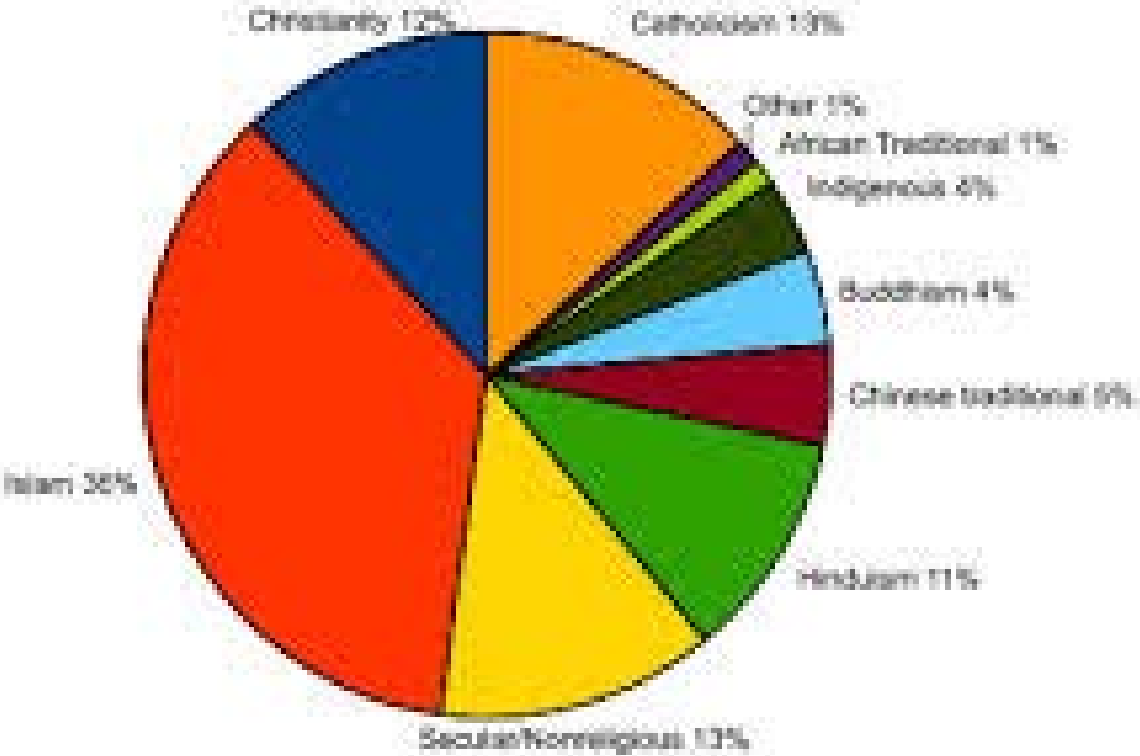
1. Do ethics fall in domain of economics?
2. Is religion relevant to economy? ..... now and in future?
3. Scope of Conventional economics
4. Morality and values are relevant to economy?
5. What is ethical in economy?

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



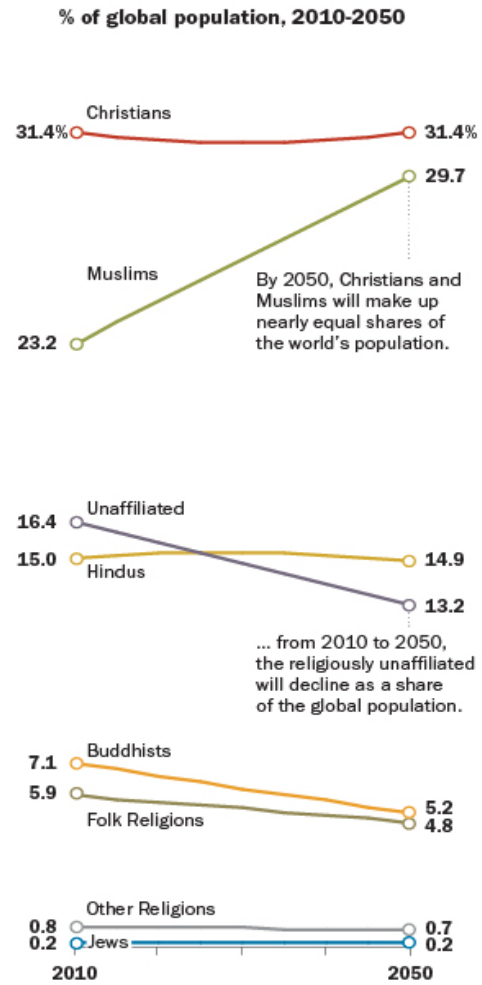
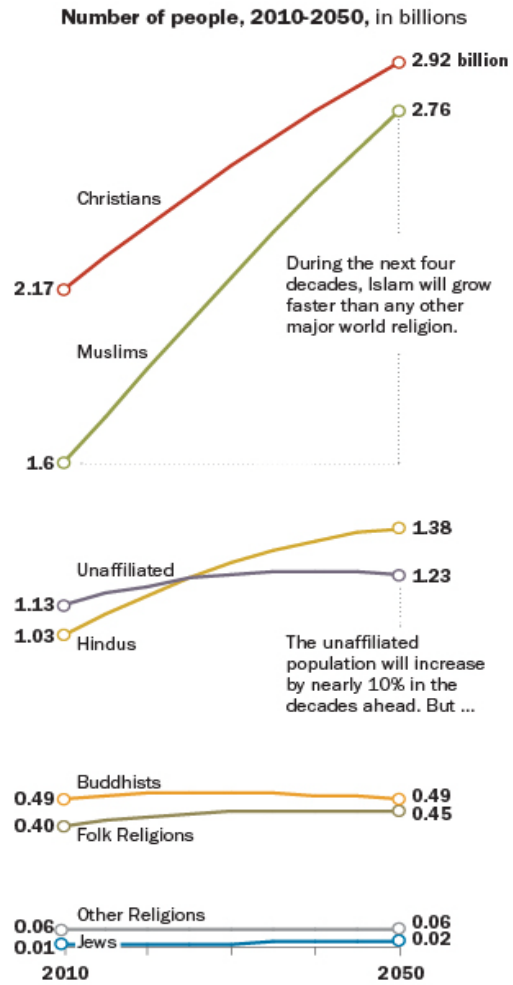


# World Religions by Population by 2050



## 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

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, قادر مطلق [\[http://urdu.wordinn.com/divine\]](http://urdu.wordinn.com/divine)
- 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)]

Continue On Next Slide

# Conventional vs. Divine Economics

**Self vs others**

**Conventional economic man**

$$U^A = f(X^A, Y^A)$$

**Divine Economics**

A natural man

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

## Let's differentiate between Conventional approach

- Individual responds to economic variables such as prices, wages, income, etc.
- Analysis moves around individual

## Desired approach

- Individual responds to economic, social, religious and other variables such as prices, wages, income religiosity, etc.
- Analysis is holistic



# Research Work in DE: 1999 - 2015

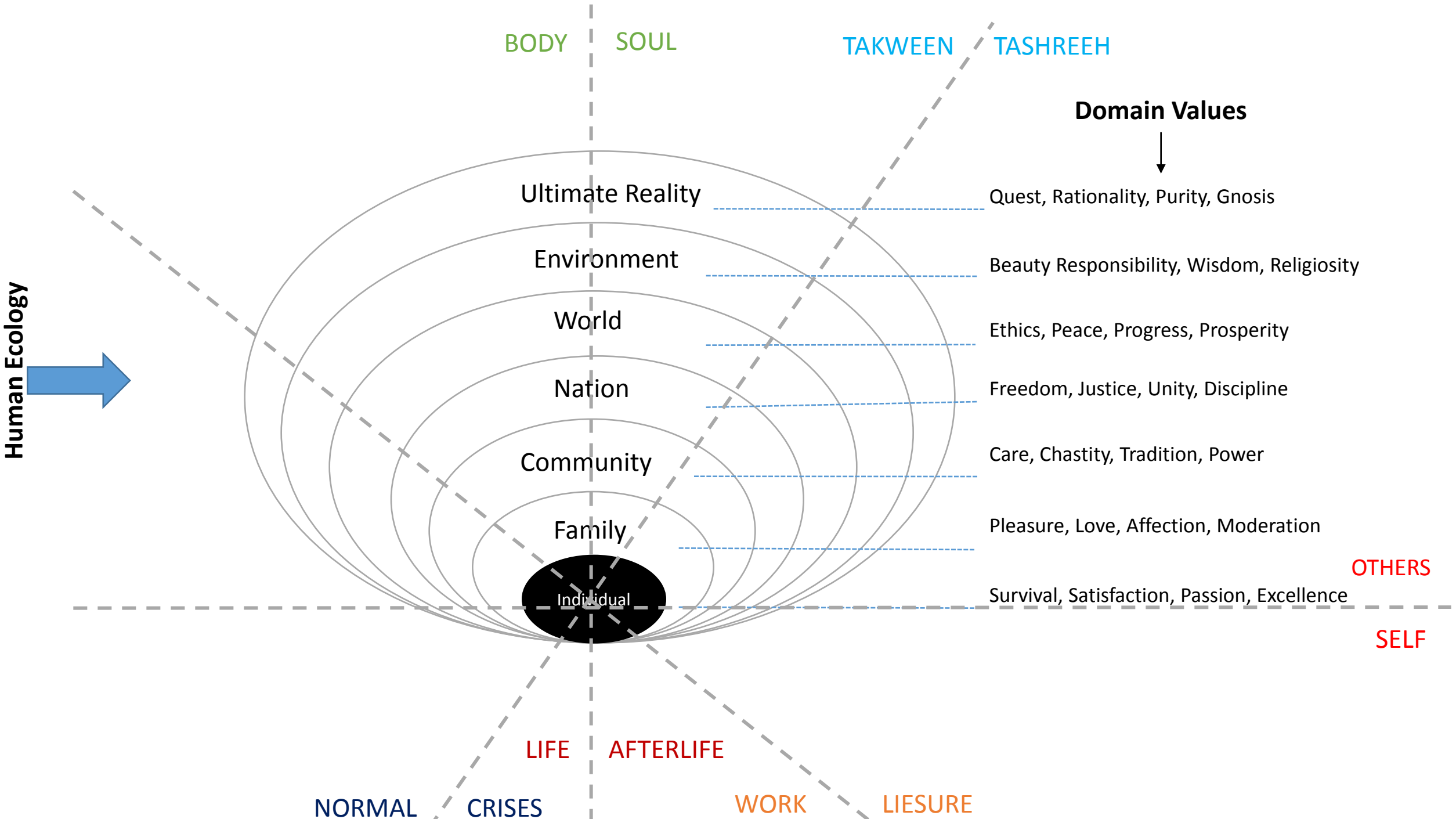
- Religiosity scales
  - Variety of questionnaires
  - Testable propositions
  - Survey Series since 2000
  - 2 PhDs
  - 12 M. Phils
  - 24 M.Sc.
  - Above 25 articles and reports
  - 4 Books [in process]
- 
- You may contact if needed

# Research Work in DE: 1999 - 2015

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](mailto:divineeconomics@gmail.com)



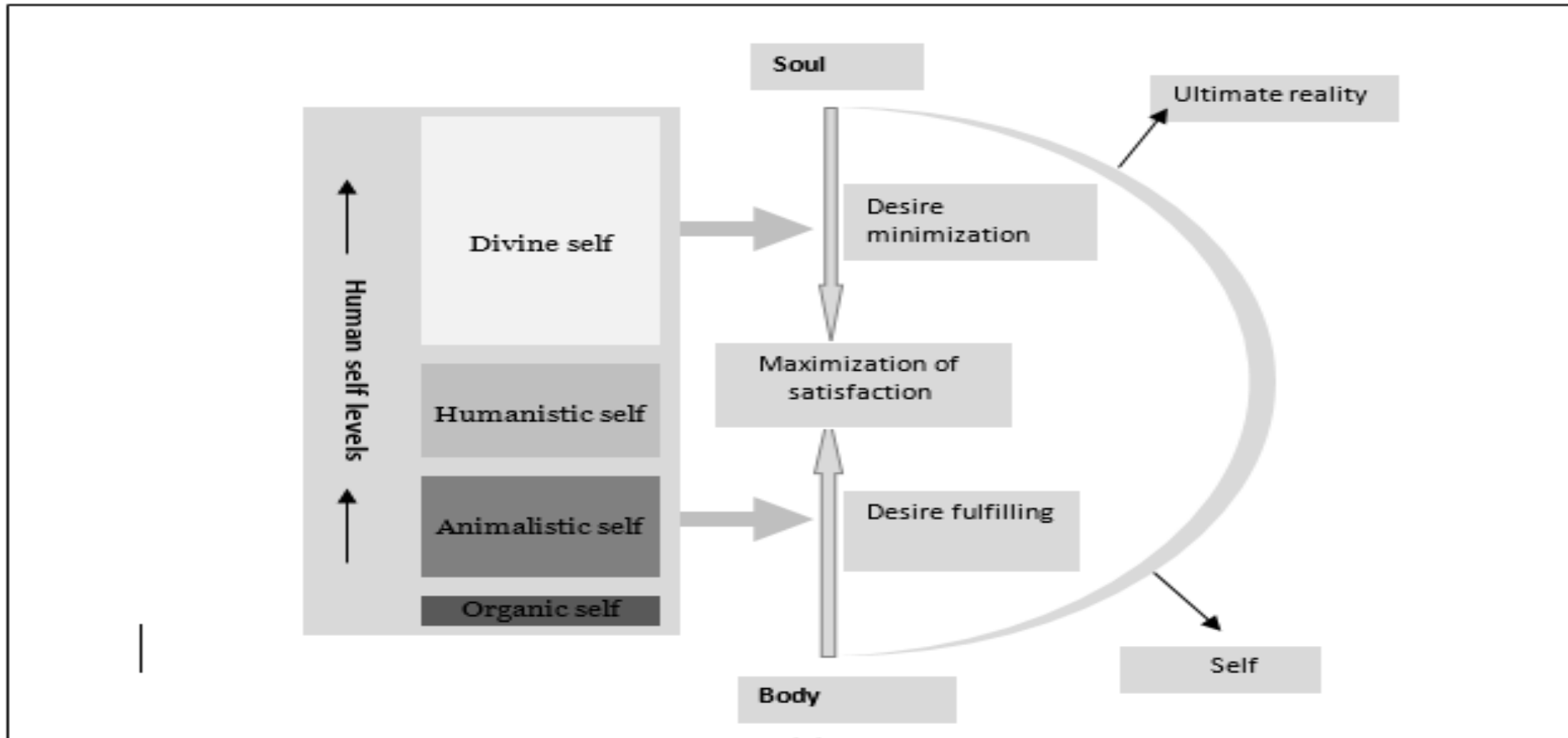
# Conclusions

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



44

Figure 6: Types of self and their objectives

# The DE methods of Universal values **identification**

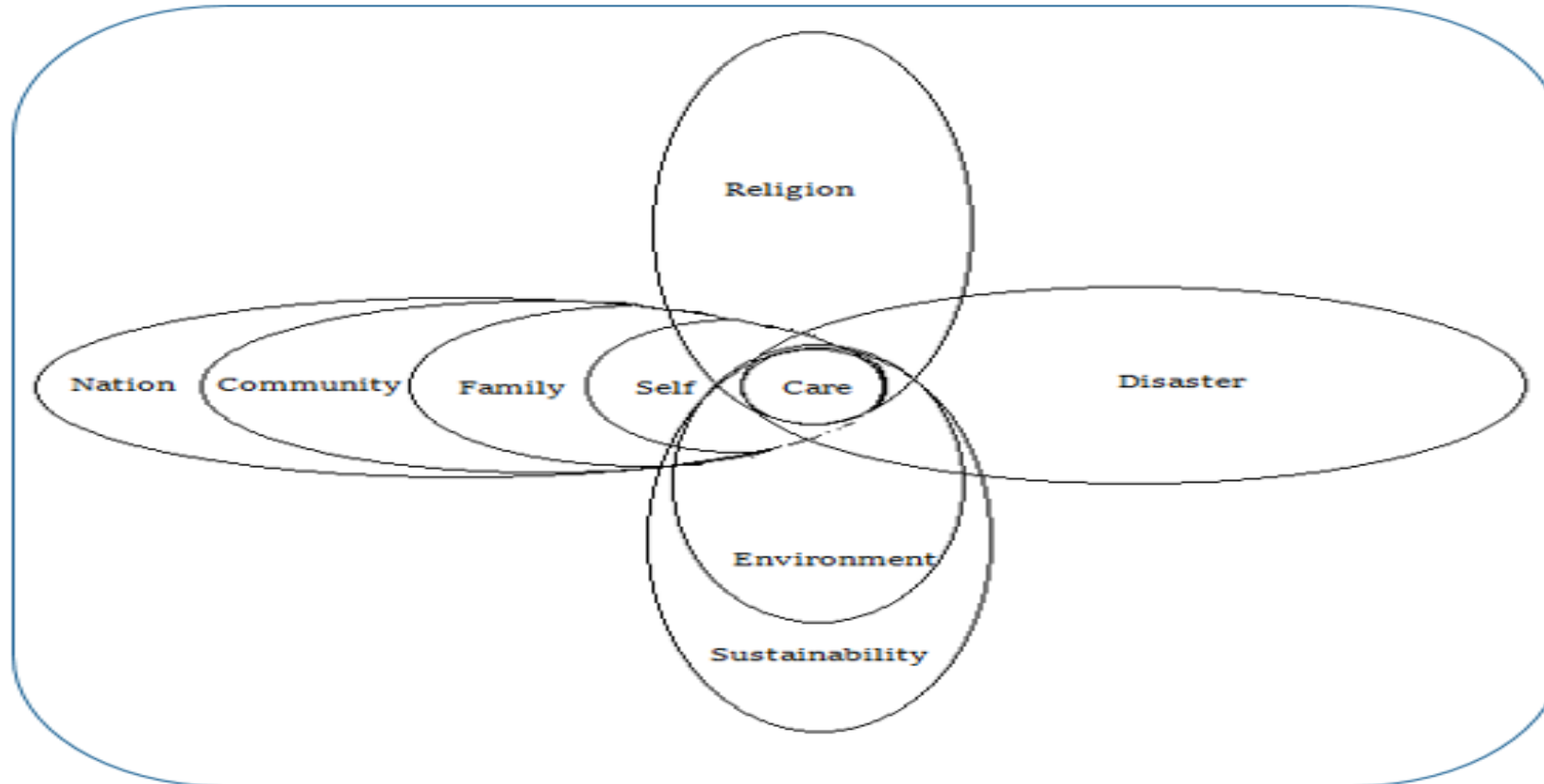


Figure 2 Framework for identifying universal values proposed by Hamdani (2014)

# 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](mailto: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](mailto: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\\_3gGIGq3KJZRHZvT](https://qtrial2014.az1.qualtrics.com/SE/?SID=SV_3gGIGq3KJZRHZvT)



...and  
**God Bless You**  
for your interest in **Divine Economics**