

The world is surrounded by very basic and crucial problems, which need to be addressed for the wellbeing and prosperity of individuals at a large scale. In addressing the very basic issue like poverty, unemployment, health deficiencies etc., economists have proposed different solutions to overcome these problems. For instance, the solution to alleviate poverty through donations and through creating employment opportunities for individuals. Other solutions include Micro finance services, which provide loans to individuals for initiating their own business activity. However, these solutions did not solve the problems at all. There are many individuals who are unable to work and many who are unable to get the required aid due to communication or financial constraints. We have very clear example in this regard. Despite implementing conventional economics models on our economic activities for years, we have failed to achieve the desired goal i.e., prosperity and wellbeing of the society. If one looks at historical data on wealth and income inequality, one will find that the wealth and income inequality increases over the time (Thomas Piketty). Rich is getting richer and poor is becoming poorer day by day. This pattern in which different segments grow at different rates is totally different from that of humanity. Humanity implies that individuals in a society take care of each other and society not only grows but gets prosperous. If one segment of the society is deprived of the basic needs, other segment will come forward to get them back on the track.

Economics is not the Science for Humanity

Muhammad Safwan Abbasi
(MPhil, School of Economics, QAU)



Rethinking Economics

is possible only by following compassionate instinct, ethics and divine law. Conventional economics emphasizes the maximization of one's own utility irrespective of ethics and divine law. It undertakes only the inside market activities, while encouraging economic activities based on Riba and considering only the materialistic aspect of human behavior. Conventional economics does not provide any proper mechanism for distribution of wealth and completely ignores the compassionate instinct. With these characteristics, conventional economics will lead to the outcome which is not beneficial but harmful for the society.

The conventional economics is purely based on private selfish interest instinct. Individuals maximize their own utility regardless of the negative impact on the society. It does not believe on ethics and social norms dealing with an economic activity. This selfish interest behavior does not care about the other individuals in the society. One part of the society gets the benefit at the cost of another part living in the same society.

Another way in which the different segments of society grow at a different rate is that the economic activities are based on Riba. This is a very dangerous element for a society to be prosperous. Rich people give out the money to needy ones by charging them extra money without any effort made by lenders. If the society runs on such a mechanism, then there will be accumulation of wealth in the hands of few individuals. Society will grow asymmetrically because there is no check on the accumulation of wealth.

Conventional economics neglects the distributional aspect of accumulated wealth. Here one can accumulate unlimited wealth which is not bad but it completely ignores the distribution of that accumulated wealth. If the society does not have proper mechanism for the distribution of wealth, there will emerge different segments in a society which will have different social economic statuses. Such an economic model where there is no proper distribution of wealth does not comply with the standards of humanity, where one must think about individuals in his surroundings.

Thinking about other individuals, lies in compassionate instinct of the human behavior. Unfortunately, conventional economics has no room for the compassionate instinct. Without compassionate

instinct, we cannot achieve the prosperity and well-being of the society. Humanity requires the sacrificing of one's own resources for the other needy person. But conventional economics starts with the statement that there is no free lunch. So, it is clearly depicted that by following the mechanism of conventional economics we cannot achieve the basic humanistic goals of everyday life.

Conventional economics considers only those activities which are taking place in the market. But if we look at our surroundings, we will find a lot of people who are not a part of market activities. Who will take care of them? How their contribution can be utilized in the market activities? And how will they get prosperous? Some questions are left unanswered by the conventional economics. We do not have answer to these questions in the premises of conventional economics. Without answer to these simple questions, we cannot fulfil the criteria of humanity.

In summing up, conventional economics is not the science for humanity. It is developed in such a way to divide the world into two parts. One is prosperous and the other one is deprived. Everyone is acting on the principle of selfish interest and there is no believe in hereafter. It only includes the materialistic aspect of human behavior. Whereas, ethics, divine law, belief in hereafter are the things which inspire compassionate behavior in society. Hence, everyone thinks about others and help the needy ones regardless of any materialistic reward.