

This document is a draft of a soon-to-be-published book: *Ecolibrium* (approx. 404 pages), by Nadeem Haque, Al-Hafiz B.A. Masri and Mehran Banaei. The authors have restricted publication of this excerpt to only the Optagon Publications Ltd. website. For reference information, please contact Optagon Publications Ltd. Chapter 7 is by Nadeem Haque. The original lion's illustration is available in the original high a resolution jpeg file from Optagon Publications Ltd.

## Chapter Seven

### Equi-nomics: The Optimally Balanced Economic System for Humanity and Nature



**THE LION GUARDIANS: TRUSTEES OF THE BALANCE**  
*Drawing by Nadeem Haque, 2008*

The Prophet sets the criterion or the standard by which the usage of a thing should be judged when he says: “The merit of utilization lies in the benefit it yields in proportion to its harm.”<sup>1</sup> The cost and benefit equation — the merit of utilization — according to Islam includes all systems taken together. Here, a systems view is stressed: all levels are interlocked together in the transient chain of existence constituting all life and non-life. In contrast to such an approach, the present notions of “GNP” (Gross National Product) are completely inadequate for such an integrated realization of reality. This shortcoming only serves to create an illusion of progress as to what constitutes development. In fact, it is becoming ever so blatantly obvious that, as we erode our resources, the “costs” will eventually end up showing even in our present very limited economic indexes such as GNP or GDP. For example, when contaminants are leaked into the environment they travel up the food chain causing health problems among human beings. This results in an increase in health costs and the reduction of productivity. Another example concerns the reduction in economic benefits due to adverse ecological-multiplier effects, in the web-like interconnections on earth: for instance, soil erosion from deforestation has led to a disruption of watersheds, resulting in hydroelectric power shortages affecting us on ever larger scales.<sup>2</sup> It is vital that all of these effects must be accounted for in a socio-environmental equation, encapsulating the assessment and accounting models which would serve as feedback devices for making us even more conscious of the causes of the problems. The equation of balance — which is the paramount concern in Islam — includes the effects of human interactions upon the existing balances in nature. Not only must all of these natural resources be dealt with as if they were assets, but the notion of assets must itself be re-assessed as being encapsulated by the foundational understanding that these assets ultimately belong to the Creator of the balance and not to human beings. These balancing components and entities deserve proper treatment because it is their natural and not synthetic or artificial right. Such rights as discussed in Chapter 4 are not man-made, but are inherent rights realized from the fact that if we do not maintain the balance, then disorder will ensue (via the concept of the violation of *Equigenic Rights*). As stressed before, only by engaging in such an overall approach will we be led to socio-ecological balance.

There are a number of other points to be considered: our utilization or misutilization of nature depends upon what and how much we use and also how we go about getting that which we think we need. In an economic system operating along the lines of the Quran, there would tend to be a minimization or elimination of the consumption and demand for harmful products, both for human beings and nature. But how can we help to direct consumption? Economist Omer Chapra, in his illuminating book, *Islam and the Economic Challenge*, succinctly discusses how such a consumption pattern can be brought into being:

---

<sup>1</sup> Al-Tirmidhi. Narrated by Aisha.

<sup>2</sup> Repetto, Roberto. (1992), “Accounting for Environmental Assets”, *Scientific American*, pp. 94-100.

The relative scarcity of resources compared with unlimited claims on them necessitates a filtering device. All claims on resources must pass through this filter...<sup>3</sup>

From the Islamic perspective, this natural filtering device is the “...system, which influences the inner consciousness of the individual, makes him aware of the trust nature of resources and provides the criteria needed for their efficient and equitable allocation and distribution”.<sup>4</sup> Market prices and governmental regulation would be gauged according to the scarcity of resources, keeping in mind the balance in nature. These would, in fact, be the secondary filtering mechanism both flowing out from and supporting that first natural filtering mechanism (of the behavioural pattern emerging from a consciousness of a Creator and the balance). In such a system, it would become easier to evaluate and appreciate the natural resources on earth, both for ourselves and for the other creatures that depend on them. This would be so, due to the fact that the pricing of resources itself would be fair and just, and not skewed, inflationary or exploitive as it is today; indeed, our financial assessments would be based on a reflection of a deeper understanding of nature, due to the realization of the pricelessness of the balances in creation. The primary concern would be the socio-environmental deficit, that is the measure of how far away from the balance we are. What needs to be taken into account is a socio-techno-ecological equation and concept – the environmental deficit, and the following generic equations whose parameters could be quantified show the various relationships between some of the major concepts being discussed in this book:

- Socioenvironmental Deficit = Cost of what you displace from nature that destroys a natural cycle + cost incurred by the misapplication of purpose-designed objects or entities in nature.
- Socioenvironmental Deficit = Amount of deviation from the Equigenic Principle
- Health of Society =  $1 - \text{Socioenvironmental Deficit}$  (where 1 is the optimum, i.e 100%)
- Equigenic Principle = Quranic Principles

In this way we see that nature, technology and economics ought to be governed by the same equations because these equations incorporate all three elements. It is a matter of details as

---

<sup>3</sup>. Chapra, M. U. (1992), *Islam and the Economic Challenge*, p. 214.

<sup>4</sup>. Ibid., p. 348.

to how the parameters of these equations are to be handled in terms of quantification, which the current generation should start dealing with, head on.

From this brief discussion, it should be apparent that the Islamic concept of the economy is not divorced from ecological reality. According to the Islamic view, monetary profit cannot be the sole “bottom line”, where one separates ethics and pragmatism into two water-tight compartments, just in order to achieve a constricted or narrow insensitive financial goal. Ethics itself is an integral part of the very way of doing things in Islam, be it in business, at work or at rest — it is not a separate subject. One does not develop ethical behaviour simply to sell green products to customers because it makes good business sense, for profits, or because one might get slapped with a fine from environmental enforcement officers from the Ministry of the Environment. One conducts such practices because one is intrinsically convinced of the great responsibility one has been entrusted with to take care of nature. Indeed, it is certainly a noteworthy distinction that a creature such as Man, from among things in nature, has been given the trust associated with being able to choose to a wider degree, an ability not commensurate or structured for any other type of carbon-based corporeal or inanimate thing on earth:

Assuredly, We did offer the trust to the celestial systems, the earth and the mountains: but they all refused to bear it because they were cautiously afraid. Yet man took it up — verily, he was unjust and ignorant. (33:72-73)

Economics and productivity according to the Islamic perspective is connected to the notion of creation very different than that which governs capitalistic and socialistic societies based primarily on atheism. According to the Quran, due to our ungratefulness we have forgotten that we are not the creators of anything. We only use things and transform them. In fact, even our ability to use has been created. The simple truth, according to the Quran is that whatever we make with our own hands, is in the ultimate sense, made by God, because it is God who has created and designed the human mind and frame:

Do you worship that which you have carved (idols), even though it is God who has created you and all your handiwork? (37:95-96)

He is the ultimate creator in the sense that He has given us the ability to develop things. However, God is not the creator of that which is harmful since God wants Man to utilize his limited free-will to do good and avoid indulging in harmful practices:

Whatever good happens to you is from God; and whatever evil Befalls you is from your self. (4:79)

God does not wrong anyone by as much as an atom's weight. (4:40)

In the following context, note the reference to “ships” which is juxtapositioned with natural phenomena that God has made, reminding us exactly who their Ultimate Creator is:

And He it is who has engendered opposite sexes; and who has made for you ships, as well as beasts on which you ride, that you many mount firmly on their backs and, while so poised, may recall to mind the favours of your Sustainer and say: “Glory be to Him who has put these in our service, for we could never have accomplished this.” (43:12-14)

Exclamations such as, “Glory be to God!...” signify the realization of ultimate origins of even man-made objects. Indeed, such praises resonate from within, brought about by a proper understanding of the ultimate origin of all creativity, for one who is in natural submission to the Sustainer of the worlds. Note also, the profuse exhortations beckoning one to reflect on the Originator of all the various cosmic processes we see around us:

Don't you ever reflect on a seed you sow in the earth? Is it you, or is it We who cause it to grow? Had We wished it so, we would have turned it into chaff, leaving you lamenting: “We are burdened with debt - nay! We have been deprived [of the fruits of labour]. Don't you ever reflect on your drink? Is it you or is it We who cause it to fall from the clouds? Had We wished it so, We could have turned it saltish! Why is it that you are not thankful [to Us]? Don't you ever reflect on the fire that you kindle? Is it you or We who grows this tree?” (56:63-72)

With the development of such an interconnective outlook and thinking pattern, the sanctity of the totality of creation is realized without dichotomies, where the earth, society, nature, worship, work, rest and play would be seen as a means to a higher end:

The whole earth has been made a venue of worship for me, pure and clean.<sup>5</sup>

In essence, the Islamic scheme for economics poses the question: “What's the use of maximizing 'profit' when you minimize life?” Monetary goal is part of a larger structure of thought which does not neglect the Creator, the balance and the miracle of life — both originated and sustained. In this regard the Quranic approach can be considered to be

---

<sup>5</sup>. Narrated by Jabir ibn Abd-Allah and others. Bukhari, Muslim, Tirmidhi.

compassionate rather than solely profit-oriented, in the sense of following confirmatory revelation, over and above ideas that are in contradiction to such revelation, cause and effect, reason and evidence.

## **The Economic Linkage to Design in Nature**

What has been stressed in this book is that this universe is based on cause and effect and each of the components fit in a specific way by their structure and function that ensures balance, functional harmony and justice. Now since the human being has the ability to misplace and misutilize things without regard to their actual intended usage due to the structure and function, this causes the converse, that is, harm. This harm in the Quran is referred to as *zulm* and this misutilization of things in nature is the actual root meaning of the word *zulm*. This word and its derivatives occur hundreds of times in the Quran, translated as injustice, cruelty, tyranny and corruption.

*Zulm* means: the placement of an entity or object where it does not belong or fit, or conversely, the removal of something from its natural setting where it does fit by the nature of its design: in other words, a misallocation or dislocation. The highest misplacement is ascribing a partner with God or *shirk* as it is denoted in Arabic in the Quran. In fact, in his advice to his son, *zulm* of such an ascription is at the top of the list of ten pieces of advice the pious personality Luqman gives to his son:

My son, ascribe no partners with the One God; certainly, such ascription is a great injustice (*zulm*). (3:13)

All other forms of misplacement result from this basic conceptual misplacement or utmost prioritization because all the linkages in our thought structure and the weights we attach to those linkages, will not be referenced to the creator, as a directive force, thereby skewing and convoluting the whole structure of thought and thence individual and collective behaviour.

The concept of *zulm* or injustice is apparent in certain aspects of genetic engineering, since one might be placing a thing where it ought not to be in the natural design of things in the ecosphere because of the skewed concept of ownership. However, the Creator Himself is not unjust (*zulman*) to His creation (see Quran: 3:108, 109). Indeed, a good example with which to illustrate the Quranic concept of *zulm* is the misuse of genetic engineering. The present efforts by certain corporations to patent genetically altered species among plants and animals goes against Islamic principles of the notion of common resources available to the whole of humankind where no monopolies are established and where the dignity of a living beings and flora is maintained; for one thing, patenting animals would tend degrade them as

mere commodities. Another problem is the ecological imbalances that are created by genetically altered species of plants and animals. To take just three cases, for example as reported by the annual meeting of the Ecological Society of America in 1994, the researchers from Oregon State University reported that when genetically engineered bacterium was used to turn crop waste into ethanol, all plants in the soil with that bacterium died.<sup>6</sup> Also, in 1994, researchers in Denmark found that an oilseed rape plant genetically engineered, transmitted its transgene to another related weedlike plant. Herein lies the danger of creating superweeds that spread and cannot be eliminated by herbicides.<sup>7</sup> One of the major disasters of human unsustainability happens to be the hybridization of the seed, which has led to the stoppage of the seed from reproducing itself in many quarters which have engaged in the so-called “Green Revolution”. The seed is a means of production as well as a product. With hybridization the seed would not be able to reproduce itself. Farmers in such a scheme find themselves to be at the mercy of the corporation that supplies the new type of seed and who has ownership over it. In many cases the hybridization’s goal of producing a crop which is resistant to a particular pest is not even achieved as in the case of Monsanto’s Bollgard cotton which was to have produced poisonous protein to fend off the cotton pest Bollworm. Instead of curing the problem it caused 20 to 50 times the infestation that requires spraying. For this mis-service Monsanto had already received 51 million in one year as ‘technology fee’, not to mention that Monsanto was given ownership of the crop.<sup>8</sup> It is also a fact that transgenic fish can escape from their net cages into freshwater causing a disruption. For example, this mishap has occurred in Norway with the farmed Salmon. Seals broke the nets where the fish were held; they invaded the waters and mated with Norway’s wild salmon with the effect of depleting the diversity of wild salmon, where the wild salmon stocks had already been adversely affected by acid rain.<sup>9</sup> Another example of misplacement of that which has been designed to be used only where it fits in, via the concept of the Equigenic Principle is BSE, or bovine spongiform encephalopathy, which, in the 1990s led to the destruction of cows where this was first detected, and then crossed the species barrier onto human beings leading to many fatalities. This happened because cattle were fed cattle carcasses; in other words, they were fed an unnatural diet not designed for them by the Creator and not amenable to their constitutions. Even if this disease entered the food-web through sheep carcasses infected by the same disease, we must ask how those sheep got infected in the first place – what unnatural diet were they fed?<sup>10</sup> All this is not to say that we should not be engaged in genetic engineering. However, we must keep the notion of balance (*mizān*) and justice (inverse-*zulm*) in mind.

---

<sup>6</sup> Shiva, Vandana. (1997), *Biopiracy: The Plunder of Nature and Knowledge*, p.34

<sup>7</sup> Ibid., p. 36.

<sup>8</sup> Ibid., pp. 36-37.

<sup>9</sup> Anne R. Kapuscinski and E. M. Hallerman, “Implications of Introduction of Transgenic Fish into Natural Ecosystems,” *Canadian Journal of Fisheries and Aquatic Sciences* 48 (1991): 99-107.

<sup>10</sup> Parvaiz, Mohammad Aslam, (2003), “Scientific Innovation and al-Mizan”, *Islam and Ecology: A Bestowed Trust*, pp.393 - 400.

Monopolistic systems are governed by the Arabic word *riba*<sup>11</sup> which means the increase in the wealth of a party or parties by unjust means that are based on *ẓulm* if we take the Quranic root meaning of the word *riba* and its uses in the Quran and Hadith. *Riba* disrupts the flow of things in nature and leads to a lack of balance because the natural transformation efforts that are made to the elements of nature for human use are not given a value that is based on natural needs that regulate supply and demand, in turn based on fair competition, efficiency and co-operation. This creates a disruption in the natural flow of things and diverts funds to a small group thereby sabotaging the proper distribution of wealth. Therefore, although trade in things that maintain socio-environmental balance can be deemed as part of nature, *riba* transactions go against the grain of nature by creating a primarily one way vortex of exchange, as if, to draw an analogy of a vital form of exchange in the rest of nature, humans exchanged carbon dioxide but never received oxygen from the plants. Rather money should be seen as a two-way form of exchange for overall stability, just as the mutual carbon dioxide and oxygen exchange between plants and animals is a beneficial cycle. In other words, in Islam, the meaning of *riba* covers, monopoly, charging interest and so on – anything that causes this financial imbalance, hence socio-economic imbalance and hence environmental imbalance. The main problem with the interest-based economy is the way loans are made for business ventures. The Islamic model bases exchange on co-operation where the borrowers and lenders (and any intermediaries, such as restructured banks along Islamic lines) are in the same boat, being involved in ventures on the same scheme, as official partners, where all parties have an interest in keeping the boat afloat, not to blast it to smithereens by torpedo, if the boat met high seas and was in jeopardy, as would do radical capitalistic institutions at present and have been doing so for centuries, in one form or another. In fact, all parties would also then be concerned about the type of enterprise they may be getting involved in, in terms of environmental soundness, especially if, that is, the government was the applying Quranic legislation to uphold the balances in nature. Under the present scheme there is the urge among various institutions to fund projects, be they detrimental to the receiving countries, because interest can be charged, this monetary goal being the be all and end all of the true goals of such international money-lending institutions. Here, there is no real concern for the welfare of nature or the indigenous populations, from the controllers of such organizations, despite hypocritical consolations to the contrary. The other crucial aspect, from an Islamic point of view, is that the printing of money (electronically or otherwise) would be taken out of the hands of corporations such as private banks<sup>12</sup>, where it has come to reside in Western countries, and be under the full control of a government upholding the principle of the balance of nature, as opposed to the current sham of a financial system that is the root cause of financial

---

<sup>11</sup>. Q. 2:275, 276, 278; Q. 3:130; Q. 4:161; Q. 30:29.

<sup>12</sup> This parallel view, in fact, has been advocated as one of the main platforms for the reform of the economy for every nation state, starting out with Canada, by the Canadian Action Party, in the 2004 Canadian federal elections, as initially propounded by its founder Paul Hellyer.



instability and income distribution inequalities that feed into ecological pressure, an exploitive system that is so grossly sub-optimal.

An environmentally based financial governing system has the filter of the consciousness of God as sovereign through the constitution of the Quran, the corroboration of facts, and the structuring of policies and legislation through the evidence, all of which espouses ecological equilibrium via the Equigenic Principle: *Equinomics*. This filter, filters out harm by rational and objective sieving, that is, by capturing and discarding anything that causes disequilibrium in the causal nexus, be it in the environmental, social or biological realm. This concomitantly leads to local and universal peace and justice. Conversely, it becomes apparent that capitalistic systems possesses contaminated filters, as the concepts of God as the Sovereign and the balance are either not present or are minimalized, leading to injustice and socio-environmental destruction. If greed and corruption and mismanagement were eliminated one could mend both environmental and sociological problems simultaneously, one without the expense of the other; indeed, as has been discussed in this book, many of these problems are socio-ecological. Needless to say, we cannot even begin to have such a system that resolves our problems globally and in many cases locally, unless the Creator is seen as the Owner and Inheritor of the universe, a view which would lead humans to deal with property, with respect to God, in all senses of the word 'respect'.

### **An Unjust Banking System**

The present Banking system has caused a great strain on the environment, not only because of investment mania through offering credit that the bank provides to corporations and entrepreneurs, to engage in almost anything that will make big bucks, never mind the environmental consequences, but because, with the demise of the gold/silver standard, the creation of money has been transferred to the private banks. This diminishes what the government will spend on environmental initiatives. Indeed, with many of the politicians in the west and east having become subservient to corporations, it is difficult to pass proper eco-sensitive legislation. The Central Banks of the Western Nations after 1974 were bamboozled into passing the money creation facilities onto this private bank-corporation complex. The elites who hold the reins of these corporations are not really concerned with the environment, but only with their short-term gains. Tragically, it is not recognized by them, that they are part of the system, where the social and atmospheric system will adversely affect themselves, in both this life and the next. In this callous atmosphere of unconcern, propelled by greed and selfishness, anything and everything can be bought or expertly marketed to serve the narrow interests of the elite. If anybody is so naïve as to think that we live in an economic democracy, they should really wake up and smell the proverbial coffee, for we are in reality, living in a plutocracy of a nefarious subtle tyranny of tyrannies.

Ironically, the coffee they may be buying might have been grown as a cash crop in some 'third world country' which would only be helping the elite in that country!

An Islamic reform would be to revert to the Central Banking system, for all countries in the world, and if the world does *freely and peacefully*, without any coercion, come to their senses and become united or federated in the future, it would have *one* currency system that is controlled by a Global Government that applies ecologically sound policies, wherein the purse-strings are controlled directly by such a True World Order which legislates according to ecosensitive principles that most of the public would adhere to by rational choice<sup>13</sup> and without compulsion. However, Muslims and others should realize that it is not merely a problem of interest bearing loans, but the very banking structure itself which compounds the problem in that the Central Banks make interest payments to the Chartered Banks who they gave the money creation rights in the first place.

What is the basic banking mechanism for money creation and how did we inherit such a detrimental structure? Why is the current banking system "unjust"? Here is a brief summary: The origin of the modern banking system is from England, where the monarchy had usurped the gold and silver that the rich had deposited in the Tower of London. These rich, therefore, decided to keep such precious items with Goldsmiths, who had strong boxes already, for their own valuables. These Goldsmiths gave the depositors receipts for their deposits and convinced them that the Goldsmiths ought to be able to lend the money to their friends at a rate which was higher than 5%, the rate which the Goldsmith's would pay the depositors. The depositors then saw the advantage in using the receipts from the Goldsmiths to pay their bills instead of actually withdrawing their gold. In addition, the Goldsmiths realized that they could make more loans than the amount of gold they kept at hand, especially since not everyone demanded back their gold at the same time. Thus evolved the modern banking system which was given a boost when the government became a partner to this fraudulent system, after chartering the Bank of England. Gold reserves in the U.S. which used to be 25% in the early 20th Century, meant money could be loaned four times over; the reserves' requirement was reduced over the years. Cash reserves in the U.S. are currently 3% for current accounts and 0% for savings accounts. In Canada, cash reserves have been 0%, since the 1991 Bank Act amendments.

Money is created every time you take a loan from the Chartered Bank, with you providing a collateral. You then repay with interest. In Canada, for example, over 90% of the taxes go into making interest payments to the chartered banks. However, if money creation returns to the hands of the central government, then the central government would have the

---

<sup>13</sup> Hellyer, Paul, (200 ), *Goodbye Canada*, This view which is collinear with Islamic principles, in fact, has been advocated as one of the main platforms for the reform of the economy for every nation state, starting out with Canada, by the Canadian Action Party, in the 2004 Canadian federal elections, as initially propounded by its founder Paul Hellyer.

sole power to create and direct the money for schemes that would benefit all peoples, including ecological clean-ups, environmental research for developing a hydrogen-based systems and infrastructure, solar and wind-power, employment etc. A new vision for banking, along these lines, is desperately needed.<sup>14</sup>

Although this banking scheme is a modern development, what is *not* new is that throughout history, most societies have been plutocracies. Within the general plutocratic framework there have been periods in the history of many nations, where saner and more inclusive policies have been enacted. In Canada, for example, in 1939, when war broke out, the Bank of Canada was engaged in money creation when: The government sold their bonds to the Bank of Canada. The interest due on these bonds was cancelled by the Bank of Canada issuing dividends to the government, effectively making the net exchange an interest free loan. This money creation led to the positive development of Canada, through the central bank's self-generating money for such developmental schemes. Since 1974, this mechanism for money creation has been abandoned, helping to lead to a decline in social services development and the many interconnected environmental issues. It cannot be overstressed that if environmental policies are to be bolstered, this cancerous growth that we call the modern banking system, which not only curtails money creation to fund environmental initiatives, but supports all the harmful technologies, and is not stopped or regulated by the corporate-controlled government, must be transformed.

It is high time that everyone take a stand and demand a better future for all sentient and non-sentient life forms; it is no longer viable to be controlled by such odious interests that seek to suck out the life-force of the true wealth that is the inherent right and belongs to each and every human being and nature itself. That true wealth is a healthy biosphere and ecology: the very basis of both life itself and its manifest refulgence. However, this basic change towards the sustenance of true wealth will not occur unless we, in sufficient numbers, recognize and act upon the fact that **we are trustees of the natural dynamic balance, under God and for His creation.** It is then, and only then, that the correct type of banking system, imbued with a spiritually holistic financial mechanism, will be formulated for the good of *all* humanity and nature, and not just one or two percent of the human population, as it is today.

---

<sup>14</sup> *Do You Know Where Money Comes From?* (2002): A Publication of the Canada Action Party. See also: [www.comer.org](http://www.comer.org) (The Committee on Monetary and Economic Reform). Zeshan Shahbaz, a former candidate for the Action Party states that the way in which the modern banking system is structured is as if one owns a grocery store, but then forsakes it and purchases goods that one needs from a neighbouring grocery store, owned by a competitor. Such behaviour would be considered the height of insanity. Yet this is exactly what is currently being done by the West's Central Banks. Even the Federal Reserve Bank of the U.S.A. is a private corporation; it is not Federal and has no reserves either!

