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RESEARCH ARTICLE

GLOBALIZATION AND ITS IMPINGEMENT ON MUSLIM SOCIETIES: A SOCIOLOGICAL PERSPECTIVE

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ABSTRACT

Globalization appears to be a blessing for the societies a path to the innovative outline for growth and development. There have been swift and vivid economic, political, social and technological changes on a worldwide social transcending borders and accelerating people's ability to communicate and to trade across continents, this inclusive revolution has been described as "globalization". The contemporary study is an attempt to analyze the impingement of globalization on Islam, as the process of globalization has conveyed enormous gains in prosperity. But yet there is another scene, on the one hand globalization is promoting uniformization and homogenization and on the other there is increasing demand for autonomy and identity This paper proposes a transformational analysis of contemporary globalization and identifies the increasing challenge of globalization on Islam, as the process of globalization intensified the worldwide social relations, which links distant localities in such a way that local happenings are shared by events occurring many miles away and vice versa. This is a dialectical progression because such local happenings may move in an obverse direction from the very distinctive relations that shape them. Local transformation is as much a part of globalization as the lateral extension of social connections across time and space.

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INTRODUCTION

Globalization: A Catchword in the 21st Century

There are a lot of literatures on the meaning of globalization, but generally speaking the globalization typically refers to the process by which different economies and societies become more closely integrated, and concurrent with increasing worldwide globalization, there has been much research into its consequences (Nilson and Therese 2010). The term globalization was presumably coined in 1944 by Reiser and Davies, (Reiser and Davies 1944), and became a catchword for various researchers across a wide range of academic disciplines. But the meaning of the term remained unclear because it was largely influenced by the academic concerns and ideological backgrounds of the researchers. Globalization as synonymous with internationalization, on the assumption that globalization also means cross-border relations between countries in terms of large and growing flows of trade and capital investment. It as a process of international economic integration and widespread reduction of statutory constraints on cross-border movements of goods, services, money and financial instruments (Sander 1996).

Islam's place within globalization

Many prominent scholars characterize the religion as incapable of adapting to a globalized society because Islam instinctively opposes globalization and the secular values it entails. However, this explorative endeavor favors a multidimensional rather than polemic approach, one that views the recent Islamic revival and the broader return of religion around the globe as critical aspects of globalization. This investigation does not so much advance a centralized argument as it acts as a web of possibilities, linking concepts and realities together under a global framework in the hope of positing a broader appreciation of Islam and its evolution vis-à-vis globalization and the normative context within which it lies situated. Quintessentially, these global chaos theorists computed a calculus that equated globalization to fragmentation because the variable of religion, most of all Islam, signified profound differences in the political visions between civilizations; due to globalization and the insecurities it bred, Muslims would predictably contest and clash with the non-Islamic world. According to this argument, Islam operates as a collective agent, whose tendencies to violence and traditionalism transpose the religion as an intransigent enemy to global pluralism, representing its greatest threat and most defiant opponent. Notably, the key assumption informing this analysis is that increasing economic, cultural, and political interaction between nation-states, cultures, and populations will continue. Such a forecast rests firmly upon the presumption that

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globalization moves with its own self-propelled, contingent logic within the anarchical system of extant nation-states as the teleological end of micro-level interactions, regardless of whether they are motivated by realist concerns (such as the search for stability and security) or by liberal-institutional desires (such as interdependence between states that aims to bring collective benefits to all players of the game). As such, this inquiry assumes that globalization is inevitable; it questions not if it will continue, but only how-on what terms, on whose grounds, and in what relation to Islam's various faces.

### **Muslim's Responses to Globalization**

The mainstream of Muslim scholars considers globalization or globalism as an old phenomenon that has been in process since the dawn of history, and is currently in the most rapid phase of its development, whereas a few of them view it as a recent phenomenon associated with the socio-political and economic values of the post-modern era (Bahgat and Gawdat 2001). The major difference between these two views is one of time associated with the historical background of globalization rather than understanding its essence and impact on the Muslim world. Therefore we shall focus on the opinion of those who address this issue from a historical perspective, and propose that "much of today's civilizations and inventions are the cumulative results of peaceful and less peaceful interactions of previous civilizations." These civilizations trace the history of globalization back to the Greek civilization, where Alexander the Great (356-323 BC) tried to expand his political territories over the neighboring countries, and impose the values of Hellenistic civilization on the indigenous communities of the Mediterranean region. The Greeks gradually left the scene for the Romans, who based their civilization on the Greek legacy and Christian heritage. These developments enabled Constantinople to establish itself as the capital of the Roman (or Byzantine) phase of globalization, from where the Romans tried to impose their cultural and political values on the nations of the Mediterranean Sea, the Near East and North Africa. The spread of Roman values in the old world put the Romans and their clients in conflict with the Persians, and the tension between the two superpowers (the Byzantine and Persian empires) of that time dominated the political landscape until the Muslims appeared as a new political force in the 7th century (Abdullah Y. Zalloum (2003).

From the very beginning of its manifestation in Arabia, Islam presented itself as a global and universal religion. More than one verse in the Qur'an states that the message of Islam is universal, and addresses the humanity of all races. Prophet Muhammad also emphasized this universal dimension in a tradition that said there is no difference between an Arab, a Persian, an Ethiopian, a black or a white except how pious and good one can be. Following the rapid territorial expansion of the Islamic state and the spread of Islam as a global religion, Islamic civilization entered a new phase of "globalism," based on interaction with other civilizations. During this period, the world witnessed a flexible mobility of human knowledge and associations within the borders of the Muslim world that generated a continuous interaction among Muslims themselves, placed them face-to-face with the heritage of ancient civilizations, and enabled them to present themselves as a new source of knowledge. Between the 7th and 13th centuries,

Muslim scholars comprehended a great deal of the intellectual heritage of their predecessors, and shaped it into a brilliant civilization and a scientific, philosophic and artistic culture based on the fundamentals of Islam. First the Arabs, then the Persians and later the Turks set about the task of creating this classical Muslim civilization. In the 13th century, both Africa and the Indian Subcontinent became great centers of Muslim civilization. Muslim kingdoms were established in the Malay-Indonesian world, while Chinese Muslims flourished throughout China. This Muslim collective effort led the authors of History of Western Civilization to say that:

Conversion of large numbers in the conquered areas was not a feature of early Islam. That came later when Islam was more firmly established as a government, when its brilliant material success gave it added prestige, and when the civil rights and privileges enjoyed by all the faithful tempted many unbelievers into conversion to Islam.

The acknowledgment of these scholars refutes the allegation propagated by Orientalists, such as Oliver of Paderborn, that "Islam began by the sword, was maintained by the sword, and by the sword would be ended," and indicates that the mass conversion took place when Islam became as a way of life and a guidance for all Muslims. These merits of Muslim civilization and the harmonious interactions of its pioneers had seemingly led George Bernard Shaw to forecast that "the faith of Muhammad would be acceptable to the Europe of tomorrow as it is beginning to be acceptable to the Europe of today" (George Bernard Shaw 1936)

However, by the 17th century, Islamic civilization had begun to lose some of its global dynamics, and the Ottoman caliphate, then the supreme institution of governance in the Muslim World, entered upon a long process of territorial disintegration that lasted over 200 years. Meanwhile, European civilization spread over the globe, and the large European nation-states, equipped with the overwhelming new powers of science and industry, expanded to empires throughout the globe. With the rise of the United States in the 20th century, the term "Western" came into use, signifying European in an expanded sense. The emergence of Japan made the term "Western" inappropriate for some purposes, and later the industrialization of the Soviet Union created similar "verbal embarrassments." Hence, by the mid-20th century, it was customary to speak of developed parts of the earth, alongside which others were seen as developing or less developed. In this atmosphere the term "Third World" was born without any specific geographical identity except that it meant outside the orbit of Western countries and the Soviet Union. The Muslim countries were accommodated within the frame of the Third World on the criterion of their poverty, weakness and "backwardness" (Palmer and Joel Colton 1978).

This political classification marked the end of Muslim globalism and paved the way for the supremacy of the Anglo-Saxon globalization. Under the impact of this new phase of globalization, many aspects of Islamic civilization began to come apart, particularly when the European imperial forces moved into the Muslim countries, controlled their natural resources, transformed large elements of the local population into wage employees of foreign owners, and substituted the

Shari'a laws with secular ones that could govern the vertical relationships between the colonizers and the ruled, and maintain law and order at the grass-root level of the Muslim communities.

### Muslim's Perception of Globalization

Economic liberalization or globalization opens societies to the culture of the market (foreign capital and global market) as well as the individualism and consumerism that goes with it. Global culture tends to homogenize societies along the lines of a Western model that does not always fit well with local culture. Islamic countries are no exception. There is a lack of independent scientific and technological research in these countries and they are reliant on foreign aid/capital. Most Muslim countries are dependent on the West for technological infrastructure (machinery, equipment, medicine, etc.) and high quality consumer and luxury goods. Liberalization of technological diffusion and innovation guarantees that Muslim countries will be permanently dependent on the West which is seen negatively by the "Dependency school of thought". There has been negative perception of globalization in the Muslim world. Globalization/westernization may inculcate Western values and ideas (e.g. unacceptable moral standards in movies, music, dance) in local youths. Islam is seen as being marginalized from global process as the global politics is dominated by the United States. Islamic countries are predominantly state controlled and Western style of democracy is not seen positively in the Muslim world. The core of globalization, which preaches universalism, inclusiveness, pragmatism, is not consistent with Islamic faith based on Muslim brotherhood and Shariah. For instance, Islamic teachings prohibit interest (riba), ban on speculation due to uncertainty and lack of transparency, emphasize on adherence to risk-sharing and profit-sharing as well as promotion of socially responsible and ethical investments that are conducive to the welfare of society. These are in contrast to Western principles of economic freedom based on materialism.

Is it possible to change the negative perception of globalization in the Muslim world? The answer is perhaps 'yes'. Islam is the first religion to make acquisition of knowledge obligatory both on Muslim man and woman, even if available in far off place like China. Adaptation of education is of paramount importance to the growing needs of the job market. "Freedom" is necessary to inculcate creativity in education and this is in line with Islamic Civilization (Muslim scholars and religious leaders used to have intellectual discourse/sessions at mosques). Globalization can forge closer links with heterogeneous Muslim communities and more cooperation and understanding between them is expected as an outcome. The Quran emphasizes on justice, equality, compassion, and peace, apart from knowledge and wisdom, and Islamic countries/scholars may seize this opportunity to promote these values worldwide to erase current misgivings and help establish a true "global village". Islam does not encourage "extremes" and Muslims are advised to follow the "middle path" (moderation). Modern education and religious practices can be combined to create prosperous Muslim societies, whereas research on science and technology can be encouraged as far as they contribute to peace and prosperity. Islam believes in peaceful coexistence of all (people of other religions) rather

than 'Islamization' of the whole world. It is important that we understand the distinction between 'Fundamentalism' (based on 'five' fundamental 'pillars' of Islam) and fanaticism' (radicalization of Islamic beliefs to 'extremes' that could lead to hatred of other religions).

### Islamic Countries in the Global Economy

The global economy is dominated by high-income countries. In terms of real GDP (PPP-based), they account for 57 percent of world output (US alone captures 21%; Japan 6%), whereas China contributes 12 percent to global GDP and India's share is about 5 percent. In terms of growth rates, China and India accounted for more than one third of global GDP growth in recent years. The Chinese economy was worth US\$7.9 trillion in 2008 PPP terms. The Indian economy was equivalent to US\$3.4 trillion. In per capita real terms, the average income in China is US\$ 6,020 (\$2,940 in market prices) and that of India is only US\$ 2,960 (\$1,070 in market prices). Both are classified "Lower-middle-income" countries. Muslim countries are spread across the regions: Middle East and North Africa, Sub-Saharan Africa, South Asia, East Asia, and Europe and Central Asia. The bulk of Islamic countries fall into the category of low-income countries (LIC) with income of \$975 or less and Lower-middle income countries (LMC) with income ranging between \$976 and \$3855. Only a few Islamic countries are classified as "Upper middle income" (UMC) with income range \$3,856 to \$11,905 and "High-income" (above \$11,906) countries (World Bank 2010).

Table 1. World Bank Classification of Islamic Countries

Categories	Countries
Low-income (LIC) US\$ 975 or less	Afghanistan, Bangladesh, Benin, Burkina, Faso, Chad, Comoros, Gambia, Guinea-Bissau, Mali, Mauritania, Mozambique, Niger, Senegal, Sierra Leone, Somalia, Togo, Yemen Republic.
Lower middle income (LMC) US\$ 976 to 3,855	Albania, Cameroon, Cote d ivoire, Djibouti, Egypt, Iran, Iraq, Jordan, Morocco, Nigeria, Sudan, Syrian, Arab Rep Tunisia, West Bank and Gaza, Indonesia, Maldives, Pakistan, Turkey.
Upper middle income (UMC) US\$ 3,856 to \$11,905	Algeria, Azerbaijan, Gabon, Kyrgyz Republic, Lebanon, Libya, Malaysia, Tajikistan.
High income countries Above US\$11,905	Bahrain, Brunei Darussalam, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.

(Source: World Bank, the World Development Report 2010)

Islamic share of global economic pie is quite low. The current share of Middle East and North Africa to global real income (PPP\$) is 3.4% (with an average per capita income of \$7,308) and that of Sub-Saharan Africa is only 2.3% (with average per capita income of \$1,991). The entire South Asia (including India that has large Muslim population) contributes only 6% to world GDP (with average per capita real income of \$2,734). *Hassan et al.* (2010) shows that OIC (57 countries with roughly 20% of world population) contributed only 4.7% to total world real GDP during 1980-2007; the average income of OIC during this period was only \$1,139 that was far below the world average of \$4,786. Noland and Pack (2004) citing Egypt as an example also concludes that Islamic countries are far behind their rivals in export of manufacturing products: ".....

although Egypt has a population more than South Korea's and Taiwan's combined, the Asian countries export more manufactures in two days than Egypt does in an entire year" (Noland and Pack 2004).

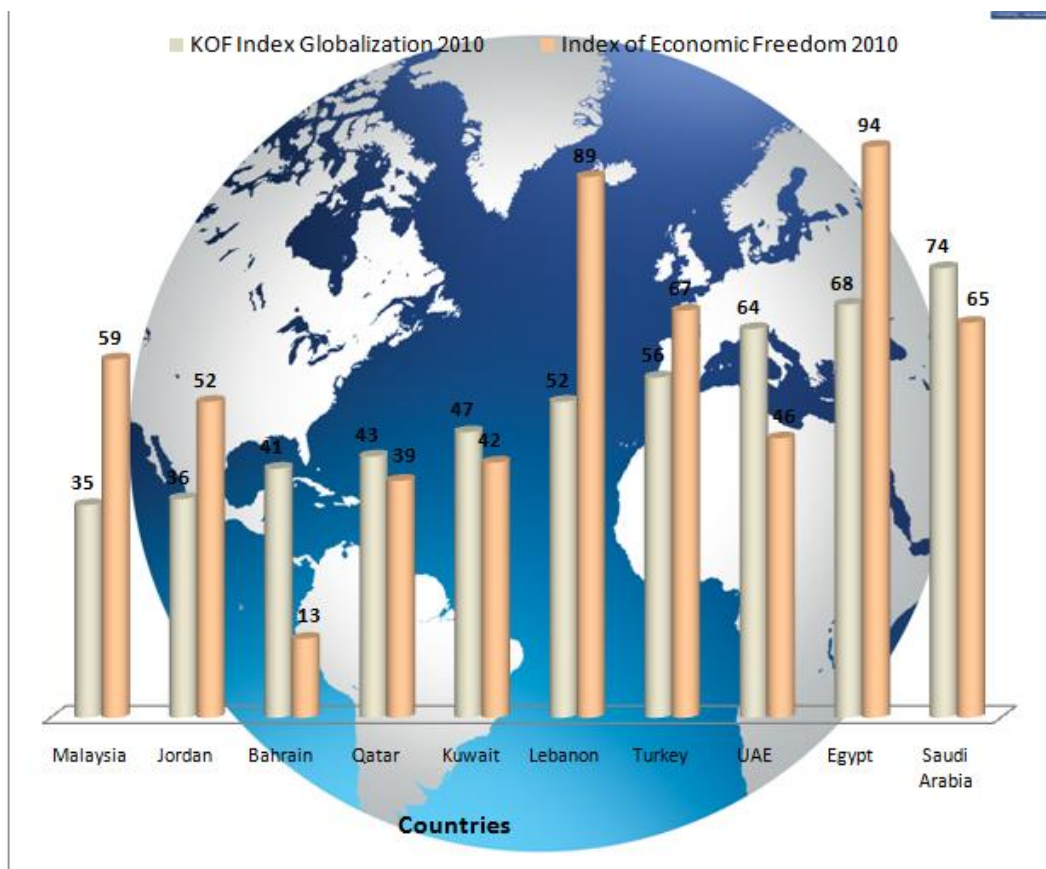
**Table 2. Top 10 Islamic Countries in Real GDP**

Countries	GDP (PPP \$)	HDI 2007 (rank)
UAE	45,200	0.903 (35)
Qatar	28,300	0.910 (33)
Brunei	23,600	0.920 (30)
Bahrain	23,100	0.895 (39)
Kuwait	20,300	0.916 (31)
Oman	13,500	0.846 (56)
Turkey	13,138	0.806 (79)
Saudi Arabia	13,100	0.843 (59)
Malaysia	12,000	0.824 (66)
Libya	11,800	0.847 (55)

(Source: United Nations Development Programme, Human Development Report, various issues, New York)

There are some bright spots in the Islamic world. In the sub-pillar 'Knowledge Application' (growth rate of labor productivity, industry value added, production process sophistication, employment in knowledge-intensive services), the top performers include Qatar (first), Brunei-Darussalam (second) and Azerbaijan (fourth) along with traditional giants in the application of knowledge like Switzerland (seventh), USA (sixth) and Canada (ninth).

Though Oman does not feature prominently in the overall innovation index, it does very well (11th position jointly with Ireland) in sub-pillar "Benefits to social welfare". Project 'Vision 2023 of Turkey' that aims to build a knowledge based society dedicated to the development of science and technology and to hike its research and technology development expenditure to about 2 per cent of the GDP gets special mention in the report (INSEAD 2010) According to the KOF Index of Globalization Belgium, Austria, the Netherlands, Switzerland, and Sweden are the most globalized countries in the world. Singapore ranks number 17 and is the only Asian country within the first twenty most globalized nations. China and India rank 63 and 111, respectively in terms of the overall index. The OIC countries that are within top-50 globalized countries include Malaysia (35), Jordan (36), Bahrain (41), Qatar (43) and Kuwait (47). Other Islamic countries that are moderately globalized include UAE (64), Egypt (68), Morocco (72), Saudi Arabia (74) and Indonesia (86) (KOF Index of Globalization 2010, ETH, Zurich). The top 5 freest economies, according to the 2010 Index of Economic Freedom, of the world are: Hong Kong, Singapore, Australia, New Zealand, and Ireland. USA holds 8th position and Japan ranks number 19 in the chart. The world's fastest growing economies of China and India are still quite "closed" and they rank 140 and 124, respectively. The Islamic countries that feature prominently in the index are: Bahrain (13), Qatar (39), Kuwait (42), Oman (43), UAE (46), Jordan (52), Malaysia (59), Saudi Arabia (65) and Turkey (67) (2010 Index of Economic Freedom, The Heritage Foundation, Washington, DC). Table 3 shows the top 10 Islamic countries (ranked by Globalization).



**Fig 1. Top 10 Islamic Countries (Ranked by KOF Index of Globalization)**

(Source: KOF Index of Globalization 2010, ETH, Zurich; 2010 Index of Economic Freedom, The Heritage Foundation, Washington, DC.)

## The Global Economic Outlook

The global income distribution is very uneven and has often been compared with a champagne glass. At the top, where the glass is widest, the richest 20 percent of the population hold three-quarters of world income. At the bottom where the glass is narrowest, the poorest 40 percent hold 5 percent of world income and the poorest 20 percent hold just 1.5 percent. The poorest 40 percent corresponds to the 2 billion people living on less than \$2 a day. Following a sharp deterioration during late 2008 and early 2009, the global economy is now improving and stabilizing. Equity markets have rebounded, and trade and industrial production indices are showing upward trends in most countries. An increasing number of countries showed growth in the second-half of 2009 and first-half of 2010 but will the recovery lose steam? The outlook for the global economy remains uncertain and conditions for sustained growth are rather fragile. The International Monetary Fund (IMF) in the "World Economic Outlook April 2010" confirms that the global economy is recovering at a much faster pace than earlier expected. It adds that the pace of recovery is fairly slow in advanced countries but quite strong in developing and emerging economies. The US economy remains strong; in the developed region, the US has performed much better than its European counterparts and Japan. In the developing region, the emerging Asian countries are leading the process of recovery, the report adds. Expansive monetary policies provided the much needed liquidity and fiscal stimulus encouraged expenditures needed to pull the economy from a deep recession.

According to IMF, Sub-Saharan Africa has weathered the global crisis well, and its recovery from the slowdown in 2009 is expected to be strong. Although some middle-income and oil-exporting economies were hit hard by the collapse in export and commodity markets, the region managed to avoid a contraction in 2009, growing by 2 percent last year. Its growth is projected to accelerate to 4.75 percent this year and to 6 percent in 2011. The region's quick recovery reflects the relatively limited integration (implying muted impact) of most low-income economies into the global economy. The IMF offers bullish outlook for Indonesian economy, which is expected to grow by 6 percent in 2010 and a little more than 6 percent in 2011. The IMF notes an improving investment climate and sound management of fiscal and monetary policies in the country. The IMF believes recent capital outflows from Indonesia are temporary and the European debt crisis poses a small downside risk to the country's growth. Attracted by the prospect of strong growth, investors have flocked to Indonesia's bond, stock and currency markets in the past year. There is also massive increase in FDI. The IMF projected global economic growth of about 4.25 percent in 2010 and 2011. For both advanced and emerging economies, the new IMF forecast for 2010 shows an upward revision by about 1 percent, relative to the October 2009 issue of "World Economic Outlook". The forecast is unchanged for 2011. Advanced economies are expected to expand by 2.25 percent in 2010, and 2.5 percent in 2011, while emerging and developing economies are likely to grow by 6.25 percent during 2010-11. The IMF stresses the need for 'rebalancing global demand' for sustained recovery. The countries having excessive external deficits before the crisis need to consolidate their public

finance and economies that ran excessive current account surpluses will need to further increase domestic demand. This will help sustain growth as high-deficit economies scale back their import demand. The surplus economies should appreciate their currencies in order to rebalance export-import flows across countries. The UN experts suggest that an early withdrawal of the fiscal and monetary stimulus packages in the major economies could cause the global economy to enter into a double-dip recession and increase in public debt. This would be most severe in developed countries and recovery is likely to be slow. Such a recession would reduce government revenues even more, while further fall in GDP would continue to push up debt-to-GDP ratios and affect private sector confidence. Globalization offers a window of opportunity for the Islamic world. The Middle East and North Africa is currently experiencing "youth bulge" and it is estimated that 65 percent of total population in the region is under the age of 30. Due to lack of appropriate education and skills, youth unemployment is 25 percent and about half of them are first time entrants into job market. This youth bulge has been compared with "Asian Tigers" who could successfully utilize this human capital for generating growth (World Bank 2007).

**Table 3. Top 10 Islamic Countries (rank based on KEI 2008)**

Countries	KEI 2008 (Rank)	KEI rank 1995
UAE	6.66 (42)	46
Qatar	6.15 (45)	50
Malaysia	6.06 (48)	48
Bahrain	6.02 (49)	35
Kuwait	6.01 (50)	52
Turkey	5.61 (53)	58
Jordan	5.53 (56)	63
Oman	5.37 (62)	72
Saudi Arabia	5.15 (65)	74
Lebanon	4.66 (70)	66

(Source: World Bank, Knowledge Economy Index (various issues), Washington, DC.)

The World Bank prepares KEI (Knowledge Economy Index) to measure a country's preparedness to compete in today's knowledge economy. From OIC, UAE tops the list and its latest (2008) position is 42 (amongst a total of 140 countries included in the survey) and shows an improvement by 4 points over 1995 ranking. Most Islamic countries have improved their knowledge base (most pronounced in case of Oman) in the past decade though Bahrain (due to significant weakening in innovation pillar) and Lebanon suffered setbacks. Fast growing China (rank 77 and 97 in 2008 and 1995, respectively) and India (improved from 105 to 100 in the same period) registered marked progress in knowledge base.

## Conclusion

Society is now changing so fast that globalization seems to be the only alternative for the world. Revolution in information technology and an ever-increasing role of mass media have strengthened the ideology put forward by enlightenment and modernity. Globalization should be managed in such a way that benefits are widely shared and costs are minimized. Islamic countries have immense potentials to reap the full benefits of

globalization. It is necessary to diversify all the reserves will gradually be depleted; upgrading of education, skill-formation, and technological capabilities is of paramount importance for these countries.

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