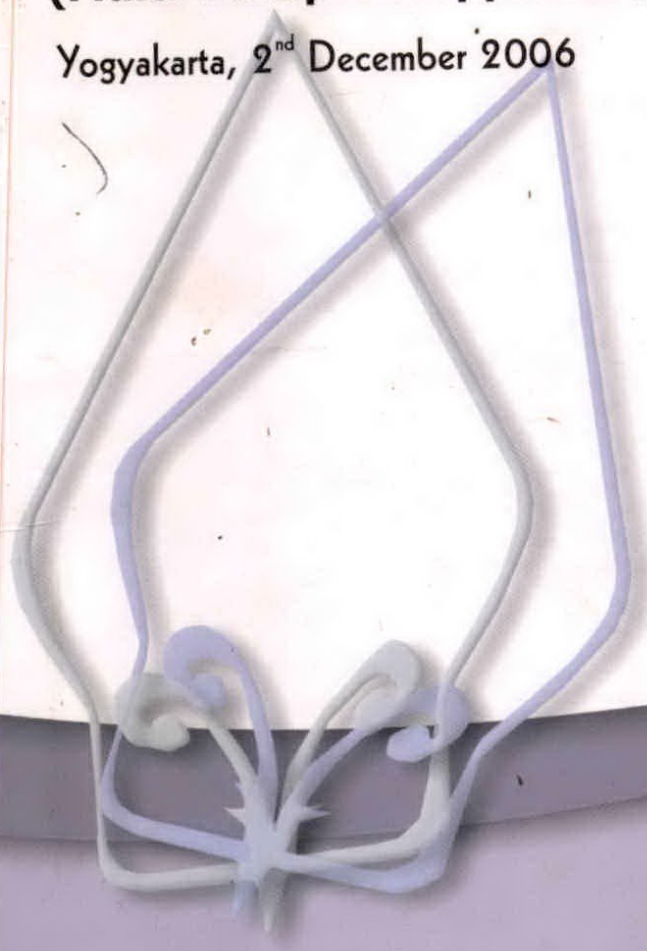


# Proceeding

## International Joint Seminar

**Muslim Countries and Development :  
Achievements, Constraints and Alternative Solutions  
(Multi-Discipline Approach)**

Yogyakarta, 2<sup>nd</sup> December 2006



**Organized by:**



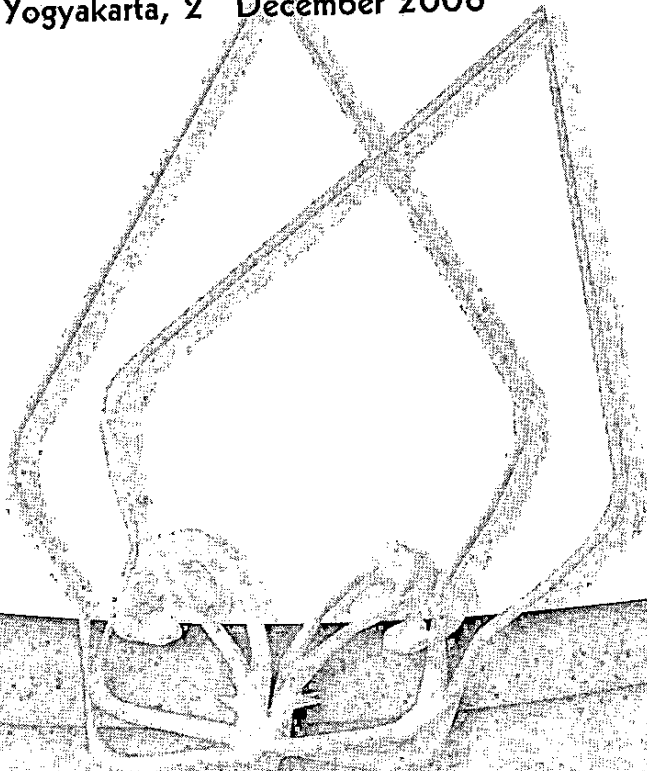
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**Organized by:**



Universitas  
Muhammadiyah  
Yogyakarta



International  
Islamic  
University  
Malaysia



Education and  
Cultural Attache  
Embassy of The Republic  
Indonesia in Malaysia

**MESSAGE FROM THE RECTOR OF  
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA (UMY)**

*Assalamu'alaikum warahmatullahi wabarakatuh*

All praise be to Allah SWT, Lord of the world. Peace and blessings on Muhammad SAW, His Servants and Messenger.

First of all, as the rector of Universitas Muhammadiyah Yogyakarta (UMY), I would like to welcome to the honourable guests, Rector, Dean of Postgraduate Studies (CPS), Dean of ISTAC, Dean of IRKHS, Deputy Deans and Head Departments from various Kulliyah, lecturers, postgraduate students of International Islamic University Malaysia (IIUM), and all participants in this joint seminar.

Academic cooperation between UMY and IIUM started several years ago. The cooperation between us is based on a solid foundation; both us are Islamic universities having same missions to develop Islamic society, to prepare future generations of Islamic intellectuals, and to cultivate Islamic civilization. In fact, improving academic quality and strengthening our position as the producers of knowledge and wisdom will offer a meaningful contribution to the development of Islamic civilization. This responsibility is particularly significant especially with the emergence of the information and knowledge society where value adding is mainly generated by the production and the dissemination of knowledge.

Today's joint seminar signifies our attempts to shoulder this responsibility. I am confident to say that this joint program will be a giant step for both of us to open other pathways of cooperation. I am also convinced that through strengthening our collaboration we can learn from each other and continue learning, as far as I am concerned, is a valuable ingredient to develop our universities.

I sincerely wish you good luck and success in joining this program

*Wassalamu'alaikum Wr, Wb.*

**Dr. Khoiruddin Bashori**

*Rector, UMY*



**MESSAGE FROM THE RECTOR OF  
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA (IIUM)**

*Assalamu'alaikum warahmatullahi wabarakatuh*

In the name of Allah, the most Gracious and the most Merciful. Peace and blessings be upon our Prophet Muhammad (S.A.W).

First and foremost, I felt honoured, on behalf of the university to be warmly welcomed and to be given the opportunity to work hand in hand, organizing a respectable conference. Indeed, this is a great achievement towards a warmer bilateral tie between the International Islamic University Malaysia (IIUM) and Universitas Muhammadiyah Yogyakarta (UMY) after the MoU Phase.

I would also like to express my heartfelt thanks to Centre for Postgraduate Studies (CPS), Postgraduate Students Society (PGSS), contributors, paper presenters, participants and our Indonesian counterpart for making this program a prestigious event of the year.

This educational and cultural visit is not only an avenue to foster good relationship between organizations and individuals and to learn as much from one another but a step forward in promoting quality graduates who practices their ability outdoor and master his or her studies through first hand experience. The Islamic platform inculcated throughout the educational system namely the Islamization of knowledge, both theoretical and practical, will add value to our graduates. This comprehensive excellent we strived for must always be encouraged through conferences, seminars and intellectual-based activities in line with our lullaby: The journey of a thousand miles begin by a single step, the vision of centuries ahead must start from now.

My utmost support is with you always. Looking forward to a fruitful meeting.

*Ma'assalamah*

*Wassalamu'alaikum Wr, Wb.*

**Prof. Dato' Dr. Syed Arabi Iddid**

*Rector, IIUM*

**MESSAGE FROM EDUCATION AND CULTURAL ATTACHE  
EMBASSY OF THE REPUBLIC OF INDONESIA  
KUALA LUMPUR**

*Assalamu 'alaikum warahmatullahi wabarakatuh*

All praise be to Allah SWT. This is the moment where implementation of MoU between Universitas Muhammadiyah Yogyakarta (UMY) and International Islamic University Malaysia (IIUM) comes in the form of action by organizing this Joint Seminar. The efforts of both sides to implement the MoU are highly appreciated, especially, in the context of which both universities effort to enhance the quality of education.

Substantially, I believe that this Joint Seminar will bring many benefits. In term of the development of knowledge, it is a means for developing academic quality, for exchanging of information on academic development, as well as for constructing intellectual atmosphere at both universities. In term of international relations, both universities have taken part in increasing close relationship between Malaysia and Indonesia. RUM and UNY as well are using 'soft power' to increase bilateral relations among citizens which brings a lot of benefits for both nations.

Therefore, I hope that both RUM and UMY can make use of this program as a 'kick-off' for other programs in the future, especially in using UMY's vast networks with other Muhammadiyah Universities in various cities in Indonesia as well as IIUM's network. The support of IIUM for UMY also means a progress for IIUM and UMY. I hope such joint program will continue in future for betterment of both Indonesia and Malaysia. Embassy of the Republic of Indonesia in Kuala Lumpur will always support these efforts.

To our honorable guests, Rector, Dean of Postgraduate Studies (CPS), Dean of ISTAC, Dean of IRKHS, Deputy Deans and Head Departments from various Kulliyah, lecturers and students of IIUM, I warmly welcome you to Yogyakarta. I hope you enjoy your stay in the cultural city of Yogyakarta.

Finally, as the Attache of Education and Cultural, Embassy of the Republic of Indonesia, Kuala Lumpur, I sincerely wish you good luck *and a successful program with unforgettable memories.*

*Wabillahit Taufiq Wal Hidayah  
Wassalamu 'alaikum warahmatullahi wabarakatuh.*

**M.Imran Hanafi**

*Education and Cultural Attache, Embassy of the Republic of Indonesia*

## MESSAGE FROM DEAN CENTRE FOR POSTGRADUATE STUDIES

*Assalamu'alaikum warahmatullahi wabarakatuh*

Praise be to Allah. May the peace and blessings of Allah be on the last prophet and messenger, our master Muhammad and on his household and companions. It is a great privilege for me to foreword this message to this wonderful event that is jointly organized by the Universitas Muhammadiyah Yogyakarta (UMY) and International Islamic University (IIUM).

First and foremost I would like to record my special gratitude to management of Universitas Muhammadiyah Yogyakarta for their co-operation.

In order to obtain comprehensive excellence, the Centre for Postgraduate studies has always facilitates postgraduate students of the university to achieve the highest quality in their academic work. This seminar is one of the many programs that Centre for postgraduate studies has to ensure quality graduates.

I would therefore like to thank all the participants and programme coordinators who have worked hard to realize this event.

May Allah SWT shower His blessing upon us.

*Wassalamu'alaikum Wr, Wb.*

**Prof. Dato' Dr. Wan Rafei Abdul Rahman**  
*Dean, Centre For Postgraduate Studies*

**MESSAGE FROM THE ACTIVE  
PRESIDENT OF POSTGRADUATE STUDENTS'**

*Assalamu'alaikum warahmatullahi wabarakatuh*

On behalf of Postgraduate Students' Society (PGSS), my gratitude and appreciation to our beloved Dean of Studies, the Embassy of Indonesia in Kuala Lumpur, Muhammadiyah Yogyakarta and the organizing committee of IIUM and the Universitas Muhammadiyah Yogyakarta for their huge success. Postgraduate Students' Society (PGSS) under the supervision of the Center for Postgraduate Studies (CPG) is pleased to host this event.

As I strongly believe that the initial stages of unity are the key to building the new generation, who will represent the future more, such programs, not only achieve the mission of our universities but to achieve the global mission and vision. Therefore, I believe today, we have to have understanding and then only we can appreciate our diverse cultures. We should acknowledge the different strengths and weaknesses through knowledge in this age of information. I am sure this joint seminar will initiate unity among the future generations along with integrating them.

Thank you,

**Mohd Nabi Habibi**

*Active President Postgraduate Students' Society (PGSS)*



## MESSAGE FROM PROGRAM DIRECTOR

*Assalamu'alaikum warahmatullahi wabarakatuh.*

Praise be to Allah. May the peace and blessings of Allah be on the last Prophet and Messenger, our master Muhammad and on his household and companions.

Honestly speaking, we are pleased to be trusted by Postgraduate Students' Society (PGSS) and Centre for Postgraduate Studies (CPS) to organize the programme named Educational and Cultural Visit to Yogyakarta, Indonesia. For this, We express our gratitude to the management of both PGSS and CPS. This programme is of immense value. It has the potentials to promote intellectual endeavor, develop leadership capabilities and enrich cross-cultural understandings. We sincerely believe and hope that program of this kind will be organized in a regular fashion in future.

It is a great privilege for us to play twofold role in organizing this event: *as a host* and *as guest*. In fact, this is a fascinating experience to manage this event. Since our inception here, we have found meaningful interaction of students in an interweaving of cultures into complicated, yet beautiful, embroidery of social fabric. We are proud to say that this dearly loved university has produced graduates of high quality, who are distinct from those of the local universities.

Finally, we wish to express our special thanks to Bapak M.Imran Hanafi, Education and Cultural Attache of Indonesian Embassy, Bapak Herdaus, S.H., Assistant of Immigration Attache of Indonesian Embassy, Bapak Tharian Taharuddin for their immensely valuable assistance and co-operation in making this program a success. I sincerely appreciate all local committees at Yogyakarta, the colleagues and program coordinators and committee members who worked diligently to materialize this event. We wish to pass on good wishes to the PGSS for their valuable efforts it expended for this event.

May Allah s.w.t shower His blessing upon us.

*Wassalam,*

**Nasrullah**

*Programme Director*

**Todi Kurniawan**

*Co-Programme Director*



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## **Inter-Regional Economic Cooperation Among The Oic Member States: Alternative Solution Towards Poverty Alleviation**

Muhammad Ghali Ahmed

Department of Political Science, Kulliyah of Islamic Revealed Knowledge and  
Human Sciences, International Islamic University Malaysia

### **Abstract**

*This study aims to address the growth of regional economic cooperation in developing countries. Regionalism today, is increasingly showing an intellectual challenge in the study of international relations which is mostly determined by economic advantages and political change in the Southern Hemisphere. The emergence of trading blocs cannot be understood in economic terms; rather the resurgence of regionalism will play a significant role in the nature and evolution of the world economy in the 21<sup>st</sup> Century and beyond. Therefore, the future of regionalism, as it is taking place on trading blocs dimensions amongst nation-states, offers a possibility of closer policy integration among nations. These new regional trading blocs are coupled with deepening of economic integration which is manifesting itself in the European Union, is providing a strong stimulus for other countries to intensify collaboration at the supranational level. Realizing the inevitable growth of regional trading blocs in the international regimes, countries of the OIC Member states; ASEAN, GCC, ECOWAS, the Magrib Community, etc constitutes 56 Member countries will serve as a platform for inter-regional trading system amongst its member states. This in turn, will contribute immensely towards poverty alleviation that is fast ravaging Muslim communities globally. The importance of trade in international system, historically, bridges the unequal socio-economic market structure wrongly applied by the Neo-Classical and Neo-Liberal institutions (IMF and World Bank). Poverty is a multi-dimensional concept; it does not just entails lower incomes, but also improving human development indicators. This implies improving the delivery of pro-poor services, particularly in basic health care, safe water, and sanitation, primary education with a particular emphasis on delivery to rural areas and to women. Thus, formation of human capital through better health and education is not only good for poverty reduction but also contribute to economic growth. Getting development policy right through the platform of the OIC as regional blocs of Muslim nations has the potential to lift millions of people out of poverty and misery. But making the right policy choices is not just a technical issue; rather it requires careful political judgment about how to promote economic and social change in the way that stand the most probable chances of success.*

**Keywords:** Neo-Classical; Neo-Liberal Institutions; Poverty; supranational body; southern hemisphere; Inter-Regional trading system; regionalism; trading blocs.

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## Introduction

### Theoretical Framework

The World is witnessing a remarkable revival of regional cooperation in the last two decades.<sup>1</sup> The most probable reason for a return to the formation of regionalism in the South, as some argued, is the absence of old balance of power between Super powers. Similarly, the developing Countries had been faced with a widespread economic marginalization and scientific backwardness, losing their value as bargaining chips in a World whereby the Super powers had once courted them for their favor.<sup>2</sup> The former regional organizations during the bipolar system were mainly structured to provide security for the defunct regions. Whether the new regional formation in the South will bring any fruitful result or not, one has to admit the fact that there will be an increasing trend forwards regional cooperation in the Twenty-First century.

The growth of regional cooperation in developing countries, as is being witnessed today, is increasing showing an intellectual challenge in the study of international relations which is mostly determined by economic advantages and political change in the South. Wieslaw Michalak and Recharad Gibb states that the emergence of trading blocs cannot be understood in economic terms alone. An explanation of new regionalism demands a more general theory of social and economic transformation. This means that the resurgence of regionalism will play a significant role in the nature and evolution of the World economy in the 1990s and beyond. Therefore, the future of regionalism, as it is taking place on trading bloc dimensions, offers the possibility of closer policy integration among nations. These new trading blocs are coupled with deepening of economic integration which is manifesting itself in the European Community perspective and is providing a strong stimulus for other countries to intensify collaboration at the supranational level<sup>3</sup>.

It is indeed imperative that regional association, as George Shultz, the former U.S. Secretary of States, is becoming an important and effective new milieu for political and economic interaction in the World. In this new environment, Shultz further asserts the importance of regional community and functional groupings have been heightened. As such, regional political and religious blocs of nations now provide platforms for a number of countries to exercise influence in global affairs.<sup>4</sup> On the other hand, K. J. Holsti argues that, processes leading to increasing interdependent and fragmentation may occur simultaneously. This is because disintegration and fragmentation are responses to asymmetrical integration and to certain profiles of transactions in dependent and interdependent relationships. They are the reactions of those who see greater

---

<sup>1</sup> The theory of regionalism does not confine to only geographical location. Rather various terms were used to imply the same type of analysis, such as: Subordinate International System, International Subsystems, State Systems, Subordinate Systems, Regional System and Systems of Nations. Taken from Norman D. Palmer, *The New Regionalism in Asia* (New Jersey: Prentice Hall, Inc., 1994) p.17.

<sup>2</sup> Louis Fawcett and Andrad Hurrell (eds). *Regionalism in World Politics: Regional organization, and International Order* (New York: Oxford University Press, 1995), p.11

<sup>3</sup> Richard Gibb and Wieslaw Michalak (eds), *Continental Trading Blocs: The Growth of Regionalism in the World Economy* (New York: Jon Wiley & Sons, 1995), p. 37.

<sup>4</sup> Norman D. Palmer. *The New Regionalism in Asia & Pacific*, p.27.

Interconnectedness not in terms of greater opportunities or benefits, rather as a result in inequitable distribution of rewards or as posing a threat to national, ethical, language, or religious identity.

In brief, the 'Shrinking World' he emphasizes, may result not in greater consensus and internationalism, but in heightened nationalism and drive to extend or protect autonomy<sup>5</sup>. It should be seen that, for quite a long time, countries of the South have had to face a variety of economic external factor imposed by the difficulties emanating from the Classical and Neo-Liberal International Economic Order Structured out from the Kennysia-Brittonwood System, (International Monetary Fund and The World Bank). The side effects of these institutions are reflected in the internal economic conditions of the Muslim nations. As a result of this International Political Economic Order, the developing countries, Muslim nations in particular, are facing growing problems and more setbacks that are largely due to rising external debts, extensive and growing trade protectionisms from the North against the primary commodities of the developing countries. This has further breads grounds for acute poverty, unemployment, starvation, malnutrition, socio-political instability and religious crises. It is Free Trade and the Free Movement of Capital that will act as an engine of growth for the developing countries. Given that the theory of comparative advantage suggests that countries should specialize in the production of those goods and services in which they have a relative advantage.<sup>6</sup> The rich and advanced developing countries should rise to the assistance of the Less-Developed Countries of their counterpart in order to bridge the apparent economic disparity that exist amongst them through natural beneficial trading system and direct foreign investment flow to these helpless nations that majority of the citizens are Muslim faithful.

### Islamic Trading Bloc (ITB)

Realizing the nature and evolution of the World economy today, the countries of the Organization of the Islamic Conference (IOC) scattered around the three major continents; namely, Africa, Asia/Middle-East and central Asia. (The former Soviet Union groups) started coming together to form an Islamic Economic bloc or Islamic Trading Bloc (ITB) amongst themselves. This state of affairs of Islamic Trading Bloc should be designed progressively to eliminate all forms of discrimination between participating states in a bilateral/multilateral agreement. It is also a process that can promote more complex and deeper levels of integration amongst participating states. This state of affairs of Islamic Trading Bloc, if well conceptualized, will put up a six degrees of regional integration which are neither discrete and separate nor inevitable stages leading to ultimate political union. The six degrees are (i) Sectoral cooperation. (ii) Free Trade Areas, (iii) the Customs Union, (iv) Common Markets, (v) Economic Union and (vi) Political Unions.

Thus, the Islamic Trading Bloc in international regimes will provide a useful tool for future analysis due to its complex phenomenon by recourse to simple theoretical

<sup>5</sup> K. J. Holsti, *Changing in International System: Essays on the Theory and Practice of International Relations* (England: Edward Elgar Publishing Limited, 1991), pp. 50-51.

<sup>6</sup> Stephan Hobden. *The Developing World in the Global Economy* in Peter Burnell & Vicky Randal *Politics in The Developing World*. (Oxford University Press, Oxford New York, 2005) p. 33.

formulation. Furthermore, the Islamic Trading Bloc of the OIC however, will stand as complementary between and among regions by which principle of free trade areas requires participating countries to eliminate completely quantitative trade restrictions and customs tariffs against each others' goods.

The advantages of Free Trade areas provide independence in determining and formulating trade policies at the same time safeguarding national sovereignty intact which makes states to prefer a loose-knit regional structure.<sup>7</sup> This means that, Islamic Trading Bloc System is premised on a win-win game by facilitating the gross economic development of the member states. The importance of transnational actors including the multinational companies or corporations (MNCs) will play a major role for the realization of the Islamic Trading Bloc and a move towards forming an Islamic common market to foster economic development of the 57-nation grouping. It is argued that the Intra-OIC trade only amounted to 12% (percent) out of the total trade of the OIC countries. Whereas, the trade of this group with the non-OIC member is 8 times the size of intra-OIC trade. As such, the total trade volume of the OIC countries is only 7 percent of the total international trade. Though the OIC member countries control 60% of the World natural resources.<sup>8</sup>

Increase trade among OIC nations would go a long way in eradicating poverty as 27 of the 57 Islamic Development Bank (IDB) member countries belong to the low-income group. The ultimate objective of Islamic Trading Bloc is to design and put in place an economic system supportive of economic justice. Because Islamic value or Worldview are rooted in virtue of justice which commands and gives psychological identity and collective responsiveness to its faithful members/followers.

As a true competitive advantage structured on brotherhood, this will require a radical altering of dominant culture and bias form of trading system imposed by the Neo-Liberal and Classical Structure of the North, by restructuring many of these institutions though a well-structured global Islamic financial and trading system.

Thus, for the Muslim World; it must be a collective focus and vision of development and development alone, that will help the Muslim World defeat poverty, beat lack of growth and create jobs as the only way to improve the quality of lives in the Islamic World.

For the Muslim economic prosperity to be achieve in this century through the platform of the OIC, the Islamic economic vision must be founded upon the spirit of progress research, innovations to meet the new challenges, exchange of ideas through the establishment of Islamic data base, as well as human and institutional capacity building. The desire to develop clear and comprehensive strategies that will foster development of human capital via education, training and re-training and infusion of new technologies of time and place should be considered.

### Islamic Gold Dinar (IGD)

To promote settlement of trade on the basis of Bilateral/Multilateral payment arrangements (BPAs/MPAs), the introduction of Islamic Gold Dinar, an area that requires

<sup>7</sup> Ibid, pp. 31-35.

<sup>8</sup> OIC Today. International Magazine, Vol. 4, p. 17.



a serious attention of the Islamic Development Bank (IDB), could be the catalyst for development of a well-structured global Islamic Financial System.

This Islamic Gold Dinar should take a centre stage of international exchange of goods and services as an Intra-OIC trade regime system that is based on just and equitable way of promoting win-win trade relationships between economic agents. For instance; Islamic market system is premised on the relationship between financiers and users of capital based on co-operation and equitable sharing of risks and rewards (*Musharakat and Mudarabah*). It abhors oppressiveness as well as adversarial and asymmetric relationships. It is meant to be efficient in wealth generation and distribution and, more importantly management of human capital and natural resources.

IDB has vital role to play, by moving to the position of regulatory, distributor, fund mobilizing for the developing OIC member states, monitoring and evaluating the performance of the Islamic market reform system through the application of the Islamic Gold Dinar. Like the Euro currency as a valid exchange system amongst the European Union, the Islamic Gold Dinar should be formalized and promoted as the acceptable valid document/instrument between and amongst the OIC members through their intra-OIC trade agreement, in both bilateral and multi-lateral payment agreement. While member states still maintain their individual local currencies for a period of a unify Common Market/Common Union. The Islamic Gold Dinar (IGD) has started taking its recognition on the role of gold in international trade, gold-based financing mechanisms and the use of gold in international trade settlements between Malaysia, Bahrain, Iran and Kuwait respectively should be promoted amongst other member countries of the body.<sup>9</sup>

Since the collapse of Bretton Woods in 1971, the World monetary system has been inflationary and volatile with the absence of a stable unit of account. When considering monetary system base on justice, an international payment system based on gold addresses the asymmetric of financial inequity. Therefore, Islamic Gold Dinar moves to protect the interest of nations as far as monetary stability, independence, reliability and justice are concerned.<sup>10</sup> Judge asserts that the last One hundred year has seen the major Western economies steadily dismantle the classic gold standard internationally, and replaced it with a "flexible" debt-based paper monetary system with it far reaching and destructive implications on global economy. Islamic nations have experienced and witnessed currency crisis in 1997-98 as a result of the international US dollar policy. They also recognised the fact that, the US dollar system has exported massive inflation, instability, poverty and unsustainable debt around the World.

Realizing the important of Islamic Gold Diner for a just exchange system in international transaction, with it distinguish feature, the IGD is governed by strict religious laws and principles, it has a clear implementation strategy, and most importantly, is non-debt based (according to the Qur'an and Sunnah of Rasul, the only lawful money is non-usurious gold and silver)<sup>11</sup> Muslims consist over 1.5 billion people that transcends political and geographical boundaries globally, reintroduction of Islamic Gold Dinar of a viable means of transaction can be expected to be an equally significant mile stone in the changing tides of the World economy and social situation of the Muslims primarily and the generality of mankind. Allah says in Surat 29 al-Nisa'i, " O ye

<sup>9</sup> Philip Judge, The Global Impact of the Gold Diner, <http://www.anglofareast.com/>

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

believer! Eat not up your property among yourselves in vanities: But let there be amongst you traffic and trade by mutual good-will.....” There is no doubt that this would put behind us a century of suffering and defeat poverty.<sup>12</sup> No less than 27 countries of the 57 OIC/IDB member states belong to the low-income group. Poverty and illiteracy are prominent features and now a symbol of Muslims due to the existing Neo-Classical and Neo-Liberal system of economy imposed on us by the Western Worldview. Reversing to Islamic Financial system starting and trade from domestic to international trade/transaction will minimize our burden. To complement the domestic financial systems with an International system through the application of the Islamic Gold Dinar (IGD) will create a remarkable opportunity for Muslim country to reach out to one another and strengthen the level of mutual benefit to one another. A system that will also allow the Muslim Ummah to use its collective surpluses to fund each other, and help each other to grow economically and socially. Thus, the promotion of direct trade and investment between and amongst the OIC/IDB member countries through the mechanism of the Islamic Gold Dinar could be the initial step and vision towards alleviating poverty form the Less-Developed OIC/IDB member countries.

### **The End of Poverty.**

Suffice it to say, poverty to-day, is being perceived as “NATURAL PHENOMENON” which is contrary to the doctrine of Islam. Rather, the application of Westernization of economy through the lens of Neo-Classical and Neo-Liberal “Comparative Advantage” of the Western Worldview, bread the ground of artificial poverty in mostly Muslim countries. They made us to perceive that poverty is a natural phenomenon that some certain race, community, ethnic, region, or religion are destined to be poor. On the contrary, Islamic socio-economic Worldview through a just application of the Islamic financial system (Islamic Gold Dinar), has demonstrated, historically, that poverty can be alleviated even be eradicated in the long run of our Islamic economic vision. During the time of Abubakar Siddiq, the first Khalif of the Islamic Socio-political system, record shows how goods and services were justly distributed, allocated and applied to the community. Similarly, Khalif Umar Ibn Khattab, Khalif Umar Ibn Abdul-Azeez were leaders with vision, foresight, focus and direction of the Muslim Ummah. The Classical Islamic environment did eradicate poverty with the ability to move the Muslim around the entire Universe through human capital development and trade. The Trans-Sahara Trading System was establish, the International Trade at the Bay of Bengal was one of the famous international market structure that prevailed in centuries before the advent of colonial hegemonies. In order to defeat poverty in total is to do the following:-  
Total reversal to the application of the Islamic Trading Mechanism through the use and acceptance of Islamic Gold Diner in our daily transaction.

Elimination of inferiority complex (psychologically) from the Muslim mind-set by viewing that everything from the Western Worldview is the best and perfect. Rather, is to embrace the concept and actualize the Islamic Socio-economic Worldview enshrine in the Holy Qur’an and the vision of The Messenger (Muhammad) s.a.w of Allah.

<sup>12</sup> Ibid.

The rich and economically advanced members of the OIC/IDB should carry out or intensify their direct investment and strengthen bilateral/multi-lateral Trading agreement amongst themselves.

Major construction companies/organizations to carry out massive infrastructure development through out the Less-Developed OIC/IDB member states. The Islamic Development Bank should be restructured to meet the yearnings and aspiration of Muslim Ummah through human resource development (Education) of all Disciplines, Infrastructure development, common Market structure /common policy formulataion amongst the member states, application of Monitoring and Evaluation mechanism of its programme toward poverty alleviation, rigorous investment in small and Medium scale entrepreneurship and research and development for future areas of growth and Investment.

Similarly, IDB should play a major role in Instituting the Islamic Gold Dinar authenticity and applicable to other member countries. Regulation, monitoring, evaluation and supervision of the OIC/IDB Multi-Lateral Trading Agreement of Payment. Establishment or Dis-centralization of functions for effective monitoring and evaluation of states activities.

Finally, the Islamic Development Bank should develop mechanism of deduction of Zakat money at source through the application of Islamic Banking system by those Muslim investing in these Banks. Similarly, the fund raised through this deduction and the Aw-qaf fund should be use systematically on Socio-economic issues, Infrastructure development, Education, Research and Development, Training and Re-Training of Human resources e.t.c in order to meet future demands and challenges globally.

After a decade of application of the Islamic Socio-economic system based on just and equitable sharing of loss and gain (win-win) system, an assessment and evaluation be carried out. Through this feedback mechanism, we would be able to ascertain the strength and weaknesses of our economies. We should now build more on our strength and further reduce our weaknesses that are either emanating from the existing Institutions, Mechanism or Socio-cultural settings if a particular OIC/IDB member states is observed. This task is a collective responsibility that lies upon the shoulder of the Muslim Ummah. Remember that, getting development policy right through the platform of the OIC as regional blocs of Muslim nations has the potential to lift millions of people out of poverty and misery. But making the right policy choices is not just a technical issue; rather it requires careful political judgment about how to promote economic and social change in the way that stand the most probable chance of success.

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