Chapter 17

Sustainable Development and the Work of Ibn Khaldūn: The Case of Indonesia

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The high-tech industrialization that we are currently witnessing is resulting in potentially long-term harmful environmental and social impacts. Sustainability is an important phenomenon in economic development because it encompasses the management of resources, energy, economics, business development, environmental impacts, construction practices, social concerns and many other factors.[1] Consequently, in order to achieve sustainable development in any economy, it is a basic requirement that adverse impacts on the quality of natural resources such as air, water and biodiversity, are minimized to sustain the overall integrity of the ecosystem.

The Stockholm declaration at the United Nations Conference on the Human Environment, June 5-16, 1972, marked a turning point in international environmental politics. It succeeded in opening a new paradigm in how economic, social and environmental issues were discussed.[2] The emergence of the concept of sustainable development put questions on how to ensure the perpetuity of the earth's resources at the center of international debate.

However, such questions have long been part of the discourse in Islam. In an attempt to explain the Islamic concept of sustainable development, Sharī'ah scholars have come up with a broad framework, called *maqasid al-Sharī'ah,* or the higher objectives of the Sharī'ah. The 12th-Century scholar, Al-Ghazzali initiated these, and broadly discussed in five categories of protection and preservation namely, religion or faith (*din*), self (*nafs*), intellect (*`aql*), progeny (*nasl*) and property (*maal*). Islam provided a guiding light for promoting sustainable development in Allah's vast universe by instructing its inhabitants to avoid committing mischief and wasting natural resources to protect the environment. Allah has given human beings, alone among his creatures, the right to exercise the proper use of natural resources based on its status on this earth as His vicegerent. This implies the right to use another person's property subject to a promise that it would not be damaged or destroyed. In other words, human beings are entitled to benefit from the resources of the earth without selfishly monopolizing them. Some contemporary Muslim scholars have attempted to define sustainable development from an Islamic perspective as a multi-dimensional process that seeks to balance economic and social development and preserve the environment. Sustainable development is, therefore, not a new phenomenon in Islam. The Qur'an and the Prophetic traditions (Sunnah) provided the framework for the welfare of humanity, whether spiritual or physical. Over 500 verses in the Qur'an provide Muslims with guidance on how to tackle environmental issues. The Prophet Mohammed's sayings and practice also provide a framework for justice and equity (Hassan and Cajee, 2002). This chapter attempts to identify the indicators of sustainable development from the viewpoint of Ibn Khaldūn, as described in his magnum opus, *Al-Muqaddimah,* to determine the differentiation between modern economists and Ibn Khaldūn's concepts. It then addresses and discusses current issues related to sustainable development in Indonesia using the economic thought of Ibn Khaldun and its relevance today.

[1] Stephen A Roosa, *Sustainable Development Handbook* (Lilburn: Fairmont Press, 2008), p. 2
[2] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2012), p. 2

17.1 Differing Definitions of Sustainable Development According to Modern Economists and Islamic Scholars

Modern economists have promulgated several definitions of sustainable development. The most frequently quoted, provided by the Brundtland Commission in its report, *Our Common Future*, stated that it is "development that meets the needs of the present without compromising future generations' ability to meet their own needs".[3] In the same year, Goodland and Ledec (1987) defined sustainable development as the transformation (development) of economics, optimizing the economic and social benefit obtained at present without jeopardizing the possibilities for obtaining such benefit in the future.[4] On the other hand, according to Pirages (1977), sustainable growth is economic growth supported by the physical, social and the environment.[5] While Petkeviciute and Svirskaite (2001) consider sustainable development as the process of economic development and structural change that helps broaden human possibilities.[6]

Sughandy (2009) defined sustainable development as "a process of development that optimizes the benefit of natural and human resources on an ongoing basis, by connecting human activity with the ability of natural resources in the scope of land, sea and air as one unit"[7]. According to Michel (2012), "the concept of sustainable development now means that the right to life and health of future generations must not be overlooked and measures that would be detrimental to them must not be adopted". This definition can be interpreted in the environmental area as speaking in favor of the principle of non-regression since it prohibits subjecting future generations to laws that would reduce environmental protection.[8] Salim (2010) strengthened this notion in an essay arguing that sustainable development was born as a response to the discontinuity between three aspects: environmental, social and economical; when these aspects should interact with each other.[9] Hegley (1992) divided his definition of sustainable development into six points: first, it is oriented toward growth that supports ecological, social and economic purposes; second, it observes ecological constraints within material consumption and strengthens qualitative development in society and individuals through fair distribution; third, it requires government regulation, support, and partnership with business to ensure the conservation and utilization of natural resources; fourth, it demands integrated policy and coordination at all levels and among all political jurisdictions to develop energy for human needs; fifth, it depends on education, planning, and informed political processes for the transparent and equitable development and management of

[3] Peter Rogers, Kazi F. Jalal and John A. Boyd, *An Introduction to Sustainable Development* (London: Earthscan, 2008), p. 42. See also, United Nations General Assembly (1987), p. 43

[4] Robert Goodland and George Ledec, *Neoclassical Economics and Principles of Sustainable Development. Ecological Modelling 38* (1987). p. 19

[5] Pirages, D.C. (1977). Social design for sustainable growth. In: The Sustainable Society – Implications for Limited Growth. New York.

[6] Petkeviciute, N., & Svirskaite, I. (2001).

[7] Aca Sughandhy and Rustam Hakim, *Prinsip Dasar Kebijakan Pembangunan Berkelanjutan Berwawasan Lingkungan* (Jakarta: Bumi Aksara, 2009), p. 23

[8] Michel Prieur, « Non-regression in environmental law », *S.A.P.I.E.N.S* [Online], 5.2 | 2012, Online since 12 August 2012, connection on 03 October 2019. URL: http://journals.openedition.org/sapiens/1405

[9] Iwan J Azis, *Pembangunan Berkelanjutan: Peran dan Kontribusi Emil Salim* (Jakarta: PT. Gramedia, 2010) p. 23

technology; and finally it requires the integration of social and environmental costs in economic calculations.[10]

Modern economists have also attempted to make quantitative determinations of sustainable development. Some of the notable examples include:

a. Gross domestic product (GDP): by calculating with two approaches, i.e., expenditure and income. Nevertheless, the expenditure approach is usually used by economists, with the formula GDP = consumption + investment + government expenditure + (export-import) without calculating for the depletion of natural resources and degradation of the environment.[11]
b. Green gross domestic product (GGDP) or green gross national product (GGNP): by calculating the national income or output. The results of the larger number will indicate a higher level of sustainability.[12]
c. Net investment or income: by calculating net national assets, which consist of natural resources and human capital. The results of the larger number will indicate a higher level of sustainability.[13]
d. Net development indicator: by calculating the change in human prosperity through 25 indicators such as consumption (a wider measure than GDP) and the value of the modal stock. The results of the larger number will indicate a higher level of sustainability.[14]
e. Human sustainable development index (HSDI): by calculating wealth, measured by per-capita national income and supplementing this by health, measured and quantified by citizens' longevity (life expectancy at birth), education, measured by a composite of the mean and expected years of schooling, the environment, measured by per-capita CO_2 emissions in reverse way. It is written in the formula, HSDI = wealth + health + education + environment.[15]

In the Islamic world, sustainable development is based on four principles, according to Al-Jayyousi (2012): 1) *`adl* (good governance and justice), 2) *ihsan* (beauty and sustainable development), 3) *arham* (social capital), and 4) *fasad* (corruption). From an Islamic philosophical perspective, these concepts are not new. However, linking them together to address sustainability is a novel approach and now very much part of an emerging conversation within the Islamic world. From the Islamic perspective, it is the combination of the four key notions of *hikmah* (wisdom), '*adl* (justice), *maṣlahah* (public interest) and *ijtihād* (independent effort or reasoning). Concerning the first notion (wisdom), Al-Jayyousi saw this as the purposeful pursuit of acquiring and realizing wisdom from all countries. He meant this

[10] Aca Sughandy, Ibid, p. 21-22
[11] Nicholas Gregory Mankiew, *Makroekonomi (translated into Indonesian),* (Jakarta: Erlangga, 2006), p. 25
[12] Michael Harris and Fraser, "Natural Resource Accounting in Theory and Practice: A Critical Assesment," *The Australian Journal of Agricultural and Resource Economics* (2002)
[13] Kirk Hamilton and Michael Clemens, "Genuine savings rates in developing countries," *World Bank Economic Review,* no. 13 (1999), p. 333-356
[14] Carl Hamilton*, Measuring Changes in Economic Welfare: The Genuine Progress Indicator for Australia*, In R. Eckersley ed. Measuring Progress: Is life getting better? (Australia: CSIRO Publishing, 1998) p. 69-93
[15] Chuluun Togtokh, *Greening Human Development Index: Accounting Three Pillars of Sustainability,* presented at the conference Planet Under Pressure, slides of new knowledge towards solutions (2012), p. 3

by justice in its broadest terms, which becomes the core of a sustainable rule based on rights. Public interest refers to a consensus reached by a group of individuals on what is good for all. Finally, independent effort appertains to the application of diligence and intellectual capital to solve current problems.[16]

17.2 A Brief History of the Concept of Sustainable Development

The concept of sustainable development aims to address the weaknesses of unmitigated economic growth, which cannot ensure the planet's economic, environmental and social sustainability. The notion was first discussed at the first UN Conference on the Human Environment in 1972 in Stockholm, Sweden. This conference attempted to explore the relationship between the quality of life and the environment and was addressed by many global leaders, including Dr. Emil Salim from Indonesia who went on to lead the newly established ministry of development. As a world-renowned expert in sustainability, Dr. Salim has always criticized the traditional development concept and promoted the tenets of sustainable development in Indonesia and many other developing nations.[17]

The concept of sustainable development has always been an evolving phenomenon but concrete action has been slow to follow. The follow-up to Stockholm was held in 1984 under the auspices of the World Commission on Environment and Development (WCED), led by Gro Harlem Brundtland, the then Prime Minister of Norway. The WCED, became popularly known as the 'Brundtland Commission' and was established to analyze global developmental problems and suggest ways forward, consistent with the concept of sustainable development.[18] The WCED resulted in the publication of the Brundtland Report (Our Common Future) in 1987, which comprehensively defined sustainable development for the first time.

The Brundtland Report led to the Earth Summit (officially called the United Nations Conference on Environment and Development) held in Rio de Janeiro in 1992, which adopted Agenda 21, a blueprint for environment and development in the 21st century. It set out to provide an agenda for local, national, regional, and global action based on Brundtland's three-pillar concept of sustainable development—economic growth, social development, and environment protection. The Rio Declaration on Environment and Development was adopted by more than 178 Governments and established the Commission on Sustainable Development (CSD) to support Agenda 21.[19]

Ten years later, world leaders, national delegates, and leaders from non-governmental organizations (NGOs), businesses and other major groups convened again in Johannesburg, South Africa for the second Earth Summit: The World Summit on Sustainable Development. The aim of the Summit was to re-focus the world's attention on sustainable development and

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[16] Rashed Al-Jayyousi, *Islam and Sustainable Development* (England: Gower, 2012), p. 15
[17] Iwan J Azis, *Pembangunan Berkelanjutan: Peran dan Kontribusi Emil Salim* (Jakarta: PT. Gramedia, 2010), p. 1-2
[18] Nommy Horas Tombang Siahaan, *Hukum Lingkungan dan Ekologi Pembangunan* (Jakarta: PT. Gelora Aksara Pratama, 2004), p. 147
[19] Koesnadi Hardjasoemantri, *Perguruan Tinggi dan Pembangunan Berkelanjutan: Sebuah Tinjauan Aspek Hukum* (Jakarta: Direktorat Jenderal Perguruan Tinggi, 2001), p. 21

gain support for direct action to meet a host of difficult challenges, including improving global quality of life and conserving the world's natural resources amid exponential population growth, with ever-increasing demand for food, water, shelter, sanitation, energy, health services and economic security.[20] As far the regulatory framework for sustainable development from an Indonesian perspective is concerned, the government passed two laws regarding environmental sustainability which are stated in UU No. 23 in 1997 on the management of the living environment, and the government regulation Number 51 in 1993 on analyzing environmental impacts[21].

To assist countries' efforts to implement sustainable development, the CSD had compiled a set of 134 indicators in 1995 based on the OECD's environmental impact assessment model called driving force-state-response (DSR). Consequently, the CSD list was reduced to 58 indicators, embedded in a policy-oriented framework of themes and sub-themes. The CSD presented these indicators in 2001 and subsequently published as part of the second edition of the 'blue book'[22]. In 2005, the Division for Sustainable Development started a process to review the CSD Indicators. In 2007 it was revised again and reduced to 50 key indicators and 46 other indicators[23]. In 2008, Statistics Indonesia reviewed the indicators using compatible national data with guidance from the CSD. As a result, 62 indicators were adopted to guide sustainable development policy in Indonesia.[24]

On September 25th, 2015 the United Nations General Assembly unanimously adopted the document "Transforming our World: the 2030 Agenda for Sustainable Development" under Resolution 70/1. This historic document lays out 17 sustainable development goals (SDGs) and 169 targets. These are renewed objectives and indicators for United Nations members' agreed universal targets from a previous agenda, i.e., the Millennium Development Goals (MDGs). The MDGs had been targets for all member countries until 2015 when they expired.[25] Achieving the SDGs can be summed up to mobilize global efforts to end poverty, eliminate hunger, maintain good health and well-being, ensure quality education, promote gender equality, support clean water and sanitation, and other human development goals.[26]

17.3 Ibn Khaldūn and his Contribution to Economics

Born in Tunisia (A.D. 1332-1406), Abd al-Rahman Ibn Muhammad Ibn Khaldun al-Hadrami, commonly known as Ibn Khaldun, received his first education from famous teachers in the country. He learned Al-Qur'ān and Al-Qirā'at Al_Hasayiri from 'Abdullāh Muhammad ibn

[20] Nommy Horas Tombang Siahaan, ibid, p. 150
[21] Santoso Soeroso, *Mengarusutamakan Pembangunan Berwawasan Kependudukan di Indonesia* (Jakarta: EGC, 2005), p. 27
[22] *United Nations, Indicators of Sustainable Development: Guidelines and Methodologies*, 2nd ed., UN Sales Publication No. E.01.II.A.6, September 2001.
[23] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2012), p. 5
[24] Ibid, p. 6
[25] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2016), p.7
[26] Sustainable Development Goals. Retrieved 2 December 2019 from https://sustainabledevelopment.un.org/?menu=1300)

Sa'ad ibn Burr Al-Anṣāri, Arabic from Muhammad Shawwash Al-Zarlāli and Ahmad ibn Al-Qassar, knowledge of hadith and Fiqh from Sheikh Shamshuddin Abu 'Abdullāh Muhammad Al-Wadiyashi, kitab *Al-Muwatta'* from Abdullah Muhammad ibn 'Abdussalām, and philosophy and Islamic law from Sheikh Muhammad ibn Ibrahim Al-Abili and Sheikh Abd Al-Muhaimin ibn Al-Hadrami.[27]

From 751 to 776 A.H., he worked in administration positions as a secretary in Maghrib and Andalusia. From 776 until 784 A.H., he wrote his magnum opus, *The Muqaddimah* (also known as Prolegomena).[28]

Despite Ibn Khaldun's overall contribution to the field of economics, it is Adam Smith (1723–1790) who has been widely called the "father of economics". In fact, not only did Ibn Khaldun plant the first germinating seeds of classical economics, whether in production, supply, or costing, he also produced pioneering work on consumption, demand, and utility, the cornerstones of modern economic theory. Ibn Khaldun used insightful empirical investigation to come to his analyzes and produce original economic thought. He left a wealth of contributions in the field of economics that demonstrate incredible breadth and depth. Some of his most important accomplishments include his coverage of value and its relationship to labor; a theory of capital accumulation and its relationship to the rise and fall of dynasties; his perceptions of the dynamics of demand, supply, prices, and profits; work on the subjects of money and the role of governments; a remarkable theory of taxation, as well as on other economic subjects. His distinctive contributions to the field should make him the father of economics.[29]

In his book, *Muqaddimah*, Ibn Khaldūn expounded on his ideas about taxation and how it impacted the economy and identified the market mechanism's concept.[30] He also clarified the concepts of profit, labor division, public finance, wealth management, money, and prosperity.[31]

17.4 Sustainable Development According to the Ideas of Ibn Khaldūn

A previous study, conducted by Chapra (2008) considered whether Ibn Khaldun's theory of sustainable development explains the present-day Muslim world's relatively poor performance. In this regard, he summarizes his view on the variables in Ibn Khaldun's model, which he argues has triggered the Muslim decline and continues to be responsible for the inferior performance of many Muslim countries, as follows:

"*This theory [Ibn Khaldun's theory] argues that the development or decline of an economy or society does not depend on any one factor, but rather on the interaction of moral,*

[27] Ibid. p. 1082
[28] Ibid, p. 1082-1087
[29] Muhammad Nejatullah Shiddiqi, *Muslim Economic thinking, A survey of Contemporary Literature,* in the book of Studies in Islamic Economics (United Kingdom: International Centre for Research in Islamic Economics King Abdul Aziz Jeddah and The Islamic Foundation, 1976), p. 261
[30] Ibn Khaldūn, *Mukaddimah Ibnu Khaldūn* (1st edition). Translated into Indonesian by M. Irham, M. Supar and A. Zuhri, (Jakarta Timur: Pustaka Al-Kautsar, 2011), p. 647
[31] Euis Amalia, *Sejarah Pemikiran Ekonomi Islam* (Depok: Gramata Publishing, 2010), p. 235-249

social, economic, political and historical factors over a long period. One of these factors acts as the trigger mechanism and, if the others respond in the same direction, development or decline gains momentum through a chain reaction until it becomes difficult to distinguish the cause from the effect."[32]

Chapra added that: "…paying attention to only economic or even political variables for promoting economic development in Muslim countries may not be enough". We agree that considering only economic and political variables is not enough; crucially, the environmental variable is missing. In order to address this gap, this chapter seeks to identify this missing variable by reviewing the most critical factors—often discussed by Ibn Khaldūn in *Muqaddimah*—relevant to sustainable development. According to Ibn Khaldūn, the determinants of sustainable development are divided into five variables as summarized below:

1. The Sharī'ah

The Sharī'ah is the provision from Allah, which arranges all parts of the world to bring society prosperity in the *dunya* (world) and *ākhirah* (the hereafter).[33] This determinant is the main indicator and as it is law from Allah it controls all of the other determinants. Shari'āh is the guidance given to humankind to follow the right path. The government and society as a whole practice Shari'āh in a Muslim civilization. When both are of the same purpose and have strong faith, they will sacrifice themselves to protect the country from an enemy. But, if the faith is weakened, the country can be vulnerable to its enemies.[34]

2. Humankind

Humankind is the main actor in sustainable development. Ibn Khaldūn places a great deal of attention on the human factor.[35] He explains that the main human duty is to act as the *khalifah* (trustee or vicegerent) of Allah on the earth. *Khalifah* means a human representative that acts as a leader for others in the scope of social organization.[36] Humankind's function is also to act as a guardian and supervisor for the world's sake and the hereafter. The *Khalifah* has a high position in governmental duties and a position and responsibility for the family and himself. Hence, Ibn Khaldūn emphasizes that human beings should have a good education and the necessary skills to contribute to the country's welfare.[37]

3. Wealth

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[32] M. Umer Chapra, *"Ibn Khaldūn's theory of development: does it help explain the low performance of the present-day Muslim world?"*, *The Journal of Socio-Economics. 37* (2006), p. 836-863

[33] Ibn Khaldūn, *Mukaddimah Ibn Khaldūn* (9th edition). Translated into Indonesian by A. Toha, (Jakarta: Pustaka Firdaus, 2011) p. 192

[34] Ibn Khaldūn, *Mukaddimah Ibnu Khaldūn* (1st edition). Translated into Indonesian by M. Irham, M. Supar and A. Zuhri, (Jakarta Timur: Pustaka Al-Kautsar, 2011), p. 265

[35] p. 297

[36] Ibn Khaldūn, *Mukaddimah Ibn Khaldūn* (9th edition). Translated into Indonesian by A. Toha, (Jakarta: Pustaka Firdaus, 2011) p. 74

[37] Amalia, p. 242

Ibn Khaldūn defines wealth as a value derived from working and measured by money. Working is worship to Allah, which will bring rewards from Him. Several percent of the revenue earned by an individual is spent on the welfare of destitute people in the form of *zakah, infaq, ṣadaqah*, tax, and so forth, and important as part of a country's development.[38]

According to Ibn Khaldūn, *zakah, infaq* and *ṣadaqah* are Shari'āh's demands, which must be carried out by an individual in order to get closer to Allah. Meanwhile, tax is levied on an individual through rules that are subject to change by governments. The mandatory revenue earned by a country is for the development of infrastructure and to benefit society.[39]

4. Environment

The environment plays a pivotal role in human beings' health and well-being since it is their only home and provides all that they need. Their whole life support system depends on environmental factors. As social beings, humans depend on each other, and especially on a healthy environment.[40]

Humans cannot freely impact the environment as they wish as it is regulated and controlled by the Sharī'ah. They should utilize the environment without harming others while at the same time protecting and preserving it until the hereafter. This is what has been referred to in the Qur'ān as:

"And when We [Allah] intend to destroy a city, We command its affluent but they defiantly disobey therein; so the word comes into effect upon it and We destroy it with (complete) destruction".[41]

5. Justice

This is the most important goal after all of the other indicators are in action. Justice is a balance set up among humankind. All societies live in peace. Good leaders are also responsible as the arbiters and facilitators of distributing wealth and providing infrastructure.[42]

17.5 Sustainable Development: The Modern Interpretation Compared to Ibn Khaldūn's Era

The concept of sustainable development is in some ways understood in a remarkably similar fashion today as it was in the era of Ibn Khaldun. There is general agreement that the human factor is the most important indicator of sustainable development. Humans are social creatures and are highly dependent on the natural environment. From the natural environment humans can harness natural resources to develop new products. By educating themselves and specializing in a particular expertise, an individual can become a professional and expert in

[38] p. 643
[39] Ibn Khaldūn, *Mukaddimah Ibn Khaldūn* (9th edition). Translated into Indonesian by A. Toha, (Jakarta: Pustaka Firdaus, 2011), p. 248
[40] Ibn Khaldūn, p. 71
[41] Qur'ān 17: 16
[42] Ibn Khaldūn, *Mukaddimah Ibn Khaldūn* (9th edition). Translated into Indonesian by A. Toha, (Jakarta: Pustaka Firdaus, 2011), p. 192

their discipline. When many people have such specializations, it will contribute to a higher quality of life through tax and, subsequently, the government's provision of infrastructural and societal benefits to simplify and improve human life. As a result, the impact of justice can be upheld.

Nevertheless, despite these similarities, differences are also apparent. In Islam, human beings are Allah's *khalīfah* (the caliphs) who are bound to obey His commands and create prosperity on the earth as His vicegerents. On the contrary, today, humans are free to opt out of secular practices and determine the course of their own lives.

Another difference lies in the Sharī'ah indicator. Ibn Khaldūn's theory explains that every sub-indicator of sustainable development is subservient to the Sharī'ah in order to make the desired developments on the earth to earn salvation in the hereafter. However, the modern concept does not define or explain the human role and responsibility based on religion since it focuses only on the preservation of the physical world to protect future generations. It does not consider the *akhirah* or the eternal life after death as believed by faithful Muslims.

17. 6 The Relationship Between Sustainable Development and Ibn Khaldūn: An Indonesian Perspective

Indonesia is the world's largest Muslim country with abundant natural resources. It is a leading producer of agricultural products. Located in Southeast Asia, Indonesia covers an overall area of around 1,913,78.68 km^2 and has 249.9 million people. Indonesia has great potential to become a developed country. This chapter will now examine some of the key development issues in Indonesia and provide suggestions for how they might be addressed with reference to the work of Ibn Khaldūn.

The issues are discussed in three key areas: economic, social and environmental, since they are all dependent on each other.

a. Economic Aspects

Every human activity is connected to the economic system. Indonesia is a resource-rich country has still not been able to fulfill its inhabitants' basic needs. Poverty is the most serious problem facing the country. The United Nations' SDGs are aiming to reduce the number of people living on less than 1.25 dollars per day to mitigate and eventually eliminate poverty. In Indonesia, the poverty line is measured by the monthly average income per-capita, which, in 2016, amounted to 354,386 rupiahs. The government has undertaken a number of poverty alleviation programs to address the problem including cash transfers, family welfare cards, school operational assistance programs, credit for businesses, providing subsidized rice for the poor and so on.[43]

Poverty is connected to other problems, such as unemployment and the poor quality of human resources available to the country, all of which impact Indonesia's prosperity figures. Figure 17.1 illustrates that despite poverty alleviation programs, the number of

[43] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2016), p. 50

people living below the poverty line remained stable from 2013 to 2016 with 10.86 % (i.e., 28 million people) of its total population in poverty in 2016.

Ibn Khaldūn explained poverty and its key causes earlier than Karl Marx, Proudhon and Engels.[44] He stated that a large civilization can be achieved, which will yield large profits because of its great number of laborers.[45] So, as far as Indonesia is concerned, it is the government's responsibility to create jobs and provide employment opportunities to help all kinds of people in society, especially the poor and needy. This is because Indonesia has significant human capital that, if fully utilized, can create a huge amount of revenue. According to Ibn Khaldun, the ruling dynasty's tax revenues increased because of business prosperity, which flourishes with moderate, not excessive taxes. Therefore, he was the first scholar in history to lay the foundation for a theory of the optimum rate of taxation.[46]

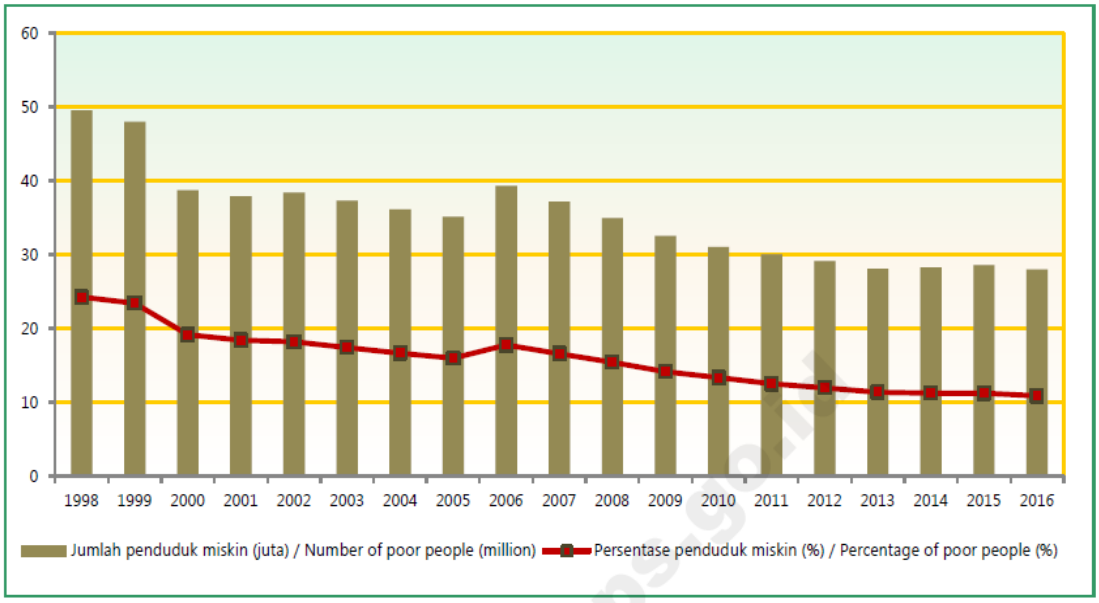

Figure 17.1. Number of Poor People in Indonesia (in millions)Source: Statistics of Indonesia

The Gini ratio (or Gini coefficient) also provides us with statistics on economic inequality in Indonesia. The inequality in urban areas (a Gini coefficient of 0.43) was higher than in rural areas (0.33) in 2015. According to the World Bank, Indonesia suffered moderate inequality during the period 2011-2015—between 12 % and 17 % of people's total income. [47]

[44] Waitlif Khalik Ibn Al-Sabil. See in Sheikh, Nasir Ahmad, "*Some Aspects of the Constitution and the Economic of Islam",* Working, England, The Working Mission & Literary Trust, (1957), p. 256
[45] Ibn Khaldūn, *The Muqaddimah,* (Translated by Franz Rosenthal), PDF E-book, p. 461
[46] Oweiss, I. M. 1988. "Ibn Khaldún, Father of Economics". In Arab Civilization: Challenges and Responses, edited by Oweiss, I. M. – Atiyeh, G. N. New York: State University of New York Press.
[47] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2016), p. 52

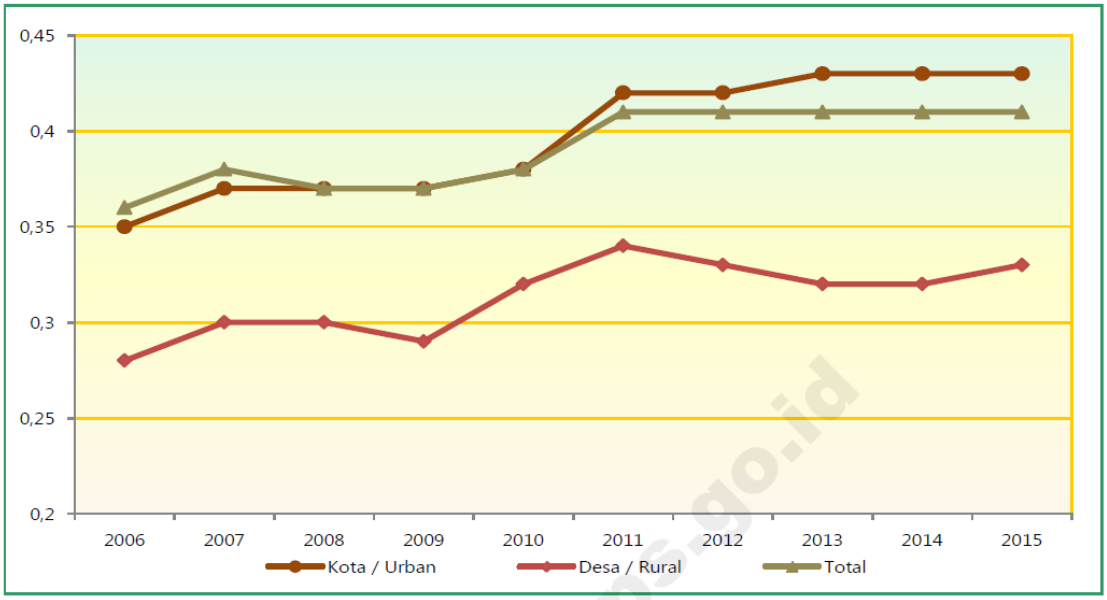

Figure 17.2. Gini Ratio in Indonesia (Percent) Source: Statistics Indonesia (BPS)

The other factors that have a significant impact on sustainable development in Indonesia relate to economic development, measured by the country's economic growth and the effectiveness of regional economic partnerships such as the China-ASEAN Free Trade Area (CAFTA), ASEAN Economic Community (AEC), Asia-Pacific Economic Cooperation (APEC), and others. In reality, economic growth is the most powerful instrument for reducing poverty and improving GDP through the activities of a strong industrial sector. At the same time, trade partnerships are a source of increasing the scales of input. Currently, Indonesia emphasizes expanding its economic growth without considering its impact on natural resources in the future. In 2016, Indonesia attained its growth target of 5.1 percent. However, the country's economic growth cannot yet be considered the panacea for all of its problems.[48] Therefore, GDP per capita economic growth in Indonesia does not necessarily indicate the sustainability of the economy. Inflation and the ratio of external debt also denote more complex obstacles to Indonesia's economy's sustainability. Today, the price of almost all essential commodities is out of reach for many ordinary people. The government subsidizes its external debts to keep them under control. As a result, unemployment has risen precipitously and many companies saw no alternative other than but to lay off workers to decrease their inputs and maximize their profits.

Ibn Khaldūn identified the causes of inequality in his famous book *Al-Muqaddimah*. In this work he compared the conditions of the inhabitants of regions with abundant civilizations with those living in insufficient ones. Ibn Kaldhoun evaluated the differences and came to conclusions similar to those drawn by Adam Smith in 'The Wealth of Nations' hundreds of years earlier. "This may be exemplified by the experience of the eastern regions, such as Egypt, Syria, India and, China, and the whole northern regions, beyond the Mediterranean. When the development of their civilizations increased, the property of the inhabitants grew, and their dynasties became great. Their prosperity and affluence cannot be

[48] Ibid, p. 139

fully described because it is so great. The same applies to the merchants from the East and even more so to for the far Eastern merchants from the countries of the non-Arab Iraq, India, and China."[49]

b. Social Aspects

The subject matter of society is human beings. The sociologist Peter Berger defines society as "...a human product, and nothing but a human product, that yet continuously acts upon its producers." His view is therefore that although humans created society they are impacted and molded by it every day.[50] Humans are actors in all activities that form the social aspect of sustainable development because they determine whether a country is strong or weak. Human society greatly influences the natural environment and is especially important in fostering sustainable prosperity. Thus, there must be cooperation between governments and society to achieve sustainable prosperity. Nevertheless, in Indonesia, the relationship between the government and society is not conducive to sustainability. Political parties make promises during election campaigns to bring development to all sectors in Indonesia, but as soon as the election is over the government forgets these promises and continues its practice of corruption, conspiracies, and nepotism. As a consequence, society has little faith in the governmental sector and the situation continually worsens.

Transparency International (TI) produces the corruption perception index (CPI), which reveals that Indonesia was ranked 88th of 167 measured countries in 2015. This ranking is a little higher than in 2014 when Indonesia was ranked 107th of 174 measured countries but remains extremely poor. Crime and corruption also present an obstacle to the implementation of sustainable development, presenting a threat to the region's stability and its educational, economic, social and perceived quality of life.[51]

Another issue that influences the social aspect of sustainability is education. Without knowledge, the population remains ignorant of the real value of natural resources, how to preserve them, and the threat posed to the planet should they become depleted. In Indonesia, the government encourages society to study for approximately 9 years or, for rural inhabitants, to at least be literate. Figure 17.3 below shows the increase in the number of enrollments at elementary schools and junior high schools. It indicates that today's Indonesian society is more aware of the value of study and more students are asking their families to support them in attending higher education institutions to earn qualifications that can benefit them in the future. Through education, individuals learn skills that improve their capabilities, consequently producing better tax revenues for the country and, as a result, increasing economic growth.[52]

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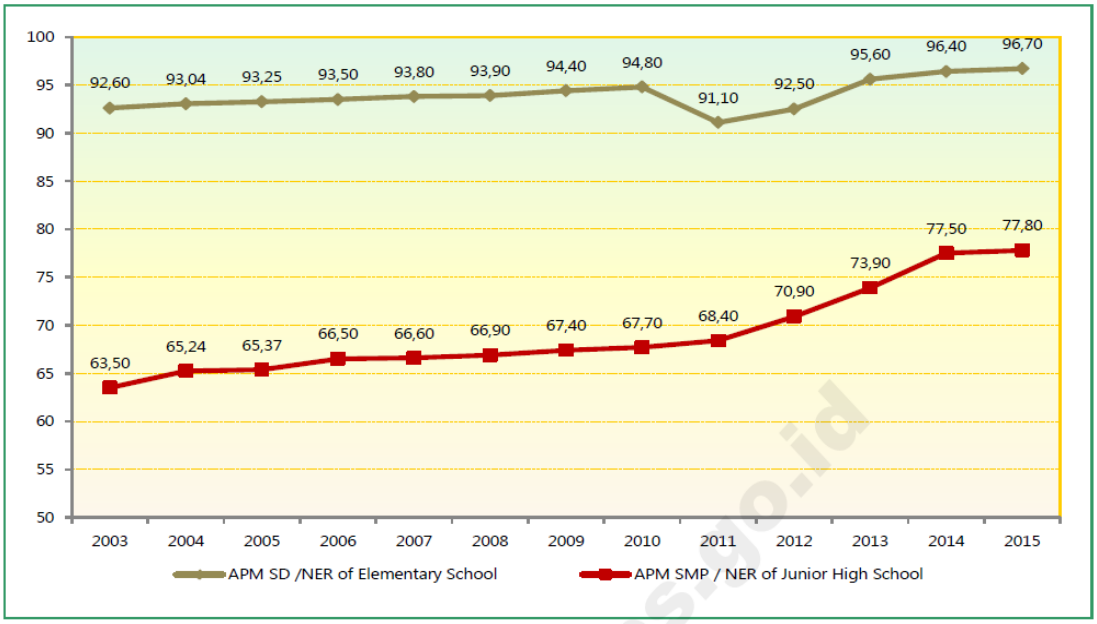
[49] Ibn Khaldūn, *The Muqaddimah,* (Translated into English by Franz Rosenthal), PDF E-book, p. 61-62
[50] Berger, Peter L. (1967). The Sacred Canopy: Elements of a Sociological Theory of Religion. Garden City, NYC: Doubleday & Company, Inc. p. 3.
[51] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2016), p. 64-65
[52] Ibid, p. 85

Ibn Khaldun believed that teaching and learning are natural phenomena in the human sphere and education as a profession cannot be an abstract entity but should be based on experimentation, training and experiential practice, since one cannot acquire a craft without practicing it for a long time (Ibn-Khaldun, 2001).[53] Given the fact that the root of a failing civilization is its lack of knowledge, in the *Al-Muqaddimah*, Ibn Khaldun explains the division of labor. Besides this, he also supported an increase in the population, provided that the specialization of skills accompanies it. To initiate a country's development and maintain its continuity, the governmental sector needs to encourage society to pursue quality education to build a healthier, more informed and skilled future generation. This will enable them to work on their passion and with a better attitude.[54]

Furthermore, he believed that when people have skill specializations they make great contributions to their nations. For example, one part will go as a donation to the zakah fund for faithful Muslims and a second as tax to improve society for every income earned. Thus, educated and skilled workers help the government create better facilities, infrastructure, and provide other essential services. Ibn Khaldūn sought social order in five ways: though the ruler, through the law, through the principles of justice, through the role of moral values, and through the informal mechanism for justice.[55] In the determination of tax, he suggested that it should be of a small value in order to stimulate society to create businesses for development and growth. Otherwise, if the government determined higher taxes, business may be discouraged. In addition, he stated that tax administrators who are assigned to monitor the operation of system must be fair and honest to prevent fraud and deception. [56]



[53] Ibn Khaldūn, *Mukaddimah Ibnu Khaldūn* (1st edition). Translated into Indonesian by M. Irham, M. Supar and A. Zuhri, (Jakarta Timur: Pustaka Al-Kautsar, 2011).
[54] Ibn Khaldūn, *Mukaddimah Ibnu Khaldūn* (1st edition). Translated into Indonesian by M. Irham, M. Supar, and A. Zuhri, (Jakarta Timur: Pustaka Al-Kautsar, 2011), p. 642
[55] Mohammad Tahir Sabit Haji Mohammad, *"Principles of Sustainable Development in Ibn Khaldūn's Thought"*, *Malaysian Journal of Real Estate,* v.5, no. 1 (2010), p. 13
[56] Ibn Khaldūn, *Mukaddimah Ibn Khaldūn* (9th edition). Translated into Indonesian by A. Toha, (Jakarta: Pustaka Firdaus, 2011), p. 348

Figure 17.3. Net Enrollment Ratio of Elementary Schools and Junior High Schools in Indonesia

Source: BPS National Socio-Economic Survey (2003-2015)

Another crucial issue is health. Without good health, people would not be in a position to carry out their daily economic activities in a normal way. Health is not only the state of being physically healthy; it also covers mental, spiritual and social wellbeing to enable people to live a socially and economically productive life. A healthy life is supported by water availability, access to health care, good nutrition, and living in a pollution-free environment. If these factors are ignored, then the implementation of sustainable development is quite impossible. Key national indicators for societal health include overall life expectancy and the infant mortality rate; both are important ingredients in producing a healthy future generation. According to Statistics Indonesia, the rate of infant mortality decreases each year in the country. As per the available data as in 2015, only 1,47,000 children died before celebrating their first birthday. This was far lower than in 1990 (3, 95,000 children). Malnutrition is an underlying cause of much infant mortality in Indonesia and is associated with diarrhea, pneumonia, malaria, and measles. As for life expectancy, in 2015, Indonesian statistics expected that children born in that year would live an average of 70.8 years.[57]

This phenomenon is relevant to Ibn Khaldūn's thought as he argued: "medicine preserves the health of man and repels disease. It is a branch of physics. Its object is the human body".[58] He strengthens his argument by quoting the Prophetic's tradition: *"The stomach is the home of disease. Dieting is the main medicine. The origin of every disease is indigestion."* [59]

[57] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2016), p. 69-72

[58] Ibn Khaldūn, *The Muqaddimah,* (Translated by Franz Rosenthal), PDF E-book, p.513

[59] Ibid, p. 526

c. Environmental Aspects

The environment is the most significant aspect of sustainable development in relation to the human need to establish a comfortable place to live. The concept of sustainable development attempts to integrate human beings' wellbeing with the well-being of the earth by ensuring the sustainability of natural resources, avoiding the over-exploitation of renewable resources, the depletion of non-renewable resources, and the availability of natural resources for future generations.[60]

Society tends to forget the value of the sustainability of the environment. Sustainability is the avoidance of the depletion of natural resources to maintain an ecological balance. Human beings must limit their exploitation of natural resources' benefits without compromising their availability to future generations. On many occasions during the past 20 years, every part of Indonesia has suffered natural disasters such as earthquakes in Aceh, Padang, Bengkulu, Papua and Sulawesi, landslides in Java, floods in Jakarta and so on. On average, at least one major natural disaster has occurred in Indonesia every month since 2004 including earthquakes, tsunamis, volcanic eruptions and events that scientists argue have been caused by climate change. These disasters caused a plethora of problems. Many people died, key infrastructure was damaged, and the health of society was under great threat. Moreover, rising CO_2 emissions have also caused obstacles to the economic development of Indonesia.[61]

Since human beings and nature are inseparable, the survival of mankind depends on the protection of the natural world and a healthy environment. To ensure that this is the case, there is a need to redouble efforts to protect nature from pollution and harmful substances.[62]

The glorious Qur'ān rightly refers to nature in this regard: *"It is Allah Who created the heavens and the earth and sent down rain from the sky and produced thereby some fruits as provision for you and subjected for you the ships to sail through the sea by His command and subjected for you the rivers. And He subjected for you the sun and the moon, continuous (in orbit), and subjected for you the night and the day. And, He gave you from all you asked of Him. And if you should count the favor of Allah, you could not enumerate them. Indeed, mankind is (generally) most unjust and ungrateful."*[63]

17.7 Conclusion

Ibn Khaldūn is one of the most famous Islamic scholars to address human civilization in detail in his book *Al-Muqaddimah*. He considered five sustainable development variables in this work: Sharī'ah, human, wealth, environment, and justice. Ibn Khaldūn and modern economists agree that the most important variable is human beings' role, although in practical terms, Islamic scholars have a different worldview on moral value. Modern economics does

[60] Mohammad Tahir Sabit Haji Mohammad, *"Principles of Sustainable Development in Ibn Khaldūn's Thought"*, *Malaysian Journal of Real Estate,* v.5, no. 1 (2010), p. 12

[61] Sub Directorate of Environment Statistics, *Indicators of Sustainable Development* (Jakarta: Statistics Indonesia, 2016), p. 101-103

[62] Ibn Khaldūn, *Mukaddimah Ibnu Khaldūn* (1st edition). Translated into Indonesian by M. Irham, M. Supar and A. Zuhri, (Jakarta Timur: Pustaka Al-Kautsar, 2011), p. 684

[63] Qur'ān 14:34

have strong mechanisms that support and protect human actions, while Muslims have laws that have emerged from the Qur'an and the Sunnah.

What we have found and learned from the lessons from Ibn Khaldūn's thoughts on sustainable development is that Indonesia, the world's largest Muslim country, must reconsider its trajectory of economic development. Even though Indonesia is not fully compliant with an Islam, it has the potential to make progress towards achieving sustainable development. This chapter suggests that Indonesia, being a densely populated Muslim country, must implement Ibn Khaldun's thoughts on sustainable development to benefit its people. A great civilization (justice) can be built in Indonesia if all parts of the governmental sector can work together with good intentions to achieve sustainable development.

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