Islamicity Indices: A Moral Compass for Reform and Effective Institutions

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Abstract

"Islamicity Indices" are based on the Islamic teachings of the holy Our'an and the Hadiths. Islam's foundational teachings are summarized; the rules that follow are deduced; and then the important institutions that these teachings and rules indicate are identified. These rules and institutions are in turn then used to construct indices for measuring the degree of Islamicity—the reflection and manifestation of these teachings in a community or a country. The purpose of "Islamicity Indices" is to provide a compass for fundamental economic, social and legal reforms—a compass that embodies quantifiable goals and targets that can be negotiated, results that can be monitored and assessed and policies that can be modified to achieve the set targets. Importantly, these indices can open up a debate among Muslims about the deeper meaning of their religion and going well beyond its more mechanical requirements andsuch a debate, based on quantified Islamic teachings, cannot be easily dismissed by those in power. When non-Muslim and Muslim countries are compared, the indices indicate that New Zealand, Australia, Canada and the countries of Northern Europe occupy the top ten positions in adopting Islamic rules for their foundation. These are countries that are generally regarded as the most successful socio-economic countries. Thus the problem is not with Islam but with Muslims as they do not uphold the rules, which translate into institutions, recommended in Islam. The results of these indices since 2000 show the failure of most Muslim countries and the urgent need for sustained reform.

Key words: Islamicity Indices, Economic Islamicity Index, Islamic Insitutions

A. Introduction

Throughout history, the Muslim community has produced great physicians, scientists, philosophers and poets, with momentous advances in medicine, science, arts and commerce that brought Europe out of the Dark Ages and changed the course of history for the better. Today, most Muslims see little evidence of this rich history in their own day-to-day lives. Islam was at its peak during the life of the Prophet Mohammad (sawa); soon after his death, the helm of the religion, and in turn its practice, was hijacked by corrupt rulers and their courtiers; and what we see in the Muslim World today is the result of a long period of divergence between the teachings of the Qur'an (and its interpretation by the Prophet) and its practice by Muslims in the Muslim World. The character and state of the Muslim World of the

21st century has little resemblance to the vision of the Qur'an and its interpretation and implementation by the Prophet.

All the while the fundamental Islamic principles derived from the Qur'an and their interpretation and practice by the Prophet Mohammad (sawa) are rarely explained. Instead, believers are commanded to read the holy Qur'an and to memorize it. Questions and discussion are rarely encouraged. At their core, Islamic teachings are the Unity of Allah's Creation, the Divine gift of freedom to all humanity, love, peace and social justice. Yet the image of Muslims (and of Islamic teachings) in the non-Muslim World is that of terrorists, jihad (that is wrongly interpreted as war on non-Muslims), backwardness, dictatorships, corruption and injustice. A quick glance across the Muslim World does not convey a pretty picture and there is no clear path to a better future.

Islam is at risk. Selfish individuals and groups use the religion as a nexus to gain power. The so-called jihadists distort Islam into an extreme of violent change. Other opportunists wrap themselves in a customized version of Islam to assert their oppressive rule.Clerics have institutionalized the teaching of Islam to the mechanical, with great focus given to the five pillars of Islam: testimony of faith (*Shahadah*), daily prayers, Hajj pilgrimage, fasting in the month of Ramadan, and contribution to the needy to purify wealth; all of which are directed toward the Muslim as an *individual* and not to Muslims as a community. While the capstone rule in Islam, assigns Muslims the duty to collectively enjoin the good and forbid what is evil, or any wrongdoing as outlined in *Surah Al-Imran*, Verse 104 of the Qur'an:

"And from among you there should be a party who invite to good and enjoin what is right and forbid the wrong, and these it is that shall be successful"

Muslim countries desperately need effective institutions that embody Islamic teachings and values.

The purpose of "Islamicity Indices" is to provide a compass for fundamental economic, social and legalreforms – a compass that embodies quantifiable goals and targets that can be negotiated, results that can be monitored and assessed and policies that can be modified to achieve the set targets. Importantly, these indices can open up a debate among Muslims about the deeper meaning of their religion and going well beyond the mechanical requirements of the religion. This debate, based on quantified Islamic teachings, cannot be easily dismissed by those in power.

In this program, we break down each Muslim country by the tapestry of its political, social, human and economic conditions, compare their success and failures to non-Muslim countries, and assess their performance. Broadly speaking, our results confirm the famous words of Mohammad Abduh over 100 years ago: "*I went to the West and saw Islam, but no Muslims; I got back to the East and saw Muslims, but not Islam.*"

B. The Fundamental Basis for Islamicity Indices

What is the source of Islamic teachings and where should we turn to discover the pure and true teachings of the religion for constructing our moral compass for reform? The source of Islam has been the same for about 1400 years – The Holy Qur'an and the *Hadith* (the teachings and practices) of the Prophet (sawa). The two go hand-in-hand and are inseparable. The Qur'an is the immutable, abstract and the theoretical presentation of Islam and the life of the Prophet is its interpretation at his time on this earth, which may be changed and adapted to prevailing conditions. Thus, first and foremost, the foundation, or the fountainhead, of Islam is the Qur'an. Second, the Prophet Mohammad's (sawa) interpretation and practice affords its application in the real world. The Qur'an and the practice of the Prophet provide humankind with the foundation and the rules to build a just and flourishing Muslim society.

To construct the Islamicity Indices, we begin by summarizing Islam's foundational teachings; deduce the rules that follow, and then go onto discuss the important institutions that these teachings and rules indicate and necessitate.¹ Then, we apply the rules and institutions to construct what we consider to be indicative indices for measuring the degree of Islamicity – the reflection and manifestation of these teachings in a community or a country.

We begin our brief discussion of Islamic teachings with the recognition that Allah (swt) could have easily created a world of total perfection inhabited by "perfect" humans that had no free will. If He had done so, human dignity would have been empty of any and all meaning. Instead, first and foremost, He gave humans freedom and freedom of choice, accountable, equal and as one. Islam is founded on freedom, equality and justice; and thus the conception of justice in Islam

¹ This paper is based on Mirakhor and Askari (2010), Askari, and Mohammadkhan and Mydin, (2015), Palgrave Macmillan. For a discussion of Islamic teachings and their application to constructing Islamicity Indices, please go to these two books and also to Mirakhor and Askari (2017, April 2019 and May 2019).

is founded on freedom and equality of humankind (Unity of Creation). He then gave humans bountiful resources that, if managed well and shared, could satisfy all human needs. As a result, the Creator is the ultimate owner of all things in this world. But He has placed humans above all else in His creation and made them trustees. Humans, as trustees, must obey His rules and implement them.

Based on the Islamic vision, we expect the Islamic solution to differ in the following important ways from the conventional market-based system: greater degree of justice in all aspects of economic management, higher moral standard, honesty and trust exhibited in the marketplace and in all economic transactions, poverty eradication, a more even distribution of wealth and income, no hoarding of wealth, no opulence in consumption, no exploitive speculation, risk sharing as opposed to debt contracts, better social infrastructure and provision of social services, better treatment of workers, higher education expenditures relative, higher degree of environmental preservation, and vigilantly supervised markets.

The Islamic economic system is market based, but it has little else in common with today's capitalist system, which is in turn very different from Adam Smith's conception as it included a heavy dose of morality and empathy for others as discussed in his other book—*The Theory of Moral Sentiments*. Capitalism has institutions that do not exist in Islam or are prohibited, such as unlimited accumulation of private property and wealth, debt with associated interest, consumerism with its wastefulness, extravagant and opulent consumption, maldistribution of income, massive poverty, growing financial, economic exclusion and all the adverse impact of environmental degradation. Moreover, in many capitalist economies, such as the United States, an unfair tax system that favors the very rich amplifies the immorality of the system.

In Islam, justice thrives and proliferates when everything is placed in its rightful place and is achieved by simply following the divine rules. In order to generate genuine debate inside Muslim countries and thus be effective in bringing about needed change, the criticisms of their policies and practices must be framed around the contradictions and inconsistencies of the behavior of these regimes against the *framework they are espousing*. In this way, first establishing the Islamic framework for a just society and then proceeding to compare policies and practices to this framework, any errors or failures can be readily identified and attributed. It is the institutional structure of society and its policies that allow a pattern of wealth accumulation, creating abundance for a few and scarcity for the many. This is what creates social divisions, not natural scarcity. It is the institutional structure of society

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that determines the resource endowments of its members, which, in turn, determine the structure of their preferences and ultimately their economic behavior. Such an institutional structure combined with a poorly functioning process of selfdevelopment provides no opportunity for the self to transcend the focus of the self on "me and mine." Self-development is necessary to transcend selfishness. The Qur'an clearly states the need for "a revolution in feeling or motivation." [11:13] The revolution, as defined comprehensively throughout the Qur'an, is a change toward compliance with the rules of just conduct for the individual. In Islamic society, the state's role is one of administrator, supervisor and protector of society. It is the members of society who must develop themselves and ensure that justice prevails. Leaders and rulers are unlikely to change unless Muslims who have worked on their own development force their hands and compel their leaders to change course or be replaced.

In our opinion, in a rule-abiding Muslim community there must be political and individual freedom, no poverty alongside wealth, accountability of rulers and governments, and socio-economic justice. These to us are the key elements of a rule abiding Muslim community. It is crucial to note that in most Muslim countries sustained and meaningful change will come in an Islamic context. It is our hope that Islamicity indices provide such a context and scaffolding for needed reforms in Muslim countries. To be meaningful, economic and institutional reforms must be accompanied by political reforms. For how can there be rule of Law (equal justice for all) and economic and social justice under dictatorship and absolute rule? This simple point, with implications that go far and wide, has not been squarely faced in most Muslim countries, and until Muslims confront and debate this dilemma progress will be painfully slow and potentially more violent than it has to be.

The elements that make up the different Islamicity Indices are shown in Table 1 below.

<u>Table 1</u>

I. Economic Islamicity Index

- 1. Economic Opportunity and Economic Freedom
 - 1.1. Business Environment:

Legatum Prosperity Index

1.2. Economic Regulation Indicator:

Economic Regulation Indicators: Regulation of Credit, Labor, and Business,
Economic Freedom of the World, Annual Report- Fraser Institute
1.3. Ease of Doing Business Indicator:
Doing Business, World Development Indicators, World Bank
1.4. Economic Freedom Indicator:
Index of Economic Freedom- Heritage foundation
1.5. Business and Market Freedom Indicator:
Index of Economic Freedom- Heritage foundation

2. Job Creation and Equal Access to Employment

2.1. Equal Employment and Job Creation: Unemployment, total (% of total labor force)-WDI

3. Property Rights and Sanctity of Contracts

3.1. Property and Contract Rights:Index of Economic Freedom- Heritage foundation

4. Provisions to Eradicate Poverty, Provision of Aid and Welfare

4.1. Poverty Effectiveness Indicator:
Multidimensional Poverty Index (MPI) - UNHDR
4.2. World Giving index:
World Giving Index - Charities Aid Foundation

5. Supportive Financial System

5.1. Investment Freedom:
Index of Economic Freedom- Heritage foundation
5.2. Financial Freedom:
Index of Economic Freedom- Heritage foundation
5.3. Monetary Freedom:

Index of Economic Freedom- Heritage foundation

6. Adherence to Islamic Finance

- 6.1. General government net lending/borrowing (% of GDP), IMF
- 6.2. General government gross debt (% of GDP), IMF

7. Economic Prosperity

7.1. Economic prosperity:

Legatum Prosperity Index

7.2. GDP per capita, PPP

World Development Indicators, World Bank

7.3. Price Stability:

Inflation, Consumer price, World Development Indicators, World Bank

8. Economic Justice

8.1. Income Distribution:Inequality in income (%)- UNHDR

II. Legal and Governance Islamicity Index

9. Legal Integrity

9.1. Legal System & Property Rights - Fraser Institute

10. Prevention of Corruption

10.1. Transparency International Indicator:Transparency International Corruption Perceptions Index (CPI)10.2. Freedom from Corruption Indicator:Index of Government Integrity - Heritage foundation

11. Safety and Security Index

11.1. Safety and Security Index: Legatum Prosperity Index

12. The Management Index

12.1. Government Management:

The Governance Index, Transformation Index (BTI)

12.2. Management of Depletable and Other Natural Resources:

Environmental Performance Index (EPI), Yale Center for Environmental Law & Policy (YCELP) and the Center for International Earth Science Information Network (CIESIN) at Columbia University

13. Government Governance- Government Effectiveness

13.1. Voice and Accountability

13.2. Political Stability and Absence of Violence/Terrorism

- 13.3. Government Effectiveness
- 13.4. Regulatory Quality
- 13.5. Rule of Law
- 13.6. Control of Corruption

III. Human and Political Rights Islamicity Index

14. Human Development

14.1. Human development index:Human Development Index (HDI), United Nation Human DevelopmentReport

15. Social Capital

15.1 Social Capital Indicator Legatum Prosperity Index

16. Personal Freedom

16.1. Personal Freedom Index, Legatum Prosperity Index

16.2. Freedom of religion, The Human Freedom Index, 2017

16.3. Freedom of Expression & Information, The Human Freedom Index, 2017

17. Civil and Political Rights

17.1. Civil Liberties IndicatorFreedom House17.2. Political Rights IndicatorFreedom House

18. Human Inequality

- Gender Inequality: Gender Inequality, United Nation Human Development Report
- 18.2. Coefficient of human inequality

19. Access to Education

19.1. Education Prosperity

Legatum Prosperity Index

19.2. Education Equality Indicator

Inequality-adjusted education index - United Nation Human Development Report

20. Access to Healthcare

- 20.1. Public health expenditure (%of GDP)- United Nation Human Development Report
- 20.2. Health prosperity-Legatum Prosperity Index

20.3. Life expectancy - UNHDR

21. Democracy

21.1. **Global Democracy index** Democracy Status- BTI index 2016

IV. International Relations Islamicity Index

22. Military/Wars

Global Militarization Index (GMI) 2018

23. Position of Peacefulness Global Peace Index (GPI) 2018

V. Overall IslamicityIndex (summation of Indices I-IV above)

C. Institutions, their Importance in Islam and Islamicity Indices

Douglass North (1990) has argued that the key to the performance of high performing economies is their low transaction costs, which in turn is the result of the institutional structure that they had developed over a period of more than two centuries. Transaction costs are an impediment to economic and social progress and prosperity. They arise because getting access to information is costly and held asymmetrically by parties to an exchange. It can be argued that the collectivity of institutions provides society with the social capability to establish a stable order by reducing uncertainties or ambiguities members of society face.Islam would embrace institutions recommended by North <u>but</u> including the Islamic rules that we have elaborated in the books noted earlier. Thus in addition to the institutions (rules) recommended by North, Islam requires institutions that monitor and enforce distribution and re-distribution, that eradicate poverty and provide for those who

cannot provide for themselves and who are still in need after individuals have done what is required of them, and insure a level playing field with equal access to high quality education and healthcare.

Our purpose in developing Islamicity Indices is to assess to what degree Muslim and non-Muslim countries embody and reflect the teachings of Islam.² We do not consider what are commonly referred to as the Five Pillars of Islam declaration of faith (there is no God but God and Mohammad is His prophet), daily prayers, giving alms (zakat), fasting in the month of Ramadan, and pilgrimage to Mecca (*Hajj*) – in our assessment. These are commitments that Muslims make as individuals and only one of these (alms or zakat) is reflected in the condition of society at large, the rest are directly between man and the Creator. The Prophet is reputed to have said: "Three (behavioral traits) if found in a person, then he is a hypocrite even if he fasts, prays, performs bigger and small pilgrimages, and says 'I am a Muslim': when he speaks, he lies; when he promises, he breeches; and when trusted, he betrays." It is our belief that in Islam actions must speak louder than words. Similarly, the Prophet is reputed to have said: "Faith (Iman) without commensurate action is like a body without a head." The Qur'an contains over a hundred verses that connect righteous action to faith.³ It is this Muslim about whom the Qur'an says: "Surely the human is in loss except those who actively and dynamically believe while doing righteous deeds and exhort one another to the truth and exhort one another to patience" (2-3:103). Also, the Prophet said: "The most virtuous jihad is when one speaks a word of truth before an unjust ruler." These and many other such words clearly convey the fact that there is much more to Islam than the Five Pillars. They stress the importance of following rules, and in Islam, as we have also delineated, there are many rules for individuals to follow if they are to help create a thriving, prosperous and just community. If Muslims individually and collectively follow these rules, that include holding their rulers accountable, the result should be reflected in the condition and landscape of Muslim societies and countries, namely free, peaceful, just and thriving societies.

Indices allow us to go beyond the single dimension, such as poverty eradication and per capita income. Indices provide a *multidimensional benchmark*. Muslims need a scorecard to see how well their community is doing? How is their government doing? Are they improving or declining as a community? Where are they succeeding and where are they failing? What policies work and what don't?

² Some of this chapter has been adapted from Askari and Mohammadkhan (2015).

³For example Verses 25, 62, 82, 277 of Chapter 2 of the Qur'an.

With a benchmark that is widely accepted, Muslims can more effectively ask questions of their government and rulers that cannot be so easily dismissed and possibly with more protection against prosecution and imprisonment when they ask questions and debate the teaching and message of the Qur'an and the way of life that is their religion. In turn, effective reforms will undercut the message of extremists and terrorist and bring peace to Muslim lands and East-West relations.

Islamicity Indices are a work in progress as they can always be improved with more research (on what teachings to incorporate and with better data (inputs) for the teachings (variables) included in the index). And importantly, if there is disagreement on a teaching, variable or data, the index can be readily adjusted. But an index, and the teachings and variables that are its inputs, provide a benchmark to hold rulers and governments that hide behind veil accountable. These indices can be used to support peaceful movements for reform and renewal in Muslim countries.

How Islamic are Muslim countries or what is their degree of "Islamicity"? In attempting to answer this question one must agree on the broad content of Islamic teachings and on the required conduct and behavior of those who could be legitimately classified as Muslims. Thusbased on the foundational Islamic teachings, from the Qur'an and the practices of the Prophet, we develop the important dimensions of a rule-compliant Muslim society. We have classified the dimensions as: (i) economic, (ii) legal and governance, (iii) human and political rights, and (iv) international relations. In essence, our goal is to assess how well Muslim countries (member countries of the OIC, where a majority or a large percentage of citizens identify themselves as Muslims) perform relative to the teachings that they purport to uphold, or in other words to what extent do Muslim countries reflect the teachings of Islam?

Before we summarize our latest results, we should briefly discuss the important objections that some may raise, or have raised, about our effort to measure Islamicity.

There are a number of duties that are required of true Muslim – *shahadah* (only One God and Mohammad is His Messenger), *salat* (daily prayer), *hajj* (pilgrimage), *zakat* (donating 2.5% of wealth each year to the poor and needy), and *sawm* (fasting in the month of Ramadan). We have excluded these elements from our indices for a number of reasons. Our goal is not to assess how rule-compliant individual Muslims are in their own self-purification and in their own oneness with the Almighty. These requirements with the exception of *zakat* do not directly impact the outward characteristics and observable of societies. We want to determine to what degree

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Muslim societies have adopted and practiced the principle teachings, or in other words the philosophy and the rules, of Islam that affect society? Recalling Mohammad Abduh, *our goal is not to see Muslims but to search and see Islam*. Namely, where is Islamic teachings weaved into daily lives? Moreover, if we had included the five pillars, there would be a strong bias against non-Muslim countries (or more accurately countries with a low percentage of declared Muslims) in the index value, which may or may not exhibit the outward characteristics of a rule-abiding Muslim society. In the extreme, if we were to include the percentage of the population who profess Islam as the variable to represent these duties of a Muslim, then we would at the outset be climbing up the wrong tree.

Some may criticize our approach because it does not conform to the MaqasidShariah(the goal of Shariah-religion, life, lineage, intellect and wealth).4The foremost *Shariah* requirement is commitment to one's Islamic beliefs. The acceptance of Islam's fundamental axioms of Tawheed (unity), Nubuwwah (Prophethood), and *Ma'ad* (accountability) requires manifestation through commensurate action. Tawheed is recognizing Allah (swt) as the One and Only Creator and Sustainer of the entire Creation. It also implies the Unity of creation and refusal of any kind of discrimination and disunity. Nubuwwah refers to the Prophets and Messengers entrusted with divine revelations for the guidance of mankind. Ma'ad establishes accountability and justice, for mankind will be judged and rewarded in accordance to their rule compliance or non-compliance. From the Islamic perspective, selfpurification is not only crucial for professing Tawheed but also to enable development because it requires present consciousness and awareness of the self and its Creator. This ultimately leads to embodying Islamic virtues and compliance with the rules and principles prescribed by Allah. Of course, if Muslims are generally rule compliant, then their adherence will be reflected in what we observe of society. We believe that we have summarized the principal teachings of Islam from its indisputable fountainhead-The Holy Qur'an-and its accurate and indisputable implementation by the Prophet. But we have excluded some of the individual, or personal, requirements of Muslims as acknowledged above.

Others could argue that the principle Islamic teachings that we have summarized do not fully and accurately represent the characteristics, or the many important dimensions, of a rule-abiding Muslim community. Of course we don't claim to have all the answers and to have correctly deduced the all-important

⁴ Please see Alaa Alaabad et al. (2016). Interestingly, the results did not change significantly in constructing indices based on *MaqasidShariah*.

teachings in Islam from the Qur'an and the practice of the Prophet. We are open to challenge and criticism. We invite other teachings to be added, some to be deleted, and others improved andenhanced to improve on our indices. In fact, it is our sincere hope for us or for others to develop an index that most Muslims would accept as this would increase the likelihood of much-needed reforms.

But even those who accept our presentation of foundational Islamic teachings may object to how we have characterized each teaching, for example under Economic Islamicity or under Legal and Governance Islamicity. Further, there may be disagreement on what the breakdown of the teachings (the elements that represent a particular teaching) means in practice (Table 1). There is no right or wrong answer. For example, a person may agree with us that economic justice is an essential principle in Islam and that it should be placed under Economic Islamicity but may disagree that one of the dimensions of economic justice is in turn avoiding extreme income inequalities. Even if there is agreement on the teachings and their elements, there may be objections to the information and data that we have chosen to represent these elements in the index. For example, even if a person agrees that extreme income inequalities must be avoided, he or she might disagree that this is well captured by differences in Gini Coefficients or in some other measure that we adopt. Along the same lines, there may better data sources than what we have used to represent a particular variable. It should be noted that while there are clearly some overlaps among the principal teachings, especially when it comes to economic principles, not only in content but also in terms of cause and effect, they still serve to highlight the areas of economic, social and political success or deficiency among the Islamic countries. It should also be noted that it is problematic to precisely capture each of the dimensions of Islamic principles (and categories) with various variables serving as proxies that do not overlap. The proxies are not ideal indicators of the Islamic principles in question but they represent the measures that are readily available. It is hoped that time will at least allow improvements and provide better proxies.

A general problem with all indices, is the importance or weights given to each element in the index in order to come up with the index. Of course, the smaller number of sub-elements to be aggregated in an index, the less important is this problem. In our case, the International Relations Islamicity Index has less weighting issues than does the Economic Islamicity Index (that has many more diverse elements to be combined), which in turn has less elements than the overall index that also incorporates many dissimilar elements (economics, legal and governance, human and political rights, and international relations). We, like many others took the least controversial approach, and adopted equal importance or weights for each of our sub-elements (or sub-components) within each of the four Islamicity indices. Again, anyone is encouraged to redo the indices using different weights, but at this point we do not have the required courage to take on this challenge! The only exception to this generalization is in the overall Islamicity Index. For the overall Islamicity Index (the combination of the four indices) we have used weighted the first three indices at the 0.3 level and international relations at the 0.1 level.⁵ While we believe that the international relations index should have a lower weight than the other three indices, there is no science that dictates its weight of 0.1 in the overall index. It is simply our strong belief that for a Muslim community the other three indices matter much more than the international relations index.

This work should not be seen as a static exercise. The teachings we have identified and their elements should be continually debated and enhanced. These are indices whose construction can be improved in many dimensions. In cases where the missing information is limited, we have estimated the information from other sources, but in cases where it is extensive we have had to drop the country from consideration altogether. The availability of information (largely indices of characteristics such as freedom, poverty level, etc.) should increase with time, resulting in more accurate comparisons and in the inclusion of more countries. Finally, because of delayed availability of some indicators some very recent developments may not be reflected in our index. So please don't dismiss the validity of these indices because of this timely data issue.

Given these words of caution, we cannot claim for example that there is a significant difference between an index ranking of 1 and 5 or a score of 0.91 and 0.89, however, we believe that rankings of 1 and 10 and scores of 0.9 and 0.8 tell us that the two countries are different in their compliance with the rules that we have outlined. Moreover, we should make the obvious point that scores are a better measure than rankings because a number of very close country scores that tell a similar story could simultaneously result in very different country rankings. As we have said before, a number of Muslim scholars have developed other indices since our original indices about a decade ago.⁶ Many of these, based on *Maqasid al-Shariah* were delivered at the Islamic Development Bank's two conferences in Saudi Arabia

⁵ The other exception was in the Legal Integrity Indicator (12 in Table 3-1, we did not assign equal weights to 12.1 and 12.2 but gave Legal and Judicial Indicator a higher weight at 0.7 and 0.3 for Military Interference).

⁶ Scheherazade Rehman and Hossein Askari, (September 2010, and May 2010).

and in Indonesia in 2014.7The essential premise for these indices is that they are based on the goals of Shariah and can be more readily justified that those based on individuals drawing out the principles directly from the Qur'an and the life of the Prophet. While we encourage diversity of approaches and competing indices, we worry that the entire project could be highjacked by "official" attempts to manipulate the results to suit rulers, governments, clerics and institutions. For instance, while freedom and freedom of choice are essential in Islamic thought, official indices may focus narrowly on the economic dimensions (Economic Islamicity); and even then the official approach may downplay the importance of equal opportunity for all to develop but instead emphasize the number of mosques, the percentage of Muslims in the population, the number of pilgrims performing Hajj, the role of charities, and the like. Again, in a rule-abiding Muslim community there must be political and individual freedom, no poverty alongside wealth, accountability of rulers and governments, and socio-economic justice. These to us are the key elements of a rule abiding Muslim community. In the absence of these, attributes that are today absent in most Muslim countries, there is little prospect for a better future for the citizenry.

D. Islamicity Indices 20188

The Index scores and ranks 153 countries by their Economic, Legal and Governance, Human and Political Rights, International Relations, as well as their Overall Islamicity, uses a scale of 0 to 10, where 0 is highly un-Islamic and 10 is highly Islamic. This year's Indices highlight that the majority of countries made some progress on improving on their Islamicity scores.⁹

Globally, Overall Islamicity (OI) saw improvements in 2018, reversing the 2017 trendline. The global median OI score improved by 1.60 percentage points and rankings improved half a point (due to the addition of another country, Fiji, in the indices). The positive trend was mirrored in the scores of other indices – Economic (EI), Legal & Governance (LGI), Human and Political Rights (HPRI), and International Relations (IRI). Median rankings across the board improved compared

⁷ The papers at these two conferences can be found at: www.irti.org

⁸ For complete results for 2018 and for earlier years since 2000, please go to: <u>http://islamicity-index.org</u>

⁹ The results do not reflect most recent developments in countries because the information (especially available indices) are largely based on 2017 data. This time lag in available indices, in turn, results in a lag in the incorporation of most recent developments in the Islamicity Indices.

to previous year due to the addition of a country. Previous year evaluated the indices for 152 countries, while this year, we evaluated them for 153 years.

The median OI scores and rankings for OIC countries also reversed last year's trendline, akin to the global median. They made an improvement in their overall scores- the median OI score grew by 4.79%. Across the other indices, Muslim countries fared with mixed results. The LGI score again rose, this time by 1.89%. The HPRI score reversed last year's negative trend and made an impressive improvement of nearly 12%. The EI and IRI scores again contracted, surpassing last year's decline. Median EI slid by over 9% while IRI by approximately 8%. By comparison, last year, EI score fell by over 8%, while IR by nearly 6%.

Like their scores, the rankings for OIC countries moved along the same trendline. Median OI ranking improved by 2.5, LGI by 2.5, and HPRI by 6 spots, while EI fell by 6 and IRI by 3 spots.

Table 2: Median Islamicity Scores in 2018

Description	Overall	Economy	Legal and Governance	Human and Political Rights	International Relations
All Countries	4.70	4.80	4.82	4.81	5.03
OIC Countries	3.28	3.45	2.84	3.47	3.37
Non-OIC Countries	6.01	7.14	6.98	4.63	3.82
Percentage Change Relative to 2017 for all Countries	1.60	1.54	2.47	0.40	1.66
Percentage Change Relative to 2017 for Muslim Countries	4.79	-9.08	1.89	11.70	-7.81

As evident from the table above and figure below, the Muslim countries performed worse than the world median across all indices. This index found that out of 40 self-proclaimed Islamic countries, 32 had a score of less than 5 in Overall Islamicity. The results demonstrate that the majority of Muslim countries fell in the lower half of the indices. A quarter of them had a score in the lowest quartile. When separating out all the non-Muslim countries, we see that they fared the same in 2018 as the previous year. Their OI score intact with a median overall score of approximately 6. The results show that Muslim countries accounted for lowering the world median.

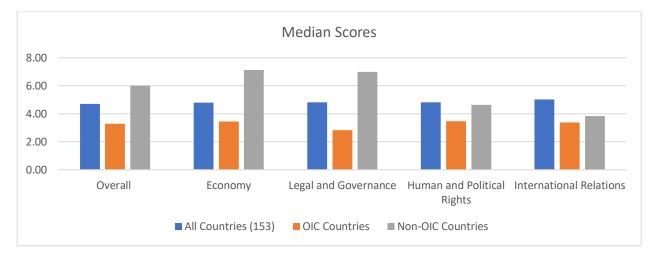


Figure 1: Median Islamicity Scores in 2018

The 2018 Islamicity indices show New Zealand to be the country that best reflects Islamic values and institutions in the world. Followed by Sweden and the Netherlands, these countries more closely follow the precepts of Islam as compared to Muslim-majority countries that profess Islam as their guiding principle of governance. As was the case in 2017, Muslim-majority countries performed sub-par – their practices and values did not reflect the Islamic teachings of the Qur'an and hadiths.

E. Overall Islamicity

It is no surprise that the OECD and high-income countries performed best with a median OI ranking of 19 and 24.5, respectively. They were followed by the upper middle income, non-OECD and non-OIC, non-OECD, and lower middle income. **Table 3: Median Islamicity Rankings for Categories of Countries**

Median Rankings	OI	EI	LGI	HPRI	IRI
All Countries (153)	76.0	77.0	77.0	77.0	77.0
OECD	19.0	19.5	18.5	18.5	42.0
High Income	24.5	24.5	24.5	24.5	45.5
Upper Middle	73.5	71.5	80.5	69.5	92.0
Income					
Non-OECD Non-	88.0	91.0	88.0	78.0	79.0
OIC					
Non-OECD	95.0	95.0	94.0	95.0	89.0
Lower Middle	106.5	101.5	107.0	104.5	100.5
Income					
OIC	118.5	113.0	115.5	112.0	119.0

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Low Income	128.0	132.0	127.0	126.0	67.0

The median OIC countries rank was 118.5, which falls in the third quartile, having only done better than low-income countries. It is no surprise that OIC countries are at the bottom of the list between lower-middle- and low-income countries. 22 of the 40 OIC countries are either lower-middle- or low-income country (equally divided between the two categories). Of the 22 countries, 13 were African, 6 were Asian, and 2 Middle Eastern.

None of the OIC countries occupy a rank in the upper quartile. Nine countries are in the second quartile – they are the high income and upper-middle income countries of UAE, Albania, Malaysia, Qatar, Bosnia and Herzegovina, Oman, Kuwait and Bahrain. Only one lower-middle income country joins them in this quartile – Indonesia. The third quartile is a mixed bag of upper- middle and lower-middle income countries with the exception of high-income Saudi Arabia and low-income Burkina Faso. The last quartile are predominantly OIC countries that are lowermiddle and low-income countries. The resource rich upper-middle income countries of Lebanon, Turkmenistan, Iran, Algeria, Iraq, and Libya are also in the list.

In all, income levels are a good predictor of the country's performance in the Islamicity Indices. The higher their income levels, the greater the chance of them doing well to promote economic opportunities for their citizens, safeguard their human and political rights, uphold good governance and strong legal systems and have cordial relations with neighboring countries.

As is evident from the table below, 31 out of the 40 OIC countries rank in the bottom half of the OI, while 32 countries have a score lower than 5. While the OI median score and rank for OIC countries improved compared to last year, there were some noteworthy improvements and declines.

Iran and Turkmenistan saw both of their scores and ranks improve. Iran's score increased by 18% and it jumped 9 spots to 125th rank. Turkmenistan improved its score by 14% and also jumped 9 spots to 123rd rank. In contrast, Libya saw the largest decline – its score dipped by 25% and rank by 11 spots to finish near bottom at 147th spot.

Table 4: Overall Islamicity Index for Muslim Countries

Country Score Rank

United Arab Emirates	6.184	45
Albania	6.039	46
Malaysia	6.019	47
Qatar	6.008	48
Bosnia and Herzegovina	5.152	60
Oman	5.137	61
Indonesia	5.051	64
Kuwait	5.034	66
Bahrain	4.900	70
Jordan	4.490	80
Senegal	4.472	83
Saudi Arabia	4.419	85
Tunisia	4.400	86
Kyrgyz Republic	4.188	93
Morocco	4.062	94
Turkey	4.061	95
Azerbaijan	4.015	99
Burkina Faso	3.840	105
Tajikistan	3.295	117
Lebanon	3.287	118
Uzbekistan	3.277	119
Sierra Leone	3.247	122
Turkmenistan	3.224	123
Iran, Islamic Rep.	3.127	125
Niger	3.022	128
Algeria	3.018	129
Bangladesh	2.991	131
Mali	2.974	132
Nigeria	2.793	133
Guinea	2.718	134
Egypt, Arab Rep.	2.416	137
Iraq	2.364	138
Pakistan	2.295	140
Mauritania	2.193	142
Afghanistan	1.939	146

Libya	1.935	147
Syrian Arab Republic	1.823	149
Chad	1.687	151
Sudan	1.248	152
Yemen, Rep.	0.973	153

F. Economic Islamicity Index

The results of the Economic Islamicity Index are shown in table below. Median EI scores and rank for OIC countries declined considerably from 2017. However, there were still some noteworthy improvements.

Leading the list of major declines were Sierra Leonne, Lebanon, Pakistan, Egypt and Syria. Sierra Leone's EI score decreased by 32%, while its rank fell by 18 spots. Lebanon's score fell by 19%, while its rank fell by 22 spots. Similarly, Pakistan's score declined by 19% and its rank by 17 spots. And both Egypt and Syria's scores fell by 18%, and ranks by 17 and 18 spots, respectively.

The biggest improvement was seen by Afghanistan with an increase in score of 26% and rank of 9 spots.

Country	Score	Rank
United Arab Emirates	7.574	22
Qatar	7.139	27
Malaysia	6.990	31
Bahrain	6.678	38
Oman	6.097	49
Kuwait	6.078	50
Saudi Arabia	5.599	55
Indonesia	5.566	57
Bosnia and Herzegovina	5.428	61
Azerbaijan	5.341	63
Albania	5.312	64
Turkey	5.065	70
Jordan	4.956	73
Kyrgyz Republic	4.873	75
Morocco	4.528	85
Turkmenistan	4.245	90

Table 5: Economic Islamicity Index for Muslim Countries

Iraq	4.187	92
Uzbekistan	4.096	93
Burkina Faso	3.856	102
Senegal	3.511	112
Tunisia	3.391	114
Niger	3.373	115
Nigeria	3.366	116
Mali	3.351	117
Iran, Islamic Rep.	3.297	119
Lebanon	3.293	120
Tajikistan	3.282	121
Pakistan	3.094	124
Bangladesh	3.083	125
Guinea	2.901	130
Algeria	2.836	131
Mauritania	2.781	133
Syrian Arab Republic	2.669	135
Afghanistan	2.629	137
Egypt, Arab Rep.	2.520	139
Chad	2.411	142
Libya	2.139	145
Sierra Leone	1.954	149
Sudan	1.380	151
Yemen, Rep.	1.307	153
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G. Legal and Governance Islamicity Index

The OIC counties continued the previous year's positive trendline, albeit the improvement was not as great. The slight improvement was 1.89%. A quarter of the countries have a score higher than five, while 30% have a rank in the upper half. Major score improvements and reductions were made by Muslim countries. Similarly, major rank improvements also included Muslim countries.

Overall, Syria had the largest decline in score and rank. Its score sank by 31% and its rank by 7. Kyrgyz Republic's score and rank improved the most – its score increased by 9% and its rank by 8 spots. And while Sudan, Iraq, and Yemen's scores fell by 20-30%, their ranks saw only modest decreases.

Country	Score	Rank
Country		
United Arab Emirates	7.217	40
Qatar	6.983	42
Malaysia	6.394	49
Oman	6.013	52
Albania	5.784	55
Jordan	5.485	60
Senegal	5.163	67
Tunisia	5.147	68
Morocco	5.142	69
Kuwait	5.093	70
Indonesia	4.995	71
Saudi Arabia	4.956	72
Bahrain	4.820	77
Turkey	4.314	85
Bosnia and Herzegovina	3.894	92
Burkina Faso	3.824	96
Azerbaijan	3.780	98
Algeria	3.186	107
Kyrgyz Republic	3.050	110
Egypt, Arab Rep.	2.979	112
Iran, Islamic Rep.	2.696	119
Niger	2.647	120
Sierra Leone	2.642	121
Lebanon	2.631	122
Mali	2.456	127
Tajikistan	2.326	128
Turkmenistan	2.309	129
Guinea	2.228	130
Mauritania	2.211	131
Uzbekistan	2.151	134
Bangladesh	2.048	136
Pakistan	1.928	137
Nigeria	1.759	138

Table 6: Legal and Governance Islamicity Index for Muslim Countries

Afghanistan	1.247	141
Syrian Arab Republic	1.029	145
Iraq	0.931	147
Chad	0.817	148
Yemen, Rep.	0.654	150
Sudan	0.637	151
Libya	0.605	152

H. Human and Political Rights Islamicity Index

In the HPRI index, the OIC counties had the largest improvement relative to the previous year. This improvement reversed the previous year's negative change of 2.3% to positive change of 11.7%.

Only two countries had a score higher than 5, while only three countries ranked in the upper half of the list. While there were some noteworthy declines in 2018, such as Tunisia, Senegal and Turkey whose scores fell by 13 to 16% and ranking by 16,18 and 21 spots, respectively; there were relatively more and significantly better improvements. Bahrain improved its score by 16% and rank by 16. Lebanon increased its score by 25% and rank by 23. Azerbaijan improved its score by 30% and rank by 25. Last but not least, Iran improved its score by 44% and rank by 37.

Country	Score	Rank
Albania	6.366	43
Bosnia and Herzegovina	6.000	50
Kyrgyz Republic	4.828	76
Malaysia	4.662	79
Lebanon	4.641	80
Qatar	4.632	81
Bahrain	4.379	85
United Arab Emirates	4.340	86
Tunisia	4.331	87
Kuwait	4.292	89

In all, 22 countries improved their scores, two remained unchanged and 16 fell.
Table 7: Human and Political Rights Islamicity Index for Muslim Countries

	1	
Indonesia	4.131	92
Iran, Islamic Rep.	3.895	95
Oman	3.891	96
Senegal	3.891	96
Azerbaijan	3.882	98
Turkey	3.821	100
Jordan	3.817	102
Saudi Arabia	3.630	108
Uzbekistan	3.599	109
Tajikistan	3.556	110
Algeria	3.394	114
Sierra Leone	3.394	115
Libya	3.316	118
Turkmenistan	3.268	119
Burkina Faso	2.854	126
Bangladesh	2.780	129
Morocco	2.684	132
Mali	2.571	133
Nigeria	2.562	134
Niger	2.301	137
Iraq	2.283	138
Syrian Arab Republic	2.170	139
Egypt, Arab Rep.	2.065	140
Guinea	2.004	141
Pakistan	1.878	146
Afghanistan	1.717	148
Mauritania	1.455	149
Sudan	1.390	151
Chad	1.272	152
Yemen, Rep.	1.041	153
	1	

I. International Relations Islamicity Index

The OIC countries performed worst in the IRI index. Median score followed last year's trendline, decreasing by over 7.81%, worse than last year's negative median change of 5.7%.

Muslim countries' IRI performance was also the most volatile. Scores and ranks changed by huge margins. For instance, Bahrain's score decreased by 57% and rank by 19; Jordan's score fell by 44% and rank by 22; Lebanon's score fell by 66% and rank by 25; Nigeria's score fell by 22% and rank by 42, Turkey's score decreased by 76% and rank by 52. Worst of all was Libya's performance – its score fell by 81% and rank by 105.

By contrast, there were some significant score improvements too. Turkmenistan's score increased by 41% and rank by 18 spots; Uzbekistan by 47% and 19 spots; Indonesia by 20% and 23 spots; Senegal by 22% and 24 spots; Chad by 63% and 24 spots; Bangladesh by 33% and 42 spots; and Guinea by 48% and 54 spots. However, the greatest increase was made by Sierra Leone. Its score increased by 58% and rank by a remarkable 54 spots to ranking 5th in the world.

In all, 12 countries had a score above 5 and ranked in the upper half.

The low score and ranking in the IRI is largely due to armed conflict. Muslim countries are plagued by this scourge.

Table 8: International Relations Islamicity Index for Muslim Countries

Country	Score	Rank
Sierra Leone	8.497	5
Albania	8.007	14
Senegal	7.026	27
Burkina Faso	6.797	32
Indonesia	6.438	39
Bangladesh	6.176	46
Malaysia	6.046	51
Guinea	5.784	57
Bosnia and Herzegovina	5.556	61
Tajikistan	5.458	67
Tunisia	5.392	68
Niger	5.261	71
Nigeria	4.869	82
Mali	4.608	89
United Arab Emirates	4.444	96
Kuwait	3.954	108

3.824	110
3.627	113
3.562	114
3.366	119
3.366	119
3.235	121
2.778	126
2.614	129
2.582	130
2.255	134
2.255	135
2.124	136
1.928	138
1.634	139
1.601	140
1.471	141
1.438	142
1.373	143
1.176	145
1.176	145
1.144	147
1.013	148
0.719	149
0.621	151
	3.627 3.562 3.366 3.366 3.235 2.778 2.614 2.582 2.255 2.124 1.928 1.634 1.471 1.438 1.373 1.176 1.176 1.144 1.013 0.719

In 2018, the world improved its performance along all five indices. The countries of western Europe, North America, and developed Asian countries continued to perform well in the indices. The list of top ten performers has changed little relative to last year. The results again demonstrate that developed countries with effective institutions, governance that is answerable to the people, strong economies, and respect for human rights and the rule of law do well on the indices and follow the precepts of Islam more closely than the Muslim-majority countries. The successful countries display good performance across the board and are consistent in their performance from year to year – across the board performance and consistency are the hallmarks of effective institutions. The Muslim-majority

countries, on the other hand, improved their performance across three of the five indices, lagging behind in Economic and International Relations Islamicity. The African, south and central Asian, and some Middle Eastern countries that constitute the greater number of developing and conflict-affected countries fared worse, while more developed European, Asian-Pacific, and rich Middle Eastern countries performed better.

Broadly speaking, Muslim countries who profess Islam and the teachings of Qur'an are not as Islamic in their practices as many non-Muslim countries. To make sure their practices follow Islamic principles and standards, the OIC countries should encourage fundamental reforms to build effective institutions. Looking across the board, freedom and equitable opportunity to pursue individual dreams, the rule of law, legitimate governance answerable to the people and justice are at the foundation of successful societies. The Islamicity Indices provide the moral instrument and the compass for achieving such successful societies. They provide a measurable instrument for assessing success and shortcomings and the areas requiring the most urgent attention. Governments and the people can peacefully agree to adopt such indices and set a timetable, e.g. 20-30 years, to achieve an agreed upon improvement in their institutional structure. In this way, they can achievepeaceful reforms.

J. Summary

There is much more to Islam than the Five Pillars. In Islam, actions speak louder than words. There are detailed rules for individuals to follow for creating a thriving, prosperous and just community. We believe that our indices capture the broad characteristics of a rule-abiding Muslim community: political and individual freedom, no poverty alongside wealth, accountability of rulers and governments, and socio-economic justice. In the absence of these, attributes that are today absent in most Muslim countries, there is little prospect for a better future for the citizenry. If Muslims individually and collectively follow these rules, the result should be reflected in the condition and landscape of Muslim societies and countries. Indices provide a benchmark for measuring the degree to which a country follows the practices and rules (adopts the implied institutional structure) advocated in Islam. We recognize, and in fact emphasize, that there are objections to our indices because they do not incorporate what are commonly referred to as the five pillars of Islam. But our goal is not to reflect how many people say they are Muslims or how many have performed their Hajj pilgrimage. Our benchmark is designed to assess the rulecompliance of countries with foundational Islamic teachings, or the extent that a society reflects Islamic teachings.

When non-Muslim and Muslim countries are compared, the indices indicate that New Zealand, Australia, Canada and the countries of Northern Europe occupy the top ten positions in adopting Islamic rules for their foundation. These are countries that are generally regarded as the most successful socio-economic countries. Thus the problem is not with Islam but with Muslims as they do not uphold the rules, which translate into institutions, recommended in Islam.

The Islamicity Indices benchmark is not static. It can be improved and should be updated on a yearly basis. It can be used by Muslims to gauge their performance as a community or country, assess what policies have supported and impeded progress, and what is needed for a sustained turnaround to establish just and thriving communities.

In sum, Islamicity Indices enable Muslims to focus on the indisputable source of their religion—the Qur'an—and are a continuous performance indicator of their rulers, governments and communities. These indices provide a roadmap forward for Muslim countries and enablerulers and their people to agree on a program of reform, over say a 20-year period, and each year progress to the targets can be assessed, successes and failures identified and policies adopted. The Indices also provide a simple approach to explain Islam to the non-Muslim world. With a better understanding of Islam in both Muslim and non-Muslim communities, peaceful reform and effective institutions will be more readily achieved in Muslim countries.

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