

## **ENDOGENOUS ECONOMIC GROWTH FROM THE PERSPECTIVE OF ISLAMIC ECONOMIC DOCTRINE**

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Many thinkers of human sciences acknowledge that the teachings of Islam pay attention to all aspects of the individual and social life of man and are able to answer his material and spiritual needs. From the point of view of economics, the paradigm governing global economic growth policies is the thought and doctrine of the capitalist system. This paradigm has imposed many crises and challenges, such as poverty, economic and social inequalities, political and social tensions, and environmental crises on the peripheral countries. With encounters with these problems, new theories of economic growth such as endogenous growth theory, economic sustainability literature, and Islamic economic doctrine have been proposed, which seek to reduce the effects and negative consequences of global economic growth policies.

The findings of this research show that the economic doctrine of Islam and the economic and social policies based on moral principles and Islamic standards have wide and deep effects on human motivations and efforts and oblige people to behave decently towards each other and make optimal use of resources and facilities. From the perspective of Islamic ontology, human ownership of natural resources is beneficial. According to this attitude, waste of resources and extravagance are forbidden, resources and socially productive opportunities must be distributed fairly, and the right of all generations to resources must be reserved. Humans are responsible for solving each other's problems, and economic growth should be aimed at goals such as welfare, salvation, human excellence, and social progress.

The research method related to this treatise is analytical and descriptive in terms of writing and addressing the research problem, but in terms of the

purpose, it is applied and developmental with a qualitative approach. The methods of collecting information in the research of this treatise are library, field, and comparative.

**Keywords:** *economic growth, endogenous growth, economic sustainability, ontology, economic doctrine of Islam*

### ***Introduction***

Today, due to the global rule of the doctrine of capitalism and the attitude of the market economy, the world is facing many fragile crises and challenges. These crises include the hidden economic conflict in the guise of interventionism, systematic deprivation, and persistent poverty in peripheral countries that originates from the processes of economic globalization, widespread displacement, and economic and social inequalities on a national and global scale that result from the unequal global distribution of wealth and opportunities. The social and environmental crises that have spread due to the excessive use of resources and pollutants are all direct and indirect results of the rule of capitalist thinking and market economic patterns in global economic relations. Meanwhile, there is no doubt that the school of Islam has a set of principles, teachings, and special moral values in all aspects of human life, which are integrated into the form of Islamic ontological foundations and can be politicized and implemented by referring to Islamic Sharia such as the Quran and Sunnah. The economic teachings available in Islamic sources and the economic behavior patterns of Islamic leaders and Muslims based on Islamic principles and standards have formed the foundations of the economic attitude and Islamic economy, which can be used for economic policies. The Islamic economy, by applying Islamic propositions and principles, seeks to achieve goals such as salvation, moral excellence of people, development of welfare, sustainable development, and the root solution of economic and social problems through the consolidation and implementation of Islamic Sharia.

### ***Background Research***

Economic growth literature has a long history. The incomplete explanation of the classics and neo-classics of the category of economic growth is the basis of diverse and broad attitudes related to growth theories. In general, theories of endogenous growth rely on the internal capacities of the economy, according to the literature on economic sustainability, that is, attention to economic justice, welfare development, poverty-relieving economic growth, and attention to the

rights of the future, have addressed the category of growth. Muslim economic thinkers have also addressed this discussion from the perspective of general Islamic principles in the field of regulating economic relations. Regarding this issue, Mahmud Nazarnia from the perspective of financial and economic relations based on Islamic contracts, addresses many economic issues including goals. The differences between schools and Islamic ontology with other schools have been discussed. Monzer Kahf, from a methodological point of view, has addressed the question of what are the general framework and scientific methods of Islamic economics to establish the Islamic economic system. Farahani and Yusefi, in their articles, have discussed the theory of endogenous growth in Islamic economics, but the investigation of endogenous economic growth from the perspective of Islamic economic doctrine is a new issue that this article has undertaken. From the perspective of ontology and Islamic behavioral necessities, economic growth is aimed at goals such as human excellence, social justice, fair distribution of resources, opportunities, and optimal use of resources within the framework of Sharia and moral standards. Islamic studies have shown that moral and religious principles have wide and deep effects on human motivations and efforts and the use of resources, organization of factors, and the behavior of economic workers.

### *Theories of Economic Growth*

In general, the literature related to economic growth originates from the economic ideas of the classics and has been gradually expanded. Adam Smith, one of the classic economists, discussed economic growth in the form of the doctrine of natural laws. According to him, the laws of development are in the form of seeking personal benefit through the invisible hand and dividing social labor into capital concentration, optimal allocation of resources, and effective use. It leads to economic growth. John Stuart Mill considered economic growth as a function of production factors such as land, labor, and capital. According to him, the wealth of nations increases when land and capital, with the help of each other, can increase production at a faster rate than labor. Nurkse analyzed and evaluated economic growth in the form of solving hidden unemployment. In his opinion, in many underdeveloped countries, due to the increasing population growth, the final production in the agricultural sector is zero, and they do not have the power to attract additional work units. This adds to the number of unemployed people. Therefore, by transferring part of the potential force from the agricultural sector to other economic sectors and making huge investments simultaneously in several industries, economic growth is achieved.

Hirschman (1958) believes that investment should be made in industries or leading and selected sectors of the economy to increase economic savings.

Investing in those industries and economic sectors that mostly create social and economic benefits can act as the main engine of economic growth. Myrdal emphasized the role of governments in economic growth. In his opinion, the government's entry into the economy through distribution policies and reducing inequalities can strengthen economic growth. In general, classical thinkers analyzed economic growth from the perspective of material factors of production, land, and labor, and with emphasis on the accumulation of physical capital, concentration of capital per capita and purely economic factors, and other institutional and human factors were less present in their analysis.

### *Neoclassical Economic Growth Theory*

Neoclassical thinkers, along with the material factors of production, have also included human capital and technology in the growth model in explaining the phenomenon of economic growth. Robert Solow and Trevor Swan first introduced neoclassical growth theory in 1956. This theory states that economic growth is the result of the combination of three factors: labor, capital, and technology. Solow's model initially considered population growth to determine the exogenous growth rate, but in 1957, Solow added technological changes to the model.

In the analysis of Adelman and Morris (1972), social ability in learning and storing knowledge could create significant effects on growth and development. Continuing and completing the shortcomings of the economic growth theory of the classics and neo-classics, the literature of endogenous growth now covers a wide range of topics related to economic growth. The topics of endogenous growth are related to hardware and institutional developments of growth and, in response to total productivity, the per capita global income gap has been arranged.

In general, the theory of endogenous growth explains that increasing sustainable economic growth depends on providing a set of the most important factors and internal mechanisms of the economy – factors and mechanisms such as the rehabilitation of human capital, the creation of new technologies, the development of information, communication, and scientific infrastructures, investment in research and development, the improvement of the level of productivity, and the study of other fundamental components, such as the development of social infrastructure, the development of political institutions, good governance, the constructive interaction of the government. People, commitment to property rights, and constructive interaction of various economic sectors and institutions have an impact on the motivation, synergy, and broad participation of people and methods of increasing efficiency and de-

creasing government and society costs. With the realization and provision of this set of mechanisms, sustainable economic growth is created and gradually accelerates. Therefore, the background of economic growth literature can be analyzed and evaluated from several perspectives.

### *New Theories of Economic Growth*

New theories of economic growth, including endogenous growth along with the material factors of economic growth from the perspective of institutional factors, cultural and political institutions since the late 1980s, with the introduction of human capital and the knowledge-based economy or the economy of ideas and the accumulation of knowledge by Robert Lucas and Paul Romer entered the discussions and growth model. From the perspective of political economy literature, Reynolds examined issues such as the relationship between economic freedom and democracy with economic growth, the relationship between property rights and economic growth, the relationship between ethnic diversity and political conflict with economic growth, the effect of inequality and political instability on economic growth. It has been analyzed according to his view. His study on the interactions of political institutions reveals the conclusion that the most important factors of economic growth and progress are the political organization and the competence of the government. Abramovich explained the phenomenon of growth from the perspective of social capability. In his opinion, without social capability and in the absence of various institutional arrangements that provide the environment for directing profitable economic activities, countries are not able to take advantage of the capacities, opportunities and they will not realize their potential.

Harris, Hunter and Lewis (1997) have explained the phenomenon of growth from the perspective of institutional changes and institutionalism. They state that the main issue of the history of economic changes and economic development is to present the reasons for the evolution of political and economic institutions that prepare the economic environment for increasing productivity and growth. Robert J. Barro and Xavier Sala-i-Martin have analyzed the impact of social capital, and political and religious processes on growth. According to Barro and Sala-i-Martin, in the long term, the growth rate of the world economy is determined by the discovery of technologies in leading countries. Follower economies participate in innovations through the process of imitation and adaptation. Because the cost of imitation and adaptation is low. Follower economies are likely to grow faster than leading economies. Fukuyama, Elson, and DeLong also identified the roots of the economic backwardness of countries from the perspective of the literature on political development and growth. They say that one of the most important factors in reducing growth

and per capita income in the world is the lack of political development in countries that have the lowest growth and income rates. The lack of political development indicates that this phenomenon prevails in countries that have the lowest growth and income rates. In their studies, political development affects the choice of economic system and optimal economic policies. They conclude from their studies that democracy and growth have a mutual and reinforcing relationship, That is, growth strengthens democracy and democracy strengthens growth. Murphy has studied the effect of rent-seeking and systematic corruption on economic growth. He notes that countries with inadequate infrastructure such as corrupt bureaucracy encourage rent-seeking activities. This leads to the diversion of resources from productive activities such as capital accumulation, skill acquisition, production of new goods, and production techniques.

### *The Concept of Endogenous Growth*

Endogenous growth indicates the dynamism of a social-cultural environment. Endogenous growth in the growth and development literature is creating a platform, providing the conditions for growth and development from within, and it emphasizes that the origin of modernization must be internal. Endogenous growth includes the modernization of traditional processes. Renovation from within means adapting to existing cultural and social capital (Peters 2017: 174). Imported modernization is alien to the ruling traditional values and destroys the existing social and cultural capital.

Endogenous growth theory argues that economic growth comes from within a system due to the interaction of internal forces and as a direct result of internal processes. More specifically, this theory points out that increasing the human capital of a society leads to economic growth through the development of new forms of technology and the organization of efficient and effective means of production.

Contrary to the neoclassical economic view, endogenous growth theory holds that productivity improvements are directly related to faster innovation and greater investment in human capital. Therefore, government institutions and the private sector should foster initiatives and innovation. Provide incentives for economic operators to be more creative by allocating funds for research and development (R&D) and intellectual property rights.

In terms of endogenous growth, in a knowledge-based economy, influential knowledge-based sectors, such as telecommunications, software, and other high-tech industries, have spillover effects from investing in technology and increasing productivity in people. Some of the main principles and policies of endogenous growth theory are:

1. The ability of government policy to increase the country's growth rate if it can intensify competition in the markets and help stimulate innovation, product and process.
2. Investment especially in infrastructure and investment in education, health, and communication leads to increasing returns.
3. Private sector investment in research and development is a vital resource for technological progress.
4. Protection of property rights and patents is necessary to motivate businesses and entrepreneurs to participate in research and development.
5. Investing in human capital is one of the vital requirements for growth.
6. Government policy should encourage entrepreneurship as a means of creating new jobs and ultimately as an important source of new jobs, investment, and further innovation (ibid.).

### ***Endogenous Methodology***

In terms of methodology, the most obvious feature of endogenous growth is the emphasis on participation and utilization of all capacities and possibilities. Practical research and rapid assessment of rural participation, as well as critical education and empowerment, are other important elements of an endogenous growth and development approach.

The use of these special and unique elements in theological and liberating education, and on the other hand, the participation of international institutions and non-governmental organizations, which are considered part of the participation in the local development of the people, is an extremely challenging concept.

### ***Endogenous Epistemology***

The epistemology of the classical and neoclassical schools is based on instrumentalism and instrumental rationality. In the neoclassical school, rationality is defined as absolute rationality or true to nature and the existence of complete information and rational expectations. From their point of view, the importance of a hypothesis lies in its predictive power (Tafazzoli 2022: 83). In contrast to the epistemology of endogenous growth, the realism of hypotheses is important. In addition, it explains the actual functioning of the real world.

On the other hand, economists of the neoclassical school analyze economic issues following individualism and using the principles of microeconomics. However, in the endogenous approach, they consider economic issues systematically and believe that people under the influence of cultural environment

and social status have limited rationality. Anthropological and psychological studies have shown that human behavior is determined by human beliefs. Anthropological and psychological paradigms, and theoretical models, control human understanding and imagination. Humans tend to select and suppress information based on their opinions have shown that human behavior is determined by human beliefs. From the point of view of endogenous growth, the ability and creativity of people is the main source of saving per capita gross income and gross national product of the country. Accordingly, in the classical and neo-classical growth paradigm, poor people are defined as lacking economic resources, and poverty is an indicator to explain economic growth. The roots of poverty, complete deprivation, culture of poverty, etc., are inactive elements of the discourse of growth and development. However, in the paradigm of endogenous growth, the poor and the elimination of poverty are the goals of growth and development. In this view, economic capital is not only important as a source and criterion of growth and development but institutional transformation, social, cultural, symbolic capital, and moral indicators are also as important as economic capital. Hence, local knowledge is recognized as the main focus of endogenous epistemology.

### ***The Capacities of Economic Growth in Islamic Teachings***

Islamic teachings from three perspectives, Islamic ontology, behavioral requirements, and human motivations, act as endogenous growth capacities and provide the basis for sustainable economic growth from within, which can be explained in terms of the fundamental principles of Islamic economics.

### ***Islamic Ontology and the Endogeneity of Economics***

Islamic ontology examines the approach and interpretation of the concepts, and philosophical and metaphysical foundations of Islam towards existence. Issues such as nature, the source of creation, man's relationship with God, man's attitude and the manner of man's communication and behavior towards nature, and especially the issue of creation and the meaning of man's ontology in Islam are discussed. The following can be considered as the foundations and most important components of Islamic ontology.

#### ***(1) Monotheism in God's Creative and Legislating Lordship***

According to this principle, God is the only source of existence, the main cause in the creation of existence, the authority and ruler of all legislative,

judicial, and executive affairs in human life. The complete laws governing the society in all political, economic, and social dimensions are the Divine Sharia. The source of the legitimacy of every rule and law in providing livelihood and economy is only God. Humans originate from a single origin, all are equal in enjoying the blessings of God. The ultimate goal in Islam is to provide worldly and hereafter prosperity or to achieve the highest moral perfection. According to Islam, a prosperous person seeks to maximize the total benefit of this world and the hereafter. The Prophet of Islam said that the best of you is not the one who leaves this world for the hereafter or the hereafter for this world: the best of you is someone who benefits from both (Zamakhshari 2024: 53). A person who firmly believes in the afterlife is satisfied with the blessings of this world to the extent of subsistence and spends the rest of his income for the welfare of others through investment or charity. In Islamic laws, no special rights and privileges have been legislated or forged for a certain class of people without any reason. People are equal before the laws and divine judgment. This principle negates the waste of resources, seeking superiority, discrimination, and extravagance and obliges man to observe fairness, responsibility, good behavior, cooperation, and trustworthiness in dealing with the phenomena of existence and benefiting from it, and the final result is the use optimum of resources and facilities (Hadavi Tehrani 1999: 24).

## *(2) Belief in Supernatural Beings*

One of the other foundations of Islamic ontology is the belief in supernatural beings and their effects on the world of evolution. In the Islamic view, the world of existence is not exclusive and limited to the physical world, or in the interpretation of the Holy Quran, the world of “observation”. Rather, transcendental entities, or the “unseen world” that cannot be understood by the external senses, also form a vast part of existence. Trans-material existences are neither perceivable by the senses nor bound to time and place. God’s existence, spiritual perfections, and eternal happiness are beyond material. The soul of humans, which forms the true identity of humans, and human states such as happiness, sadness, pleasure, and hope is among the transcendental and invisible beings. Based on this principle, the development of moral values such as honesty, benevolence, human fellowship, love, justice, forgiveness, patience, trust, self-sacrifice, and prioritizing the rights of others is strongly emphasized in Islam and states that the success of material life does not have only material causes, but metaphysic factors also affect the success of material life and this world (Rafati & Ebrahimi 2013: 123–136).

### *(3) Purposefulness in Creation*

Among other Islamic ontological foundations is causality and the relationship of influence and effectiveness among beings. According to this principle, beings of the universe are not alien from each other; rather, they have a real influence on each other. Causality in its general sense is any kind of dependence of one entity on another entity (Javadi Amoli 2013: 115). Based on this, identifying the real causes helps in the analysis and real recognition of various phenomena.

Failure to identify the real causes of actions can lead to waste of resources and failure of efforts. The discovery of the relationship of causality, influence and effectiveness indicates the purposefulness of creation and the existence of transcendental programs. This principle also leads people to take responsibility, pay attention to accurate diagnosis, optimal use of facilities, and increases productivity in economic activities.

### *(4) Existential Levels and Arrangements*

From Islamic ontological foundations, different levels of beings, the difference in size, talents and benefits are quite obvious. Inanimate objects, plants, animals, humans, angels and other supernatural beings have different existential perfections. For example, fossils do not have the ability to grow and reproduce, but plants have this talent. Plants do not have feelings and will, but animals have feelings and will. Animals do not have intelligence, but humans have reason, thought, power of calculation and intelligence, and for this reason, they are considered the most complete beings. Humans are limited and confined to time and place, but supernatural beings are not like that. According to Islamic ontology, the entire universe has a single truth, but it has different degrees of talent and perfection (Sabzewari 2004: 360). This principle obliges man to accept responsibility and mission and recommends the type of cooperation and unity in the human world, which results in being in balance and productivity in economic activities.

### *(5) Faith in the Day of Reckoning*

Belief in the Day of Reckoning expands the time horizon for economic actors in any decision or choice in behavior. A believer considers its effects and efficiency in this world and the hereafter to do anything. Its economic justification is that in every decision and choice, he weighs benefits and costs together and chooses the value that leads to a better result in the future. God has promised that the reward of the righteous will never be lost (Quran 12: 90).

### *(6) Monotheism in Real Ownership*

Ownership is related to all social, economic, political, and legal aspects of human life. Based on its worldview, Islam provides a special interpretation of ownership, which can be explained under two headings: moral interpretation of ownership and social dimension of ownership. According to the teachings of Islam, existence and the world are the real property of God (Quran 2: 284). All the riches and resources in existence belong to God and God has arranged them according to his purpose. According to this, humans, as the successors of God, should act appropriately in exploiting resources (Quran 35: 39).

One of the requirements of succession is that man is responsible and accountable to God for economic and non-economic behaviors. In many verses of the Holy Quran, the fact that God has made the earth and mines, the seas and mountains, the sun and the stars subservient to humankind has been stated. In order to widely provide human benefits and make better use of God's blessings, nature has been given the ability to regenerate. On this basis, despite the acceptance of private property and the right of man to the result of his work and mastery over human resources, he is not completely free to use it, but to take possession of it within the framework of God's standards.

### *Good Economic Behavior in Islam*

The origin of many rights and restrictions that Islam has imposed on ownership and the manner of its acquisition and transfer is the social and moral dimension of ownership in the economic school of Islam, which itself is the foundation of a set of principles and rules related to economic activity.

Some of these rights and limitations are:

- a) Economic freedom in Islam. According to Islamic doctrine, economic activists are free in their economic activities as long as they are morally healthy. They can freely choose all kinds of jobs, professions, industries and activities under the condition of moral health and works. Owners of production factors, labor force under the rules in the market, engage in economic interactions freely, and no right holder is deprived of his right. However, the rich are not allowed to exercise monopoly power in the market, even through certain criteria (Mirmoezi 2009: 40–49).
- b) Enforcement of government laws. According to the law, the Islamic government can confiscate people's property or impose restrictions on their use in order to protect social interests (Naraqı 1996: 187–188).
- c) The responsibility of the rich and wealthy in providing the Necessary and vital requirements of the needy. God has given the poor a right in

the property of the rich and has introduced the needy to some extent as partners in the property of the rich (Quran 70: 24–25).

- d) Prohibition of extravagance. Almighty God has provided property to people so that they can use it in a normal way, away from extravagance (Quran 7: 31).
- e) Prohibition of damages. One of the fundamental principles of Islam is the prohibition of harming oneself, other people, and the environment. In Islamic Sharia, in addition to the prohibition of causing harm in general, the need to compensate for the damage is also ordered in Islam. According to verse 194 of *Surah* Baqarah: whoever causes damage to other people's property, whether private or public, and wastes it, must compensate for it (Quran 2: 194).

According to the Islamic teachings, the type of property that people benefit from is a type of beneficial property. If a person does not use the resources under his control, his property rights will be lost, and the property is limited to the lifetime of the owner. The owner does not have the right to bequeath and regulate the manner of possession of his property after his death. Distribution of inheritance should be done according to Islamic Sharia. According to Islamic laws, the right to private property is not an absolute right. Therefore, natural resources cannot be under private ownership and must be allocated to the interests of society as a whole. In Islam, freedom in productive activities should lead to the development of human capabilities and goodness. Based on this, for economic agents, corruption, waste of resources or abuse of material and political power to create privileges and take advantage of other people's rights is not allowed. Islamic teachings have specified the limits and forms of corruption, waste and abuse of power for personal interests, as well as the rules for protecting people's freedoms and privileges, not only against others and between the people themselves, but also against the government and political power. Islam considers usury as an illegitimate act and harmful to human relations (Quran 2: 278–279). Islam limits profiteering with legitimate and justice-oriented standards. Legitimate profit is the result of economic activities and providing useful services to the society. Based on this, in Islamic society, economic institutions are designed based on Islamic ontology.

### *Decent Economy*

In Islamic economy, human efforts are aimed at implementing a good economy. The ultimate goal in Islam is the development of moral and spiritual aspects of human beings, and it pays deep attention to social, cultural, and ethical aspects of economic activities. Achieving this goal depends on the re-

quirements of Islamic economy in order to realize a decent economy. Decent economy can be achieved based on Quranic and *hadith* guidelines with components such as good consumption, decent business, decent work, good land and good production factors and decent people. Good production also emphasizes the attention and necessity of calculating the environmental, social, moral and spiritual consequences of production, the good quality of goods and production factors. Islam has a worldview that governs behaviors and social relations consisting of tasks, requirements and responsibilities. Therefore, the economic system based on Islamic ontology regulates economic institutions and the set of economic behaviors and relationships of agents and economic activists in three categories, production, distribution and consumption.

Man, in his economic activities, relationships and behaviors, needs specific rules, regulations and structures that are set in Islam based on financial contracts and Islamic work contracts (Tavakkoli & Shafeinejad 2018: 39–40).

Islam prohibits any economic activities that are harmful to society and humans, such as production and consumption of various forms of intoxicants, gambling devices, and production and consumption of goods that deprive mankind of spiritual and moral values. In the Islamic intellectual system, good economic activities are desirable. In verse 168 in *surah* al-Baqarah, God says: “O people, eat of what is lawful and pure in the earth”. The meaning of eating in this verse is absolute possession and benefiting, it refers to the general goods and services consumed.

### *Impetus and Motivations*

Motivation is a psychological concept. It is a set of internal forces originating from beliefs and leading people to a certain behavior. As a result of Islamic teachings, a set of internal, mental, and psychological reactions occurs in character formation and plays a role in meeting various spiritual and physical needs. Human needs are classified into two types: material needs and spiritual needs. Spiritual needs are innate, and the growth and elevation of the personality depend on its fulfillment. There are tendencies in man that reveal the difference between his spiritual and material aspects. These tendencies include religious and spiritual truths and high human values. In scientific research, the effect of worship on human behavior and creating a balance between material and spiritual aspects has been proven. Erich Fromm criticizes the research of human psychology that is completely influenced by materialistic tendencies and completely ignores the spiritual aspects of human behavior. Eric Fromm believes: “Some motivations and psychological needs are innate and basic needs hidden in human nature that cannot be learned and acquired from the social environment” (Fromm 2016: 8). There is a deep connection

between material and mental needs, therefore, in Islam, material needs of human beings are also considered (Quran 3: 14). In this verse, God speaks of the manifestation of the desires and lusts of human beings and praises the attention and desires towards women, children, and material wealth such as gold and wire, horses, cattle, fields, and properties. According to the Islamic point of view, the nature and dimensions of existence, inner abilities, and human behavior are influenced by positive and negative forces. By strengthening human values and motivations, humans show healthy and worthy behavior and vice versa, with the rule of bad tendencies. Human behavior is affected by destructive motives. The basic needs of human beings are all related to the preservation and protection of human nature and can be explained in three ways:

1. Protection of nature or natural and material life. Such as nutrition, housing, health, reproduction and defending the existence against any kind of danger.
2. The preservation of essence in the psychological and personal dimension. Meeting the needs in this context is - achieving mental peace, setting a logical connection between intrinsic and extrinsic factors, maintaining unity and harmony between the elements that make up the personality and protecting it from disorders that can endanger the health of his personality.
3. The preservation of essence in the aspect of growth and development of personality. Religions, moral and legal schools have paid special attention to this dimension and have put forward strong regulations in this direction, based on which human personality is fertile.

From the point of view of Islam, the most important human transcendental tendencies are:

1. Truth-seeking. This tendency is seeking knowledge and understanding the reality of the world. According to the Quran, the nature of knowledge and awareness is desirable for man. With it, the facts of existence and creation can be better understood, in addition to this, knowledge and awareness give man control over nature and provide material needs better.
2. A tendency towards goodness and virtue. The benefit of good is sensual, and the virtue of good is intellectual, which originates from the moral nature of man. In humans, there are two types of a tendency towards virtue: individual and social; individuals, such as the tendency to honesty and hatred of lies, tendency to individual discipline. The

trend towards virtue on the social scale is the same as the trend towards creativity, innovation, and scientific discoveries, which is the main factor of growth, progress, and economic and social development, and is intrinsically a goal and desirable.

3. Love and worship. Spiritual love is rooted in the human spirit and nature, and it is known as the highest manifestation of the human spirit and the most authentic dimension of human existence. In general, the teachings and principles of Islamic belief have a wide and tremendous impact on the dimensions of human existence and are based on the view of the hereafter and the system of calculation, punishment, and reward, and the attitude that strongly induces human motivations in the direction of activity. It guides healthy and productive economic activities.

### ***Endogenous Growth and Economic Teachings of Islam***

The relationship between endogenous growth and Islamic teachings can be examined from the perspective of goals, constructive components, indicators, and policies. From the point of view of goals, firstly, Islamic economic teachings emphasize self-sufficiency, development of domestic capacities, and sustainable economic growth. Endogenous growth also emphasizes the long-term development of domestic capacities and increased production and employment in the country. Development of industrial and agricultural sectors, investment in infrastructure, and development of domestic and foreign trade are among the goals of the Islamic economy for growth. Secondly, the economic teachings of Islam are based on moral and social principles. Islamic endogeneity emphasizes a balanced distribution of wealth and sustainable development. Economic growth by observing moral and social principles should reduce poverty and economic inequalities and improve living conditions and social well-being for the benefit of the entire society. In Islamic teachings, it provides requirements such as commitment, responsibility, efforts, transparency in work, contracts, confidence, and motivational structures. Therefore, endogenous growth and the teachings of Islamic economics are deeply related to each other, and the main goal of both is sustainable development and sustainable improvement of economic and social conditions and the progress of society.

### ***Islamic Endogenous Growth Components***

The components of endogenous Islamic growth include elements and characteristics that originate from the Islamic attitude and doctrine and strongly

affect human motivations, organization of resources and capacities, and accelerate economic growth. These components are:

1. It is based on the people. Based on religious teachings, people have all the rights and social responsibilities to achieve economic goals, progress, and benefit the people. People show resistance against threats. Therefore, people have the right to employment, property right, and the right to participate in management processes, and this is shown by the indicators of the rate of unemployment reduction and the rate of increase of employees in the non-governmental sector compared to the total number of employees.
2. Islamic endogeneity is justice-oriented. Justice can be realized through the balanced distribution of resources and economic and social opportunities and the opportunity to get a job, financial facilities, education, health and nutrition, and the program empowering the poor and deprived sections of the society, indicators of justice-based components. It is the ratio of people below the poverty line to the total number of people in the society, the ratio of the income gap to different spectrums, the ratio of access to opportunities and employment to the total number of people in the society, the ratio of participation in managerial fields and the ratio of the activities of economic activists who have access to economic opportunities.
3. Islamic endogeneity is knowledge-based. This component includes the storage of moral and spiritual teachings in the relations of the society and the institutionalization of knowledge, including the types of ethical, social, and specialized knowledge and its accumulation in the institution of the society. With the indicators, the number of knowledge-based companies in the industry sector, in the agriculture sector, the amount of expenditure in The training section is shown (Shahabadi & Amiri 2009: 42).
4. Islamic endogeneity relies on internal capacities and self-sufficiency. This component includes benefiting from human capacities, benefiting from the internal capacity of the economy, and improving the quality of human capacities and the domestic economy. Its indicator is the rate of the number of foreign experts in different sectors of the economy compared to domestic experts in industry, service, and agriculture sectors as well as in production and distribution sectors. Among other indicators are the increase in the productivity rate of domestic human capacities compared to the rise in standard productivity in the indus-

try, service, and agriculture sectors and the rate of use of indigenous technology in the industry, service, and agriculture sectors.

5. Islamic endogeneity is extroverted and interactive. This component is related to the rate of use of foreign cash capital compared to domestic cash capital, the rate of productivity growth of domestic cash and non-cash capital compared to the growth rate of standard productivity, the ratio of the use of foreign consumer goods to similar goods of domestic production, including essential and non-essential goods. The growth rate of raw sales in different sectors is shown as the standard growth rate. Also, with export indicators, the ratio of support to domestic production, such as types of subsidy support, tax reduction, and positive trade balance is shown (Fard 2021: 1–4).
6. Islamic endogeneity is a driver and opportunity creator. This dynamic, driving, opportunity-creating, and productive component can be shown by the indicators of permanent increase in the production of goods and services needed by people and the creation of new economic opportunities in all fields and the rate of economic growth.
7. Islamic endogenous is cooperative. The components of the cooperative approach can be shown by the expansion of selfless economic activity, the use of personal capital in areas that have less material benefits than selfless economic activities, and economic activities with less material benefits than all economic activities.

*Table of Islamic endogenous components and indicators*

Components	Indicators
Democratic: The right to employment, the right to property for people, and the right to participate in management processes	The ratio of active jobseekers to the total economic active forces, the rate of unemployment reduction, and the rate of increase of employees in the government and non-government sectors compared to the total employees.
Justice: The opportunity to get a job, economic facilities, education, health, and nutrition	The ratio of people below the poverty line, the ratio of the income gap to different spectrums, the ratio of people's access to opportunities and employment at the level of the entire society, the ratio of the activity of economic activists who have access to economic opportunities, the ratio of people's access to education.

<p>Knowledge base: Institutionalization of all kinds of useful knowledge and its accumulation in the institution of society, Quantitative and qualitative development of internal capacities</p>	<p>Per capita education, per capita study, and scientific production in the society, the number of knowledge-based companies in the industry sector, in the education sector, in the agricultural sector, and in other economic sectors. The rate of using the number of domestic experts in different sectors of the economy compared to foreign experts, the rate of using the amount of indigenous technology, in the sectors of the service industry and agriculture, as well as in the production sector.</p>
<p>Interactive and flexible</p>	<p>Positive trade balance and its growth, the ratio of export of goods and services to import of goods and services. The amount of use of foreign cash capital compared to usable cash capital.</p>
<p>Dynamic and productive</p>	<p>Permanent increase in the production of goods and services needed by people, creation of new economic opportunities in all sectors, export growth, the productivity of production factors; creating new capacities, employing production factors, labor, and capital; employment growth rate, investment growth rate, and productivity growth ratio of production factors in the current period compared to the previous period.</p>
<p>Partnership and selfless economic activity by using personal funds in deprived areas</p>	<p>The ratio of selfless economic activities to the total economic activities, the ratio of economic activities with less material benefits, and by creating more resistance to the total economic activities, the growth of economic activities with a cooperative approach compared to the growth rate of other economic activities.</p>
<p>Productivity of production factors</p>	<p>The ratio of the amount of production of goods and services of production units to the production of goods and services of the previous period. The increase in the productivity rate of domestic human capacities, compared to the increase in the standard productivity, which this indicator can be examined in the sectors of the service industry and agriculture as well as in the production and distribution sectors.</p>

### *Islamic Endogeneity and Endogenous Growth Indicators*

Indicators or indices can be provided for each of the endogenous and endogenous growth components of Islam. The said indicator or index helps us in measuring the relevant component. Based on this, Islamic endogenous and endogenous growth indicators for each of the relevant components are:

1. Increasing domestic production, by developing production capacity and using it, economic crises such as recession, inflation, and extreme inequalities can be prevented.
2. Economic stability. Stability in monetary, financial, and currency policies creates stability in the markets of goods, services, housing, and other economic activities.
3. Fair distribution of economic and social resources and opportunities. Islamic endogenous and endogenous growth is concerned with the fair distribution of resources, opportunities, and income in the society, which results in reducing inequality, increasing human capabilities, personal growth, and development of individuals, increasing the degree of independence and freedom and the increase of public welfare. The theory of endogenous growth and Islamic endogeneity both emphasize sustainable development, in the sense that economic growth must be accompanied by preserving the environment, improving the social and economic conditions of society, and fair distribution of wealth.
4. Social and human development. Economic endogenous growth and Islamic endogenous growth both pay attention to social and human development, which includes raising the level of science, culture, education, and professional training, empowering people and access to basic services, and increasing the quality of life.
5. Popular participation. The theory of endogenous growth and Islamic endogeneity both emphasize the importance of popular participation and the use of their capacities in the development process which includes people's participation in the process of production, management, policy-making, as well as access to economic opportunities and establishing a role in the field of economic management of the country.
6. The development of deprived areas. Economic endogenous growth and Islamic endogenous growth both pay attention to the development of deprived areas. This depends on the expansion of investment, the development of infrastructure in underdeveloped areas, and the increasing access of the poor and deprived classes to economic opportunities and progress and enjoying high levels of quality and living standards (Sharifzadegan & Malekpur Asl 2015: 171).
7. Innovation and research and development. Endogenous economic and endogenous Islamic growth both pay attention to innovation, research, and development. This includes upgrading technology, investing in education and research as a result of increasing productivity, and creating employment (Shahabadi & Amiri 2009: 40–43).

In general, the theory of endogenous Islamic growth focuses on the importance of developing internal capacities, sustainability, people's participation, human development, and fair distribution of wealth and economic and social opportunities, these indicators, components, and policies are also analyzed and emphasized in the theory of endogenous growth.

*Common table of components and indicators of endogenous growth and Islamic endogeneity*

Components	Indicators
Increasing domestic production capacity	Endogenous economic growth rate; the share of assembly industry, the share of export of raw materials; the amount of investment in infrastructure
Economic stability	Economic growth rate fluctuations; exchange rate fluctuations (stability of the national currency), property rights stability index
Distributive justice	Share of the labor force below the poverty line; ease of doing business index; index of access to employment facilities; distributive justice index in provincial budgets
Social and human development	Life expectancy index; economic literacy index; and Entrepreneurship index
People's participation	The share of cooperative companies, the amount of people's ownership in companies; and the level of people's participation in decision-making and management of companies
Development of deprived areas	Index of creation of production infrastructure in deprived areas; the share of deprived areas in national production; the share of disadvantaged regions in national exports
Research and innovation	The number of knowledge-based companies; the share of knowledge-based exports; and the number of inventions and innovations

***Endogenous Growth Policies and Islamic Endogeneity***

Endogenous economic growth is formed from the internal capacities of a country and relies on the use of the country's internal facilities and capacities. Islamic economics and endogenous growth literature both emphasize the role of people in economic processes and the presence of people in decision-making.

ing, management, and policy-making and pursue goals such as high employment, high per capita income, and low inequality through strengthening scientific, technical, and communication infrastructures in it is desirable for all economic sectors as well as for the establishment of social infrastructure. Some of the most important policies that can affect endogenous growth are:

1. Disciplined policies in the development of the public sector. Appropriate financial, monetary, and commercial policies and the adoption of appropriate policies in the field of fair distribution of wealth, infrastructure development, support for innovation, and research and development are the policies that can provide endogenous economic growth.
2. An efficient legal system. A powerful legal system that includes the protection of property rights, business laws, proper protection of contracts, and intellectual property rights, guarantees the security of the environment of economic activities and thus has a great impact on economic growth. The Holy Quran says in this regard: “O you who have believed, do not use the wealth that you have acquired by wrong means. However, use or consume the property that you have acquired with the right transaction and with satisfaction” (Quran 4: 29).
3. Investment in education and training. Investment in education and training leads to the improvement of skills and technical knowledge, increases labor productivity increases the rate of jobs, and facilitates and accelerates endogenous growth.
4. Investing in innovation and technology. Investing in research and development, upgrading technology, transferring technology and policy to encourage entrepreneurship and create knowledge-based and innovative companies, gives mobility and dynamism to the environment and accelerates endogenous growth.
5. The development of infrastructure. Economic infrastructure such as transportation, energy, communication, and information networks both reduce costs and provide quick access to goods and services, investment in scientific infrastructure and social infrastructure that affect the motivation and efficiency of the workforce. The increasing and deep effects lead to improved efficiency and accelerate economic growth.
6. Human resource development. Human resource development policy includes improving the level of health, education, and health, motivation of the workforce, and increasing the rate of jobs. Ensuring having

a job and increasing wages through the creation of job opportunities improves the level of quality of life, contributes to constructive people relations, and accelerates endogenous growth. In endogenous and Islamic growth policies, comprehensive growth and human development are the main goals. Global poverty and inequality have come from wrong targeting wrong distribution policies and lack of development of social institutions. Statistics show that the modern world with a high level of technology can provide significant opportunities to achieve wealth and economic prosperity, but at the same time, it can deprive the masses of people of these facilities. Today, most of the material power of countries is used for authoritarianism, military deterrence, and power maneuvering. Policymaking and goal-setting help nations so that growth is in the service of all-round development and human development. Attention should be paid to indicators of health, hygiene, education, and human rights, which are among the goals and policies of endogenous Islamic growth.

### *Conclusion*

Considering the problems of crises and challenges that have been imposed on many peripheral countries based on the rule of capitalist thinking and market economy patterns, endogenous growth theory and Islamic endogenous economic doctrine, which emphasizes the use of a set of economic factors, expansion of scientific infrastructure, technology, communication, and institutional variables affecting social infrastructure and human capital, can be a solution to reducing these harmful effects. Endogenous growth literature reveals that the difference in economic growth and global incomes is the product of many internal factors and is caused by the difference in the totality of factors, which shows itself in social capabilities, technology gap, ideas gap, and productivity gap. Research related to economic growth at the world level provides evidence that the technology and productivity gap is caused by educational expenses, research and differences in knowledge storage, quality and development of institutions, interaction, and constructive social relations that these matters in developing countries are not institutionalized and there are obstacles in the form of structural restrictions imposed in these countries that prevent the use of capacities, capitals, the free activity of economic actors and the adoption of better methods for production by companies. Many of these restrictions are to support the interests of the groups that own the existing production processes and through rent-seeking, systematic corruption, misappropriation of public property, diversion of resources, usurpation and confis-

cation of the property and assets of others, destroy the motivation of economic activists and investors. In addition, they reduce the rate of social return to zero and impose poverty and backwardness on the society. Supportive policies of the government in the field of scientific research, protection of intellectual property rights, maintenance of order, enforcement of laws, encouraging and supportive policies for the current and investors, macroeconomic policies of the government in creating suitable platforms for economic activity and organizing factors in addition to entrepreneurship, sector management private, planning and interactions of social institutions are also necessary for economic growth. Endogenous growth policies and the economic doctrine of Islam include components and indicators based on which human capabilities are increased, factors are mobilized, resources are integrated, resources are optimally used, and fast and sustainable growth is achieved. In general, endogenous growth from the perspective of the doctrine of Islamic economics includes policies that lead to balanced and sustainable growth and to the fair distribution of wealth, resources, and economic and social opportunities through the development of production capacities in the industry, agriculture, and service sectors and as a result those communication, technological, scientific and social infrastructures are created inside a country.

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