

ECONOMIC COOPERATION
AMONG ISLAMIC COUNTRIES

NOVEMBER 1994

**This Report Has Been Written
in MÜSİAD by**

Prof. Dr. HAŞMET BAŞAR,

**– Professor of Economics at the Univ. of Istanbul,
Faculty of Economics,**

**– Head of Economics Cooperation Group, at the Islamic
Research and Training Institute, Islamic Development Bank,
Jeddah, Saudi Arabia**

ISBN 975-95370-8-7

Design: Birim (0212) 532 51 79

Printing: Eramat (0212) 507 99 25

ALL RIGHTS RESERVED BY MÜSİAD,
THE INDEPENDENT INDUSTRIALISTS AND
BUSINESSMEN'S ASSOCIATION. THIS
REPORT CAN NOT BE QUOTED WITHOUT
REFERENCE TO MÜSİAD, AUTHORS.

FOREWORD

Islam as a revealed ideology is singularly characterized by a social integrity and cooperation. Therefore, cooperation should be considered as an integral part of our religion. This research carried out by Prof.Dr. Hasmet Başar, Leader of the Economic Cooperation Group of the Islamic Development Bank (IDB/IRTI) for MÜSIAD shows that Muslim countries lag far behind industrialized nations in many respects. To realize their socio-economic and political goals, mutual close cooperation has no other alternative. Continuous efforts have been underway in this direction since the Second World War. As a result, there emerge a number of organizations reflecting the concept of cooperation.

A very formal and effective commitment to this area is evinced through various socio-economic programs of the Organization of Islamic Conference. The OIC has, therefore, been a very important tool which could be effectively mobilized toward attaining the diversified goals of Islamic countries.

The cooperation scheme is desirable to be extended beyond government Initiative to cover private sector and educational institutions. As stated in this research, the sectors of commerce, industry and agriculture in the member countries of OIC should concentrate on cooperative approach in order to make the overall strategies of their development a reality.

New strategies of the Muslim countries for the 21st century must take into consideration newly independent states of the Central Asia, Europe and the Muslim communities all over the world. The first and foremost approach should be the quality of work and not the quantity. The appendices listing selected institutions concerned with the promotion of cooperative approach in Muslim countries will help know the present state of the art. In short, "Research on Economic Cooperation among Islamic Countries" brings new dimensions not only in specifying the problems but also outlining the major solutions in this very important field.

I hope, this report will serve to the benefit of the Muslim world.

Yours Faithfully,
Erol Yarar
President, MÜSIAD

CONTENTS

SECTION 1: ECONOMIC COOPERATION AMONG ISLAMIC COUNTRIES	7
I. IMPORTANCE OF ECONOMIC COOPERATION FROM ISLAMIC PERSPECTIVE.....	9
II. SOCIO-ECONOMIC CONDITIONS OF ISLAMIC COUNTRIES	10
III. A GENERAL OUTLOOK OF THE INTERNATIONAL ISLAMIC ORGANIZATIONS' INTENT TO PROMOTE ECONOMIC COOPERATION	12
IV. STRATEGIES FOR ECONOMIC COOPERATION AMONG ISLAMIC COUNTRIES.....	17
V. COOPERATION IN FINANCE AND BANKING: SOME REFLECTIONS ON THE ACTIVITIES OF THE ISLAMIC DEVELOPMENT BANK	21
VI. CONCLUSION	25
 APPENDICES	
APPENDIX 1: SELECTED INSTITUTIONS CONCERNED WITH THE ECONOMIC COOPERATION IN THE ISLAMIC WORLD	39
APPENDIX 2: SELECTED INSTITUTIONS CONCERNED WITH PROMOTION OF ECONOMIC COOPERATION IN THE ISLAMIC WORLD	45