

**THE SOLUTION OF ISLAMIC ECONOMICS FOR THE
CURRENT ECONOMIC SYSTEM**

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4IR is the Fourth Industrial Revolution, is the advancement of technology in the digital, physical and biological realms which change us and practically everything around us at an incredible speed.

Over the history of mankind, we cannot deny that technological developments have played important part in all the industrial revolutions which brought about socioeconomic changes and transformation.

The 1st industrial revolution with the invention of the commercial steam brought major communication and transportation transformation (steam power).

The 2nd industrial revolution was also transformation in the communication sector which brought about usage of telephone on real time (electricity)

The 3rd industrial revolution was the introduction of Internet Usage for Economic and Business purposes. The arrival of personal computing dramatically changed the way we do things such as the email, web searches, online shopping, etc. That personal computer evolved to mini-personal computer the smart phones which being held by the majority of mankind as something normal. (age of computerization).

From touch screens, micro processors, mobile telephone, and the era of innovation the 4th industrial revolution in artificial intelligence and wireless connectivity, the era of IoT in knowledge and system.

The blending of more software than hardware, brings about exponential changes to the way we live, work and relate to one another due to the adoption of systems, the IoT and the Internet of systems.

Technology and innovations have helped to achieve an unprecedented level of economic growth.

They have expanded access to basic opportunities and services and offered means to address environmental concerns, the economy and society.

However, not everyone has been able to benefit from such opportunities.

What we want is 'Inclusive innovation' or 'innovation for inclusive growth' which are at times interchangeably used to address innovations that create or enhance opportunities to improve the well-being of those who are at the bottom of society.

The disruption to the economy, major changes in employment patterns; many traditional jobs especially semi-skilled jobs will disappear replaced by various types of 'intelligent' machines. Especially in the following sectors sales, services, clerical, transport, construction and production.

They will be 'manned' by robots, autonomous electric vehicles and artificial intelligence.

Every technological advance in history follows the same pattern of destroying 'old' jobs and creating new ones.

To mitigate this we need to ensure inclusive innovation which can help achieve more equitable, sustainable and inclusive development to minimize people who are, vulnerable to socioeconomic exclusion due to the 4IR

So, inclusive innovation are innovations that help expand affordable access to quality products and services that create and increase livelihood opportunities for excluded populations. Inclusive innovation should have: affordable; accessible and sustainable that help create livelihood opportunities; orientation towards excluded population, primarily those at the bottom of society; and significant outreach.

From Islamic economics perspective while the Fourth Industrial Revolution may constitute all of these aspects as indicated by economists and researchers, we need to examine if they truly provide solutions to our needs as human beings and the looming challenges we may face in the future. Undoubtedly, every invention or discovery belongs to all of humanity – without distinction. The main goal behind any invention is to meet people’s demands and enhance their daily lives. We are not arguing here against technological advancement, adhering to standards of justice and sustainability can help resolve critical issues such as social disintegration, and ignite the human consciousness. These ‘revolutions’ should have a mandate to enhance people’s social status and not restricted to developing material instruments.

In Conclusion

We agree that :

Innovation is a major factor of economic growth, hence of increase in income and well-being in the long term. However, innovation does not necessarily affect the income of all categories in the population in the same way. *In the United States 47% of total income growth over 1976-2007 went to the top 1%, 37% in Canada, and around 20% in Australia and the United Kingdom.* As we can say moreover structural policies, including innovation policies play a major role in shaping the knowledge-based economy and the distribution of rewards and among different groups in society.

We should emphasize in our journey,

Inclusive innovations – innovations that directly serve the welfare of lower-income and excluded groups – can contribute to development and create work opportunities integrating marginalized groups into circuits of economic activity must be emphasized.

THANK YOU