

GLOBAL ECONOMIC CRISIS - BUSINESS JIHAD AS AN ALTERNATIVE WAY

by

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The fallout from the 2008 American financial and economic crisis has been traumatic and taken a severe global toll when even corporate giants with seemingly unassailable corporate presence, reputation, and global brand names have since been humbled.

In a business-driven world economic system, corporate crisis triggered by business failure in the world's largest economy such as America, have extremely far-reaching consequences and implications on every one else. More so in today's highly interconnected, and intricately networked global system. Millions of people across all continents have seen their wealth wiped out as stock markets melted and became poorer as asset values diminished.

The greater concern with grave, far-reaching implications and more unpredictable consequences would be the millions of jobs lost, decimating middle classes everywhere. Millions of aspirants to capitalism's promise of plenty, prosperity and wealth are now assured only of poverty, depravity and despair.

The kind of business values that corporate America expounded are fast being blamed for the meltdown and consequential fallout. American leaders and legislators themselves are unreservedly inflamed by the blatantly greedy, selfish and uncaring attitudes and values exhibited by their top corporate executives. Many had the audacity to pay themselves lavish bonuses and had shamelessly taken hefty stock options whilst simultaneously reaching out, cup

in hand, for corporate doles and bailouts - all at society's and future generations' expense!

There is indeed something fundamentally flawed and ugly about corporate capitalism and its culture and the business ways it spawned.

Even at the best of times capitalism would enrich only a few. It nevertheless would intoxicate everyone with the hope and promise of unimaginable prosperity. In reality, however, this would happen only to a handful through a tentative, trickle-down process.

Capitalism thus promised rewards of tremendous wealth for an almost exclusive elite group that unfortunately had the rest of the masses simultaneously hooked to its materialistic lifestyle and consumption traps. All are therefore chained to a system that tolerates gross inequality, and one that ultimately marginalizes the vast majority, condemning them into mass dependency, and alienating the rest at the fringes into deprivation and poverty.

Now that the global crisis has unmasked capitalism for what it truly is, it would be irresponsible for society not to do anything about changing and reforming it. It would also be absolutely reprehensible after the crisis blows over, for us to permit everyone to get back to the same old game, allowing the promise of riches for an exclusive few to just drag the rest of us down with capitalism's false hopes and undeliverable promises. Never again!

Yes, there are indeed outstanding examples of benign riches and corporate philanthropy of the Bill Gates Foundation kind. And yes, the much touted CR or corporate responsibility principles and practices are also high on corporate players' list of noble acts, self-serving PR and window-dressing or face-saving motives notwithstanding. Nonetheless, rampant and blatant value compromises and ethical and moral lapses

of many of the non-Bill Gates kind were at the very roots of the current capitalist crisis triggering economic havoc and spinning political and social damage.

Obviously these values are already so deeply embedded into corporate structures and institutions, hence shaping and in turn are shaped by the psyche, behavior, worldview and mindset of all those who define and drive capitalism through their dominant command over the levers of corporate power. In the current greed-driven meltdown it appears that there was no mechanism available to oversee and over-ride their runaway damaging, corrosive and toxic impact. This has led the world to witness Madoff's US\$50 billion rip-off!

We are also seeing the same corporate cancer spreading all over the world – resulting, for example, in European corporate fallouts ending even with several tragic high-profiled executive suicides in the UK, France and Germany. China's fatal melamine milk poisonings, India's unfortunate Satyam lies and betrayals, together with Japanese Kazutsugi Nami's Ponzi-like schemes are further testimonies to a global value systems failure triggered by greed spawned by capitalism's extremes.

As it originated in the developed West, it is a kind of a "Westoxicating" disease. Wealth accumulation is indeed highly intoxicating to the masses already hooked to the system. It is clearly also highly toxic, (remember the "toxic assets" and "toxic loans" that started it all in America's home mortgages collapse?). Its toxic harm is evidently clear when millions lose their jobs and livelihoods, many innocently through sheer collateral damage.

If these values have been found wanting, and if the same values have been shaped and moulded by the corporate structure and system that had been duplicated world-wide, Westoxication cannot any more simply be taken lightly. Nations and corporations have no choice but to seek and

adopt alternative business ways. These new ways must include total corporate reform to critically curtail and harness gross ethical and moral value compromises that had caused systems failure.

At issue are the values that drive global business and the vestment of absolute ownership in exclusive hands of the excessively rich at the top of all corporate hierarchies. Unfortunately, American worship of highly individualistic and cowboy "dog-eat-dog" capitalism appears to be the model "deity" for businesses and economies to emulate. The rest of the so-called "Free World" is thus bent on paying homage to the same Western "deity", resulting only in a wider spread of corrosive Westoxication.

The Westoxication of Muslim states in particular, has resulted in Islamic society's extreme values conflict over decades and centuries past. Modern Muslim states have all adopted the western capitalist model. Many had gone headlong and at full speed, thus today finding themselves face to face with all of capitalism's blatant contradictions and inherent inconsistencies that conflict with fundamental Islamic values, way of life and social order.

Islam in particular places very high value on equity and social justice - values that capitalism obviously ignores, or condescendingly treats as inconsequential. This gross neglect has resulted in highly divisive, intolerable inequality and rampant social injustice and is therefore a highly combustible mix. It became extremely explosive when combined with the capitalist penchant for resource grabs, blatant exploitation and subjugation, corporate hegemony and economic imperialism - all recently strongly championed in the name of globalization, liberalization and freedom.

In the context of the extreme challenges that they face, it is therefore imperative for Muslim states to seriously redefine capitalism in Islamic terms, consistent with their value

system. In order to regain the Muslim world's middle ground away from Islamist extremists and terrorists on the one hand, and Westoxicating capitalist extremes on the other, they have no choice other than to meaningfully launch into "Islamising" capitalism and its economic order.

"Islamic capitalism" is clearly an oxymoron to many. A detailed, precise definition is, however, beyond the scope of this essay. Suffice it to say for the purpose of making a success of a business-driven economic reform, clearly the powerful dynamics of the competitive market system must remain the core foundation.

In Malaysia, a leading corporate entity, namely Johor Corporation, (JCorp), is already making fascinating breakthroughs in this attempt. An entrepreneurial state-owned enterprise with more than 250 member companies, JCorp Group today employs more than 54,000 people group-wide, with market leadership positions in several strategic businesses. JCorp has committed itself to this long journey towards reforming business and corporate ways to suit Islamic demands and standards, which it aptly labeled as a "*Business Jihad*"!

JCorp's impressive corporate track record of more than two decades of dynamic growth and expansion are early endorsements of the Business Jihad's conceptual validity and practical relevance.

JCorp's Business Jihad journey had involved many highly entrepreneurial ventures. This included building Malaysia's leading private healthcare enterprise from zero-base in early 1980s into a billion Ringgit business, involving more than 600 top consultants and medical specialists as business partners.

More notable was JCorp Group's high-profiled success in acquiring one of Asia's larger quick service restaurant

enterprises involving more than 700 KFC and Pizza Hut restaurants in the Asean region. This highly contested acquisition occurred in 2006-2007 and had stretched for about a year. The fully market-driven acquisition had resulted in a landmark shift in corporate ownership in Malaysia.

JCorp's ground-breaking Business Jihad initiative is indeed unprecedented, in that it was also initiated as a corporate reform agenda. It was aimed at fully integrating Islamic values into capitalist corporate practice. In JCorp's case, this was mainly achieved through a corporate culture that integrates *Amanah* (Islamic stewardship) through its highly successful *Intrapreneuring* or *entrepreneur-managers* program. It is also expressed in an unprecedented reform initiative to transform itself incrementally into a "waqaf" corporate institution.

A "waqaf" is an early Islamic institution for endowment that long preceded today's "CSR" or corporate responsibility programs. In the days of Islam's past glories, the rich had played a critical role in providing comprehensive, voluntary social safety nets for the mass population, with funds provided out of their charity and generosity, inspired by the spirit of caring and sharing as expounded by Islam.

The world needs a corporate reform agenda that is truly altruistic, caring and equitable to mitigate the westoxicating pains caused by capitalism's crisis today with all the attendant fears, trauma, tension, stresses and strains brought to millions everywhere. And this agenda has to be initiated, driven and institutionalized by the corporate sector itself, with the larger corporations taking the lead.

A kind of Business Jihad mission complemented by an effective "waqaf" and Islamic CSR programs that are structurally embedded into the corporate system and fully institutionalized into corporate practice, is indeed a worthy

executive pursuit. More so for businesses which operate in a Muslim economic and social environment. The fact that the Business Jihad journey had worked well and was financially rewarding as well for JCorp over the more than two decades of practice is indeed a measure of its credibility and validity.

Malaysia's Business Jihad and Corporate Waqaf initiatives are options available for consideration by Muslim-led corporations keen to partake in capitalism's reform agenda. Their validity stems from the fact that ownership of enterprise is not vested in individual, family, or even private hands but is institutionalized through Waqaf.

The empowering impact of managing an enterprise that is simply "not owned by anyone", should never be underestimated. The tremendous potential that such ownership form can contribute towards long term equity and social justice should also not be taken lightly.

Finally, that all these can ultimately be achieved without compromising on business performance makes Business Jihad and Corporate Waqaf impossible to ignore, especially as a strategic response for corporations and societies seeking to free themselves from the clutches of capitalism's systemic flaws!

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