

Knowledge Economy and the Global Islamic Economic Indicators in the United Arab Emirates

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Abstract: Nations round the arena have regarded to overcome the “Impulsive laziness” that go together with countrywide asset enrichment. Following the end of the oil age, this and numerous distinct problems to financial development have set off the search for best advancement systems around the world, mainly in Arab oil dependent nations. One of these key ways to deal with supported economic improvement is the incline and the progress towards a knowledge economy. In the United Arab Emirates (UAE), the improvement of a knowledge-based economic framework stays one of the four principle topics of the UAE Vision 2021. The nation acknowledges the need to build up an “Aggressive knowledge economy” where key execution pointers as per the Vision 2021 will be met. The essential purpose behind this study is to address the contributing piece of understanding economy in strengthening the global Islamic economic indicators in UAE, particularly. This objective is achieved through reviewing the state of knowledge-based economic change in UAE and how this impacts the diverse regions of Islamic economics in the UAE. Four essential estimations of knowledge economy are in focus as proposed by the World Bank which in like manner consolidates an economic help and institutional organization, a capable and fit inventive system, significantly taught and gifted workers and the nearness of present information development establishment in the nation.

Key words: Knowledge economy, Islamic economic indicators, United Arab Emirates, ICT in economic, information, establishment, particularly

INTRODUCTION

Recognizably, knowledge economy is progressively featured and picking up establishes in the UAE as basic to future monetary security. In the Emirates, it stressed the requirement for cementing of the data society and computerized economy keeping in mind the end goal to build general profitability inside the nation. The United Arab Emirates (UAE) is following in this same course and is of unmistakable interest to the proposed examination. In the United Arab Emirates (UAE), the change of a knowledge-based financial structure remains one of the four rule subjects of the UAE Vision.

This vision was moved toward the finish of a UAE cabinet meeting in 2010. The country acknowledges the need to set up a “Forceful knowledge economy” where key execution markers according to the Vision 2021 will be met (Parceró and Ryan, 2017).

Those researchers (Kostrykina *et al.*, 2018), underlines the necessity for knowledge economy in the UAE and present a couple of tries set up to fulfil force fulness around there including cases in UAE.

With the requirement for knowledge financial improvement in the UAE set up and endeavors by the UAE featured, it is critical to underscore as a feature of the foundation the key commitment of knowledge

economy to monetary advancement. The Islamic economy is in this manner defended considering its cross relevance to even non-Islamic worldwide regions and in addition expanding notoriety as a benchmark for the UAE (Almsafir and Alsmadi, 2014). Clearly, the Islamic economic indicators will be more grounded in Islamic countries. It likewise stays at the core of the Arab world as the present investigation concentrates on UAE and countries with high reliance on oil and gas (Sun *et al.*, 2017).

It is contended that the zone of Islamic economics needs educated opportunity has been exorbitantly ascribed to components, for example, Islamic finance which are subcomponents of Islamic economics and yet not equivalent to the idea. Islamic economic has been included that scholastic enrolments this territory in instructive establishments have diminished. Stresses that “Hard-core Islamic economists are very difficult to come by”. Some instructive foundations have must be shut down because of seen absence of significance of Islamic Economics (Kostrykina *et al.*, 2018).

According to Kostrykina *et al.* (2018) highlight that the few outstanding foundations which offer Islamic economics have lost concentration and diverted the courses towards Islamic finance.

The study focus on stress that this “Horrible and deplorable carelessness” among different difficulties including absence of one of a kind financial aspects inquire about, absence of books and research interests have tested the underlying foundations of hypothetical establishment in the range of Islamic economics (Parcero and Ryan, 2017).

This study tends to the contributing part or supports of information economy in fortifying the worldwide Islamic monetary markers in UAE. Final part will be the conclusion and recommendation of the very study.

LITERATURE REVIEW

The likelihood of a knowledge economy retreats in any occasion to the 1960’s and made by Drucker *et al.* (1988) this first researcher introduced the thoughts of knowledge workers and knowledge relationship in the effective executive (1966). Such workers and affiliations conveyed “Knowledge, musings and information”. That ID of knowledge as a specific factor of age conveyed another commitment to the theory of the firm which until the point when the moment that this time underscored the estimation of simply unmistakable wellsprings of information, for instance, physical work and non-human capital. Drucker proceeded to underscore and deliver more conspicuous excitement for the subject of the knowledge economy where he committed an entire part to the subject.

The researcher considerations would proceed to make an extraordinary legacy as the knowledge economy transformed into a device in the pantheon of economic science’s central issues. The knowledge economy, moreover, called the information economy, knowledge-based economy and knowledge society addresses what some consider the fourth stage ever from the agrarian or pre-present day age, to the mechanical age, to the post-mechanical, in conclusion to the information. Truth be told, our present age is an amalgam of each one of the four ages as the overall economy incorporates each of the four crucial models of economic relations.

According to Cortis *et al.* (2017), the knowledge economy in the fourth stage has an especially, strong potential for association impacts with the age models of the underlying three stages in that its sections can pronouncedly influence the state of substitute techniques for economic affiliation.

Along these lines, the knowledge age may be the peak of economic advancement in that it has introduced the premier strategies for coordinating and coordinating each other sort of economic development. As yields, knowledge and information progressions have made inside and out new markets. The things themselves serve multifaceted and certain utilizations in current society (Kostrykina *et al.*, 2018).

As wellsprings of data, they are the foundation of upgraded organization, thing and sensible headways, extended adequacy in the formation of stock and wagers and economic improvement. There is much open pondering on the issue of the knowledge economy, from its disposition on whether it is knowledge more basic as a data or as a yield, to its sufficiency as a strategies for economic advancement and work creation. The absence of knowledge-based monetary advancement in the UAE has turning into a similarly vital an examination hole for the present examination. The region performs fairly poor on the global knowledge index. The GCC is the twelfth biggest financial locale on the planet yet the territorial driving nation as far as knowledge economy is UAE at 42nd comprehensively. Critical reliance on work and oil capital as a component of GDP in the area can be deduced.

As indicated by the Arab Knowledge Economy Report 2014, UAE positions first in the UAE and 42nd universally with a Knowledge Economy record (KEI) of 6.94. Bahrain positions second in the UAE and 43rd all around with a KEI of 6.9, Oman and the Kingdom of Saudi Arabia take after at 47th and 50th worldwide positions separately (Kostrykina *et al.*, 2018).

According to Lightfoot and Gebauer (2011) expound on the foundation of instruction and knowledge in the UAE as alluding back a few hundred years.

Regardless, instruction and knowledge had been retrained as a methods for sustaining conventions and not a mind-expanding process. It was not up to this point endeavors are being made in zones like the Kingdom of Saudi Arabia, Bahrain, Jordan and UAE and different nations inside the area to fabricate a knowledge based economy (Parcero and Ryan, 2017).

At last, considering this exploration hole of the criticalness to construct knowledge based economic advancement in the UAE, the present examination has its key expect to research the contributing part of the knowledge economy to the Islamic economic indicators of the UAE. This is again basic considering knowledge and mindfulness building is an essential part of the pointers utilized for the global Islamic economy ranking. In an exploratory endeavor, the investigation expands on a few contentions including.

The study explained inquiries with respect to which divisions are more knowledge-based than the others and whether knowledge economy must be considered from an information point of view or as a yield viewpoint. Seeking after these worries would help handle the territory in a careful way, giving understanding into the organization of knowledge economy and its viability as a method for economic development and work creation (Al-Filali and Gallarotti, 2012).

According to Schwalje (2014) it is important to add that these measurement criteria (pillars and scorecard)

have presence in literature and are also contextually established in UAE as part of the present knowledge economy inputs or strategies in a similar dimension as UAE government. A detailed discussion of these similarities is discussed in the second chapter of the study. Moreover, perceived effectiveness of knowledge economy strategies (pillars) are also compared against that of the UAE Vision 2021 target milestones and other objectives on knowledge-based economic development scorecard.

THEORETICAL PERSPECTIVES

Many negative claims are found in scholarly works. One reads, for instance that Islam instils in its adherents beliefs harmful to economic advancement. It is said also that Islam discourages human capital formation, limits experimentation and innovation, promotes hostility to commerce and distorts markets by facilitating authoritarian governance. A very common view is that Islam's financial rules are incompatible with modern economic life. The world's Muslim-majority countries are spread across three continents and substantial Muslim minorities exist in other parts of the world. Surely the practice of Islam varies geographically, depending on local circumstances and influences.

The promoters of the generalizations are certainly aware of the variations. They know, for instance that the world's top-notch scientists include Muslims (Sun *et al.*, 2017).

Profeff identified an econometric commercial showing measure that mark how actual economic achievement parallel to a theoretical major-practice border. Considering modifications in, sources of, income efficiency (PROFEFF) by bank size groups can assistance light on the issue of which banks utilization that capital more efficiently provided incomes are normalized by equity which is the approach we take in this study (Akhigbe and McNulty, 2005).

This study takes a lot of from the KAM inventiveness. The literature view identifies that the conditions major to a learning-based advancement ought to incorporate an institutional administration offering the correct motivators an informed and gifted work constrain a cutting edge and far-reaching data framework and a viable development framework. KAM concentrates on representing the relationship among these four mainstays of the learning economy (Asongu *et al.*, 2013).

The UAE is one of the four pillars using a knowledge-driven economy and Information and Communication Technology (ICT) in the major of IT infrastructure. it plays an important role as economic and railways in the industrial relevant 0.4 (Alavi *et al.*, 2016). In the status, UAE focus on an outstanding achievement.

Therefore, this can be clarified by the certainty the key factor to success that the prevalent provider (Etisalat) (Cortis *et al.*, 2017).

In addition, now a days the main ideas are generated in knowledge environments wherever scientific, multimedia instrument and communication is wanted. In another word. The UAE occupies ranking goes down to 14th in the world when looking at the total tertiary registration average, respectively (Sun *et al.*, 2017).

According to Durell *et al.* (2003) The weakness of great outside choices for these exiles makes them willing to take part in these profoundly focused organizations. As an outcome, the force of rivalry for these administrations is high and costs are low. With respect to managing an account soundness, the saving money industry is partitioned between ordinary saving money and Islamic saving money. Islamic saving money is a generally new field of managing an account and in that capacity as yet creating.

This study focused on Islamic economies in UAE and explained the industry in developing countries is not yet achieved an ideal level. Furthermore, there are other reasons is their huge expatriate population who the difficult of acquiring constant, residence is more inclined to leave the UAE. This reasons makes the Islamic banks more but a lot of rule and reluctant before to make loans. It has happened that individuals leave the UAE without repaying the loans. This reasons alone basically, reduce the market measure and additionally builds the ethical risk and antagonistic determination issue. In addition, the working of the job market is a so significant factor in this discussion and is also the major side in which there is space for the UAE to make improvements. Thus, the main reasons there are surprisingly, the previously mentioned distinction between citizens and expatriates is also relevant while analyzing the work market.

CONCLUSION

The UAE created a perfect Islamic economy and regulatory environment. Furthermore, this country (UAE) has been directed to towards Islamic a knowledge economy. Thus, it is track record afford out. Perhaps, the UAE has made important performance in economic variety, modern marketing and quality of life. This achievement in Islamic economy has been result of as articulated over, a numeral of favorable situations in the UAE that has created a nurturing environment for economic evolution. Nevertheless, there is still a lot of work to do and several hurdles to overcome economically, ethically and socially. However, the Emirates planning to recognize and realize their objectives to be knowledge-economy. So, pioneers then noteworthy upgrades will be required, especially in two corresponding

advancements. To start with they have to enhance impetuses went for pulling in top-quality scientists and exceptionally gifted specialists. This can be accomplished by the offering of changeless or longer-term residency for top analysts or profoundly skilled individuals such as Singapore has previously successfully started like a program.

In addition, Emeritus universities ought to turn out to be more research centered with a specific end goal to allure top-quality analysts which require bring down showing loads and regulatory obligations for personnel. For exceedingly skilled specialists, all the more free or minimal effort preparing and proficient improvement courses ought to be made accessible or encouraged. Second, it is important to make an honest to goodness investigate culture among the nationals where look into at last gets the merited status and prompts high obligation and additionally basic leadership positions.

This is impossible overnight on the grounds that such a culture should be transmitted through, no less than, one age. Shockingly in the UAE, the huge lion's share of guardians of current single guy understudies don't have a higher degree (Hunt, 1999).

Furthermore, there is an aggressive component required as early information economies wind up plainly universal centre points whose development is more self-fortifying while the slow pokes fall facilitate behind.

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