

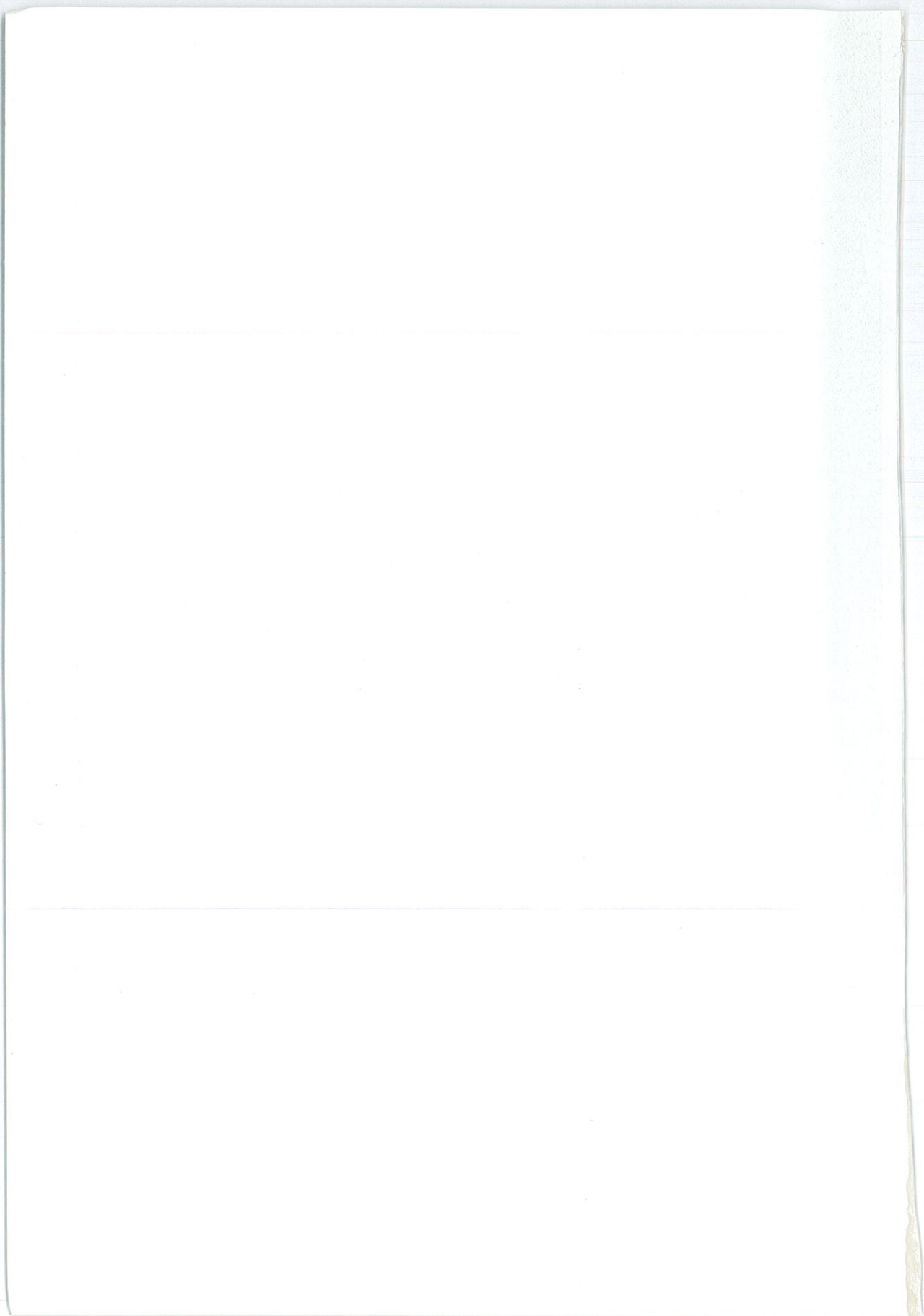
**CONTRIBUTIONS OF
MUSLIM SCHOLARS TO
ECONOMIC THOUGHT
AND ANALYSIS**

(11-905 A.H. / 632-1500 A.D.)

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INTRODUCTION

1. Missing Link in the History of Economic Thought

A search for solutions to economic problems has been a common concern of all societies. This is the cause of economic thinking. Economic practices existed long before there was any theorizing on the subject. Members of human society thought over economic problems in isolation, in closed societies or together with the other groups, and were influenced by their thinking and ideas. Interaction and convergence of thought provided the necessary basis for continuity of sciences and development of ideas. Thus, economics 'evolved historically from many minds and temperaments' and economic thought is 'a cumulative accretion of human knowledge' (Ekelund and Hebert, 1983, p. 3). No doubt, a sense of common heritage brings various groups closer and gives rise to mutual understanding and due regard to each other resulting into cooperation and joint efforts to refinement and furtherance of such thinking and research in these areas. It also provides suitable environment for cultural dialogue between various nations that fell apart with the passage of time. With this objective in mind it would be interesting and, hopefully, also fruitful to investigate the contribution of various nations to development of economic thought and analysis. The present study aims to discuss contributions of Muslim scholars that played an important role in continuity and growth of mainstream economics.

There is an increasing awareness now that the 'root of modern economic analysis extends much further back in time than a good many contemporary students of economics are led to realize' (Gordon, 1975, p. xi). But even those writers who realize that history of economic thought is 'a continual progression of ideas made up of epochal contributions of new list of knowledge added to the accumulated legacy of the past' (Ekelund and Hebert, 1983, p. 4), leave a gap in their writings and feel no concern to support their stand by facts¹. The present

study aims to provide material that could be used to make up the existing deficiency in the literature on history of economic thought. By reporting and analyzing economic ideas of Muslim scholars, it will also explore various channels through which their ideas reached the European West and influenced the scholastic scholars. Thus, they became a part, though yet to be recognized, of the family tree of economics. It is hoped that this would strengthen the feeling of the unity of knowledge and an acknowledgement that may enhance mutual understanding and cooperation. The work addresses historians of economic thought in general and students of Islamic economic thought in particular. It also seeks to draw the attention of those who are in search of common grounds in sciences and culture for mutual understanding and cooperation.

2. Literature Review

Since the very beginning, writers on history of economic thought had tended to ignore the contribution of Muslim scholars to the subject. They start with the Greek philosophers and Roman jurists and administrators. They also mention opinions of some Christian fathers who lived in the early centuries of the Christian era. Then they jump to middle ages when Europe came out from darkness to light and thinking on different natural and social sciences began, leaving a wide gap of about five centuries. This was exactly the period when Muslims ruled the greater part of the known world, established powerful empires, developed economies and contributed to the promotion of culture and science including economics.

Modern development of Islamic economics began during the second quarter of the 20th century. Writings on contribution of Muslim scholars of the past were part of this development. Perhaps the first article to introduce economic thought of Muslim scholars was written by Salih (1933) in Arabic entitled 'Arab Economic Thought in the Fifteenth Century' in which he discussed economic ideas of Ibn Khaldun², al-Maqrizi³, and al-Dulaji⁴. Next, al-Hashimi (1937) published his paper on "Economic Views of al-Biruni"⁵ again in Arabic. The same year Rif'at (1937) wrote on 'Ibn Khaldun's Views on Economics' in Urdu. The first paper in English was written by Abdul-Qadir (1941) entitled "The Social and Political Ideas of Ibn Khaldun". And the first Ph.D. on the subject was awarded by Cairo University to Nash'at (1944) on 'Economic Thought in the Prolegomena of Ibn Khaldun' written in Arabic.

In the first half of the 20th century most of works on economic thought in Islam were written in Urdu or Arabic. Moreover, they were authored by non-

professionals and only a few were in English, so they remained unnoticed by the mainstream conventional economists.

Joseph Schumpeter (1997, pp.73-74) talked of 'the great gap' in evolution and development of economic thought in his monumental work *History of Economic Analysis*, first published posthumously in 1954. Siddiqi (1964) writing on economic thought of Qadi Abu Yusuf⁶ ten years after publication of Schumpeter's work took notice of that assertion⁷. "Economic Thought of Islam: Ibn Khaldun" by a distinguished Western economist, Spengler (1964), drew the attention of the historians of economic thought to explore further in that direction⁸. By surveying *Muslim Economic Thinking* of the past and present up to 1975 (Siddiqi, 1980) and survey of "Recent Works on History of Economic Thought in Islam" in 1982, Siddiqi supplied more material for researchers⁹. In 1987, Mirakhor penned down a well-documented paper in which he questioned the Schumpeterian great gap thesis and pointed out to the 'serious omission in the history of economics of profound contribution made by Muslim scholars'. He showed that 'both motive and opportunity existed for the Medieval European scholars to be influenced by the economic ideas and institutions developed in medieval Islam and that based on the available evidences, they availed themselves of such an opportunity by using some of the available knowledge to advance their ideas'. (Mirakhor, 1987, p. 249) The echo of this paper was heard at the History of Economics Society Conference in Toronto, Canada, June 1988 in which Ghazanfar (2003, p. 19, footnote 1) presented his study on "Scholastic Economics and Arab Scholars: The Great Gap Thesis Reconsidered". The so-called gap in the economic thought motivated this writer in a joint work with Ghazanfar to show that a substantial body of contemporary economics is traceable to Muslim scholastics such as al-Ghazali¹⁰ and others (Ghazanfar and Islahi, 1990). Ghazanfar (1995, p. 235) further reinforced it in his paper "History of Economic Thought: The Schumpeterian 'great gap', the Lost Arab-Islamic Legacy and the Literature Gap". While 'disputing the validity of the great gap thesis', the author has shown by survey of some major works on the subject, that the literature gap is 'manifest in almost all relevant works in economics'.

In the meantime a number of works appeared in English and Arabic that dealt with the economic ideas of individual Islamic scholars who lived in the period attributed as the blank centuries of economic thought¹¹. These works may not have touched on the great gap thesis, but the very existence of such a great number of writings relating to that period was enough to discard it.

Our purpose in this study is to present a comprehensive picture of the development of economic thought in Islamic tradition right from the beginning

up to roughly the first-millennium Hijrah. Muslim civilization and its intellectual and political power, after reaching to its zenith, had by the early 10th/16th century begun to show clear signs of decadence while Western renaissance was in full swing. It was the time when writings on how to achieve economic progress and strengthen the country through foreign trade took the form of a movement in the West, known as *mercantilism* in economic literature. This, as we shall see below, was a reaction against Muslim conquests in the battle field. At that stage of history, Muslim scholars, after transmitting Greek ideas along with their own additions and interpretations, to the world at large, gradually receded into oblivion.

3. Scheme of the Study

We shall distinguish three broad phases of the development of Islamic economic thought and Muslims' contributions. The first phase is the formation period, the second phase is the translation period. The third phase we characterize as translation and transmission period. While presenting the nature and characteristics of each phase we shall take note of the representative scholars belonging to that phase.

Next we shall systematically and extensively discuss various economic concepts that were analyzed or improved over Greek ideas by Muslim scholars. It will be a straight-line development of concepts and ideas with reference to those who had a part in formulating those ideas. Being the main theme of this work, Islamic tradition in economic thought spreads over many chapters.

We shall also examine the impact of Muslim scholars on the Western scholastics in the medieval period and various channels through which it passed.

Some textbooks give family tree of economics and its growth in diagrammatic form but they overlook the part played by the Muslim scholars in development of mainstream economics. We shall study a few such trees and point out the place of Islamic economics in the family tree of mainstream economics.

As will be clear from our analysis, the Western Scholastic scholars borrowed a lot from Muslim scholars but they seldom acknowledge it. We shall also examine the reasons why they did not admit it and why they did not refer to them in their discussions on economic issues.

But the trend is changing now. In recent years some writers have acknowledged contributions of Muslim scholars to economic thought and analysis and there is a growing admission of indebtedness to Muslim intellectual heritage in European renaissance. This is a healthy sign and praiseworthy development that should be welcomed by all. We shall conclude our study on a survey of such remarks. It is hoped that this would encourage those who are still hesitant to assign a chapter in their works on contributions of Muslim scholars to economic thought and analysis and rehabilitate them to their due place in the history of economic thought textbooks. We are optimistic that such efforts will open a cultural dialogue and create a sense of affinity and regard for past ideas as a common heritage of humankind.

Endnotes

1. We find remarks such as 'it is inconceivable that there was no economic thinking over so many years - even in the Dark Ages', (Newman et. al., 1954, p. 15) or statement like 'Historians of economic doctrine now recognize that modern theory is the product of continuous growth over a much longer period of time than was previously assumed' (Langholm, 1998, p.), but no trouble is taken to investigate economic thought in the gap period to establish continuity and substantiate this rightful claim.
2. Abd al-Rahman Ibn Khaldun (732-808/1332-1406) born in Tunis and died in Egypt where he was settled during last years of his life. Played a pivotal role in the politics of North Africa and Spain. His work *Kitab al-'Ibar* is of unrivalled value as a source of reference to the history of Arab and non-Arab nations until his time. His brilliant work '*Muqaddimah*' (An Introduction to the History), considered the most sublime and intellectual achievement of the Middle Ages, is a treasury of many sciences like history, psychology, sociology, geography, economics, political sciences, etc. Franz Rosenthal translated it into English in three volumes, first published in 1958 and an improved edition in 1967.
3. Ahmad b. Ali al-Maqrizi (766-845/1364-1442). Born and lived in Egypt, with multifarious career. Famous for historical works, dealt with questions of social history such as weights and measures and coinage. Some important works by him are '*al-Khitat, al-Suluk li Ma'rifat al-Muluk, Imta' al-Asma', Ighathat al-Ummah bi Kashf al-Ghummah*'. The last one has been translated and excellently edited with related additional information by Adel Allouche (1994) entitled *Mamluk Economics*.
4. Ahmed b. Ali al-Dulaji (770-838/1368-1435). Born in Dulajah a city in Egypt and died in Cairo. Author of many valuable works. His book *al-Falakah wa'l-Maflukun* (Poverty and the Poor) is of economic interest in which he addresses the poverty stricken people and discusses various manifestations of poverty and recommends remedy to get rid of it.
5. Abu Rayhan al-Biruni (362-442/973-1048). Born in what is today called Uzbekistan. The scope of his enquiries was vast and profound. With Sultan Mahmud Ghazanawi he traveled to India where he stayed for twelve years, learned Sanskrit and authored *Kitab al-Hind (India)* which has been translated by Edward C. Sachau (London, 1914). Al-Biruni often compares Indian and Greek views.
6. Yaqub b. Ibrahim Abu Yusuf (113-182/731-798) the student of Abu Hanifah and one of the co-founder of Hanafi school of jurisprudence became chief justice during Harun al-Rashid's era (170-194/786-809) the Abbasid Caliph, on whose request he authored *Kitab al-Kharaj* (the Book on Taxation). It is one of the earliest works on the Islamic system of taxation. Its

- text was first printed in Cairo in 1302/1885. It has been translated into many languages. Shemesh (1969) rearranged the text and chapters and published under the title *Taxation in Islam* only that part which is related to economic matters. A complete translation was done by Ali (1979).
7. Much earlier, Frank Knight, the Chicago economist, while reviewing the book in *Southern Economic Journal* pointed out to this deficiency of the work saying that 'if Schumpeter was writing to start with the Babylonians albeit with only a brief reference, he surely should have been able to make some, even if limited reference to Indian (and presumably other Asian) sources as well'. Quoted by Mark Perlman in his 'Introduction' (Schumpeter 1997, p. XXIII).
 8. In the opinion of Professor Mirakhor (1987, p. 250) "Although the paper is riddled with an 'oriental attitude', it is a valiant effort by a distinguished historian of economic thought to deal, partially, with the economic thought of Islam. This indeed was the first attempt of its kind in the field. It contained a wealth of ideas for further research. However, the evidence suggests that this creditable work has been ignored by the profession".
 9. In addition to Siddiqi's works cited above, Islamic Economics Research Center, Jeddah, published some other books and research papers related to the history of economic thought in Islam such as (in chronological order):
 - *Al-Islam wa'l-Nuqud* (Islam and Money) by Rafic Yunus al-Misri (1981), 2nd edition (1990)
 - *Economic Thought of Ibn al-Qayyim* by Abdul Azim Islahi (1984)
 - "Ibn Taimiyah's Concept of Market Mechanism" by Abdul Azim Islahi (1986)
 - *History of Economic Thought in Islam: A Bibliography* by Abdul Azim Islahi (1997)
 - *Economic Thought of al-Ghazali* by S.M. Ghazanfar and Abdul Azim Islahi (1998)
 - *Fi'l-Fikr al-Iqtisadi al-Islami: Qira'at fi'l-Turath* (On Islamic Economic Thought: Readings in the Heritage) by Rafic Yunus al-Misri (1999)
 10. Abu Hamid Muhammad b. Muhammad al-Ghazali (450-505/1058-1111). Lived during the Saljuq period. His scholarship extended to many diverse fields of learning. Most of his economic ideas are found in his famous work *Ihya' Ulum al-Din* and *al-Tibr al-Masbuk fi Nasihat al-Muluk*. For a detailed study of his economic ideas please see Ghazanfar and Islahi 1990 and 1998. He criticised philosophy in his work *Tahafut al-Falasifah*.
 11. For such works one may refer to bibliographies prepared by Islahi (1997) in English and by Nuqli (1998) in Arabic.