1. Introduction

1.1 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 a 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 facts.¹ 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 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 attention of those who are in search of common grounds in sciences and culture for mutual understanding and cooperation.

1.2 LITERATURE REVIEW

Since the very beginning, writers on history of economic thought have tended to ignore contribution of Muslim scholars to the subject. The economic historians 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 the 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 twentieth century. Writings on the 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 Khaldun,² al-Maqrizi,³ and al-Dulaji.⁴ 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 twentieth century most of the 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. 73–4) 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 assertion.⁷ '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 direction.⁸ 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 researchers.⁹ 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'. Hosseini (2003) also refuted the Schumpeterian Great Gap in an article entitled 'Contributions of Medieval Muslim Scholars to the History of Economics and their Impact: A Refutation of the Schumpeterian Great Gap'.

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 thought.¹¹ These works may not have touched on the great gap thesis, but the very existence of a number of writings relating to the period was sufficient 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. The Muslim

civilization and its intellectual and political power, after reaching its zenith, had by the early tenth/sixteenth century begun to show clear signs of decadence while the 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 reaction against the Muslim conquests in the battlefield. At that stage of history, the Muslim scholars, after transmitting Greek ideas along with their own additions and interpretations, to the world at large, gradually receded into oblivion.

1.3 SCHEME OF THE STUDY

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

Next we shall systematically and extensively discuss various economic concepts that were analyzed or improved over Greek ideas by the 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, the Islamic tradition in economic thought spreads over many chapters.

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

Some textbooks give a family tree of economics science 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 in Chapter 8 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 acknowledged it. We shall examine reasons for that.

But the trend is changing now. In recent years some writers have acknowledged contributions of the Muslim scholars to economic thought and analysis and there is growing admission of indebtedness to the Muslim intellectual heritage in the European renaissance. This is a healthy sign and praiseworthy development that should be welcomed by all. We shall

conclude our study by surveying such remarks. We hope that this would encourage those who are still hesitant to acknowledge contributions of the Muslim scholars to economic thought. 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.

NOTES

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 statements 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. vii), 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) (Ibn Jaldun in Spanish and Ibn Haldun in Turkish) was born in Tunis and died in Egypt, where he was settled during the last years of his life. He played a pivotal role in the politics of North Africa and Spain. His work *Kitāb 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 *The Muqaddimah: An Introduction to 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 New York in 1958 by the Bollingen Foundation, and an improved edition in 1967 by the foundation and Princeton University Press, Princeton, NJ.
3. Ahmad b. Ali al-Maqrizi (766–845/1364–1442). Born and lived in Egypt, with a 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-Khiṭaṭ*', '*al-Sulūk li Ma'rifaṭ al-Mulūk*', '*Imtā' al-Asmā'*', '*Ighāṭhat al-Ummah bi Kashf al-Ghummah*'. The last one has been translated and excellently edited with related additional information by Adel Allouche (1994) entitled *Mamlūk Economics*, University of Utah Press, Salt Lake City, UT.
4. Ahmed b. Ali al-Dulaji (770–838/1368–1435). Born in Dulajah, a city in Egypt, and died in Cairo, was author of many valuable works. His book *al-Falākah wa'l-Maflūkūn* [*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 Ghaznawi (361–421/971–1030), he traveled to India where he stayed for 12 years, learned Sanskrit and authored *Kitāb 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 (113–82/731–98) the student of Abu Hanifah (81–150/700–767) and one of the co-founders of the Hanafi school of jurisprudence, became chief justice during Harun al-Rashid's era (170–94/786–809) the Abbasid Caliph, on whose request he authored *Kitāb al-Kharāj* [*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), Islamic Book Centres, Lahore, PAKISTAN.
7. Much earlier, Frank Knight, the Chicago economist, while reviewing the book in the

Southern Economic Journal ((1955), **21**, 261–72) pointed out 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’, 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, the Islamic Economics Research Center (now the Islamic Economics Institute), Jeddah, published some other books and research papers related to the history of economic thought in Islam such as (in chronological order):
 1. *Al-Islām wa’l-Nuqūd [Islam and Money]* by Rafic Yunus al-Misri (1981), 2nd edn (1990);
 2. *Economic Thought of Ibn al-Qayyim* by Abdul Azim Islahi (1984);
 3. ‘Ibn Taimiyah’s Concept of Market Mechanism’ by Abdul Azim Islahi (1986);
 4. *History of Economic Thought in Islam: A Bibliography* by Abdul Azim Islahi (1997);
 5. *Economic Thought of al-Ghazali* by S.M. Ghazanfar and Abdul Azim Islahi (1998), 2nd edn (2011).
 6. *Fi’l-Fikr al-Iqtisādī al-Islāmī: Qirā’at fi’l-Turāth [On Islamic Economic Thought: Readings in the Heritage]* by Rafic Yunus al-Misri (1999);
 7. *Muslim Economic Thinking and Institutions in the 10th A.H./16th C.E. Century* by Abdul Azim Islahi (2009);
 8. *A Study of Muslim Economic Thinking in the 11th A.H./17th C.E. Century* by Abdul Azim Islahi (2011);
 9. *Islamic Economic Thinking in the 12th A.H./18th C.E. Century: With Special Reference to Shah Wali-Allah Al-Dihlawi* by Abdul Azim Islahi (2011).
10. Abu Hamid Muhammad b. Muhammad al-Ghazali (450-505/1058-1111), lived during the Saljuq period (429–707/1061–1299 CE). His scholarship extended to many diverse fields of learning. Most of his economic ideas are found in his famous work ‘*Ihyā’ ‘Ulūm al-Dīn* and *al-Tibr al-Masbūk fi Naṣīhat al-Mulūk*. For a detailed study of his economic ideas, see Ghazanfar and Islahi (1990) and (1998). He criticized philosophy in his work *Tahāfut al-Falāsifah*.
11. For such works one may refer to bibliographies prepared by Islahi (1997) in English and by Nuqli (1998) in Arabic. At the occasion of the Seventh International Conference on Islamic Economics, organized by King Abdulaziz University, during 1–3 April 2008, a research paper entitled ‘Thirty Years of Research on History of Islamic Economics: Assessment and Future Directions’ was presented (Islahi, 2008[b]) in which the author studied and evaluated the research during 1976–2006. The finding is that hitherto the research in the history of Islamic economic thought has been dominantly language, region, and period specific – Arabic, the Middle East and up to the ninth/fifteenth century respectively. The paper emphasized the need for intensive and extensive research to include more personalities, ideas, periods, languages and regions, and to write a systematic comprehensive history of the subject.