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The making of Islamic economics : an epistemological inquiry into Islam's moral economic teachings, legal discourse, and Islamization process

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Chapter Three:

The Past Perfect – *Sharī'a* and the Intellectual History of Islamic Economic Teachings

The essence of fiqh discussions has always been theological.

Waleed A.J. Addas, *Methodology of Economics: Secular vs. Islamic*, 98

If the 'moral' as we understand it in modernity did not exist in premodern Islam, then the distinction between the 'moral' and the 'legal' could not have existed, either in the Sharī'a at large or in the Qur'ān in particular.

Wael Hallaq, *The Impossible State*, 82

Al-tājiru al-ṣadūq afḍalu 'inda Allāhi min al-mut'bid (The honest merchant is superior to the servant).

Al-Ghazālī, *Iḥyā'*, Vol. 2, 74

Fī al-kasb ma'nā al-mu'āwana 'alā al-qurab (In acquiring a livelihood there is meaning of assistance in acts of devotion).

Al-Shaybānī, *Kitāb al-Kasb*, 136

1. Widening the Scope of Classical Economic and Legal Thought in Islam

This chapter inquires upon the classical economic thought and its relation to *Sharī'a* in Islamic tradition. It mainly consists of two parts – the first part deals with the moral cosmology of *Sharī'a*, including *maqāṣid* and *siyāsa*, whereas the second addresses the economic thought of classical Muslim scholars. To discern the genealogy of the subject of Islamic economics, pinpointing the epistemological differences between the classical and modern understanding of economic ideas in Islamic tradition, which can be perceived as the (dis)continuation of the moral teachings and legal precepts derived from the Qur'an and the Islamic intellectual history, one

needs to provide a definition of terminologies of Islamic legal and economic teachings,¹ and to scrutinize the correlation between and among them.

The first part of the chapter does not study court proceedings in Islamic tradition, but focuses on a two-fold analysis of *Sharī'a*: first, the theoretical considerations of *Sharī'a* as a primarily moral conception in that it maintains an epistemological difference from the ontology of *fiqh* and, second, on classical as well as contemporary authors who have defined and extrapolated the concept of *Sharī'a* in connection to Islamic economic thought. By doing so, I will demonstrate that the idea of economic behaviour is in accordance with primarily *Sharī'* moral behavioural patterns rather than legal codifications, which occurred in the 19th century. This approach repudiates the claim that contemporary Islamic economic science is based on Islamic legal percepts or that it is enmeshed only in commercial transactions. Even though theoretical considerations of economics in Islam is based on commercial laws and ethical ideas, derived from religious sources such as the Qur'an, the Sunna and (legal) scholarship, contemporary Muslim economists have rarely made in-depth analyses of the classical disciplines by studying the classical legal, theological and Sufi corpus. The pertinent questions are therefore: have economic ideas in Islamic history flourished semi-independently from the legal normativity² of *Sharī'a*? What kind of epistemic consequences did classical jurisprudential, yet profoundly moral, stipulations have upon economic ideas in Islamic intellectual history? In other words, to what extent and on what grounds does *Sharī'a* define and legitimize the subject matter of economic thinking, given not only legal, but primarily moral, theological, and Sufi postulates in classical Islamic milieu?³

The second section of this thesis interrogates economic thought in classical Islam. By Islamic economic thought, I am referring to Islamic economic tradition, Islam's moral economy, classical Islamic economic thought, economic philosophy in Islam, and so forth, which is profoundly related to the moral cosmology of the Qur'an in how it shaped human conduct in economic affairs. Reading classical Muslim scholars, jurists, Sufis, and theologians reveal that their economic ideas were embedded in the theological and metaphysical system of *Sharī'a*. Since the pleiad of classical Muslim scholars cannot be introduced in one chapter, the following scholars, in many respects perceived as representatives of Islamic economic tradition, will be

¹ Abdel Rahman Yousri Ahmed, "The Scientific Approach to Islamic Economics: Philosophy, Theoretical Construction and Applicability," 41- 44.

² By the term "normativity", I refer to a standard model to be followed in the view of norms as authoritative and legally binding set of rules.

³ Question pertaining to the aim of *Sharī'a* was posed, among others, also by al-Ghazālī (d. 1111) and al-Shāṭibī (d. 1388). See al-Ghazālī, *al-Mustasfā'* (Medina: Sharika al-Madīna al-Munawwara li al-Ṭabā'at), Vol. 1, 116 ff and al-Shāṭibī, *al-Muwāfaqāt fī Usūl al-Sharī'a*, ed. 'Abdullāh al Darrāz (Cairo: n.d.).

examined in chronological order according to their main themes and key concepts pertinent to economics. These are Abū Yūsuf (731-798 A.D.), perceived as one of the earliest jurists who wrote on land tax (*kharaj*) in Islam;⁴ Muḥammad bin Ḥasan al-Shaybānī (750-804), a colleague and a student of Abū Yūsuf, a co-founder of Hanafī school of jurisprudence, the first scholar who treated earning as an wholesome subject in *Kitāb al-kasb*,⁵ also known as *al-Iktisāb fī al-Rizq al-Mustaṭāb*, and wrote a book on economic provision and law in *Kitāb al-Sijar*; Ibn Abī al-Dunyā (d. 894), a famous imam, jurist, and scholar of Islam who collected ideas on economic behaviour from more than 180 teachers in *Iṣlāḥ al-māl*;⁶ Abū Ḥamid al-Ghazālī (d. 1111), an adherent of the Shāfi‘ī school as much as an adherent of the Sufī tradition whose *Kitāb Adāb al-Kasb wa al-Ma‘āsh*⁷ presents a culmination and a synthesis of economic provision and spiritual qualities; al-Dimashqī, a 12th century scholar and merchant from Damascus who wrote *Kitāb al-Isharāh ila Maḥāsīn at-Tijārah* in which he defined an early form of price theory and expressed support for acquiring wealth;⁸ Ibn Taymiyya (d. 1328), a member of the Ḥanbali school and a source of inspiration for current Orthodox Salafism;⁹ Ibn Qayyim al-Jawziyya (d. 1350), a pupil of Ibn Taymiyya who furthered his legal, theological, and economic ideas;¹⁰ Ibn Khaldūn (d. 1404), who belonged to the Māliki school, and who is regarded as the father of sociology and the tradition of social sciences;¹¹ and al-Maqrīzī (d. 1441), a Māliki scholar from Egypt who provided official advices to the Fatimid government.¹² Along with those scholars, ideas from al-Muḥāsibī (d. 857),¹³ al-Makkī (d. 966),¹⁴ al-Māwardī (d. 1058),¹⁵ Ibn Hazm (d. 1064),¹⁶ al-

⁴ Abū Yūsuf, *Kitāb al-Kharaj* (Beirut: Dār al-Ma‘arifa, 1979).

⁵ Muḥammad ibn al-Hasan al-Shaybānī, *al-Iktisāb fī al-Rizq al-Mustaṭāb* (Beirut: Dār al-Kutub al-Ilmiyyah, 1986.)

⁶ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl* (Beirut: Mu‘assasa al-Kutub al-Thaqāfiyya, 1993).

⁷ Abū Ḥamid al-Ghazālī, *Iḥyā’ ‘Ulūm al-Dīn* (Beirut: Dār al-Nadwah, n.d.); *Mizān al-‘Amal* (Cairo: Dār al-Ma‘arif, 1964); ; al-Ghazālī, *al-Mustasfā* (Medina: Sharika al-Madīna al-Munawwara li al-Ṭabā‘at); al-Ghazali, *The Book of Counsel for Kings*, transl. F.R. Bagley (Oxford: Oxford University Press, 1964); al-Ghazali, *Kīmīyā-yi Sa‘ādat* (Delhi: 1998).

⁸ Al-Dimashqī, Abu’l-Fadl Ja‘far, *al-Isharāh ila Maḥāsīn al-Tijārah* (Cairo: Maktabah al-Kullīyyat al-Azhariyyah, 1977).

⁹ Ibn Taymiyya, *al-Hisbah fī al-Islām* (Cairo: Dār al-Sha‘b, 1976); English translation by Holland, Muhtar, *Public Duties in Islam: The Institution of the Hisbah* (Leicester: The Islamic Foundation, 1982); idem, *Majmu‘ Fatawa Shaykh al-Islām Ahmad Ibn Taymiyya* (Al-Riyad: Matabi‘ al-Riyad, 1963).

¹⁰ Ibn Qayyim al-Jawziyya, *Zad al-Ma‘ad* (Beirut: Dār al-Kitāb al-‘Arabī, 1982).

¹¹ Ibn Khaldūn, *Muqaddimah* (Beirut: Dār al-Fikr, n.d.)

¹² Muḥammad ‘Alī al-Maqrīzī, *Ighāthat al-Ummah bi Kashf al-Ghummah* (Cairo: ‘Ayn al-Dirāsāt al-Ba‘ūth al-Insāniyya wa al-Ijtīmā‘iyya, 2007); Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi’s Ighāthah* (Salt Lake City: University of Utah Press, 1994); al-Maqrīzī, *Kitāb al-Sulūk* (Cairo: Lajna al-Talif wa al-Tarjama, 1956).

¹³ Al-Muḥāsibī, *al-Makāsib wa al-Wara’* (Beirut: Mu‘assasa al-Kutub al-Thaqāfiyya, 1987).

¹⁴ Al-Makkī, *Qūt al-Qulūb* (Beirut: Daar al-Kutub al-Ilmiyyah, 1997); Saeko Yazaki, *Islamic Mysticism and Abū Ṭālib al-Makkī* (New York: Routledge, 2013).

¹⁵ Al-Māwardī, *al-Aḥkām al-Sulṭāniyyah* (Misr: al-Babi al-Halabi, 1973).

¹⁶ Ibn Hazm, *al-Muhalla* (Misr: Matba‘a al-Nahdah, 1347 A.H/1928 A.D.), Vol. 2.

Shaizarī (d. 1193),¹⁷ Ibn Rushd (d. 1198), a medieval Andalusian polymath,¹⁸ and other Muslim thinkers will often accompany the aforementioned scholars in order to substantiate the claim of this very chapter.

These figures underwent different forms of training and lived in different eras and areas, which indicates a multivalent legal, sociopolitical and cultural landscape of these thinkers, as well as the complexity of Islamic economic history. The scholars' writings on ethics, law, and economic ideas will be presented within the context of how their theorized and perceived economic philosophy in Islam, its mechanisms, function of money, the role of *ḥisba*, price control, value of goods, barter exchange, and the role of the state. I will extrapolating their main ideas and concepts pertinent to the research, such as *Sharī'a*, *akhlāq* (the role of ethical conduct in trading activity), *tas'īr* (price control), *zuhd* (abstinence), and *maṣlaḥa* (the concept of public good). Focusing on the intertwining of ethical and economic presuppositions of medieval Islamic discourses also bears importance for the development of epistemology in modern Islamic economic thought. Instead of focusing on individual authors, the chapter will be structured according to main similarities, differences, and economic ideas those authors invoked in their works. By doing so, the chapter aims not only to show the interconnectedness and flow of economic ideas across time and space, but also the intricate relation between *Sharī'a*'s moral cosmology and economic activities. Despite the fact that classical scholars, given their various backgrounds, often invoked Islamic legal philosophy of the four major Sunni schools of law and applied different approaches to the same economic matters, the ethical intricacy rooted in the so-called moral cosmology of *Sharī'a* reigned supreme.

2. *Sharī'a*'s Legal Supremacy versus Moral Cosmology

The term *akhlāq*, translated nowadays as ethics, was associated with classical Islamic (Qur'anic) exegesis and closely interwoven into the theology of Islam.¹⁹ The Qur'an provided Muslim

¹⁷ 'Abdur Raḥman bin Naṣr Al-Shaizarī, *Aḥkām al-Ḥisba* (Beirut: Dār al-Thaqāfa, n.d.).

¹⁸ Ibn Rushd, *Bidāyat al-Mujtahid* (Beirut: Dār al-Ma'rifa, 1988).

¹⁹ Islamic ethics is being defined as *akhlāq* (plural of *khuluq*) which would be translated as character or disposition. The word *akhlāq* has a very close relationship with the word *khaliq* (the Creator) and *makhluq* (the creature). The term *khuluq* appears in the Qur'anic verse (68:4) and it has been regarded as the predicament of the soul that determines human deeds and its consequences. *Ilm al-akhlāq* as the science of the human soul pertains to qualities and methods on how to maintain and nurture them. The task of Islamic ethics was to discern concepts such as good, bad, virtue, obligation, and responsibility through the idea of God, the Hereafter, and the Qur'anic revelation. In this sense, Islamic ethics is not disassociated from Islamic metaphysics. See Abdul Haq Ansari, "Islamic Ethics: Concepts and Prospects," *The American Journal of Islamic Social Sciences*, Vol. 6, No. 1, (1989): 81-91; "What is

society with natural laws and a new cosmology enhancing a moral system that transcended purely legal categories, for it was “constructed out of the moral fiber.”²⁰ The *Sharī‘a*’s moral principles are not technical or legal in nature, “but hearken back to the epistemic and psychological technologies of the moral subject.”²¹ According to such an understanding, human deeds are carried out in accordance with a particular worldview,²² and economic behaviour should primarily have an ethical deliberation and consequence. Despite the fact that the subject of *fiqh* has always been *Sharī‘a*,²³ *fiqh* and *Sharī‘a* are inequivalent, for the latter is as Divine law encapsulated in the Qur’an,²⁴ while the first is the body of Islamic law extracted from detailed Islamic sources, which are studied and interpreted by learned men as the principles of Islamic jurisprudence. Economic activities in Islam tend to surpass purely legal precepts, because they are as much theological in nature as they are moral. As we shall see in the following paragraphs, concepts such as common good (*maṣlaḥa*), charity (*ṣadaqa*), alms-tax (*zakāt*), and institutions such as charitable trust funds (*waqf*), supervision of markets, purchases and commodities (*ḥisba*), fiscal policy (*bayt al-māl*), social benefits, and others, despite their legal effect, were by classical Muslim scholars also analyzed within the fields of theology, philosophy, Islamic mysticism, policy-oriented governance (*siyāsa Shar‘iyā*), and moral cosmology²⁵ embedded in the Qur’anic

‘legal’ in the Qur’ān and in the *Sharī‘a* that was based on it is also equally ‘moral’ and vice versa. In fact, we might even reverse the modern bias and argue (conceding for the moment to modern vocabulary) that the legal was an organically derivative category of the moral, the latter being the archetype... The Qur’ānic moral arsenal was thus embedded in a holistic system of belief, in a cosmology that *comprised* a metaphysic... this cosmology was itself part of an enveloping moral system that transcended the categories of theology, theosophy, and metaphysics.” Wael Hallaq, *The Impossible State*, 83.

²⁰ Wael Hallaq, “Groundwork of the Moral Law: A New Look at the Qur’an and the Genesis of *Shari’a*,” 259.

²¹ Wael Hallaq, *The Impossible State*, 152.

²² For instance, according to Toshihiko Izutsu, moral code is one component of the overall ideology, embedded into the linguistic system, and therefore represents certain worldview (*Weltanschauung*) and interprets it accordingly. See Toshihiko Izutsu, *Ethico-Religious Concepts in the Qur’an*, 12 in Mohamed Aslam Haneef, Hafas Furqani, “Developing the Ethical Foundations of Islamic Economics: Benefitting from Toshihiko Izutsu,” *Intellectual Discourse*, Vol. 17, No. 2 (2009): 176.

²³ According to Shalakany, Islamic law is *Sharī‘a* due to its own subject matter. See Amr. A. Shalakany, “Islamic Legal Histories,” *Berkley Journal of Middle Eastern & Islamic Law*, Vol. 1 (2008): 5.

²⁴ For more on the orientalist understanding of *Shari’a* as being detached from *fiqh* rules see the legal history of Islam see Joseph Schacht, *An Introduction to Islamic Law* (Oxford; New York: Clarendon Press, 1982); N. J. Coulson, *A History of Islamic Law* (Chicago: Aldine Transaction, 1994). On the overall moral character of *Sharī‘a* see e.g. Wael B Hallaq, *Sharī‘a: Theory, Practice, Transformations* (Cambridge: Cambridge University Press, 2009). On the history of Islamic legal thought see e.g. Wael B Hallaq, “From Fatwas to Furu: Growth and Change in Islamic Substantive Law,” *Islamic Law and Society* 1, No. 1 (1994): 29-65; Mohammad Fadel, “The Social Logic of Taqlīd and the Rise of the Mukhataṣar,” *Islamic Law and Society* 3, No. 2 (1996): 193-233; ‘Ali Jum‘a, *Al-Naskh ‘Ind al-Uṣūliyyīn* (Nahḍat Miṣr lil Ṭibā‘a wal Nashr wal Tawzī‘, n.d.), 9-13, 23-37, 41-42, 45-46, 49-88.

²⁵ The term “moral cosmology” is coined separately from yet in proximity to Hallaq’s concept of *mystical Shari’ism*, for it shows a great degree of contextual similarity (see Wael Hallaq, *The Impossible State*, New York: Columbia University Press, 2013). Hallaq’s term is clearly congruent with the parameters and the narrative of the “moral cosmology” of Islamic economics, not only in regard to the position of Islamic law, but also in reference to Islamic

conceptions of ‘*adl*, ‘*ilm*, and ‘*amal* and their human exposition, and not exclusively via commercial laws or transactions (*mu‘āmalāt*). As such, classical Muslim scholars would derive and deduce legal rulings on micro and macro levels on economic ideas. Hence translating *Sharī‘a* simply as Islamic law would be incorrect, since *Sharī‘a* encompasses more than only legal rulings.²⁶

Many classical Muslim scholars perceive *Sharī‘a* as the divine code of conduct, while Islam is often interpreted as a submission of oneself to the will of God by confirming the Divine Unity of existence. *Sharī‘a* in Arabic language means “path to the well,” or within the context of Islam, “path to God.”²⁷ According to Frank Griffel, “Islamic religious law” is an approximate translation of the term *Sharī‘a*.²⁸ In classical Arabic the word *Sharī‘a* referred to the law of God obtained through revelation, and it evolved as a technical term in the early period of Islamic history, depicting the practical aspect of the religion of Islam.²⁹ Throughout the history of Islamic law, for many Islamic scholars *Sharī‘a* has been central to understanding Islamic legal principles.³⁰ The four basic Sunni Islamic schools of law – Ḥanafī, Mālikī, Shāfi‘ī and Ḥanbalī³¹ – agree that the four fundamental sources of *Sharī‘a* are: the Qur’ān, Sunna, *ijmā’* or consensus and *qiyās*.³² This would indicate that Islamic economic thought is derived indirectly from the Qur’an and the Sunna, as these texts present the basis of juridical literature. However, the *fuqahā’* (the legal specialists) in the classical period mainly established the judicial system (social,

economic teachings. This will be more evident through the analysis of the classical Islamic economic corpus, and also by proposing the epistemological value of Islamic economics in Chapter Five.

²⁶ Muhammad Khalid Masud, *Muslim Jurists’ Quest for the Normative Basis of Shari‘a*, inaugural lecture (Leiden: ISIM, 2001), 2; *Shari‘a* cannot be simply equated as a book of law, but is rather a highly complex system of norms, codes, ethical stipulations, and their interpretations, see Mathias Rohe, *Das Islamische Recht* (München: C.H. Beck, 2011), 15. In this light, epistemic is *a priori* moral in the context of *Shari‘a*. See also Wael Hallaq, “God’s Word: Between the Intentional and the Political,” Lecture at IRCPL, Columbia University, February 13th 2015, <http://ircpl.org/wael-hallaq-gods-word-between-the-intentional-and-the-political/>. See also Qur’an, e.g. 42:13; 5:97; 45:1-7.

²⁷ See e.g. Mouhanad Khorchide, *Scharia – der missverstandene Gott. Der Weg zu einer modernne islamischen Ethik*, (Freiburg, Basel, Wien: Herder, 2013), 72-81.

²⁸ Abbas Amanat, Frank Griffel, eds., *Sharia, Islamic Law in the Contemporary Context* (Stanford, California: Stanford University Press, 2007), 2.

²⁹ See Qur’an 45:1.

³⁰ See al-Ghazālī, *al-Mustasfā’* (Medina: Medina: Sharika al-Madīna al-Munawwara li al-Ṭabā‘at); Ibn ‘Āshūr, *Maqāsid al-Sharī‘ah al-Islāmiyyah*, ed. El-Tahir el-Mesawi (Kuala Lumpur: al-Fajr, 1999); *Treatise on Maqāsid al-Sharī‘a*, trans. Muhammad al-Tahir el Mesawi (London, Washington: International Institute of Islamic Thought, 2006).

³¹ Khan Masud states that according to Abu Zayd Shāfi‘ī’s *Risāla* was primarily a treatise on epistemology and not the methodology of Islamic law. See Khan Masud, “Classical” Islamic Legal Theory as Ideology: Nasr Abu Zayd’s Study of al-Shāfi‘ī’s *Risala*, draft.

³² *Qiyās* or analogy denotes something that has a common characteristics or the same value. Literally, *qiyās* means measuring or ascertaining the physical shape of something. In Islamic law, technically means an extension of a *Sharī‘a* value from an original example or situation to a new case. On the historical development of Islamic law see Mathias Rohe, *Das Islamische Recht* (München: C.H. Beck, 2011), 43-72.

financial, public, private, penal, matrimonial codes of law), reflecting the ethical teachings of the Qur'an.³³ The legal reading of economics in the Islamic tradition presumes that the economic system is one of the sub-systems of *Sharī'a* and, by consequence, partakes in the interaction of all the sub-systems as well as in the main system of *tawhīd* being the core of the discourse.³⁴

Sharī'a as God's law relates to the Islamic law (*fiqh*) and legal stipulations (*aḥkam*). Nonetheless, legal theory did not designate law but rather how to do law, hence it was not prescriptive but descriptive, providing juristic methodology and a hermeneutics to utilize the four sources of *Sharī'a*.³⁵ In this light *Sharī'a* is "a collection of God's assessments of human conduct" (*ḥukm*), and "this crucial element has been often misunderstood as legal injunction or prescription. Primarily, *ḥukm* (rule) is God's speech (*kalām*) which deals with human conduct,"³⁶ and does not necessarily rest upon man's appropriation of it.³⁷ Interpreting how jurists came to deduce these *aḥkam* from the religious scripts has been the task of *usūl al-fiqh*, the roots of the law or rather legal hermeneutical methodology,³⁸ which is in its essence an endeavour of the learned to understand and interpret the sources of the law.³⁹ For Hallaq "*usūl al-fiqh*'s whole purpose is universally acknowledged to be the prescription/description of a methodology by means of which legal rulings can be derived from the sources."⁴⁰

³³ Muhammad Khalid Masud, *Muslim Jurists' Quest for the Normative Basis of Shari'a*, inaugural lecture, Leiden: ISIM, 2001, 6.

³⁴ "It is important to distinguish between the concept of Sharī'a as the totality of the duty of Muslims and any particular perception of it through a specific human methodology of interpretation of the Qur'ān and Sunna... It should also be emphasized that Sharī'a principles are always derived from human interpretation of the Qur'ān and Sunna; they are what human beings can comprehend and seek to obey within their own specific historical context. It was a pre-Islamic Arab practice to distribute any surplus of property (faḍl al-mal) for social and charitable purposes. The Prophet applied this principle, which the jurists later thought to be his practice. And inasmuch as it was considered a Prophetic Sunna, it became part of the Sharī'a." Wael Hallaq, *A History of Islamic Legal Theories*, 13. See also Goitein, *Studies in Islamic History and Institutions* (Leiden: E. J. Brill, 1966), 92-94.

³⁵ Wael Hallaq, *Sharī'a: Theory, Practice, Transformations*, 74.

³⁶ Sami Al-Daghistani, "Semiotics of Islamic Law, Maṣlaḥa, and Islamic Economic Thought," 401.

³⁷ Classical Islamic works on Islamic law reveal a high level of probability theories (Wahrscheinlichkeitstheorie) of the divine law, aiming to frame the law within the parameters of Sharī'a. According to Thomas Bauer, this attempt was not always successfully applied, because fiqh dealt predominantly with socioeconomic, political, and administrative issues, however, it always maintained its theological resonance. See Thomas Bauer, *Die Kultur der Ambiguität*, 158.

³⁸ Generally, on the legal science al-Ghazālī holds that "...the universal science among the religious disciplines is theology. But other sciences, such as jurisprudence, its principles, hadith, and tafsir are particular sciences." Ahmad Zaki Mansur Hammad, *Abu Hamid al-Ghazali's Juristic Doctrine in al-Mustasfa min 'ilm al-usūl*, PhD dissertation, Vol. 2, University of Chicago, 1987, 310. See also al-Ghazālī, *Iḥyā'*, Vol. 1, 12-40.

³⁹ For more on *ad hoc* solutions to legal issues, legal transplants, and other legal modifications see Wael Hallaq, "From Fatawas to Furu: Growth and change in Islamic Substantive Law," in *Islamic Law and Society*, Vol. 1, No. 1 (1994): 29-65; Tyon, E. "Judicial Organization," in *Law in the Middle East*, ed. Majid Khadduri and H. J. Liebesny (Washington, DC: The Middle East Institute, 1955), 236-78.

⁴⁰ Wael Hallaq, "Was al-Shāfi'i the Master Architect of Islamic Jurisprudence?," *International Journal of Middle East Studies*, Vol. 25, No. 4 (1993): 587-605, at 592. See also al-Imām Muḥammad Idris al-Shāfi'i's *al-Risāla fi*

The science of applying *Sharī'a* was developed in the classical period and is called *fiqh*.⁴¹ *Fiqh* is the legal and ethical system that measures and foresees relations between men in society whose “notion of legal capacity is based on the concept of the rational actor.”⁴² Al-Ghazālī stated: “Fiqh in its original linguistic usage, means knowledge and understanding [...] But in the convention of the *‘ulamā*, it has come to specifically express knowledge of the *Sharī'a* rules, which have been established for [qualifying] the acts of the loci of obligation.”⁴³ Specialists and legal authorities produced *fiqh* works concerned with moral behavior and legal practice in many Muslim lands in which *Sharī'a* was considered the law until the collapse of the Ottoman Empire in the early 20th century. Yet, law as being understood as binding rules of conduct would insufficiently describe *Sharī'a*, since “there were no documents [...] and no commentaries that one could refer to as ‘the law’. Rather, *Sharī'a* was a practice and a process of deriving law and of adjudicating disputes,”⁴⁴ and it has been in this sense interconnected with moral behaviour, encompassing various fields of human endeavours.⁴⁵

uṣūl al-fiqh, Treaties on the Foundations of Islamic Jurisprudence, trans. Majid Khadduri (Cambridge, UK: Islamic Text society, 1997).

⁴¹ See Motzki, Harald: *Die Anfänge der islamischen Jurisprudenz: ihre Entwicklung in Mekka bis zur Mitte des 2./8. Jahrhunderts* (Stuttgart: Steiner, 1991; Wael Hallaq, *The Origins and Evolution of Islamic Law* (Cambridge: Cambridge University Press, 2005); Hashim Kamali, *Shariah Law: An Introduction* (Oxford: Oneworld, 2008).

⁴² Baber Johansen, *The Changing Limits of Contingency in the History of Muslim Law*, 33. See also Baber Johansen, “Das islamische Recht,” *Die islamische Welt*, Vol. 1 (1984): 129-145.

⁴³ Ahmad Zaki Mansur Hammad, *Abu Hamid al-Ghazali's Juristic Doctrine in al-Mustasfa min 'ilm al-usūl*, 307.

⁴⁴ “Law was established not by issuing legal codes or by the decision of principal authorities such as high courts or central administration, but rather by the rules of its legal discourse... Before the nineteenth century *Sharī'a* was never understood as an abstract code, but rather as a series of commentaries on particular practices and of commentaries upon those commentaries.” Abbas Amanat, Frank Griffel, eds., *Sharia, Islamic Law in the Contemporary Context*, 4. On the Sunni legal discourse and tradition, see Norman Calder, “The Limits of Islamic Orthodoxy,” in *Intellectual Traditions in Islam*, ed. Farhad Daftary (London: I. B. Tauris, 2000), 66-68. On the absence of the term *Sharī'a* in Islamic legal discourse see Thomas Bauer, *Die Kultur der Ambiguität*, 185.

⁴⁵ According to Griffel, who is not a legal specialist, *Sharī'a* does not play an important role in the Qur'an and it appears only three times in the Qur'anic text. Griffel also maintains that *Sharī'a* always distinguished law from morality: “In principle, at least, traditional *Sharī'a* always made a distinction between law and morality. Unlike European jurisprudence, however, where the law is taught in its own faculty and where morality is a branch of philosophy and the humanities, the practice of *Sharī'a* includes all branches of normative human behavior.” See Abbas Amanat, Frank Griffel (ed.), *Sharia, Islamic Law in the Contemporary Context*, 8. On the other hand, Hallaq states that the legal and the moral realm were in the classical period intertwined and interconnected, and thus the two epistemic systems were not parted: “Neither Muslim jurists nor Muslim intellectuals at large have – until the twentieth century – made any distinction between the legal and moral components of Islamic law. The punitive character of the obligatory and forbidden and the absence of this characteristic from the other three categories failed to engender a distinction between the moral and strictly legal, a phenomenon that should prompt us to wonder why Muslim jurists failed (if needed they did) to realize the typological significance of this fact. To answer this question we must first understand that, by its very nature, Islam – both as a worldview and as an intellectual system – made no real distinction between the legal and the moral on the grounds that morality and ethics were never perceived as anything less than integral to the law.” Wael Hallaq: *Sharī'a*, 85.

Fiqh can be comprehended as understanding⁴⁶ the religion and the sources of religion; “Fiqh-law is therefore not legislated but understood, not produced but discovered and formulated.”⁴⁷ A closer look at *fiqh* science makes clear that one cannot study Islamic law without engaging into Islamic theology, and that Islamic law has to be studied through its moral implications. Hence, the correlation between the mundane and the divine realm is managed by understanding (*fiqh*) rather than by actual statutes (*hudūd*). This further presupposes that economic (mis)behaviour falls into the realm of ethical considerations and not necessarily under the category of legal prescriptions. If one defines one’s relation to God based exclusively on juridical concepts employing jurists’ interpretation, one inevitably diminishes the gist of that very relation, namely the personal correlation to God.⁴⁸ A juridical and legal understanding of Islam can overshadow its spiritual, emotional and intellectual endeavours. “If religiosity is defined as compliance to juridical assertions, then it pushes in the background not only the contemplative Heart, but also the human freedom and therefore genuine moral conduct, in which morality is affirmed as self-commitment from the inner-most.”⁴⁹ This understanding diminishes the totality of Islam to its judicial interpretation, instead of nurturing the spiritual and emotional essence of human behaviour that pertains also to economic matters. In this constellation, the God-human relation is of utmost significance and is divided into two categories. The first illustrates this relation along the line of a top-down approach, whereby the human being as recipient carries out commands and laws, whereas the second category describes the God-human relation according to spiritual devotion and emotional intelligence.⁵⁰

This perspective asserts that classical economic philosophy was not regulated exclusively juridically, but rather it was understood metaphysically and cosmologically. As asserted by many contemporary Muslim economists,⁵¹ Islamic economics is ingrained within Islamic law, yet it appears to be distinguished from the epistemic value of the very moral cosmology, which deals with metaphysical as well as worldly matters. *Sharī‘a* moral guidelines undeniably form the gist

⁴⁶ One of the earliest Islamic legal scholars Abū Hanīfah (d. 767 A.D.), stated that “understanding (*fiqh*) in religious matters (*dīn*) is better than understanding (*fiqh*) of scriptural sources of law (*‘Urf*) and legal statutes (*al-hadd*).” Abū Hanīfa, 1948:5; Wensinck, 1932:104; 110-112 in A. Kevin Reinhart, “Islamic Law as Islamic Ethics,” *Journal for Religious Ethics*, Vol. 11, No. 2 (1983): 188.

⁴⁷ A. Kevin Reinhart, “Islamic Law as Islamic Ethics,” 188.

⁴⁸ “Denn wenn man seine Beziehung zu Gott über juristische Kategorien definiert, braucht man zwangslöfing einen Juristen, der einen über die Urteile Gottes aufklärt. Dann ist es aber vorbei mit einer direkten persönlichen Beziehung zu Gott.” See Mouhanad Khorchide, *Scharia – der missverstandene Gott*, 15.

⁴⁹ “Wenn Religiosität aber als Befolgung von juristischen Aussagen definiert wird, rückt nicht nur das Herzin den Hintergrund, sondern auch die Freiheit des Menschen und damit eine aufrichtige moralische Haltung, in der Moralität von Innen als Selbstverpflichtung bestimmt wird.” See Mouhanad Khorchide, *Scharia – der missverstandene Gott*, 17.

⁵⁰ The two categories cannot be exclusive but are, understandably, intertwined and interdependent.

⁵¹ See Chapter Two of this thesis and the works of e.g. Choudhury, Chapra, Siddiqi, M.A. Khan.

of economic matters in Islamic tradition, covering the issues related to food, clothing, money utilization, purchase of commodities, and many others, and stem from Qur'anic ethical teachings.⁵² Invoking classical scholarship, economic ideas, its philosophy, and behaviour patterns, asserts that it does not rest solely upon Islamic legal precepts, since economic problems are distinct and cannot be resolved only by *fiqh* rules.⁵³ In other words, despite the presence of legal norms for exercising economic activities in Islam, which (in)directly relate to the corpus of Islamic law and thus clearly points to the spiritual character of such conduct, claiming the “legal supremacy” of Islamic economics, i.e. that it intrinsically maintains a legal character, might be misleading.⁵⁴ Legal systems are rational when they lack “freedom from extralegal concerns,” that is, when they are subservient to various social, political or theological elements.⁵⁵ Due to the moral predicates of Islamic law,⁵⁶ it has always maintained a rational character, being systematically grounded in the religious and ethical values of the Qur'an.⁵⁷ Only continuous and constant altercation between Islam as a historic phenomenon and Muslim society as a living experience can question and reconstruct the legal superiority.⁵⁸

3. *Maqāsid, Istihsān, Maṣlaḥa* and the Economic Preservation in *Shari'a*

⁵² “True believer would not be extravagant nor miserly,” Qur'an 25:67; on the prohibition of usury, “but Allah has permitted trade and forbidden usury,” 2:275; “man is violent in the love of wealth,” 100:8.

⁵³ Abdel Rahman Yousri Ahmed, “The Scientific Approach to Islamic Economics: Philosophy, Theoretical Construction and Applicability,” 19-58.

⁵⁴ It has been argued that only 80 out of 6234 verses in the Qur'an can be described as juridical assertions dealing with the social order. See Mouhanad Khorchide, *Scharia – der missverständene Gott*, 83. The Qur'an contains only 228 out of 6.236 verses that deal with the legal precepts. See N. J. Culson, *Introduction to Islamic Law*, 34 in Wael Hallaq “Groundwork of the Moral Law: A New Look at the Qur'an and the Genesis of Shari'a,” 244.

⁵⁵ Patricia Crone, “Weber, Islamic Law, and the Rise of Capitalism,” in *Max Weber and Islam*, eds. Huff, Toby E. and Schluchter, Wolfgang (New Brunswick: Transaction Publishers, 1999), 249.

⁵⁶ On the relation between theological and legal see e.g. Rüdiger Lohker, *Islamisches Recht* (Wien: Facultas wuv 2011), 99-116.

⁵⁷ John Walbridge, *God and Logic in Islam: The Caliphate of Reason* (Cambridge: Cambridge University Press, 2011), 3. Max Weber for instance stated that Islamic law can never attain full rationalization due to its link to sacred institutions. While bourgeoisie and its interests was inextricably linked with the development of European laws, this connection cannot be traced in Islamic societies, as Islamic law was bound to bourgeois elements only in terms of commerce and trading. Islamic law was thus for him inconducive to capitalism in that it protected the institution of contract, stipulated ethical economic conduct, and prescribed certain economic awareness, despite that premodern capitalistic endeavours, such as pursuing profit, did exist in medieval Islamic societies. Patricia Crone, “Weber, Islamic Law, and the Rise of Capitalism,” 254.

⁵⁸ A reform of Islamic law can enhance life of Muslims according to the Qur'an. Mouhanad Khorchide, *Scharia – der missverständene Gott*, 125.

For the examination of classical economic doctrine in Islam, the discourse on *maqāṣid al-Sharī'a* or the objectives of Islamic law – along with *istiḥsān*, translated as equity, *istiṣlāḥ*, and *maṣlaḥa*, as common or public good – are of particular relevance. Concerning *Sharī'a* discourse as a source of economic thought in Islam, those terms advocate, among other elements, economic preservation and can be used as a vehicle for a legal change.⁵⁹ In relation to economic philosophy and the concept of law, *maṣlaḥa* appears to be an important tool in achieving a higher degree of economic justice, in spite of the fact that the notion of *maṣlaḥa* has been primarily discussed within the parameters of Islamic law and legal discourse. Research on economic preservation and *maṣlaḥa* raises the following questions: what type of economic ideas does *maṣlaḥa* propose and how has it been incorporated into economic reasoning? Which scholars refer to *maṣlaḥa* as a tool for economic change and on what basis; as the core of ethical teachings of *Sharī'a*, how can it be utilized in the contemporary Islamic economics and what type of reading does it propose? Furthermore, since Islamic economic thought cannot be equated only with legal maxims and juridical underpinnings,⁶⁰ it is pertinent to ask not if economic ideas have flourished independently from its legal framework, but what is the nature and epistemic value of that very legal framework in relation to economic teachings when it comes to ethical considerations, and how can the preservation of wealth be applied in the real-time society?⁶¹

3.1. *Maqāṣid al-Sharī'a* and *Maṣlaḥa*

Certain concepts with which aforementioned medieval Muslim scholars operated in Islamic history relate to public good and provision of wealth, can assist us in understanding the relation

⁵⁹ On *maṣlaḥa* as a legal change see Opwis, Felicitas, “Maslaha in Contemporary Islamic Legal Theory,” *Islamic Law and Society*, Vol. 12, No. 2, (2005): 182–223.

⁶⁰ See Rauf A. Azhar, *Economics of an Islamic Economy*, 1-3, 11.

⁶¹ Abdullah al-Na'im on the abstractness of the objectives of the law observes that “A modified version of the same argument asserts that all that is required is to observe the basic objectives or purposes of *Sharī'a* (*Maqāṣid al-Sharī'a*), while *fiqh* principles are subject to change from one time or place to another. But the problem with this view is that the so-called basic objectives of *Sharī'a* are expressed at such a high level of abstraction that they are neither distinctly Islamic nor sufficiently specific for the purposes of public policy and legislation. As soon as these principles are presented in more specific and concrete terms, they will be immediately implicated in the familiar controversies and limitations of *fiqh*.” See Abdullahi Ahmed Al-Na'im, *Islam and the Secular State: Negotiating the Future of Sharī'a* (Harvard University Press, 2008). This hold true also for applying maqasid in economic domain. For more on the application of the objectives of the law to economic science see Umer Chapra, *The Islamic Vision of Development in the Light of Maqasid al-Sharī'a* (Jeddah: Islamic Research and Training Institute Islamic Development Bank) and M. Fahim Khan, “*Fiqh* Foundations of the Theory of Islamic Economics: A Survey of Selected Contemporary Writings on Economics Relevant Subjects of *Fiqh*,” *Theoretical Foundations f Islamic Economics*, ed. Habib Ahmed, (Jeddah: The Islamic Development Bank, Islamic Research and Training Institute, 2002).

between Islamic law and (economic) well-being of man. Classical Muslim scholars perceived economic ideas as part of the Islamic theology of *kalām* from which they derived juridical rules.⁶² They invoked theology when discussing legal and economic precepts to tackle various *Sharī'a*-stipulated questions. *Maqāṣid al-Sharī'a* provides norms for the legal rulings and social welfare, and can be seen as divine intents and moral concepts dealing with justice, social welfare, human dignity, and preservation.⁶³ Contemporary scholarship on *maqāṣid* introduced more detailed, universal precepts in comparison to *fiqh* literature.

One of the aims of *maqāṣid* is that it yields what is desirable and good for the general public, and that it aims to reduce what can potentially harm the society. The five categories or universals, which are interdependent and intertwined, present the moral law of *Sharī'a* because of an inductive reasoning. "The very principle of property rights and the acquisition, maintenance, and dispensation of wealth were all at once regulated by a dialectic of spiritual, metaphysical, and worldly considerations."⁶⁴ Scholars such as Ibn Qayyim al-Jawziyya claim that *maqāṣid* is the core of *Sharī'a*⁶⁵ and based upon its principles. The objectives of Islamic law evolved after the Companion era, however the meaning behind the objectives as we know them nowadays were introduced much later, during the 11th-15th centuries AD. *Maqāṣid* literally means purpose, objective, principle or intent,⁶⁶ and pertains to the wisdom and ethical means of the rulings.⁶⁷ Anything that directly or indirectly implies the preservation of five categories (i.e., life, faith, intellect, preservation, and wealth) can be considered as *maṣlaḥa*.

Islamic ethical perception in the field of economics advocates the idea of regulating the wants as *maṣlaḥa* lead to the concept of fulfilling needs. *Maṣlaḥa* contains the immutable principles of *Sharī'a* that are meant to levitate and enhance the public good, and because the principles of *Sharī'a* are contained in *maṣlaḥa*, it does not restrict itself only to legal reasoning. The *Sharī'a* principles reinforce *maṣlaḥa* as the overall benefit by balancing the needs and wants, whereby *maṣlaḥa* as a core mechanism of *maqāṣid al-Sharī'a* frames new rules.⁶⁸ Derived from the word *ṣalaḥ*, which means reform, it has been defined according to overall benefit to society.

⁶² Al-Ghazālī, *Iḥyā'*, Vol. 2, 60.

⁶³ For Jasser Ouda, the objectives of the *Sharī'a* were presented by different Islamic scholars; traditionally, *maqāṣid* did not include the notion of justice. This concept was extracted from *fiqh* literature and was not deduced from studying the original sources, Jasser Ouda, *Maqāṣid al-Sharī'a*, 1, 4.

⁶⁴ Wael Hallaq, *The Impossible State*, 148-149.

⁶⁵ See Ibn Qayyim al-Jawziyya, *Zad al-Ma'ad* (Beirut: Dār al-Kitāb al-'Arabī, 1982).

⁶⁶ Jaser Ouda, *Maqāṣid al-Sharī'a* (Herndon, VA: al-M'had al-'ālamī lil fikr al-islāmī, 2012); Jaser Ouda, *Maqāṣid al-Sharī'a: An Introductory Guide*, (Herndon: IIIT, 2008).

⁶⁷ Ibn 'Āshūr, *Maqāṣid al-Sharī'ah al-Islāmiyyah*, 182-183.

⁶⁸ Masud Khalid, *Shatibi's Philosophy of Islamic Law* (Islamabad: Islamic Research Institute, International Islamic University, 1995), 120.

The concept of *maṣlaḥa* as part of the higher objectives is important yet neglected⁶⁹ concept when discussing the nature of economic endeavors in contemporary Islamic economic thought. Various contemporary Islamic economists address the role of *maṣlaḥa* in relation to economic reasoning only indirectly through legal apparatus, therefore providing possibility for further research.

The concept of *maṣlaḥa* has been introduced to Islamic legal science, and it was laid down by al-Juwāynī, al-Ghazālī, al-Ṭūfī,⁷⁰ and Ibn al-Jawziyya, to name but a few. The following scholars, who are perceived as representatives of Sunni schools of law, have made seminal contributions to the field of Islamic law and economics, and are in turn referred by contemporary Muslim scholars, will be briefly studied here. Al-Juwāynī conceptualized the term *maṣlaḥa*; Abū Ḥamid al-Ghazālī was a member of the Shāfi‘ī school as much as adherent of the Sufi tradition who wrote on *maṣlaḥa* as well as economic activities; in addition, al-Shaybānī, and al-Shāfi‘ī appear of great relevance not only for their contributions to Islamic jurisprudence but also to economic conduct as it traditionally refers to common good or benefit. On the other hand, *maṣlaḥa mursalah* refers to unrestricted public interest in the sense that it is not regulated by the jurist, unless textual sources stipulated otherwise.⁷¹

If *maqāṣid* entails the wisdom behind the legal rulings including social welfare and cohesion, it inevitably addresses the innermost – man’s emotional and spiritual state that ideally transforms into action-driven conduct through the fulfilment of the ideals of justice, dignity, free will and social welfare. Since *maṣlaḥa* is the epitome of the overall teachings of *Shari‘a*, the conception of *maṣlaḥa* in economics and finances can be justified in terms of the protection of economic provision (*ḥifẓ al-māl*),⁷² expounding an overall moral character pertaining to the question of allocation of wealth, circulation of money, and so forth. If the objectives (*maqāṣid*) are permanent, the means (*wasā’il*) to achieve them are changeable, dynamic, and contemporary.

⁶⁹ Only Chapra and Siddiqi in their works briefly analyse *maṣlaḥa* in relation to economic preservation.

⁷⁰ “Whereas the majority of jurists do not allow recourse to *istislah* in the presence of a textual ruling, a prominent Hanbali jurist, Najm al-Dīn al-Tufī, stands out for his view which authorises recourse to *maslahah* with or without the existence of *nass*. In a treatise entitled *al-Masalih al-Mursalah*, which is a commentary on the Hadith that ‘no harm shall be inflicted or reciprocated in Islam’, al-Tufī argues that this Hadith provides a clear *nass* in favour of *maslahah*. It enshrines the first and most important principle of *Shari‘ah* and enables *maslahah* to take precedence over all other considerations. Al-Tufī precludes devotional matters, and specific injunctions such as the prescribed penalties, from the scope of *maslahah*. In regard to these matters, the law can only be established by the *naṣ* and *ijmā’*.” Al-Ṭūfī, Najm al-Dīn, ‘*Risālat fī Ri’āyat al-Maṣlahah*’, N/A, 1993, 139 in Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence*, 242.

⁷¹ *Ḥadīth* that provides the material on the subject states: “No harm shall be inflicted or reciprocated to Islam” Ibn Majah, *Sunan*, *ḥadīth* no. 2340 in Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence*, 235-236.

⁷² See for instance al-Ghazālī’s categorization of *maqāṣid* also in relation to economic provision and *kasb*. Al-Ghazālī, *Iḥyā’ ‘Ulūm al-Dīn* (Beirut: Dār al-Nadwah, n.d.), 4 Vols.

Al-Shāfi'i for instance did not promulgate *maṣlaḥa*, the same way as he repudiated *istiḥsān*;⁷³ in spite of the fact that each norm has a corresponding purpose, traditionally in Islamic law the norms were not bound with the purpose itself but rather with their reason or inducement (*'illa*).⁷⁴ This further underlines that religious teachings ought to be in correlation with the social interest and even metaphysical goals.⁷⁵ Ibn Qayyim al-Jawziyya observed that there are of two types of *Sharī'a* that correspond to time and societal changes:

Firstly, laws which do not change with the vicissitudes of time and place or the propensities of *ijtihād*, such as the obligatoriness of the *wājibāt* (pl. of *wājib*), or illegality of *muḥarramāt* (pl. of *ḥarām*), the fixed quantities of inheritance and the like. They do not change and no *ijtihād* may be advanced so as to violate the substance and character of the *Sharī'ah* in these areas. The second variety of laws are those which are susceptible to change in accordance with the requirements of public interest (*maṣlaḥah*) and prevailing circumstances, such as the quantum, type and attribute of deterrent punishments (*al-ta'zīrāt*). The Lawgiver has permitted variation in these in accordance with the dictates and considerations of *maṣlaḥah*.⁷⁶

Ibn Qayyim has also stated on the jurisprudence and its methodology that it is grounded on the notion of social (people's) welfare:

The Islamic law is all about wisdom and achieving people's welfare in this life and the afterlife. It is all about justice, mercy, wisdom, and good. Thus, any ruling that replaces justice with injustice, mercy with its opposite, common good with mischief, or wisdom with nonsense, is a ruling that does not belong to the Islamic law, even if it is claimed to be so according to some interpretations.⁷⁷

3.1.1. Development of *Maqāṣid*, al-Juwāyni and al-Ghazālī

⁷³ Mouhanad Khorchide, *Scharia – der missverstandene Gott*, 130-135, 137.

⁷⁴ Mouhanad Khorchide, *Scharia – der missverstandene Gott*, 138.

⁷⁵ For more see Ibn Ashur, *Treaties on Maqasid al-Shari'a*, trans. Mohamed El-Tahir El-Mesawi (London, Washington: IIIT, 2006); Ahmad al-Raysuni, *Imam al-Shatibi's Theory of the Higher Objectives and Intents of Islamic Law* (Herndon, VA: IIIT, 2005).

⁷⁶ See Ibn Qayyim, *Ighathah al-Lahfin*, Vol. 1, 346, in Mohammad Hashimi Kamali, *Shari'ah Law: An Introduction* (Oxford: Oneworld Publications, 2008), 50.

⁷⁷ Ibn al-Qayyim, *I'lam al-Muwaqī'in* (Beirut: Dār al-Jeel, 1973), Vol. 1, 333 in Jaser Ouda, *Maqāṣid al-Sharī'a: An Introductory Guide*, 23.

Al-Juwāyni in the 11th century deployed *maqāṣid* for his theory on necessities and needs. He coined it by proposing five levels of *maqāṣid*: necessities (*ḍarūrāt*), public needs (*al-hājah al-amah*), moral behaviour (*al-makrumāt*), recommendations (*al-mandūbāt*), and specifics.⁷⁸ One among many medieval Muslim scholars who explored Islamic theology, law, and mysticism, in order to dissect epistemological connotations of the Qur’anic worldview and to extend them over the well-being of society at large, can be also found in the writings of al-Ghazālī, who elaborated the *maqāṣid* further in order to provide provision for the well-being of humankind, by safeguarding the categories of faith (*dīn*), human self (*nafs*), intellect (*‘aql*), offspring (*nasl*), and wealth (*māl*).⁷⁹ It is believed that along with *Iḥyā’ ‘Ulūm al-Dīn*, al-Ghazālī’s most influential book is *Mustaṣfā*, a text on Islamic law and jurisprudence. He is credited as being the first Muslim scholar who introduced the study of Aristotelian logic into the discourse of Islamic jurisprudence and achieved more in this field than his teacher al-Juwāyni. Although it is believed that he based his juridical arguments predominantly upon the Shāfi’ite tradition of Islamic law, composing new terminologies and shaping new discourse on legal matters, al-Ghazālī’s writings surpassed the existing legal schools of the time.⁸⁰ The early al-Ghazālī differentiated between the overall cosmological nature of the field of theology, which is for him the most rational science, and its subsidiary particular fields of inquiry, such as *ḥadīth* science, exegesis, and law.⁸¹

The universal discipline (*al-‘ilm al-kullu*) — among the religious disciplines — is theology. The other disciplines such as *fiqh* and its [methodological] foundations, and the transmission from the Prophet, and the exegesis (of revealed texts) are particular, partial [forms of] knowledge... The sacred law (*shar‘*) here brings what reason by itself is unable to comprehend, as reason independently cannot comprehend that obedience [to God] is the cause for happiness in the world to come, and that disobedience is the cause of misery [in the hereafter].”⁸²

Al-Ghazālī, although a jurist by traineeship, was theologian and a Sufi, who took a path that allowed him to deftly merge different segments of Islamic intellectual traditions with his own

⁷⁸ Al-Juwāyni, *Kitāb al-Irshād ‘alā Qawāṭi’ al-Adilla fī Usūl al-I’tiqād*; Al-Juwayni, *A Guide to the Conclusive Proofs for the Principles of Belief*, trans. Paul E. Walker (UK: Garnet Publishing, 2001); Jasser Ouda, *Maqāṣid al-Sharī‘a*, 17.

⁷⁹ Al-Juwāyni, *Kitāb al-Irshād ‘alā Qawāṭi’ al-Adilla fī Usūl al-I’tiqād*, Vol. 1, 286-87. Prior to al-Ghazālī and al-Juwayni, al-‘Āmirī presented the concepts with which the latter two operated.

⁸⁰ See Nakamura Kojiro, “Was Al-Ghazali an Ash‘arite,” *The Memories of the Toyo Bunko*, Vol. 51 (1993): 1-24. Originally published as “Gazali and Ash‘arite Theology” in *Isuramu Sekai* (The World of Islam).

⁸¹ Aḥmad Zakī Mansūr Ḥammād, *Abū Ḥāid al-Ghazālī’s Juristic Doctrine in al-Mustaṣfā’ min ‘Ilm al-usūl*, 5.

⁸² Aḥmad Zakī Mansūr Ḥammād, *Abū Ḥāid al-Ghazālī’s Juristic Doctrine in al-Mustaṣfā’ min ‘Ilm al-usūl*, 4.

capacity to question religious and political establishment.⁸³ He initiated new channels of acquiring knowledge, while preserving the core of Islamic principles. Since the Shāfi‘ī school of law also bases its legal reasoning not only on *qiyās*, as indicated in the Qur’an and the Prophetic tradition, but on *munāsaba* (suitability), utilizing this approach to tackle various legal question in his Sufi writings.⁸⁴ The jurist has to engage directly with the legal, social, and even economic affairs with their practical implications.

One of the overriding, *Sharī‘a*-based concepts that includes economic behaviour, is for al-Ghazālī *maṣlaḥa*, which promotes the social welfare of the community.⁸⁵ All matters and activities of man have to be seen as a means to achieve goals toward increasing the social welfare. The institution of *maṣlaḥa* concerns individual as well as social needs.⁸⁶ Al-Ghazālī not only furthered al-Juwāynī’s conception of *maṣlaḥa* but also coined the notion of preservation of aforementioned five necessities (*al-ḥifẓ*), while repudiated *maṣlaḥa mursala* with the argument that *maṣlaḥa* (as also *istiḥsān*) cannot be derived from the textual sources but rather from the discretion of respective scholars.⁸⁷ Al-Ghazālī defined *maṣlaḥa* as observing objectives of the lawgiver, and thus being an integral part of *maqāṣid*, which includes five elements: preservation of religion, self, intellect, offspring, and property.⁸⁸ *Maṣlaḥa* as “public good” is inextricably related to *Sharī‘a*, whose key objective is advocating what, according to the Qur’an, is perceived as good in the mundane and in the hereafter (*maṣlaḥa al-dīn wa al-dunyā*). According to al-Ghazālī there are three stages of *maṣlaḥa*: *darūri* or essential; *haji* or complementary, and; *taḥsīni* or amelioratory.⁸⁹ The basic level of *maṣlaḥa* incorporates five elements, aiming to preserve the dignity of human life or to prevent harm from human beings. The first level takes precedence over the second, and the second over the third. Since *maqāṣid al-Sharī‘a* appears to be crucial in the development of Islamic law and economic teachings, this indicates that an economic agent

⁸³ “In Ghazālī and in the entire premodern Islamic tradition, law is embedded in a dialectic not only with social and cultural norms but also, preeminently, with psychology as a mildly mystical realm.” Wael Hallaq, *The Impossible State*, 137.

⁸⁴ “No *ratio legis* may be deemed suitable without being relevant. Any irrelevant *ratio* becomes, ipso facto, unsuitable, and this precludes it from any further juristic consideration” ... “the ultimate goal of suitability is thus the protection of public interest (*maṣlaḥa*) in accordance with the fundamental principles of the law. But in determining the *ratio legis* by the method of suitability, the jurist does not deal directly with the texts, since the *ratio* is not, strictly speaking, textual. Rather, he infers it through his rational faculty, though it must be in agreement with what may be called the spirit of the law.” For more on the notion of *maqāṣid* and al-Ghazālī, see Wael Hallaq, “Maqāṣid and the Challenges of Modernity,” *Al-Jāmi‘ah*, Vol. 49, No. 1 (2011): 5-6.

⁸⁵ Al-Ghazālī, *Iḥyā’*, Vol. 2, 109.

⁸⁶ According to al-Ghazālī, there are five compulsory *Sharī‘a*-based foundations or components for a proper and just individual and social life: *dīn* (religion), *naḥs* (life of soul), *naṣl* (family), *māl* (wealth) and *‘aql* (intellect, reason). Al-Ghazālī, *al-Mustaṣfā’*, Vol. 1, 102; Vol. 3, 212 f.

⁸⁷ See al-Ghazālī, *al-Mustaṣfā’*, Vol. 2, 306 ff.

⁸⁸ See al-Ghazālī, *al-Mustaṣfā’*, Vol. 1.

⁸⁹ Jasser Ouda, *Maqāṣid al-Sharī‘a*, 7.

will try to seek *maṣlaḥa* instead of the notion of utility⁹⁰ in a conventional sense. Utility relates to the subjective conceptualization deriving from individual endeavours, whereas *maṣlaḥa* “is amenable to objective verification” and pertains also to society as a whole. Individual-based economic endeavours are regarded as undesirable for they do not correspond to the ethical concept of *maṣlaḥa*.⁹¹ Since *maṣlaḥa* leads to fulfilling needs it advocates the idea of regulating wants. For al-Ghazālī, *maṣlaḥa* consists of considerations which would secure benefit or prevent harmful deed and corresponds to the objectives of the *Sharī‘a*. Any mechanism that would preserve the values within the scope of *maṣlaḥa*, and anything that would violate those very values, which is considered as *mafsada* (evil), is also *maṣlaḥa*.⁹² His notion of *maṣlaḥa* “reconciled between two intellectual approaches in Islamic thought toward moral knowledge, the rationalist and subjectivist position.”⁹³ And since human needs fluctuate, so do the normative patterns that ought to correspond to the former.⁹⁴

3.1.2. Al-Shāṭibī, Human Well-being and the Flexibility of *Sharī‘a*

Al-Shāṭibī advanced al-Juwāynī’s and al-Ghazālī’s theory and restored what he believed to be the essence of law in Islam, by pointing to the epistemological principles of the law.⁹⁵ The so-called

⁹⁰ The concept of *falāḥ* can be translated as welfare and could roughly correspond to the Western construction of welfare which, of course, is absent in *fiqh* literature. Jeremy Bentham (1748-1832) wrote on social utility, which come from Latin *utilis*, meaning useful. Bentham used it for utilitarian ethics or utilitarianism to argue that what is useful is good. For Azhar, there is a difference between the institutional mechanism through which Islamic law evolved and Bentham’s thought. In Islam, *fiqh* has been an effort of private *fiqh* scholars, a living tradition, as for Bentham it was the institution of government which supposedly performed this task. It appears that the sphere of *fiqh* is much wider than the governmental legislation. The Western conceptualization of law would correspond to *qanūn*, which is only a part of the *fiqh* or rather *Sharī‘a*. Rauf Azhar, *Economy of an Islamic Economics*, 147.

⁹¹ Al-Ghazālī, *Iḥyā’*, Vol. 3, 234, Vol. 4, 101.

⁹² Kamali states that *maṣlaḥa mursalah* “is defined as a consideration which is proper and harmonious (*wasf munasib mula’im*) with the objectives of the Lawgiver; it secures a benefit or prevents a harm; and the *Shari’ah* provides no indication as to its validity or otherwise. The Companions, for example, decided to issue currency, to establish prisons, and to impose tax (*kharaj*) on agricultural lands in the conquered territories despite the fact that no textual authority could be found in favour of this. See ‘Abd al-Wahhāb Khallāf, *‘Ilm Uṣūl al-Fiqh* (Kuwait: Dār al-Qalam, 1978,) 84 in Kamali, *Principles of Islamic Jurisprudence*, 235.

⁹³ According to the Mu‘tazili school of thought deeds are inherently good or bad and hence in conjugation with the concept of harm. Following this, a ruling with be legible and correct if and when it permits somethings that is beneficial upon an individual or society, and incorrect when it encourages something that is harmful. On the other hand, theistic subjectivism and Ash‘arii school of thought advocated the idea that human intellect is not capable to derive moral knowledge separately from the Divine commands of the Scriptural sources, and thus requires a Divine intervention. Good and bad are hence dependent upon the notion of good and bad according to God alone, His command and prohibition. Despite that theistic subjectivism became the mainstream position of Sunni Islam, it was appropriated with the rationalistic method of human reasoning, making the legal process more arbitrary. Opwis, Felicitas, “Maslaha in Contemporary Islamic Legal Theory,” 188-190.

⁹⁴ Mouhanad Khorchide, *Scharia – der missverstandene Gott*, 138.

⁹⁵ Wael Hallaq, *A History of Islamic Legal Theories*, 164-165.

“universals” as five universal principles (*kuliyyāt*) exist in relation to particularities.⁹⁶ The aim of the three legal categories relate to *maṣlaḥa* whose primary aim should be the benefit of the people. “In light of this taxonomy of interests (*maṣālih*) placed in the service of the aims of the law (*maqāṣid*).”⁹⁷ Al-Shāṭibī stated that “the rules of the *shar’* have been designed to produce goods (*maṣālih*) and remove evils (*maḍāsid*) and these are certainly their ends and objects.”⁹⁸ For analyzing the legal normativity, al-Shāṭibī suggested the inductive method of approaching the textual sources, as he believed that the core of *Sharī’a* constituted principles of human good. *Maṣālih* encompass the preservation of human life or soul, one’s livelihood, intellectual qualities, religious expression and procreation or descendants.⁹⁹ He expounded three stages or rather circles of *maṣlaḥa*: *darūri* or essential, that is inner most, *haji* or complementary, pertaining to public sphere, and *taḥsīni* or amelioratory, relevant to societal practices and conduct. It is important to note that since there is no *maṣlaḥa* as such *per se*, the definition and value of *maṣlaḥa* “is based on the preponderance of benefit that accrues from it, provided that the benefit in question is in harmony with the objectives of the Lawgiver.”¹⁰⁰ Al-Shāṭibī formed an important element, pertinent to the *maqāṣid*: since there is a danger to miss the objectives behind the interpreted texts if translated word-for-word, they have to be approached from an overall standpoint in regard to the objectives, for textual sources themselves do not provide rulings *per se*. If religious teachings serve the fulfilment of man’s necessities, classification of what is allowed or forbidden is always associated with the fulfilment of man’s needs.¹⁰¹ This indicates that *maṣlaḥa* does not exist on its own, and that religious norms are never objectives on themselves, but are in the service of the fulfilling societal needs and achieving moral ends. When the Qur’an dispenses indications of rule or conduct, for al-Shāṭibī this suggests a quest for better understanding (*fiqh*) of the underlined religious propositions,¹⁰² including sale contracts, prohibition of (excessive) usury, ownership rights, and other forms of contract. His approach to legal knowledge (*‘ilm Sharī’*) asserts that licit *‘ilm* leads to *‘amal*.

3.2. *Istiḥsān and Istiṣlāḥ*

⁹⁶ Wael Hallaq, *A History of Islamic Legal Theories*, 165.

⁹⁷ Wael Hallaq, *A History of Islamic Legal Theories*, 169.

⁹⁸ Al-Shāṭibī, *al-Muwāfaqāt fī usūl al Sharī’a*, Vol. 1, 195; Abdul Haq Ansari, “Islamic Ethics: Concepts and Prospects,” *The American Journal of Islamic Social Sciences*, Vol. 6, No. 1 (1989): 88.

⁹⁹ Al-Shāṭibī, *al-Muwāfaqāt fī usūl al Sharī’a*, 25; Abdul Haq Ansari, “Islamic Ethics: Concepts and Prospects,” 89.

¹⁰⁰ Al-Shāṭibī, *al-Muwāfaqāt fī usūl al Sharī’a*, Vol. 2, 27 in Kamali, *Principles of Islamic Jurisprudence*, 239.

¹⁰¹ Al-Shāṭibī, *al-Muwaafaqaat*, (Cairo: 1975), Vol. 3, 154, 153, and Vol. 2, 2 in Mouhanad Khorchide, *Scharia – der missverstandene Gott*, 142-143.

¹⁰² See al-Shāṭibī, *al-Muwāfaqāt fī usūl al Sharī’a*, Vol. 3, 217.

Maṣlaḥa is closely associated with *istiḥsān* and *istiṣlāḥ*, too. *Istiḥsān* was developed by the Hanafi *maddhab*, while the concept of *istiṣlāḥ* is a Maliki one. *Istiḥsān* is an important branch of *ijtihād*, and has played a prominent role in the adaptation of Islamic law to the changing needs of society using human knowledge and developed the principle of *istiṣlāḥ* on that premise. *Istiḥsān* is antithetic to *qiyās*, and, therefore, much closer to *ijtihād*.¹⁰³ *Istiḥsān* means to approve, or to deem something preferable. It is a derivation from the Arabic word *ḥasana*, which means good or beautiful and in Islamic law inspired by the principle of faire conduct and conscience, diverging from the rule of positive law. Unlike the western concept of equity, which relies on the philosophy of natural and common law,¹⁰⁴ *istiḥsān* pinpoints to the ethical principles of *Shari‘a*. “Unlike equity, which is founded in the recognition of a superior law, *istiḥsān* does not seek to constitute an independent authority beyond the *Shari‘ah*. *Istiḥsān*, in other words, is an integral part of the *Shari‘ah*, and differs with equity in that the latter recognises a natural law apart from, and essentially superior to, positive law.”¹⁰⁵ As such *istiḥsān* is flexible and utilized for various legal and economic mechanisms. Muslim jurists have historically disagreed on the validation of the term as a source of law.¹⁰⁶ The use of *istiḥsān* avoids rigid judgments and unfairness that might result from an enforcement of the existing law. *Istiḥsān* can be used to create new rulings in various contexts. Focusing on the notion of welfare economics can be applicable in the modern

¹⁰³ The concepts of *ra’y*, *‘ilm*, and *ijtihād* were intertwined and interrelated. “Ijtihad, from the very beginning, signified an intellectual quality supplementing ‘ilm, namely, the knowledge of traditional practice and the ability to deduce from it, through *ra’y*, a solution. It is no coincidence therefore that the combination *ijtihād al-ra’y* was of frequent use, signaling the exertion of *ra’y* on the basis of ‘ilm, knowledge of the authoritative past. Technically, ‘ilm, *ra’y* and *ijtihād* were interconnected and at times overlapping. So were the concepts of *ra’y* and derivatives of *ijma‘*, consensus, a concept that was to acquire central importance in later legal thought. The notion of consensus met *ra’y* when the latter emanated from a group or from a collective tribal agreement. Consensual opinion of a group [...] not only provided an authoritative basis for action but also for the creation of *sunan*. A new *sunna* might thus be introduced by a caliph on the basis of a unanimous resolution of a (usually influential) group of people. Other forms of consensus might reflect the common, unanimous practice of a community, originally of a tribe and later of a garrison town or a city.” Hallaq, An introduction to Islamic law, 54. Hallaq attempts to explain these derivations in the meaning of *Istiḥsan* by stating that “The broad outlines of the evolution of *istiḥsan* from the second/eighth-century arbitrary or semi-arbitrary mode of reasoning—severely attacked by Shafi‘i—to a coherent and systematic doctrine during the fifth/eleventh century and thereafter are well known,” Wael B. Hallaq, “Usul Al-Fiqh: Beyond the Tradition,” *Journal of Islamic Studies*, Vol. 3, No. 2 (1992): 196. For more on *istiḥsan* and *istiṣlah* see Bernard G. Weiss, ed., *Studies in Islamic Legal Theory* (Leiden: Brill, 2002).

¹⁰⁴ “General equity,” pertaining to natural law signifies the moral law furnished by earlier Reformed and contemporary Puritan literature. Equity as the righteousness of the moral law, is embodied in a natural law and Scriptural sources. The Roman perception of the natural law, however, differs from today’s understanding of the natural law. For more on equity and natural see e.g. Howard L. Oleck, “Historical Nature of Equity Jurisprudence,” *Fordham Law Review*, Vol. 20, Issue 1 (1951): 23-44; Godfrey P. Schmidt, “An Approach to the Natural Law,” *Fordham Law Review*, Vol. 18, Issue 1 (1950): 1-42, available at: <http://ir.lawnet.fordham.edu/flr/vol19/iss1/1>.

¹⁰⁵ Kamali, *Principles of Islamic Jurisprudence*, 217.

¹⁰⁶ Proponents of Shafi‘i, Zāhiri and Shi‘i doctrine have rejected it in their legal theory of *usūl al-fiqh*, whilst of the Hanafi, Maliki, and Hanbali ‘*ulama*’ have validated it. See Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence*, 248.

context when dealing with economic stipulations. Since *istihsān* is, in the juristic sense of the word, related to a method of exercising personal opinion, it is closely related to *ra'y*.¹⁰⁷ *Istiṣlāḥ* on the other hand is derived from the word *maṣlaḥa*, which can be translated as “common good.” *Istiṣlāḥ* is defined as “distinguished from the broader principle of the *maṣlaḥa* and mentions that it is a principle that permits a more flexible type of analogy as compared to *qiyas*.”¹⁰⁸ *Istiṣlāḥ* can be derived and applied within legal spectrum in order to protect the welfare (or well-being) of individuals and society, by promoting what is beneficial and reducing harm, including advocating lawful economic trade agreements and avoiding investing into economic assets that would turn out to be harmful, like alcohol or armaments. “The *masalih* (pl. of *maslahah*), in other words, can neither be enumerated nor predicted in advance as they change according to time and circumstance.”¹⁰⁹

4. *Siyāsa Shar‘iyya* – between the Moral and Legal Realm

4.1. The Term and the Scope

Since the political and the legal were in classical Islam interwoven on a moral level,¹¹⁰ in this subchapter a closer look at the historical notion of *siyāsa Shar‘iyya* and its applicability to economic well-being will be briefly presented. Scholars such as Schacht maintain that the political and the legal were in the premodern period, given the emergence of the early Islamic rule, set apart.¹¹¹ Thus *siyāsa* and *Sharī‘a*, despite certain degree of intertwinement, are not mutually exclusive concepts. Islamic law has been primarily precluded to the study of *fiqh*, while other domains, such as *siyāsa* or *maṣlaḥa*, have remained in the backdrop of the legal terminology.¹¹² *Siyāsa Shar‘iyya* can be translated as government in accordance with the goals

¹⁰⁷ *Ra'y* expresses personal opinion in both *qiyās* and *istihsān*. The latter two concepts have been criticized by al-Shāfi‘ī, which contributed to the discussion of the validity of *istihsān*. See Kamali, *The Encyclopedia of Religion* XII, c.v. “Qiyas” (Analogy), 128 ff.

¹⁰⁸ Imran Ahsan Khan Nyazee, *Theories of Islamic Jurisprudence* (Cambridge: Islamic Texts Society, 2003).

¹⁰⁹ Al-Shāfi‘ī, *al-Muwāfaqāt fī Usūl al-Sharī‘a*, Vol. 2, 2-3 in Kamali, *Principles of Islamic Jurisprudence*, 218.

¹¹⁰ “In theory, and largely in practice, the powers conferred upon the ruler through *siyāsa Shar‘iyya* were not only consistent with the dictates of religious law; they were, as we will soon see, an integral extension of this law.” Wael Hallaq, *The Impossible State*, 67.

¹¹¹ See Joseph Schacht, *An Introduction to Islamic Law* (Oxford; New York: Clarendon Press, 1982), 302.

¹¹² *Siyāsa shar‘iyya* can be denoted as *Sharī‘a*-compliant governance or the executive branch of Muslim government. To some practitioners of Islamic Law, *siyāsa Shar‘iyya* refers strictly to the extant regulatory instruments of a Sharia law-based government. The legal authority for *siyāsa Shar‘iyya* is implied by Muslim theocracies as a necessary extension to their responsibilities to supplement the broad criminal law principles of the Koran and other Muslim

and objectives of *Sharī'a* and it is applicable to all government policies, be it in areas where the *Sharī'a* provides explicit guidelines or otherwise.¹¹³ It can be also understood as a *Sharī'a*-oriented policy which serves as a tool of flexibility, designed to serve the cause of justice and good government, especially when the rules of *Sharī'a* fall short of addressing certain situations or developments, that as a doctrine demands from the ruler to engage into the worldly affairs and to uphold the norm of *Sharī'a*. As the term suggests, the policy measures¹¹⁴ that are taken in the name of *siyāsa Shar'iyya* must be *Sharī'a*-compliant, as its purpose is generally to facilitate rather than circumvent the implementation of *Sharī'a*. Rules of procedure, policy decisions, legislative and administrative measures that are laid down and taken for the purpose would thus fall within the ambit of *siyāsa Shar'iyya*. There is also a view that *siyāsa* only applies outside the substantive *Sharī'a*, whereas according to an opposite view *Sharī'a* and *siyāsa* go hand in hand and that the *Sharī'a* is deficient without *siyāsa*.¹¹⁵

Under the banner of Islamic law can be classified the study of legal opinions (*fatāwa*), legal and court rulings (*aḥkām*), and governance-oriented polity based on *Sharī'a* norms (*siyāsa*).¹¹⁶ *Siyāsa* as such can be found in various texts and deliberations, not only in *fiqh* literature.¹¹⁷ The fact that appointing of ruler was just discussed in *fiqh* manuals but also in texts of systematic theology (*kalām*)¹¹⁸ and in the literature bearing its own title,¹¹⁹ says a great deal about how *siyāsa* was invoked in various fields of Islamic sciences. This applies to the administrative-related laws and financial matters which fall outside of the scope of *fiqh*.¹²⁰

In the view of the marriage of the moral and legal, the sociopolitical cannot be squared in the judicial prescriptions. Despite the fact that the Muslim community until the middle of the 9th

legal texts of sacred origin, on points of detail; to make regulations or policy decisions. *Siyāsa* means politics or in this context, especially policy and is distinguished from the literal content of the Koran, Muslim law, *fiqh*.

¹¹³ Kamali, *Sharia Law: An Introduction* (Oxford: Oneworld Publications, 2008), 226.

¹¹⁴ There are dual, mixed, classical- *Sharī'a*-based, and secular legal systems. Nigeria and Kenya, for instance, have *Sharī'a* courts that rule on family law for Muslims. The application of *siyāsa* historically pertain to the discretionary power of the rule of judges, as well as to administration on public affairs.

¹¹⁵ Kamali, *Sharia Law: An Introduction*, 225.

¹¹⁶ Muhammad Khalid Masud, "The Doctrine of Siyaasa in Islamic Law," *Recht van de Islam*, Vol. 18 (2001): 2.

¹¹⁷ See e.g. Muhammad Khalid Masud, Brinkly Messick and David Powers, eds., *Islamic Legal Interpretation: The Muftis and their Fatwas* (Cambridge, Massachusetts: Harvard, 1996); George Makdisi, "The Shari'a Court Records of Ottoman Cairo and Other Resources for the Study of Islamic Law," *American Research Center in Egypt Newsletter*, No. 114 (1982): 3-10; Fawzi M. Najjar, "Siyaasa in Islamic political Philosophy," *Islamic Theology and Philosophy. Studies in honor of George F. Hourani*, ed. M.E. Marmura (Albany: State University of New York Press, 1984), 92-110.

¹¹⁸ See al-Māwardī, *Aḥkām al-Sulṭāniyya* (Misr: al-Babi al-Halabi, 1973); al-Ghazālī, *Nasihāt al-Muluk: al-Ghazali's Book of Counsel for Kings*, trans. F.R.C. Bagley (London: Oxford University Press, 1964).

¹¹⁹ See *Siyāsa Sharī'a* texts by al-Mawārdī, Ibn al-Farrā', Ibn Taymiyya, etc.

¹²⁰ Muhammad Khalid Masud, "The Doctrine of Siyaasa in Islamic Law," 3. See e.g. Abū Yūsuf, *Kitāb al-Kharaj* (Beirut: Dār al-Ma'arifa, 1979); Abū Yūsuf, *Kitāb al-Kharaj*, trans. A. Ben Shemesh (Leiden: Brill, 1969).

century perceived caliphs as political and religious advocates,¹²¹ caliphs in fact did not legislate laws. Rather, they held symbolic and political power over the *umma*. Later “from the tenth century at the latest, and onwards, the political authorities were no longer considered to be lawgivers.”¹²² In this regard

The ruler’s *siyāsah*, then, is precisely the responsibility of making specific laws in accordance with the general principles of the *sharī‘ah* by observation of the needs of the time and place... And since the test of *siyāsah* as *sharī‘ah* is *maṣlaḥah* (i.e., if the *siyāsah* delivers *māṣlaḥah* then it is self-evidently in accordance with health-giving *sharī‘ah*), the reverse also applies: whenever a ruling entails *maṣlaḥah* as a source of jurist’s law.¹²³

4.2. *Siyāsa* in Classical Islam as Law and Policy

Siyāsa, as a technical term denoting government-oriented policy predated *siyāsa* as a concept within Islamic law, which later came to mean rulers’ discretionary power in applying *fiqh* law. Islamic governance was enshrined in the *Sharī‘ah*-based subjectivity. As indicated by al-Shāfi‘ī, the notion of *siyāsa* targets ruler’s discretion. Muhammad Khan Masud notes that

Neither the Caliphs were interested in adopting *fiqh* as law of the Caliphate, nor the jurists were writing *fiqh* texts for the caliphs to adopt them. The jurists were writing these books for the *qādis* as source books. They were never meant to be binding. It was left to the discretion of the *qādis* to accept, choose or refine the view given in those books. The *fiqh* books themselves preserved the proverbial diversity of views on legal issues that existed in the madhhab (law school) literature.¹²⁴

For al-Shāfi‘ī, society at large ought to be governed based on the wisdom of the Qur’an. For this reason, he refuted any form of *siyāsa* did not accord with the Qur’anic and Prophetic

¹²¹ See Josef van Ess, *Theologie und Gesellschaft im 2. und 3. Jahrhundert Hidschra. Eine Geschichte des religiösen Denkens im frühen Islam* (Berlin: Walter de Gruyter, 1991-1997), Vol. 1; Patricia Crone and Martin Hinds, *God’s Caliph. Religious Authority in the First Centuries of Islam* (Cambridge: Cambridge University Press, 1986), 5-15, 20-36; Roy P. Mottahedeh, *Loyalty and Leadership in an Early Islamic Society* (Princeton: Princeton University Press, 1980).

¹²² Baber Johansen, *The Changing Limits of Contingency in the History of Muslim Law*, 7.

¹²³ Shahab Ahmed, *What is Islam?* (Princeton: Princeton University Press, 2016), 471.

¹²⁴ Muhammad Khalid Masud, “The Doctrine of *Siyāsa* in Islamic Law,” 5.

teachings.¹²⁵ Also al-Māwardī's *al-Aḥkām al-Sulṭāniyya*¹²⁶ explains the political authority and its relation to the Islamic legal corpus, whereby the notion of religion is often confronted with the conception of the state government. For him, *siyāsa* refers to the governmental ordinances, in the function of an *imām* who strives to preserve legal matters concerning this world and the hereafter.¹²⁷ Al-Ghazālī's notion of *siyāsa* brings us closer to our problem, namely the intricate relation between the rule, governance, and public good or social welfare. His notion of *siyāsa* relates to the economic preservation, ruler's control over it, and the role of the state.¹²⁸ Ibn Qayyim al-Jawziyya divided *siyāsa* into two types: oppressive policy (*siyāsa zāimah*), which goes against the nature of *Sharī'a*, and just policy (*siyāsa 'ādilah*) which is meant to be in the service of justice.¹²⁹ The main principles of the just policy are justice ('*adl*) and good government, whereas oppressive policy expounds self-interest and unjust reign. Likewise, for Ibn Taymiyya, *siyāsa* is grounded in the Qur'an and its promulgation of good faith and devotion. Government as such is a trustee and hence ought to perform justice over the subjects on which it reigns.¹³⁰ Just rule further pertains to the elimination of corruption, incompetency, and the encouragement of good character of ruler. *Siyāsa* must be in accordance and thus compatible with *Sharī'a*, and pertains to the social and political realm. This extends to his conviction that governmental authority has to be formed on religious grounds, for '*adl* can be achieved only through the implementation of governmental policy.¹³¹ Islamic governance rests not only on legal and political, but primarily on moral and metaphysical foundations, sustained by community who – unlike the nation-state – does not possess political sovereignty.¹³²

Trusteeship facilitates a certain level of discretionary power in order to attain level on justice, yet *Sharī'a* does not provide details on governance, rule, and political assertion of power in terms that correspond to modern standards. It instead offers broad and left-to-interpretation-

¹²⁵ See al-Shāfi'ī, *Kitāb al-Umm* (Cairo: al-Dār al-Misriyya, n.d.), Vol. 1, 7. Al-Shāfi'ī preferred *qiyās* over *ra'y* also when it comes to ruling and governing.

¹²⁶ Al-Māwardī, *al-Aḥkām al-Sulṭāniyya* (Misr: al-Babi al-Halabi, 1973), 3-4.

¹²⁷ On this note al-Māwardī differs with al-Shāfi'ī on the notion of rights of God and rights of man in how a caliph should conduct his authority. The latter did not allow the caliph to exercise his opinion with the subjects in the domain of the rights of God. The former, on the other hand, permits the caliph to hear such cases at courts. See Muhammad Khalid Masud, "The Doctrine of Siyaasa in Islamic Law," 8.

¹²⁸ Al-Ghazālī, *Iḥyā'*, 10-11, 53, 55.

¹²⁹ Ibn Qayyim, *Al-Ṭuruq al-Hukmiyyah fī al-Siyāsa al-Shar'iyya*, ed. Muḥammad Ḥāmid al-Fāqī (Cairo: Maṭba'āt al-Sunnah al-Muḥammadiyyah, 1993), 5.

¹³⁰ "... laws made in consonance with and for the fulfillment of the universal principles of the *sharī'at* are expressions and specifications of *sharī'at*: as such, it is difficult to conceive of the ruler's *siyāsah* as anything other than an expression of *sharī'at* ... And *maṣlaḥat* is the proof of the *siyāsah-sharī'at* pudding." Shahab Ahmed, *What is Islam?*, 471.

¹³¹ Ibn Taymiyya, *al-Siyāsah Shar'iyyah fī Iṣlāḥ al-Rā'ī wa al-Ra'īya* (Cairo: al-Sha'b, 1971), 180-185.

¹³² Wael Hallaq, *The Impossible State*, 48.

based schemes for just policy and it can be perceived as being tantamount to *maṣlaḥa* due to the aim of facilitating the well-being of society on matter that could not be found in the scriptural sources. *Siyāsa sharʿiyya* aims at securing the benefit for the people and ensuring the efficient management of their affairs, even if the measures taken are not stipulated in the text.¹³³ In this regard not only *fiqh*, but primarily the Qurʾanic ethos, and the ruler's political decisions can constitute premise for (just) governance. *Siyāsa sharʿiyya* hence denotes the administration of public affairs in an Islamic polity with the aim of realizing the interests of the people and safeguarding them against mischief, in harmony with the general principles of *Sharīʿa*. Additionally, the term *ʿilm tadbīr al-manzil*, which in classical Islam denoted the science of household management, is often used in parallel with *siyāsa*.¹³⁴ ʿAbd Allah Ibn Muqaffa asserts that *siyāsa* is good governance, wherein the Caliph had to be obedient to *Sharīʿa*. In cases where there was a clear divergence from *Sharīʿa* norms, his ruling had to be disregarded. Ibn Muqaffa disagreed with both extreme views and encouraged the Caliph to exercise *raʾy* and *ijtihad* in the absence of the text.¹³⁵ Ibn al-Muqaffa saw religious and political duties of the caliph as an extension to other regulations. "He maintained that subsequent caliphs could review and revise such regulations, but none had the power to abrogate the major principles of *Sharīʿa*. This was for Ibn al-Muqaffa the meaning of the *hadith* that 'there was no obedience in transgression'."¹³⁶ Also Ibn Khaldūn, whose ideas on political, social, and economic aspects of government will be presented below, spoke of two types of *siyāsa*: *siyāsa ʿaqlīyya* or rational policy and *siyāsa dinīyya* or religious policy. The former is put forward by rulers who have the ability to govern justly, whereas the latter follows the already prescribed revealed text.¹³⁷

5. Qurʾanic Metaphysics and the History of Islam's Moral Economics

¹³³ Kamali, *Sharia Law: An Introduction*, 227; Kamali, "Siyasa Shari'a or the Policies of Islamic Government," *The American Journal of Islamic Social Sciences*, Vol. 6, No. 1 (1989): 61.

¹³⁴ "Hallaq notes that the Shari'a [...] was suspicious of the ruler's executive power, and insisted on an economic and social system that served the interests of the communities of believers, not those of the ruler (or ruling class). That the general goal of Islamic law has always and everywhere been to maintain individuals – to the greatest extent possible – in their social positions, remains one of the most valid generalizations about legal system." Wael Hallaq, *Sharīʿa: Theory, Practice, Transformations*, 366. See also Wael Hallaq, "Qurʾanic Constitutionalism and Moral Governmentality: Further Notes on the Founding Principles of Islamic Society and Polity," *Comparative Islamic Studies*, Vol. 8, No. 1-2 (2012): 1-51.

¹³⁵ K.S. Ann, *State and Government in Medieval Islam* (Oxford: Oxford University Press, 1981), 51 in Muhammad Khalid Masud, "The Doctrine of Siyaasa in Islamic Law," 6.

¹³⁶ Ibn al-Muqaffa' as quoted in Bernard Lewis "Siyasa," *Quest of an Islamic Humanism: Arabic and Islamic Studies in Memory of Muhammad al-Nowaihi*, ed. A. H. Green (Cairo, 1984), 6-7.

¹³⁷ Ibn Khaldūn, *Muqaddima*, 337.

According to Islahi, Muslim scholars' writings on economic ideas can be divided into three periods – the formation, translation, and transmission period.¹³⁸ During the formative period when the Islamic legal schools were established. The translation period is designated as the era in which foreign ideas and texts were incorporated and translated into Arabic. There are four groups associated with this translation period. First, there are the *muḥdathūn*, which includes Ibn Abī al-Dunyā, Kinānī,¹³⁹ al-Farra,¹⁴⁰ al-Sarakhsi,¹⁴¹ and others. Synthesis, complementation, and application were some of the processes of the Islamic scholastics, theologians or so-called *mutakallimūn*, to whom belonged Fakhr ad-Dīn ar-Rāzī,¹⁴² al-Dimashqī, al-Māwardī,¹⁴³ and al-Ghazālī, among others. A third group comprised of thinkers called *hukama* or Islamic philosophers, who were deeply influenced by Greek philosophy. To this circle belonged Ibn Sīnā,¹⁴⁴ Ibn al-Haytham,¹⁴⁵ Ibn Ṭufayl,¹⁴⁶ Naṣīr al-Dīn al-Ṭūsī,¹⁴⁷ and others. A fourth group, namely Sufis or *ahl al-taṣawwuf*, incorporated mystic elements of divine worship into an economic rationale, founded upon Islamic sources.¹⁴⁸ In the transmission period various Arabic

¹³⁸ The first phase can be described as the formation period, spanning from the commencement of the Qur'anic revelation to the end of the era of Companions i.e. ṣahāba (11 – 100 H. / 632 – 718 A.D.); The second phase is the translation period, marking the influx of foreign intellectual ideas into the Arab-Muslim cultural milieu (2nd – 5th H. / 8th – 11th century A.D.); The third phase designates the transmission period, which witnesses the dissemination of translated texts from the hands of Muslim scholars, when Greco-Islamic ideas reached Europe (6th – 9th H. / 12th – 15th A.D. century). Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis, 11-905 A.H./632-1500 A.D.*, 11-18.

¹³⁹ Abū Bakr Yaḥyā b. Umar al-Kinānī (828-901) a Maliki jurist, who composed *Kitāb Aḥkām al-Sūq* (A Book on Rules of the Market) in which he deals with issues related to market problems, price, supply and demand, and monopoly.

¹⁴⁰ Abū Yala Muḥammad bin al-Ḥusayn al-Farra (990-1066) addressed economic issues in *al-Aḥkām al-Sulṭāniyyah* (The Rules of Government).

¹⁴¹ Abū Bakr Muḥammad bin Aḥmad al-Sarakhsi was a Hanafi jurist from Transoxania. His most important work is *al-Mabsut*, which is a detailed commentary on *al-Sijār al-Kabīr* by Muḥammad al-Shaybānī.

¹⁴² Fakhr al-Dīn al-Rāzī (1149-1209) was a judge, theologian (*mutakallim*) and historian. His commentary on the Qur'an are of great interest also to economists.

¹⁴³ Ali b. Muḥammad al-Māwardī (974-1058) was from Baghdad; his work *al-Aḥkām al-Sulṭāniyyah* (the Ordinances of Government) was commissioned by the Caliph, containing a wide range of subjects including market supervision, and economic role of government. Thomas Bauer, however, notes that *al-Aḥkām al-Sulṭāniyyah* was not a book on state theory in Islam, but stated in light of multiple discourses, also a book on Islamic law. Thomas Bauer, *Die Kultur der Ambiguität*, 315-319.

¹⁴⁴ Al-Ḥusayn bin Abdullah Ibn Sīnā (980-1037) wrote on logic, philosophy and medicine. His *al-Qanūn* (the Canon of medicine) and *al-Shifā'* (Healing, known in the West as the *Sanatio*) was utilized for teaching medicine in Europe until the 17th century.

¹⁴⁵ Al-Ḥasan b. Ḥusayn Ibn al-Haytham (965-1039) from Basra was an Arab mathematician and physicist.

¹⁴⁶ Ibn Ṭufayl (1110-1182) was the first Andalusian thinker who utilized Ibn Sīnā's *al-Shifā'*. His thought represents a late continuation of Ibn Sīnā's philosophy, as well as the more Aristotelian line of reasoning that would later be represented by Latin scholasticism.

¹⁴⁷ Naṣīr al-Dīn Abū Ja'far al-Ṭūsī (1201-1274) was born in Ṭus and died in Baghdad. His writings on economic matters can be found in his treatises on finance – *Risālah Maliyyah* and *Akhlāq al-Nasiri*.

¹⁴⁸ Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 15.

texts were translated in European languages, such as works of Ibn Sīnā, al-Farābī, Ibn Rushd, Ibn Ṭufayl, and others, and the medieval Islamic scholarship's influence on the European scholasticism¹⁴⁹ has been well documented.¹⁵⁰

However, classical scholars' writings can be divided also according to their contents – despite a certain degree of overlap – namely, texts which formed more legal-political and ethical narration in a form of basic principles of conduct for rulers and of the structure of power and economic behavior (e.g. Abū Yūsuf, Abū 'Ubayd al-Qāsim ibn Sallam¹⁵¹); texts that expound primarily spiritual and moral views on economy (e.g. al-Shaybānī, Ibn Abī al-Dunyā, al-Muḥāsibī, al-Ghazālī); and text that address economics in a more systematized and detailed fashion (e.g. Ibn Taymiyya, Ibn Khaldūn, al-Maqrīzī).

Generally, at least three approaches to classical economic analysis in Islam can be detected, each corresponding to a different objective: studies on Medieval economics that largely leave out the contribution made by Muslim scholars on economic analysis;¹⁵² studies aiming to prove that Muslim scholars had invented an early form of capitalism;¹⁵³ and studies expounding

¹⁴⁹ The term “scholastics” relates to the Christian philosophical approach that aimed to reconcile theology with philosophy, commencing with thinkers such as Thomas Aquinas (d. 1274 AD). S.M. Ghazanfar and Abdul Azim Islahi, *Economic Thought of an Arab Scholastic: Abu Hamid Al-Ghazali*, *History of Political Economy*, Vol. 22, No. 2 (1990): 381.

¹⁵⁰ See e.g. Rodney Wilson, *Islamic Economics* (Leiden: Brill, 2006): *A Short History*; Ghazanfar, S.M. *Medieval Islamic thought: filling the “great gap” in European economics* (London: Routledge, 2003).

¹⁵¹ Abū 'Ubayd al-Qasim ibn Sallam was Abī al-Dunyā's teacher, who provides a record of legal precedents laid down in the first two centuries of Islam, in particular those pertaining to the sources of revenue and the avenues of public expenditure. Abū 'Ubayd al-Qasim ibn Sallam, *Kitāb al-Amwāl*; for English translation see Abū 'Ubayd al-Qasim ibn Sallam, *The Book of Revenue: Kitāb al-Amwal* (Doha: Garnet Publishing Ltd., The Center for Muslim Contribution to Civilization, 2005).

¹⁵² Joseph Schumpeter discussed the evolution and history of economic thought in his famous *History of Economic Analysis*. Various scholars have commented on Schumpeter's book, in which he presented the early, classical and modern history of economics in an elaborated fashion. Despite the importance of Schumpeter's analysis of the development of economic history, he left out an important part of this history, namely the contribution of Muslim scholars to the field. The Schumpeterian “great gap” has been questioned by several scholars – (e.g. Ghazanfar, S.M. *Medieval Islamic thought: filling the “great gap” in European economics* (London: Routledge, 2003); Mirakhor Abbas, “Muslim Scholars and the History of Economics: A Need for Consideration,” *American Journal of Islamic Social Sciences*, Vol. 4, No. 2 (1987): 249) – due to the omission of Islamic economic history and the influence it had upon the ideas of European medieval scholars. The study of medieval Islamic economics and Arab scholastics reveals that Muslim contribution to the subject bears a profound relevance for the overall development and perception of economic thought. The “great gap” in economic history, as well as the omission of major Medieval Muslim scholars shed light on how neglected the writings of Muslim contributors have been in the modern era. Schumpeter's primary aim was the analysis, not the theory, of economic thought (Ameer Ali and Herb Thompson, “The Schumpeterian Gap and Muslim Economic Thought,” *The Journal of Interdisciplinary Economics*, Vol. 10 (1999): 31-49, accessed November 22, 2016, <http://www1.aucegypt.edu/faculty/thompson/herbtea/articles/jie3.html>).

¹⁵³ Benedikt Hoehler maintains that Muhammad's approach toward economic matters and early Islamic trade arrangements were the first form of capitalism (see Benedikt Hoehler, *Early Islam and The Birth of Capitalism*). However, early Islamic modes of conduct that allowed profit, trade routes, and market-based prices (in the time of a healthy economic production), is mostly a description of capital and trade, and not capitalism as a system. Capitalism as societal system and legal organization that benefitted full marked to exist was designated as Marked-capitalism by

the idea of ethical and economic convergence in Islamic tradition. The last strand pertains to analysis of classical economic ideas within the context of broader theological, philosophical, legal, and moral ideas.

Economic ideas predated Islam, including the economic philosophy of the Greeks, who were presumably considered as the forefathers of what is today known as Western economic thought.¹⁵⁴ Historically, the Muslim community was very well versed in trade, markets, the notion of fair price, distribution, supply and demand, and taxation. The evolution of economic thought in Islam can be traced back to the earliest period of Islam, as economic issues had been raised already by the prophet Muḥammad and the Rashidun caliphate.¹⁵⁵ In the first centuries of Islam various economic issues had been discussed in light of the holy Qur'an, such as the prohibition of usury, the institution of *zakāt*, and the encouragement of economic activities for human welfare,¹⁵⁶ in line with the Divine law. The Qur'an emphasizes the notion of *'adl* (justice) in all dimensions of one's life, including the economic.¹⁵⁷ Economic purchases are expected to be conducted in a fair and truthful manner, meaning, securing channels of cooperation between a buyer and seller with honest description of the product.¹⁵⁸ The maintenance of justice in economic affairs has also been upheld by the Qur'anic maxim *'amr bi al-ma'rūf wa al-naḥi 'an al-munkar* (allowing what is right and forbidding what is wrong).¹⁵⁹ Yet, as important as the Qur'anic epistemology is as the origin and bedrock of Islamic economic thought, it is the human interpretation of the early jurists and scholars who attempted to produce, reflect, and apply economic thinking in Islam. The establishment of a more systematic intellectual underpinnings emerged with classical Muslim scholarship, which developed advanced ideas on economic philosophy that has been perceived as an integral component of *Sharī'a* righteous and moral behaviour. Economics as an independent discipline did not exist in the classical Muslim world. Only late scholars of the medieval period, such as Ibn Taymiyya, Ibn Khaldūn, and al-Maqrīzī

Marx and later Weber, which was protected by law and violence by the state (see Marx, Weber). What capital demands in order to preserve its self-existence is a surplus value beyond the (morally) regulated trade agreements and treatment of market as a competitive force of exploitation. Despite that profit is licit in Islam, the existence of certain types of private property, and semi-regulated markets, classical Muslim scholars, based on the Qur'anic perception of ethical cosmology, upheld *Sharī'a*-compliant, regulated and well-being-oriented, ethical policies for society at large. Further, even if the intellectual history of Islam pinpoints to a different reality than the matters on the ground concerning economy in Islam, this, however, does not negate the fact that classical Muslim scholars' warned against certain economic practices that were in opposition to the general ethos of *Sharī'a*, which came to flourish under the aegis of certain Muslim administrations and rulers.

¹⁵⁴ See e.g. Joseph Schumpeter, *History of Economic Analysis* (Oxfordshire: Taylor & Francis e-Library, 2006).

¹⁵⁵ See Rodney Wilson, *Islamic Economics: A Short History*, 92-125.

¹⁵⁶ See Qur'an 7: 10, 7:32, 34:15.

¹⁵⁷ See Qur'an e.g. 4:58, 11:84, 16:76, 43:15, etc.

¹⁵⁸ See Qur'an e.g. 5: 39, 6:152, 7:85, 11:84, etc.

¹⁵⁹ Qur'an 7:152, 9:71.

(14th and 15th century), produced more specified economic literature. In spite of flourishing of market trades and economic activities, the subject of economy was not a distinct sphere, but was addressed under the domain of theology and moral epistemology. This however does not indicate a religious economy, but an economic discourse pertinent to the moral cosmology.

The Arabic term for household management was *tadbīr al-manzil*,¹⁶⁰ equivalent to the Greek concept of *oikonomia*,¹⁶¹ which pertains to family-based management of a household. At times it was differentiated from the term ethics (*tadbīr al-nafs; al-akhlāq*) and political management (*siyāsa*). In a household, the primary concern was the provision of basic necessities for the needy.¹⁶² In Islamic tradition, the term economics is equated with *al-iqtisād*,¹⁶³ the science of earning and provision (*‘ilm al-iktisāb wa al-infāq*),¹⁶⁴ as understanding and analyzing how one acquires wealth and distributes it according to moral measures. *Iqtisād* is thus the activity of seeking and realizing what is judicious and sage.¹⁶⁵ Due to the judicious objectives of the term, the worldly and material of *iqtisād* and *qaṣd* hence cannot be extrapolated from the transcendent and moral.¹⁶⁶ As such, the economic (trading, acquiring wealth, consumption, etc.) entails wider socio-ecological as well as moral derivations, for the judicious acquisition of wealth denotes the spiritual well-being, something which was prudently analyzed by classical Muslim scholars.

Not only jurists¹⁶⁷ but also philosophers, theologians and Sufis discussed essential issues of Islamic ethics, touching upon the epistemology of moral conduct, Qur’anic terms, and the role of human obligations and responsibilities. In this sense, for many classical Muslim scholars, the Islamic understanding of economic life correlated to the material life with the higher goals and

¹⁶⁰ “To pay attention to where things lead” (*an tazkira ila mā ta’ūlu ilayhi ‘āqibatuhu*). Ibn Manzur, *Lisān al ‘Arab* s.v., 1979.

¹⁶¹ For more on different meanings of *oikonomia* by Plato, Aristotle, and the development of the concept in the Christian tradition, see Giorgio Agamben, *The Kingdom and the Glory* (Stanford: Stanford University Press, 2011), 17-52.

¹⁶² The household model can be applied to a community or a state, or globally speaking to earth, intertwining economic ideas with ecological and political. Economy and ecology belong to the same root – the first pertains to management, whilst the second to the study of household. Economy and ecology are in this sense regarded as two corresponding domains of the extended household. “There is no tradeoff between economy and ecology, but rather, *economy must conform to ecology*.” Adi Setia, “The Restoration of Wealth: Introducing Ibn Abī al-Dunyā’s *Iṣlāḥ al-māl*,” *Islamic Sciences*, Vol. 13, No. 2 (2015): 93.

¹⁶³ *Iqtisād* from *qaṣada*, meaning “purpose,” “justice,” “aim,” “direction,” “objective.”

¹⁶⁴ Adi Setia, “The Restoration of Wealth: Introducing Ibn Abī al-Dunyā’s *Iṣlāḥ al-māl*,” *Islamic Sciences*, Vol. 13, No. 2 (2015): 93.

¹⁶⁵ Adi Setia, “The Meaning of ‘Economy’: *Qaṣd, Iqtisād, Tadbīr al-Manzil*,” *Islamic Sciences*, Vol. 14, No. 1 (2016): 120-121.

¹⁶⁶ I.e. the material (worldly) is not sought on its own, but rather as a moral endeavour of eschatological proportions. In this regard, the *Qur’anic* is *per se* theological, spiritual, and moral that transcends purely material and techno-pragmatic realm.

¹⁶⁷ E.g. also Abū ‘Ubayd emphasized justice and fairness as the backbone of one’s wealth and economic and financial composition.

objectives of the Hereafter.¹⁶⁸ By applying theory of analogy, Muslim scholars established rules from *Sharī'a* injunctions, in which economic ideas were only one component of the overall complexity of Islamic jurisprudential, theological, and Sufi writings. Many works on legal theory (*usūl al-fiqh*), Sufism (*taṣawwuf*), principles of just governance (*aḥkām al-sulṭāniyya*), and public expenditures (*al-kharāj*) discussed ethical, theological, and metaphysical terms, that pertain to the sociopolitical dimension and economic justice.¹⁶⁹ The epistemological distinction was made between ideal knowledge to be obtained through the highest order of contemplation, and moral virtues as righteous conduct. Even though Sufis for instance sought to attain a higher level of knowledge through *kashf* (spiritual retreat) and the practice of *zuhd* (asceticism, renunciation or extramundane detachment), they also exerted ideas in how to exercise actions in connection with the *dunyā*, such as moral conduct of economic provision and wealth (*māl*).¹⁷⁰ As we shall see in the following paragraphs, terms such as ethics (*akhlāq*), household management (*tadbīr al-manzil*), governmental policy, and political science (*‘ilm al-madani*),¹⁷¹ are to be perceived not only within the technical-legal but first and foremost within the cosmological-moral domain extrapolated through the Qur’anic ethos. The classical Muslim scholars’ ethico-juristic and spiritual-moral treaties on economics provide insight into the intricate correlation between worldly economy (*kasb*) and extramundane detachment (*zuhd*)¹⁷² in how to acquire livelihood, pursue religious obligations, obtain licit goods, and redistribute wealth among the poor.

Many classical Muslim scholars maintain that justice is an economic prerogative as objective of *Sharī'a*.¹⁷³ For instance, Abū Yūsuf believed that only through justice overall development (of society) can take place – justice causes development and increases the income. Divine favour is linked with the notion of justice and disappears with the practice of injustice.¹⁷⁴ Ibn al-Qayyim, trained as a jurist and theologian, discussed economic philosophy in Islam, riches and poverty, the prohibition of *ribā*, and market mechanisms. He maintains that “Anything contrary to justice which turns the matter from blessing and welfare into a curse and an evil, and

¹⁶⁸ Ameer Ali and Herb Thompson, “The Schumpeterian Gap and Muslim Economic Thought,” *The Journal of Interdisciplinary Economics*, Vol. 10 (1999): 31-49, accessed April 3, 2013, <http://www1.aucegypt.edu/faculty/thompson/herbtea/articles/jie3.html>. See e.g. al-Muḥāsibī, al-Ghazālī.

¹⁶⁹ Abdul Haq Ansari, “Islamic Ethics: Concepts and Prospects,” *The American Journal of Islamic Social Sciences*, Vol. 6, No. 1 (1989): 81.

¹⁷⁰ *Māl*, in Arabic “wealth” or “money,” means to acquire or possess something. See Ibn Manẓūr, *Lisān al-‘Arab*, s.v. “māl.”

¹⁷¹ Francis E. Peters, *Allah's Commonwealth* (New York: Sifflon and Schuster, 1973).

¹⁷² For the *kasb-zuhd* amalgam, see figure two in the appendix.

¹⁷³ Abu Ubayd al-Qasim ibn Sallam, *The Book of Revenue: Kitāb al-Amwal* (Doha: Garnet Publishing Ltd., The Center for Muslim Contribution to Civilization, 2005).

¹⁷⁴ Abū Yūsuf, *Kitāb al-Kharaj* (Cairo: Dār al-Matba‘ah al-Salafiyyah, 1972), 120 in Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 65.

from wisdom into disutility has nothing to do with the *Sharī‘a*.”¹⁷⁵ Also al-Shaybānī, who studied *fiqh* under the guidance of Abū Yūsuf, dedicated his book on earning and livelihood *Kitāb al-Kasb* to more traditional (*āthārī*) rather than legal (*fiqhī*) interpretation to the topic of economics.¹⁷⁶ Hence, his legal arguments are supported by numerous *aḥādīth* and Qur’anic verses. Even though one would think that *Kitāb al-Kasb* is a book on Islamic jurisprudence, Imam al-Sarakhsi (d. 1090) informs us that it expounds the meaning of *zuhd* as detachment from worldly endeavours, merging Islamic mysticism with *Sharī‘a* injunctions.¹⁷⁷ *Zuhd* is together with *wara‘* (prudence) the subject of al-Shaybānī’s analysis in safeguarding from corruption and in maintaining honest livelihood, which pinpoints to economic discipline imbued with spiritual qualities. For al-Shaybānī, earning a living ought to be a service to public good, by providing for one’s own needs and the needs of his family and also for the community, since only when one provides for the poor, his life becomes truly wholesome. In other words, *‘ibadāt* does not suffice to lead a full life if *mu‘amalāt* as transactional relationship is missing out.¹⁷⁸ Sales, accumulation of wealth, and value of money are hence analyzed with the parameters of piety, renunciation, and asceticism. In addition, Ibn Abī al-Dunyā produced many works on various Islamic sciences, including on the Qur’an, *ḥadīth*, and *fiqh*, predicating ethical and spiritual subjects such as *zuhd*, *adab*, and *taqwā*. Ibn Abī al-Dunyā has divided economic themes into several fields. The first part of the book concerns with licit acquisition and positive functions of wealth, acquiring money, securing a livelihood and savings, craftsmanship, ways of conducting commerce, securing high prices, land rights, handcrafts, investments, whereas the second with saving of money (*qaṣd al-māl*), foods and clothing, inheritance, surplus of money, and the notion of poverty. He has considered commerce and trading activities within the parameters of moral predicaments. His book *Iṣlāḥ al-māl* (The Emendation of Wealth) invokes numerous scholars, but also limits itself to Qur’anic passages and *ḥadīth* narrations, designating licit acquisition of wealth, favorable functions of money, and benefits of spending and saving. Close reading of his work reveals the two-fold perception of wealth – the material and the moral. *Iṣlāḥ al-māl* can be analyzed within the parameters of Sufi terminology, for it addresses spiritual reverberations of human behavior, a genre that was systematically commenced by al-Shaybānī’s *Kitāb al-Kasb*.¹⁷⁹

¹⁷⁵ Ibn Qayyim al-Jawziyya, *Zad al-Ma‘ad* (Cairo: Matba‘ah al-Misriyah, n.d.), 15; Islahi, “Linkages and Similarities between Economics Ideas of Muslim Scholars and Scholastics,” *Wednesday Dialogue*, 2010-2011, 11.

¹⁷⁶ Al-Shaybānī, *Kitāb al-Kasb* (Ḥalab: Maktab al-Maṭbu‘āt al-Islāmiyya, 1997); Adi Setia, *The Book of Earning a Livelihood* (Kuala Lumpur: IBFIM, 2011).

¹⁷⁷ Adi Setia, “Imam Muḥammad Ibn al-Ḥasan al-Shaybānī on Earning a Livelihood: Seven Excerpts from his Kitāb al-Kasb,” *Islam & Science*, Vol. 10, No. 2 (2012): 103.

¹⁷⁸ Adi Setia, “Imam Muḥammad Ibn al-Ḥasan al-Shaybānī on Earning a Livelihood: Seven Excerpts from his Kitāb al-Kasb,” 105. See also Wael Hallaq, *The Impossible State*, 114-116.

¹⁷⁹ Adi Setia, “The Restoration of Wealth: Introducing Ibn Abī al-Dunyā’s *Iṣlāḥ al-māl*,” 82.

The cultivation of the inner most goes hand in hand with the challenges of everyday life and earning a livelihood, whereby economic certitude is extrapolated in the name of spiritual uplift.¹⁸⁰

6. The Nature of Markets, Price Control, and the Notion of Fair Price

Just or fair price and price regulation were one of the main tenants of economic philosophy in Islam and later on in Scholastics. In the Middle Ages, just price became one of the main topics of Muslim thinkers who discussed economic problems under the shadow of moral law and theology. Fair price of a good is a price of that very object which is comparable to other similar objects, which was also called the price of the equivalent (*thaman al-mithl*).¹⁸¹ Price control, authority's intervention, and fair prices also invoke economic responsibilities of the rulers, which was a recurring topic in classical period of Islam. As an imam under the aegis of the Abbasid Caliph Hārūn al-Rashīd, Abū Yūsuf's book *Kitāb al-Kharaj* is to a large extent an advice to the caliph's policies on the state's responsibility in regard to taxation, state administration, and public expenditure, and can be perceived as a text on "good governance." Abū Yūsuf states that the leader of the righteous – the Caliph himself – asked him to compile a book on land taxes, revenues and to maintain public good.¹⁸² In light of imperatives of social justice, Abū Yūsuf holds that public welfare has to be preserved and thus upholds proportional involvement of the government authority in agricultural policies, instead of imposing a rent on the land. He was in favour of the idea of proportionality: "In my view the best system of taxation for generating more revenue for the treasury and the most adequate one to prevent injustice to the tax payers by tax collectors is the proportional agricultural tax."¹⁸³ He discusses in detail also the rules surrounding the revival of dead land, advocating the idea that one who revives it has to right to ownership and cultivation, insofar if he pays *ushr* levy or *kharaj* levy.¹⁸⁴

On the nature of market and the price control Abū Yūsuf observed that there is no definite limit of low or high prices that can be ascertained, but rather that "it is a matter decided from heaven; the principle is unknown." The low and high levels of prices "are subject to the

¹⁸⁰ By enumerating those (and other) scholars and their relation between mystical concepts and economic ideas, I do not intend to position Sufism or Sufi literature on pedestal, but rather to expound dynamic and nuanced correlation between mystical, theological, legal, and economic ideas for the purposes of the argument of this very thesis.

¹⁸¹ Ibn Nujaim, *al-Ashbāh wa al-Nazā'ir* (Beirut: Dār al-Kutub al-‘Ilmiyah, 1980), 362-363.

¹⁸² Abū Yūsuf, *Kitāb al-Kharaj* (Beirut: Dār al-Ma‘arifa, 1979), 3.

¹⁸³ Abū Yūsuf, *Kitāb al-Kharaj* (Beirut: Dār al-Ma‘arifa, 1979), 50 in Nasir Nabi, "Islamic Economic Thought in the Medieval Times: Some Reflections," *Journal of Islamic Thought and Civilization*, Vol. 3, Issue 2 (2013): 25.

¹⁸⁴ Abū Yūsuf, *Kitāb al-Kharaj*, 65.

command and decision of Allah. Sometimes food is plentiful but still very dear and sometimes it is too little but cheap.”¹⁸⁵ Although it seems that such a statement is in opposition to the belief that price does not depend solely on supply, and that it further indicates the exclusive nature of markets and their invisible self-imposition of prices, this should not be mistakenly perceived as if there is no regulatory mechanism based on the ethical premise of economic behavior.

The irregularities and deficiencies in the market were already mended by the Prophet Muhammad. After his death, Muslim jurists established mechanisms of intervention in the market from the principles laid down by the Prophet and the Rashidun Caliphs. The authoritative principles apropos fixing the price found in Islamic law are based on certain *aḥādīth*.¹⁸⁶ Though not all jurists advocated regulating prices. Imām Shāfi‘ī and Imām Ibn Ḥanbal opposed price control in the market, indicating that the governmental authority has only the right to exercise price control in case of the abundance and scarcity of commodities. Prices are to rise naturally and as such belong to the divine realm. Therefore, according to Imām Shāfi‘ī and Imām Ibn Ḥanbal, imposing a fixed price would mean injustice.¹⁸⁷ The notion of administrative fixation of price was known already in the time of the Prophet Muhammad, who also according to Islahi did not stipulate it, for he favoured the determination of price by market forces, i.e. according to supply and demand.¹⁸⁸ One of the earliest accounts of price variation came as a result of good or bad harvest, increase or decrease in the supply of agricultural goods, as stated by Ibn al-Mugaffa’.¹⁸⁹ The followers of Imām Abū Ḥanīfa and Imām Mālik have expressed the same opinion regarding price control, that it is licit if it is in the interest of the common public.¹⁹⁰ The gist of the discussion is that the authority will exercise price control if monopoly of market prices or goods occur.

Ibn Taymiyya, writing extensively on *ḥadīth*, *tafsīr*, *fiqh*, made also seminal contributions to economic thought. Ibn Taymiyya was a strong supporter of price control in case of any misuse at the market, such as if any harm or injury is foreseen to the public, e.g. forcing sellers to sell

¹⁸⁵ Abū Yūsuf in Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 28.

¹⁸⁶ See also Imam Malik’s report on Caliph Umar’s intervention in the market by dismissing a seller for selling a commodity at a lower price.

¹⁸⁷ E.g. Shamsuddīn Ibn Qudāmah al-Maqdīsī, a Hanbali jurist, argues that the authority of the state has no right to impose price control on goods in the market. This is associated with the fact that the Prophet equated price control with injustice (*zulm*). See Ibn Qudāmah al-Maqdīsī, *al-Sharh al-Kabīr* (Beirut: Dār al-Kitāb al-‘Arabī, 1972). On the contrary, for various Maliki and Hanafi jurists price control is valid.

¹⁸⁸ Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 25. This, however, is disputable since despite some *aḥādīth* indicating that prices are set by heavens and therefore left to the “invisible hand” of the market, an approach closely associated with Adam Smith (), regulatory practices such as hisba mechanism, and moral predicaments based on *Sharī‘a*’s cosmology exists. Prophet Muhammad as well as early Muslim companions and jurists aimed to demise unregulated, excessive, abuse of market and prices.

¹⁸⁹ Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 27.

¹⁹⁰ Abdul Azim Islahi, *Economic Concepts of Ibn Taymiyyah* (Leicester: The Islamic Foundation, 1988), 95 ff.

price at a higher rate than normally, is grounded on the prophetic *ḥadīth* stating that only God defines price control.¹⁹¹ However, if price control itself involves an act of justice and preventing harm, it is obligatory in order to avoid suffering of people, e.g. when merchants have monopoly over prices at the market.¹⁹² In relation to common good, Ibn Taymiyya proposes economic partnership based on equal shares.¹⁹³ Ibn Taymiyya analyzed certain conduct under which regulated price control is licit and needed. In case if merchants are due to price control forced to sell their commodities for a different price, it is illicit. However, if price control upholds equity at the market and diminishes the misuse or monopoly of markets, then it is obligated upon traders.¹⁹⁴ “When people’s necessities cannot be safeguarded without a just price regulation, then a price regulation based on justice will be implemented.”¹⁹⁵

Ṣaḥīḥ Muslim reports that the Prophet said that hoarding is a practice done by a sinner. A hoarder purchases goods designated as necessities in order to earn profit from it, since the prices of that good will rise. In case of such injustice (*ẓulm*), the authority has the right to depose the seller from the market. As will be evident from the analyzed texts, according to *Sharī‘a*, prices are either valid or invalid. A valid price is a price established in a market, which is stipulated by Islamic law and does not include harmful actions such as cheating, fraud, or disguise. This is perceived as a valid price, yet since justice is not entirely a juristic consideration, it is not legal but also a theological and moral concept. On the other hand, an invalid price is one that opposes *Sharī‘a* legal requirements; it can occur through a deliberate violation of legal rules, or, it may be an outcome of ignorance on a particular issue or activity.

Ibn Abī al-Dunyā holds that maintaining high prices (of goods) at market conveys parsimony, therefore a seller or buyer is permitted to withdraw from a trading agreement if obliged to do so.¹⁹⁶ The rich are encouraged to redirect the surplus of their wealth into supporting the economic, social, and by extension also spiritual conditions of the poor.¹⁹⁷ In order to maintain a reasonable price for a commodity on markets, al-Ghazālī advocates for a moderate profit rates as a form of *iḥsān*. Fairness and equity are to be expected to social standards interrelated with market forces. If spiking up prices of a commodity occurs, the authority can

¹⁹¹ “The market price rose in the time of the messenger of God, peace be upon him, and they said to him: Messenger of God if only you would provide price control. He replied: God is the Taker, the Disposer, the Winner and the Controller of prices.” (Abu Daūd and al-Tirmidhī in Ibn Taymiyya, *al-Hisba fī al-Islām* (Leicester: The Islamic Foundation, 1982), op. cit. 35.). Yet, this apparent opposition to price control has to be viewed also in the context when there is no social-economic turmoil in society and when market functions well.

¹⁹² Ibn Taymiyya, *Al-Hisba fī al-Islām*, 36.

¹⁹³ Ibn Taymiyya, *Al-Hisba*, 40.

¹⁹⁴ Ibn Taymiyya, *Al-Hisba*, 15.

¹⁹⁵ Ibn Taymiyya, *Al-Hisba*, 37.

¹⁹⁶ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl* (Beirut: Mu’assasa al-Kutub al-Thaqāfiyya, 1993).

¹⁹⁷ Adi Setia, “The Restoration of Wealth: Introducing Ibn Abī al-Dunyā’s *Iṣlāḥ al-māl*,” 78.

interfere in order to secure a just and equity-based distribution. Legitimate profits ought not to be obtained from goods regarded as necessities,¹⁹⁸ due to the human inclination to accumulate wealth.¹⁹⁹

He distinguishes between two types of prices, the unjust and prohibited prices, and prices that are just and desired. The so-called “price of the equivalent” is regarded as the just price.²⁰⁰ Also the notion of just or fair compensation (*iwaḍ al-mithl*) occurs in cases when one is responsible for causing injury to others’ lives (*nufūs*), property (*amwāl*), or profit (*manāfi*), when one has to pay reimbursement for caused injury (*ba‘ḍ al-nufūs*), and when one has to arrange valid or invalid contracts (*al-‘uqūd al-ṣaḥiḥah*) in relation to lives and property.²⁰¹ Ibn Taymiyya addressed the moral and legal versus more economic aspects of fair price, by using the terms “compensation of the equivalent” for the former, and “price of the equivalent” for the latter: “Often it becomes ambiguous with experts in jurisprudence, and they argue against each other about the nature of the compensation of the equivalent – its kind (*jins*) and quantity (*miqdār*).”²⁰² In relation to purchases and commodities, he states: “If people are dealing with their goods as is it in their habit without any injustice and if the price rises either due to shortage of goods or due to increase in population, then it is sent by God. Then, to force the sellers to sell their goods at a particular price is a wrongful coercion (*ikrāh bi ghayr ḥaqq*).”²⁰³ Ibn Taymiyya confirmed profit and the seller’s appropriation of it, by stipulating that the sellers can gain profit in what is “the commonly known manner accepted manner (*al-ribḥ al-ma‘rūf*)”²⁰⁴ without endangering their own interest or the interest of the consumers. From this, it stems that the fair or just profit is a profit obtained without exploiting the price, setting an abnormal rate of profit, or causing harm to others. “A person who acquired goods to earn income and to trade with them at a later date is permitted to do so but he is not allowed to charge from a needy person (*muḥtāj*) a higher profit than the customary one (*al-ribḥ al-mu‘atād*), and he ought not to increase the price for him due to his need (*ḍarūrah*).”²⁰⁵ One of the main objectives of the just price is to maintain justice on the market, between sellers and buyers, as active members in society, in addition to the fact that writings on just price turned out to be useful also for authorities. Justice meant that goods are not

¹⁹⁸ Al-Ghazālī, *Iḥyā’*, Vol. 2, 73.

¹⁹⁹ Al-Ghazālī, *Iḥyā’*, Vol. 2, 280.

²⁰⁰ Ibn Taymiyya, *Al-Ḥisba*, 24.

²⁰¹ Ibn Taymiyya, *Majmū‘ Fatāwā Shaykh al-Islām*, 1963, Vol. 29, 520 in Abdul Azim Islahi, *Economic Concepts of Ibn Taymiyyah*, Leicester: The Islamic Foundation, 1988, 81.

²⁰² Ibn Taymiyya, *Majmū‘ Fatāwā Shaykh al-Islām*, 522 in Abdul Azim Islahi, *Economic Concepts of Ibn Taymiyyah*, 82.

²⁰³ Ibn Taymiyya, *Al-Ḥisba*, 25.

²⁰⁴ Ibn Taymiyya, *Al-Ḥisba*, 37.

²⁰⁵ Ibn Taymiyya, *Majmū‘ Fatāwā Shaykh al-Islām*, Vol. 29, 501 in Abdul Azim Islahi, *Economic Concepts of Ibn Taymiyyah*, 86.

sold at abnormal price or sellers coerced into illicit contracts, whilst injustice is equivalent with oppression (*zulm*).²⁰⁶ The only time a seller can be coerced into a contract is when he has to sell his good at the price of the equivalent in order to protect the interests of other sellers,²⁰⁷ whereas also buyer on the other hand should buy a good at the price of the equivalent.

7. The Value of Wealth (*māl*) and the Hereafter

Money, wealth, including property, or *māl* in Arabic bears certain benefits as well as risks for an individual, and it can thus be rendered as a benefit as well as a detriment, depending on one's intentions (*niyya*).²⁰⁸

It is believed that al-Shaybānī was the first scholar who treated the subject of earning as its own topic, in relation to reliance on God, lawful and unlawful means of earnings. Al-Shaybānī's methodology is based on the Qur'an, *ḥadīth* literature and prophet's companions, as well as comprised of his own views on the subject, addressing the notion of *al-kasb* within economic-material, legal-jurisprudential, and spiritual-moral frame.²⁰⁹ The main theme of his book is the concept of earning in light of religious obligation, which is however among other levels, expounded by espousing material abstinence and acts of charity indicating that earning as a religious duty (law) ought to be seen within theological and moral context.

7.1. *Kasb, Faqr, and Zuhd*

According to al-Shaybānī, *al-kasb* (earning a livelihood) is acquiring wealth by legal means (*taḥṣīlu al-māl bimā yaḥḥillu min al-asbāb*).²¹⁰ Al-Shaybānī states that earning (*makāsib*) a living (in a licit way) corresponds to expression of one's faith: "Permissible earning is in the category of cooperation in acts of devotion and obedience."²¹¹ Earning can be divided into several levels. The first is indispensable for everyone, enables one to perform his obligatory duties, to replay one's debt, and to provide for basic needs for one's family. Temperance (*muta'afifan*) is prompted in

²⁰⁶ Ibn Taymiyya, *Al-Ḥisba*, 41-42.

²⁰⁷ Ibn Taymiyya, *Al-Ḥisba*, 190.

²⁰⁸ *Fainnahu yanfa'u min wajhi wa yadru min wajhi*. Al-Ghazālī, *Mizān al-'Amal* (Cairo: Dār al-Ma'arif, 1964), 372.

²⁰⁹ Mustafa Omar Mohammed, "Economic Consumption Model Revisited: *Infaq* Based on *Al-Shaybani's* Levels of *Al-Kasb*," *International Journal of Economics, Management and Accounting*, Issue 19 (2011): 120.

²¹⁰ According to al-Shaybānī, *al-kasb* can be obligatory (*fard al-'ayn*), recommended (*mandūb*), or permissible (*mubāḥ*). Al-Shaybānī, *Kitāb al-Kasb* (Ḥalab: Maktab al-Maṭbu'āt al-Islāmiyya, 1997), 70.

²¹¹ Al-Shaybānī, *Kitāb al-Kasb*, 164.

the sight of God,²¹² as well as abstaining from amassing wealth,²¹³ since it is associated with danger of committing unvirtuous deeds. Earning a living presupposes cooperating with others and is thus perceived as an economic behaviour that pertains not only to economic and material preservation, but primarily to spiritual purification (*tahāra*) and moral responsibility.²¹⁴ Earning a living is permissible according to the majority of *fuqahā'*, yet some Sufis and ascetics (*al-mutaqashshifa*) maintained that some types of earnings are regarded as lowly (*al-danā'a*) in the habits of people, unless one is in a need of necessary provision.²¹⁵ *Al-Kasb* is perceived as a necessary endeavour,²¹⁶ and one who refrains from it can be considered as sinful, for it pertains to providing for one's basic needs such as food, clothing, and shelter, which in turn can facilitate religious duty and spiritual uplift, e.g. prayer. Since also society at large can benefit from one's *al-kasb* (produce), it is considered beneficial. This, however, does not mean that *al-kasb* is a religious obligation *per se*, otherwise one would be invited to perform it incessantly. The first level of *al-kasb* encompasses basic needs such as food, clothing, shelter, following the *ḥadīth* of the prophet.²¹⁷ Acquiring earnings to repay debt is also obligatory, as well as providing for one's family and food supplies.²¹⁸ It is recommended to provide provisions for relatives and family members, guests, and companions, and accumulating wealth is permissible only with the aim to preserve dignity and moral stamina. It is clear that by stating *fiqh* maxims such as that whatever are the means to facilitate *wājib* is itself *wājib*,²¹⁹ al-Shaybānī gives precedence to spiritual and moral uplift over jurisprudential decrees. Giving purchases a moral note, al-Shaybānī reckons preserving wealth as a sacrifice for future generations. By incurring acquisition against poverty he advocates a stance against the accumulation of wealth beyond one's needs. Those who opposed acquisition of wealth are in al-Shaybānī's view so called ignorant and foolish Sufis: "*qawm min juhhal ahl al-taqashshuf wa hamaqa ahl al-taṣawwuf*."²²⁰ In their view, gaining

²¹² According to the prophetic *ḥadīth* narrated by Abū Nu'aym, see al-Shaybānī, *Kitāb al-Kasb*, 131.

²¹³ Also this virtue is based on *ḥadīth* expounding the dangers of wealth: "Perished be wealth!" and "Perished be the owner of gold and silver!," narrated by Imam Aḥmad, 134. See also *ḥadīth* "Those who accumulate are destroyed expect he who says 'so and so'," narrated by al-Tirmidhī, Ibn Mājah, and Aḥmad, indicates that those who spend on charity are except from punishment. See Shaybānī, *Kitāb al-Kasb*, 135.

²¹⁴ Al-Shaybānī, *Kitāb al-Kasb*, 136.

²¹⁵ Adi Setia, "Imam Muḥammad Ibn al-Ḥasan al-Shaybānī on Earning a Livelihood: Seven Excerpts from his Kitāb al-Kasb," *Islam & Science*, Vol. 10, No. 2 (2012): 112. This presupposition is also based on *ḥadīth*, although there is no direct correlation between the nature of lowly earnings and the prohibition thereof. "Indeed, God the most Exalted likes noble things, and He dislikes inferior ones (*saḥāhā*)," al-Shaybānī, *Kitāb al-Kasb*, 137.

²¹⁶ "*Ṭalaba al-kasb farīda 'ala kulli muslim kama ṭalaba al-'ilm farīda*." Al-Shaybānī, *Kitāb al-Kasb*, 71.

²¹⁷ Al-Shaybānī, *Kitāb al-Kasb*, 36.

²¹⁸ Qur'an, sura *al-Talaq*, verse 6.

²¹⁹ Al-Shaybānī, *Al-Iqtisab al-Rizq Musta'ib* (Beirut: Dār al-Bashīr al-Islamiyyah, 1997), 99.

²²⁰ Al-Shaybānī, *Kitāb al-Kasb*, 81, 99, 101. For Michael Bonner, one of the main arguments of al-Shaybānī adversaries is the Qur'anic vers "your sustenance and what you have been promised is in the heavens" (Qur'an, 51:22). Yet, to oppose this view, one does not need to look beyond the numerous passages from the Qur'an

wealth is illicit since it corrupts the heart and diminishes reliance on God (*tawakkul*), and acquisition of wealth is permitted only when in dire need.

Hoarding wealth is illicit, yet being wealthy presents a moral liability to other members of society. According to al-Shaybānī, the notion of *al-kasb* is intrinsic to relying on God,²²¹ and it condemns “wastefulness, extravagance, haughtiness, boastfulness, and competitive accumulation (*al-israf wa al-saraf wa al-makhila wa al-tafakhur wa al-takathur*).”²²² Since wasting food pertains to material and spiritual extravagance, al-Shaybānī holds that it is forbidden to waste food and that man’s economic behaviour should navigate between extravagance and miserliness. Stocking up food is permissible only in certain cases for which acceptable justification exists, otherwise one’s own supplies become the right of someone else.²²³ Similar approach is applied to clothing. The necessity of *al-kasb* pertain also to the right as *al-haqq* to the less fortunate; if one is incapable of providing (food) for himself, others (society and governmental authority) are responsible to provide for him, and alms are given out of surplus and not out of one’s basic provision. In such cases, those who are not capable of providing for themselves are permitted to beg.²²⁴ When one has achieved enough for oneself and one’s family (*ghinā*; nowadays *ghanī*, unlike in premodern *fiqh*, designates someone who is in a possession of wealth or a rich person), the attribute of poverty (*sifat al-faqr*), as a moral faculty, is regarded higher than quality of wealth: “If only people would be content with what suffices for them, and direct their attention to [their] surplus wealth, and direct [this surplus wealth] toward the matter of their eternal life, it would be better for them,”²²⁵ for “no one is called to account for poverty.”²²⁶

If wealth is something that fluctuates and something that is owned by a person or community that is useful,²²⁷ money can be designated as that what is beneficial. Earning a

prompting economic provision, as well as Prophet Muhammad’s narrations, and early caliphs’ endeavours on commerce and money. One of the Qur’anic verses that advocates *al-kasb* is: “Spend out [i.e. give charity and provide for your family] of the good things you have earned” (Qur’an, 2:267).

²²¹ Al-Shaybānī, *Kitāb al-Kasb*, 83, 93.

²²² Michael Bonner, “The Kitāb al-Kasb attributed to al-Shaybani: Poverty, Surplus, and the Circulation of Wealth,” *Journal of the American Oriental Society*, Vol. 121, Issue 3 (2011): 418; al-Shaybānī, *Kitāb al-Kasb* (Ḥalab: Maktab al-Maṭbu‘āt al-Islāmiyya).

²²³ One who can afford is obliged to spend on food for the poor (page 165), not to lavishly spend on food for himself (page 168), has to feed the poor (page 186), protect those in need who are not able to work (page 190), for giving is better than receiving (page 194). A believer ought to provide for his family and relatives (page 203), since he will be asked about his expenditures (page 204). *Al-ziyada ‘ala miqdar hajatihi kanat haqq ghayriha*. See al-Shaybānī, *Kitāb al-Kasb* (Ḥalab: Maktab al-Maṭbu‘āt al-Islāmiyya, 1997).

²²⁴ Al-Shaybānī, *Kitāb al-Kasb*, 165.

²²⁵ Michael Bonner, “The Kitāb al-Kasb attributed to al-Shaybānī: Poverty, Surplus, and the Circulation of Wealth,” 416.

²²⁶ Poverty is sounder since no poor man was ever guilty of the arrogance of the rich. Al-Shaybānī, *Kitāb al-Kasb*, 106, 116.

²²⁷ Sa‘dī Abū Jayb, *Al-Qāmūs al-Fiqhī* (Damascus: Dār al-Fikr, 1982), 344.

livelihood by ethical means translates into providing also for others, which is a form of *jihād*.²²⁸ Another important scholar who also wrote on abstinence, sustenance, and poverty from the perspective of retrieval from the mundane is al-Muḥāsibī, who thoroughly believed that the self needs constant examination and observation. He mastered dialectical theology, jurisprudence, and exegesis, and incorporated views on *taṣawwuf*, and lived according to what he preached.²²⁹ With his thought on Sufism, spiritual values, repentance (*tawba*), trust in God (*taqwā*), sincerity (*ikhhlāṣ*), and other concepts, al-Muḥāsibī influenced many prolific scholars of his time, including al-Ghazālī. Al-Muḥāsibī's book *al-Makāsib wa al-Wara'* elucidates human behaviours and mannerisms in relation to the spiritual world (the inward) in which people acquire wealth (the outward) and take care of daily obligations, by addressing the notions of scrupulousness (*wara'*), abstinence (*zuhd*), reliance on the theological realm (*tawakkul*), introspection (*muḥāsaba*) in conjunction with legal and financial transactions (*mu'āmalāt*). By integrating theology, philosophy, mysticism, and economic ideas, he invokes the idea of working for a living also as a spiritual means for provision. One has to engage in praiseworthy economic activities by performing mindfulness, vigilance, remembrance (*dhikr*), dedication and closeness (*al-taqarrub*), and the purification of the heart (*tahārat al-qulūb*) in concordance with the moral premise of *Sharī'a*.²³⁰ Enacting those ethical dispositions enables one to avoid potential harms and vices, for benefits of any economic endeavour should outweigh possible harm and costs. In his view, man must rely on sustenance (*rizq*) solely on God,²³¹ while love for accumulation of wealth is due to man's doubt.²³² Al-Muḥāsibī articulates those concerns not strictly in economic terms, but rather in relation to virtuous behaviour and the means of acquisition of wealth, displaying value for a spiritual-moral economy.

Ibn Abī al-Dunyā in the introduction invokes *ḥadīth* narrated by Abu Bakr stating that one who acquires (*ya'khudh*) wealth in a righteous way/not more than he is entitled to (*bi haqq*), his money will be blessed, whilst one who acquires wealth in an unjust way (*bi ghayr haqq*) will always be complacent.²³³ Also based on *ḥadīth* narration is the idea that if wealth gained in an illicit way remains with the person who acquired it, he will not be blessed but punished.²³⁴ In

²²⁸ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 73.

²²⁹ Even his name and appellation Muḥāsibī points to one who examines his consciousness, and purifies his soul of vice. See Adi Setia, "Al-Muḥāsibī: On Scrupulousness and the Pursuit of Livelihoods: Two Excerpts from His *al-Makāsib wa al-Wara'*," *Islamic Sciences*, Vol. 14, No. 1 (2016): 69.

²³⁰ For the English translation see Adi Setia, *Kitāb al-Makāsib (The Book of Earnings) by al-Hārith al-Muḥāsibī (751-857 C.E.)* (Kuala Lumpur: IBFIM, 2016).

²³¹ Al-Muḥāsibī, *al-Makāsib wa al-Wara'* (Beirut: Mu'assasa al-Kutub al-Thaqāfiyya, 1987), 42.

²³² Al-Muḥāsibī, *al-Makāsib wa al-Wara'*, 45.

²³³ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl* (Beirut: Mu'assasa al-Kutub al-Thaqāfiyya, 1993), 13.

²³⁴ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 18.

relation to the temptation and wasting money (*iḍāʿat al-māl*), Ibn Abī al-Dunyā quotes *ḥadīth* stating that “every *umma* has its *fīṭna* (tribulation), and the *fīṭna* of Muslims is wealth.”²³⁵ His second chapter addresses the beneficial functions of money or wealth, which is interrelated with honor (*ḥasab al-māl*) and exemplified through generosity as fear of God.²³⁶ Hence, one who indulges into solitary and asceticism is denounced, for he neglects the mundane realm. Likewise, forsaking the afterlife due to worldly pleasures is also repudiated, that is why retaining faith for the hereafter and wealth for this world is highly encouraged.²³⁷ Further, those who obtain money ought to consider giving charity²³⁸ and utilize it as a means to attain God’s bounties.²³⁹ On the other hand, saving money (*qaṣd al-māl*) is a virtue, since the intention is to provide for others.²⁴⁰ In light of the moral integrity, Ibn Abī al-Dunyā holds that those who spend (*sarf*) will not value money less, but will try to distribute it based on equity. Yet, those who spend on unnecessary matters (*al-infāq fī ghayr haqq*), have to be wary of their economic behavior.²⁴¹ Both wealth and poverty can become tribulations; the adversity of the first is in its insatiate appetite, whilst the woe of the second in its discontentment with one’s status and can lead into further distress.

Abū Naṣr al-Sarrāj al-Tūsi (d. 988), one of the earliest authors of *taṣawwuf*, in the *Kitāb al-lumaʿ*, introduces seven *maqāmāt* that play also into economic matters. They include *tawbah* (repentance), which begins with the light of Divine Recognition in *qalb* (heart) that realizes sin as antithetical to spiritual uplift, and strives for spiritual purity, which requires also the faculties of *muḥāsabah* (self-examination) and *murāqabah* (introversion or meditation). The second is *warāʿ* (abstention), which translates into pious self-reflection and self-restraint. The third is *zuhd* (asceticism) in that it renounces the worldly endeavours to the level of necessities. The fourth is *faqr* (poverty) in spiritual and material sense, as the denial of the self, in order to dedicate oneself to the spiritual and communal obligations. The fifth is *ṣabr* (patience) whose characteristic is essential for spiritual endurance. The sixth is *tawakkul* (trust or confidence in God), as to devote oneself exclusively to the higher order, encompassing *maʿrifa* and *ʿamal*. The seventh and final is *riḍāʿ* (pure contentment) as submission to *qaḍā* (fate).²⁴²

²³⁵ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 18. See also al-Qurʾan sura *al-Nahl*, vers 97 on the notion of righteous or licit acquisitions (*kasb al-ṭayyib*).

²³⁶ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 33.

²³⁷ Narrated by the famous poet of the time Muḥammad bin al-Khudhr bin al-Walīd via Khālīd bin Safwān. Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 41.

²³⁸ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 33.

²³⁹ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 46, 48.

²⁴⁰ See Qurʾan, sura *al-Furqān*, vers 67.

²⁴¹ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 100.

²⁴² Abū Naṣr al-Sarrāj al-Tūsi, *Kitāb al-Lumaʿ fī al-Taṣawwuf*, ed. Reynold Alleyne Nicholson (Leyden: Brill, 1914), 43-52.

Imam al-Ghazālī is considered one of the forerunners of Islamic economics who discussed in detail the role of money in the realm of religion of Islam, *tasawwuf*, and Islamic jurisprudence. Also al-Ghazālī's approach to economic affairs extrapolates ethical cosmology or *Sharī'a* or "mystical *Sharīsm*." Al-Ghazālī did not produce a specific book dedicated to economics, nor a book on jurisprudence that would deal with the same subject, but like other classical scholars, his writing on economics can be found in his various texts, dealing with *zakāt*, ethics, the role of the state. He discussed economic matter in Volume 2, Book 3 of *Iḥyā'*, encompassing the nature of work and means of earning a living; licit means of earning concerning commerce and trade; justice, equity and fairness in gaining livelihood, e.g. counterfeiting, hoarding, over-praising good etc.; and benevolence in trading.²⁴³ Al-Ghazālī's philosophical theology of economics presents one component of the revival of Islamic sciences, whose ultimate aim is the alchemy of happiness extended to all human endeavours, based on the notions of justice, religion, and the Hereafter. The gist of his ideas on economics are to be found in *Iḥyā' 'Ulūm al-Dīn*, and his contribution to economic thought can be divided into four topics,²⁴⁴ covering a various activities: voluntary exchange and evolution of markets; production activities, their hierarchy and stages; barter system and the evolution of money; role of the state and public finances.

As I have discussed elsewhere,²⁴⁵ al-Ghazālī divides society into three different groups in regard to material gain: those who neglect the hereafter and are occupied with worldly endeavours will perish; those whose aim in this life is the return to the hereafter at the expense of the mundane are to succeed; and those who are engaged in the worldly (read economic) affairs and adhere to *Sharī'a* will reach final salvation.²⁴⁶ One can engage in economic activities by making a livelihood or by investing in one's wealth in order to increase it. Engagements pertaining to *maṣlaḥa* are praiseworthy objectives. He maintains that during commerce religious stipulations should not be neglected: "no one should forget his religion and the Hereafter during the course of one's trade and earning a livelihood," for if he does he will perish in the afterlife. One's true capital is hence one's religion and matters pertaining to the Hereafter.²⁴⁷ Since al-Ghazālī positions economic activity within the parameters of a spiritual worldview, the hereafter

²⁴³ On the rules of earnings, trade and commerce, lawful and unlawful issues, rules of companionship and brotherhood and rules of enjoining good and forbidding evil see al-Ghazālī, *Iḥyā'*, Vol. 2.

²⁴⁴ Mohammad Ghazanfar, Abdul Azim Islahi, *Economic Thought of Al Ghazali*, 17.

²⁴⁵ The following paragraphs on al-Ghazālī pertain to the ideas expressed in my Research MA thesis. For a detailed account on al-Ghazālī's economic philosophy, see Sami Al-Daghistani, "Imam al-Ghazali's Perspectives on Economy, Ethics, and State in Islam" (ResMA thesis, Leiden University, 2013). See also Sami Al-Daghistani, "Al-Ghazali and the Intellectual History of Islamic Economics," *ZIT Jahrbuch für Islamische Theologie und Religionspädagogik: Islamische Gelehrten neu gelesen*, WWU Münster, Band 3, 2014.

²⁴⁶ Al-Ghazālī, *Iḥyā'*, Vol. 2, 62.

²⁴⁷ Al-Ghazālī, *Iḥyā'*, Vol. 2, 62.

is seen as the ultimate goal. The middle path of al-Ghazālī's economic philosophy pins down a systematic, yet intuitively-moral approach of one's contribution in the economic life of the *dunyā*, as well as one's own salvation, which is ultimately achieved in the afterlife. Righteous economic engagement might be a prerequisite for the latter, for earning is not an aim on its own.²⁴⁸

He criticized those who believe that economic activities are related only to the substance of survival or living.²⁴⁹ Al-Ghazālī has emphasized that money or wealth (*māl*) "is not a desire for its own sake,"²⁵⁰ but it was invented only as a medium of exchange, since gold ought to be due to outstanding qualities and high value, a common source for transactions. Therefore *fulūs* (cheap copper coins) are not to be mixed with silver and gold *dinars* and *dirhams*, for "circulation of one bad dirham is worse than stealing a thousand dirhams, for the act of stealing is one sin and it finishes once committed but circulating bad money is bad 'innovation' which affects many who use it in transactions."²⁵¹ Since counterfeiting is penalized because it can affect the market rates, one should avoid selling broken coins and metals as dirhams or dinars.²⁵²

The level of consumption thus has to range between necessity and extravagance.²⁵³ Whilst necessity has to be fulfilled by the consumer, for it is perceived as a religious obligation, extravagance is forbidden (*ḥarām*). All economic activities extend to basic human needs – food, clothing and shelter²⁵⁴ – which are in accordance with *Sharī'a* in order to improve one's social status. In *Mizān al-'amal*, al-Ghazālī mentions three levels of consumption: the lowest, the middle and the highest,²⁵⁵ corresponding to necessity, convenience or luxury. Since acquiring wealth is intrinsic to man, "Human being loves to accumulate wealth and increase his possessions of all kind of property....,"²⁵⁶ due to the illusion that wealth is everlasting. This is the reason why goods ought not to be praised.²⁵⁷ Money has been created for a particular purpose in order to fulfil human needs. On the other hand, miserliness means excessive restriction on expenditure, whilst extravagance excessive expenditure of money. Utilization of wealth must therefore be seen in accordance with Islamic jurisprudence, which is for al-Ghazālī embedded in the moral

²⁴⁸ Al-Ghazālī, *Iḥyā'*, Vol. 2, 108.

²⁴⁹ Al-Ghazālī, *Iḥyā'*, Vol. 2, 108.

²⁵⁰ Al-Ghazālī, *Iḥyā'*, Vol. 4, 114-115.

²⁵¹ Al-Ghazālī, *Iḥyā'*, Vol. 2, 73-74; Ghazanfar, Islahi, *Economics of al-Ghazali*, 30.

²⁵² Al-Ghazālī, *Iḥyā'*, Vol. 2, 68.

²⁵³ Al-Ghazālī, *Iḥyā'*, Vol. 2, 1.

²⁵⁴ Al-Ghazālī, *Mizān al-'amal* (Cairo: Dār al-Ma'ārif, 1964), 377.

²⁵⁵ Al-Ghazālī, *Mizān al-'amal*, 377.

²⁵⁶ Al-Ghazālī, *Iḥyā'*, Vol. 3, 290 in Ghazanfar, Islahi, *Economic Thought of Al-Ghazali*, 11.

²⁵⁷ Al-Ghazālī, *Iḥyā'*, Vol. 2, 74,

cosmology of *Sharī'a*, in order to facilitate spending on lawful products in a righteous way. Yet, the ultimate aim is the remembrance and contemplation about the Hereafter.

Despite the fact that poverty countervails morally designed society,²⁵⁸ the lust for money contravenes a righteous character. For al-Ghazālī, *māl* is one of the five necessities (*al-daruriyāt*) that *Sharī'a* provides for safeguarding righteous conduct against any temptation (*fitna*), and no human being can survive without it.²⁵⁹ To underpin the importance of the correct utilization of wealth, al-Ghazālī cites many Qur'anic verses (62:9; 64:14; 96:6-7) and *ḥadīth*²⁶⁰ that state that wealth should not be praised. Miserliness is condemned, for it leads to tyranny if not handled correctly; that is why spiritual predispositions or intentions (*niyya*) in the usage of wealth are a preconditioned. In order to distinguish the importance of *māl* from its sinful implications if utilized under certain conditions and manners, al-Ghazālī aims to provide a description of *māl* according to its social function, concerning the ethical teachings of Islamic tradition as well. *Māl* includes spiritual, bodily and external benefits, nonetheless it is only a means and not an end of human endeavour in carrying out economic conduct: “wealth is the biggest temptation of them all,”²⁶¹ and since extravagance in spending is undesirable, excessive expenditures also ought to be avoided. Extravagance means when money is spent “where it is not needed, at the time when it is not needed, and in the amount it is not needed.”²⁶² One of al-Ghazālī's most pertinent observations of *māl* is his analysis of human behaviour toward it. *Māl* is praiseworthy only if exercising righteous objectives (*maqsūd*), and is thus divided into two categories – benefits of money related to the mundane and ones related to the higher metaphysical objectives. Religious or metaphysical benefits are further subcategorized²⁶³ as money that one can spend for the realization of religious endeavours as well as for other necessities that enable the performance of the first ones, e.g. pilgrimage to *hajj*, but also food, shelter and clothing. In other words, “whatever is necessary for the accomplishment of a *wājib* (obligatory).”

In *Kimiyā*, al-Ghazālī lays down that gaining profit is licit but not at any cost; trading with illicit goods is also illicit, whilst one can trade only with what one owns.²⁶⁴ Since possessing wealth facilitates the enjoyment of illicit pleasures, the more one has the more one might be prone to spending. Al-Ghazālī constantly draws attention to the fact that money does not possess an intrinsic value of its own, but its value is depended upon trade and exchange of

²⁵⁸ Poverty has to be abrogated in Islam, yet, it is seen as a spiritual component over riches. Al-Ghazālī, *Iḥyā'*, Vol. 3, 264-265.

²⁵⁹ Al-Ghazālī, *Iḥyā'*, Vol. 3, 231.

²⁶⁰ Al-Ghazālī, *Iḥyā'*, Vol. 3, 232.

²⁶¹ Al-Ghazālī, *Iḥyā'*, Vol. 3, 234.

²⁶² Al-Ghazālī, *Mizān al-'amal*, 284.

²⁶³ Al-Ghazālī, *Iḥyā'*, Vol. 3, 235-236.

²⁶⁴ Al-Ghazālī, *Iḥyā'*, Vol. 2; Al-Ghazālī, *Kimiyā*, 474.

commodities.²⁶⁵ Value is inextricably related to commodities and labour, as a means to achieve higher ends.²⁶⁶ “Creation of dirhams and dinars is one of the bounties of Allah. The entire world of economic activities is based on transactions with these two kinds of money. They are two metals, with no benefits in themselves. However, people need them, in order to exchange them for different things – food, clothing, and other goods. Sometimes a person needs what he does not own and he owns what he does not need.”²⁶⁷

As such trading in gold for gold and silver for silver for the purpose of making money is condemned, whilst selling gold for silver or vice versa is a licit economic transaction.²⁶⁸ This means that money should not be spent in order to gain more money, but rather to promote mutual cooperation between parties. Unjust person or merchant is thus the one who spends more than needed and/or hoards money, while others are in a need of money for religious (spiritual) purposes.²⁶⁹

Anyone who uses money contrary to its objectives or functions is ungrateful to the bounty of Allah. If someone hoards dirhams and dinars, he is a transgressor... They are created to circulate from hand to hand, to govern and facilitate transactions. They are symbols to know the value and grades of goods. Anyone who converts them into utensils of gold and silver is ungrateful to his Creator ... Prophet (peace be upon him) said, one who drinks in gold and silver utensils, he is like one who takes the fire of hell in his stomach.²⁷⁰

On the other hand, al-Dimashqī who was a Shafī‘ī jurist and a businessman, stipulates accumulation of wealth, yet by regulating the means.²⁷¹ *Māl* as wealth or money²⁷² can be gained or inherited, and it is divided into four categories: coins as so called “quiet wealth” (*al-ṣāmit*);²⁷³ gifts, including clothing, jewelry, copper, and anything made out of it (*al-i‘rāḍ*);²⁷⁴ property (*al-‘aqār*);²⁷⁵ and animals as “talking wealth” (*al-ḥaywān*).²⁷⁶ Human needs are divided into two

²⁶⁵ This can be observed centuries later also in writings by Karl Marx and Friedrich Engels.

²⁶⁶ Ashqar & Wilson, *Islamic Economics: A short History*, 248. Money should not be spent for its own sake. Al-Ghazālī, *Ihyā’*, Vol. 3, 278.

²⁶⁷ Al-Ghazālī, *Ihyā’*, Vol. 4, 91; Ghazanfar, Islahi, *Economic Thought of al-Ghazali*, 27.

²⁶⁸ Ashqar & Wilson, *Islamic Economics: A short History*, 248.

²⁶⁹ Al-Ghazālī, *Ihyā’*, Vol. 4, 95.

²⁷⁰ Al-Ghazālī, *Ihyā’*, Vol. 4, 91-92; Ghazanfar, Islahi, *Economic Thought of al-Ghazali*, 29.

²⁷¹ Al-Dimashqī, *al-Ishāra ilā Maḥāsīn al-Tijāra* (Cairo: Maktabah al-Kulliyyat al-Azhariyyah, 1977), 54, 80-82.

²⁷² Al-Dimashqī, *al-Ishāra ilā Maḥāsīn al-Tijāra*, 17-19.

²⁷³ Al-Dimashqī, *al-Ishāra ilā Maḥāsīn al-Tijāra*, 22-26.

²⁷⁴ Al-Dimashqī, *al-Ishāra ilā Maḥāsīn al-Tijāra*, 26-35.

²⁷⁵ Al-Dimashqī, *al-Ishāra ilā Maḥāsīn al-Tijāra*, 53-56.

²⁷⁶ Al-Dimashqī, *al-Ishāra ilā Maḥāsīn al-Tijāra*, 56-57.

categories, basic necessities such as foods, clothing, and shelter and side necessities such as armaments and medicine. Al-Dimashqī claims that all wealth is beneficial,²⁷⁷ yet it depends on time, space, and other characteristics, and should not be acquired as a means to deprive others.²⁷⁸ Despite his support of wealth, he advocated a communal life due to cooperation between industries and a stable price at the market, and opposed counterfeiting of coins. Accordingly, one can gain wealth either by intent or by chance, while a good merchant pursues a health measure of benefit and profit and possesses virtues such as honesty, fairness, and does not engage in fraudulent behavior. Likewise, when purchasing one has to avoid neglecting family relations, lust, overindulgence, boasting, and disproportional division of his religious and social tasks.

Ibn Taymiyya states that prices (*athmān*, sing. *thaman*) “are meant to be a measurement of objects of value (*mi’yār al-amwāl*), through which the quantities of objects of value (*maqādir al-amwāl*) are known; and they are never meant to be consumed.”²⁷⁹ This indicates that the primary function of money is to measure value of goods and as a tool or medium of exchange. If goods are to be exchanged for money, the transactions have to be simultaneous. He also expressed concerns about the debasement of the currency under the Mamluk reign, stating that the authority should mint coins (*fulūs*) according to the value of people’s transactions, avoiding any possible harm or injustice. Coins should be mint according to real value without the motive of profit, for “trading in money means opening a great door of injustice for the people and of devouring their wealth by false pretences”²⁸⁰ His disciple Ibn al-Qayyim also holds that “money and coins are not meant for themselves but they are to be used for purchasing goods,”²⁸¹ indicating that *fulūs* can be used only in order to exchange goods between people.

The idea that wealth has a complex nature, pertaining both to benefit and detriment held also Ibn Qayyim al-Jawziyya, affirming that wealth is not meant only for pleasure. One of the main objectives of *Sharī‘a* was for him as for many others scholars the conception of justice (*‘adl*). As an adherent to of religious laws he believed that man’s piety is interrelated with one’s wealth, as well as that man should fulfil his social obligations by providing for others. In spite of the fact that wealth enables one to expand social and moral duties to other members of society, it is poverty and *zuhd*, as a means of purification from lusty endeavours that are perceived as the most exalted. In his most developed spiritual treatises, Ibn al-Qayyim al-Jawziyya insists that *zuhd*

²⁷⁷ Al-Dimashqī, *al-Ishāra ilā Maḥāsini al-Tijāra*, 69.

²⁷⁸ Al-Dimashqī, *al-Ishāra ilā Maḥāsini al-Tijāra*, 69, 85.

²⁷⁹ Ibn Taymiyya, *Majmu‘ Fatāwā Shaykh al-Islām Ahmad Ibn Taymiyya* (Al-Riyad: Matabi‘ al-Riyad, 1963, Vol. 29), 472 in Islahi, *Economic Concepts of Ibn Taymiyyah*, 140.

²⁸⁰ Ibn Taymiyya, *Majmu‘ Fatāwā Shaykh al-Islām Ahmad Ibn Taymiyya*, 469 in Islahi, *Economic Concepts of Ibn Taymiyyah*, 140.

²⁸¹ Ibn al-Qayyim, *I‘lām al-Muwaqqi‘in* (Cairo: Maktaba al-Sa‘āda, 1955), Vol. 2, 137.

does not mean the wholesale rejection of worldly endeavours, since even the most pious one possesses some sort of property. *Zuhd* is rather an approach, an attitude through which one purifies worldly excesses and lusts for them.²⁸²

7.2. *Zakāt* as Charity and *Ribā* as an Ill Use of Money

Zakāt and *ribā* are not only legal or ritualistic in nature, but have throughout Islamic history maintained spiritual status of cleansing one's wealth. The dualistic moral-social value of *zakāt* has been one of the most important mechanisms of social justice in Islamic tradition.²⁸³

The prohibition of *ribā* is well known in economic history, and many scholars have forbidden it when carrying out trade activities. Exchange of goods is a necessary endeavour for any society, religious or secular. *Ribā* (usury or excessive usurious practice) can be looked upon as a specific loan allocation, however, such a view indicates that money has value on its own. And since money indicates the value of one's labour or traded commodity, money cannot be the measure of value.

In *Ihyā' 'Ulūm al-Dīn*, al-Ghazālī does not tackle *ribā* in loans directly, but discusses the non-monetary transactions. Al-Ghazālī emphasized the subtle forms of *ribā*, when exchanging gold for gold, or any other good for the same good but with differences in quantity or time of delivery. In this case *ribā* may occur when the time of delivery is different from the arrangements (*ribā al nāṣi'ah*), or when the exchanged quantity of a good is not equal in value (*ribā al faḍl*).²⁸⁴ Al-Ghazālī is thus criticizing the system of accumulation of money: When someone is trading in dirhams and dinars themselves, he is making them as his goal, which is contrary to their objectives. Money is not created to earn money, and doing so, would be a transgression."²⁸⁵ Usurious practices refute ethical principles which the core of al-Ghazālī's (and other scholars') understanding of economic behaviour. Money was utilized as a measure or medium of exchange of commodities in order to ensure just transactions in terms of value and quantity.²⁸⁶ Al-Ghazālī concluded that *ribā* violates the very nature of the function of money,²⁸⁷ which is no more than a

²⁸² See Ibn al-Qayyim al-Jawziyya, *Madārij al-Salīkīn* (Cairo: al-Mu'asasa al-Mukhtār li al-Nashar wa al-Tawzīa', 2001), Vol. 1, 437-438.

²⁸³ Wael Hallaq, *The Impossible State*, 123.

²⁸⁴ Al-Ghazālī, *Ihyā'*, Vol. 4, 192-193.

²⁸⁵ Sadeq, "Ghazalijeve pogledi na ekonomske probleme i neka etičko-pravna pitanja značajna za ekonomsko ponašanje," 31.

²⁸⁶ Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 51. On the prohibition of *ribā*, see also Qur'an 2:275, 2:276, 2:278, 3:130, 4:161, 30:39.

²⁸⁷ Al-Ghazālī, Vol. 4, 192-93.

medium of exchange.²⁸⁸ He concludes that the true gain is rather in “the market of the hereafter.”²⁸⁹

Muslim philosopher and jurist Ibn Rushd based his views on money mostly on Aristotelian views. Ibn Rushd’s prohibition of *ribā* is grounded in the idea that *ribā* may involve cheating.

It is clear from the *Shariah* that the purpose of prohibiting *ribā* relates to the possibility of great cheating that exists therein. Justice in transactions lies in approximating equivalence. So, when realizing equivalence between different things was found to be almost impossible, dinar and dirham were made to evaluate them, that is, measure them. As between different kind of commodities, I mean those which can neither be weighed nor measured, justice lies in their being proportionate. The ratio of the value of one thing to its kind should be equal to the ratio of the other things to that thing’s kind.²⁹⁰

Furthemore, Ibn Taymiyya wrote on usury, upholding the prohibition thereof. “To exact a higher amount over and above the sum lent, on that conjectural basis is a kind of injustice and exploitation.”²⁹¹ Yet, according to Ibn Taymiyya, despite that the reason behind the prohibition of *ribā* is sometimes unclear, both types are prohibited as a precautionary measure, whereas loans without attached interest, *ṣadaqa*, and *zakāt* are encouraged. His statement “When Allah created two types of people – rich and poor – He made the *zakāt* obligatory for the rich as a right of the poor; and at the same time He forbade the rich from taking interest that harms people,”²⁹² proliferates the removal of poverty from society, which can be found also in the Qur’an.²⁹³ An alternative to *ribā*-based practices is the provision of profit- and loss-sharing, whereby the owner of a commodity and the buyer share the profit and loss.²⁹⁴

²⁸⁸ Many other Muslim scholars have written on the notion of money usage and usury e.g. Ibn Taymiyya and Ibn Rushd. For the later, the main aim of the prohibition is to prevent misuse in the barter exchange of commodities, gold and silver. Since *ribā* opens the door for cheating, the prohibition of it enforces a just transaction and equivalence. Dinar and dirham were made for the sake of evaluation, thus the justice in the exchange between various commodities lies not in their weight or measurement, but in their being proportioned. The ratio between two different kinds should be equal in respect to their kinds. See Ibn Rushd, *Bidāyat al-Mujtahid* (Beirut: Dār al-Ma‘rifah, 1988), Vol. 2, 135.

²⁸⁹ Al-Ghazālī, *Iḥyā’*, Vol. 2, 75, 76, 84.

²⁹⁰ Ibn Rushd, *Bidāyat al-Mujtahid*, Vol. 2, 135; Ibn Rushd, *The Distinguished Jurist Primer* (Doha: Garnet Publishing, 2000), Vol. 2.

²⁹¹ Ibn Taymiyya in Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 51.

²⁹² Ibn Taymiyya, *Majmu‘ Fatāwā Shaykh al-Islām Ahmad Ibn Taymiyya*, Vol. 29, 346-7, Abdul Azim Islahi, *Economic Concepts of Ibn Taymiyyah*, Leicester: The Islamic Foundation, 1988, 138.

²⁹³ “Verily Allah abolishes *ribā* and increases charity.” Qur’an 2:276.

²⁹⁴ Ibn Taymiyya *Majmu‘ Fatāwā Shaykh al-Islām Ahmad Ibn Taymiyya*, Vol., 84, 108.

Ibn al-Qayyim took further Ibn Taymiyya's notion on *ribā*, by developing two categories, *ribā al-jalī* and *ribā al-khafī*, being the so called “open” and “disguised” interest. The former is explicitly illicit, whereas the latter is prohibited based on precautionary measures.²⁹⁵ On *zakāt*, which accounts from two and half to twenty percent, he holds that it is imposed only on certain types of property, such as cattle, cultivated plants, gold and silver, and trading goods,²⁹⁶ and should be given to the poor, those in need, prisoners, and travelers.

8. Productivity, Value of Labour, and Cooperation

Muslim scholars discussed in detail the division and value of labour, cooperation between various industries, distribution of good, and levels of productivity, while in their research invoking the Qur'an and Sunna.²⁹⁷

8.1. Division of Labour and Mutual Cooperation

For al-Shaybānī there are four types of earnings or ways of production: employment (*al-ijāra*), commerce or trading (*al-tijāra*), agriculture (*al-zirā'a*), and craftsmanship or (*ṣinā'a*).²⁹⁸ For him agriculture supersedes other economic activities as the source of commerce.²⁹⁹ Farming is along with handcraft favourable activity also according to Ibn Abī al-Dunyā,³⁰⁰ and since it depends on grazing, an owner of the land is encouraged to preserve the land. Likewise, the owner will be rewarded from fertile land that is beneficial to a man or an animal.

Al-Ghazālī grouped economic activities into five categories, consisting of farming (producing food), grazing (producing food for animals), hunting (utilizing natural environment), weaving (producing textiles), and building and construction (provision of shelter).³⁰¹ On the division of labour he states: “the farmer produces grains, the miller converts it into flour, and the

²⁹⁵ Ibn al-Qayyim, *I'lam al-Muwaqīn* (Misr: Maktabah al-Tijariyah al-Kubra, 1955), Vol. 2, 135-42 in Islahi, *Economic Concepts of Ibn Taymiyyah*, 132.

²⁹⁶ Ibn Qayyim, *Zad al-Ma'ad*, Vol. 1, 147.

²⁹⁷ E.g. Qur'an 62:10 and 73:20.

²⁹⁸ Al-Shaybānī, *Kitāb al-Kasb*, 140.

²⁹⁹ Al-Shaybānī, *al-Iktisāb fī al-Rizq al-Mustaṭāb*, 41-42; al-Shaybānī, *Kitāb al-Kasb*, 131, 140, 146.

³⁰⁰ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 94.

³⁰¹ Al-Ghazālī, *Iḥyā'*, Vol. 4, 12; Ghazanfar, Islahi, *Economic Thought of Al Ghazali*, 24.

baker prepares bread from the flour.” Despite the fact that division of labour is evident, he recognizes the interdependence of economic activities.³⁰²

In addition, the value of labour was well known to the medieval scholars. Since human work is motivated by its usefulness or necessity for society at large, labour is not simply an instrument of production. The ideal level of consumption and moderation has been by classical Muslim scholars promulgated according to basic human needs.³⁰³ The vocal point of Islamic economic philosophy is thus inextricably related to the operation of trade agreements, market function, and above all, the concept of equity and (social) responsibility. By providing for the poor, restricting extravagance, prohibiting hoarding and interest, labour cannot be deprived of its spiritual meaning, for work is spiritual in essence.³⁰⁴

For Ibn Taymiyya “people are in need of trade, gift, hire and other activities in their economic life in the same way as they are in a need of food, drink and clothing... From this stems that people are allowed to engage in trading or any other activity, as long as it is not prohibited by Shari’ah.”³⁰⁵ It is apparent that Ibn Taymiyya bases his reasoning on the Divine authority, advocating it because of its rational faculties of justice and truth. “The Shari’ah has never prohibited a thing (whose prohibition) might create hindrance in economic life. It is against the spirit of Shari’ah.”³⁰⁶ All economic activities and transactions are according to him grouped in two categories – transactions based on justice and the ones that entail benevolent deeds.³⁰⁷ The essential component of all transactions and contracts, in terms of labour and exchange of goods, is the notion of justice, which is applicable to all parties involved, advocating shares of losses and gains, for both invested money and one’s labour are equally participated in the production activity. “The basis of business and partnership is justice from both parties. Therefore it is against justice that one party reserves the profit of some particular commodity or some specific quantity

³⁰² “The blacksmith produces the tools so that a farmer can cultivate, and the carpenter produces the tools that are needed by the blacksmith. This is applicable for all who engage in the production of tools, that are needed for production of foodstuffs.” Al-Ghazālī, *Iḥyā’*, Vol. 4, 12.

³⁰³ Muhammad Abdul Mannan, *Islamic economics: theory and practice*, 44 f.

³⁰⁴ There are three purposes of work: to provide for necessary goods and services; second, to use gifts and goods, and third, to be in service with other individual to liberate oneself from ego-centricity. This is the role of jihad in work. See Waleed El-Ansary, “Islamic Science and the Critique of Neoclassical Economic Theory,” *Contemporary Islamic finance: Innovations, Applications, and Best Practices*, ed. Karen Hunt-Ahmed (Hoboken, NJ: Wiley, John Wiley & Sons, Inc., 2013).

³⁰⁵ Ibn Taymiyya, *Majmu’ Fatāwā Shaikh al-Islām*, Vol. 19, 18.

³⁰⁶ Ibn Taymiyya, *al-Qawā’id al-Nurāniyah* (Cairo: Matba’ah al-Sunnah al-Muḥammadiyah, 1951), 143 in Abdul Azim Islahi, *Economic Concepts of Ibn Taymiyyah*, 168.

³⁰⁷ The justice-based transactions are further divided into two transactions through exchange (*al-muā’awamat*) and transactions through partnership (*al-mushārakāt*). Examples of the first category are exchanges based on the same good or for money, or hire (*ijārah*) of goods, whereas partnership-based transactions are further divided into two property partnership (*shirkah al-amlāk*) and contracts partnership (*shirkah al-‘aqd*). Ibn Taymiyya, *Majmu’ Fatāwā Shaikh al-Islām*, Vol. 29, 99 in Islahi *Economic Concepts of Ibn Taymiyyah*, 168.

of profit to itself, or that only one party should bear the loss.”³⁰⁸ In this light, profit is to be obtained through the value of labour, and it thus ought to be divided among them.

8.2. Ethical Principles of Trade Activities

If, according to Ibn Abī al-Dunyā, one seeks to attain a peaceful life, good position and sufficient food supplies, he can obtain that through seeking labour and licit acquisition of wealth (*al-rizq*) which is a form of *jihād* (*ṭala bi al-ḥalāl jihād*).³⁰⁹ In the view of valuing lawful provision, an honest merchant is positioned in the highest sphere,³¹⁰ and preferred is trading with clothes and food,³¹¹ whilst those who monopolize (goods or prices) are damned (*al-jālib marzūq wa al-muḥtakar mal'ūn*).³¹² Ibn Abī al-Dunyā was also well aware of the concealed value of cheap goods at the market, which was the reason for his promulgation of suggesting to purchase better and hence goods that are more expensive.³¹³

In relation to the mutual cooperation a tradition of the prophet Muhammad advocating equity of barter exchange: “Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates and salt for salt be exchanged, like for like, equal for equal and hand to hand; one who demanded extra or paid extra, indulged in interest.”³¹⁴ According to profit and loss sharing endeavours, in *Kimiya al-sa'adat* (The Alchemy of Happiness), al-Ghazālī lays down ethical principles to be integrated into the trade activities. A trader should be honest in his occupation, and one should earn his livings by offering one's labour, since labour is viewed upon as *tawakkul*.³¹⁵ In accordance with ethical premise of *fiqh*, al-Ghazālī has analyzed three elements of trade: agreements between buyer and seller, commodities of the transaction, and the contents of the agreement.³¹⁶ It is forbidden to sell goods to a minor, mentally ill, a slave, a blind person, to someone who will make unlawful profit, a tyrant, a usurer, a thief, and to an unreliable who engages in corruption.³¹⁷ Moreover, one should avoid fraud in weights of quantities in order to

³⁰⁸ Ibn Taymiyya, *Majmu' Fatāwā Shaikh al-Islām*, 84 in Islahi, *Economic Concepts of Ibn Taymiyyah*, 157.

³⁰⁹ Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 71, 73.

³¹⁰ “*Al-tājir al-sudūq al-amīn al-muslim ma'a shuhadā' fī jūm al-qiyāma*,” Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 73.

³¹¹ Trading with slaves, however, is regarded as the lowest kind of trading activity. Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 81-82.

³¹² Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 84.

³¹³ “I know that good goods [i.e. those that are worth the money] are cheaper, and the bad ones are expensive (*al-jayyid rakhīṣ wa al-radī'a ghālī*).” Ibn Abī al-Dunyā, *Iṣlāḥ al-māl*, 86.

³¹⁴ Muslim, n.d., Vol. 5, 44.

³¹⁵ Al-Ghazālī, *Iḥyā'*, Vol. 4, 265.

³¹⁶ Sadeq A.M. Al “Ghazali jevi pogledi na ekonomske probleme i neka etičko-pravna pitanja značajna za ekonomsko ponašanje” in. *Pregled islamske ekonomske misli*, ed. Sadeq A.M., Ghazali A. (Sarajevo: El Kalem, 1996), 150.

³¹⁷ Al-Ghazālī, *Iḥyā'*, Vol. 2, 64-65, and *Kimiya-yi Sa'adat*, trans. Muhammad Asim Bilal (Lahore: Kazi Publication, 2001), 471-472.

fix the price of a good,³¹⁸ for fair price based on the principle of justice (‘adl) is encouraged.³¹⁹ Based on this premise, if a buyer offers a higher price than the price currently on the market, the seller does not to accept the offer, since an excess of profit might occur.³²⁰

In light of righteous trading activities and transactions, al-Ghazālī describes how trade should be conducted.³²¹ It is expected that one refrains from harmful behaviour such as hoarding of foodstuff, counterfeiting coins, monopolizing a market, praising a commodity, and to attain to higher objectives, such as to gain enough profit as stipulated before the purchase, to reducing the price of a commodity when selling to a poorer seller, extending the deadline of debt repayment; selling food supplies to the poor without any interest, and so forth.³²² Al-Ghazālī further on discusses the development of marketplaces:

It happens that farmers live in a place where farming tools are not available. And, blacksmiths and carpenters live where farming does not exist. So, the farmer needs blacksmiths and carpenters and they in turn need the farmers. Naturally, each will want to satisfy his needs by giving up in exchange a portion of what he possesses. But, it is also possible that when the carpenter wants food in exchange for some tools, the farmer does not need the tools. Or, when the farmer needs the tools from the carpenter, the carpenter does not need food. So such situations create difficulties. Therefore, there emerge forces leading to the creation of trading places where all kinds of tools can be kept for exchange and also the creation of warehouses where farmers’ produce can be stored. Then, customers come to obtain these goods and markets and storehouses are established. Farmers bring their produce to the markets and if they can’t readily sell or exchange what they possess, they sell them at a lower rate to the traders who in turn store the produce and try to sell to the buyers at a profit. This is true for all kinds of goods and services.”... “Then, such practices extend to different cities and countries. People travel to different villages and cities to obtain tools and food and transport them. People’s economic affairs become organized into cities which may not have all the tools needed and into villages which may not have all the foodstuffs needed. People’s own needs and interests create the need for each other and for transportation. Then, a class of professional traders who carry

³¹⁸ Al-Ghazālī, *Kimiya-yi Sa’adat* (Delhi: 1908), 355-56.

³¹⁹ Al-Ghazālī, *Kimiya-yi Sa’adat*, 356.

³²⁰ Al-Ghazālī, *Ihyā’*, Vol. 2, 79.

³²¹ Muhammad Abdul Quasem, *The Ethics of Al-Ghazali*, 223.

³²² Al-Ghazālī, *Ihyā’*, Vol. 2, 75, 79-80. See also Quasem, *The Ethics of Al-Ghazali*, 225.

goods from one place to another is created. The motive behind all these activities is the accumulation of profits, no doubt.³²³

Ibn Taymiyya asserts that certain goods are desired when they are scarce than when it is widely available.³²⁴ The sense of demand evolves around demanders, their economic and non-economic circumstances.³²⁵ Further, Ibn Khaldūn considered agriculture an important activity, even though in Prolegomena he stated that sedentary people do not practice it.³²⁶ Al-Dimashqi also noted that “Industries are interdependent on each other. The builder needs carpenter, and the carpenter needs blacksmith. The iron workers need production of mine workers who in turn are in a need of builders.”³²⁷

8.3. Overall Well-being and Development through Economic Provision

Along with al-Ghazālī and Ibn Taymiyya, Ibn Hazm is one of the many proponents of the imposition of extra taxes in times of state resource deficiencies.³²⁸ He stressed not only the juristic viewpoints of the ‘*ulamā*’ on economic matters, but also the importance of their opinions and the rationale behind them. The provision of basic food, clothing, and shelter, which constitutes a basic standard of living, should come from governmental authority and from wealthy members of society. For him, poverty might occur due to the increased and disproportionate levels of needs in relation to income, which is needed to fulfil one’s basic needs. Those who can afford are invited to pay *zakāt*, and if neglected, it transforms into a debt to God (which again portrays the double spiritual-material essence of *zakāt*). Al-Ghazālī foregrounded not only religious duty but also primarily the material welfare encapsulated in spiritual well-being, based on the concept of common good. Al-Māwardī proposed justice (‘*adl*’), peace,

³²³ Al-Ghazālī, *Ihyā’*, Vol. 3, 227 as cited in Islahi and Ghazanfar, *Economic Thought of al-Ghazali*, 24-25. It might be noted that this insightful analysis of the markets by al-Ghazālī precedes what so many European classical economists said in their discourse during the 18th to 19th centuries, especially Adam Smith. It is especially interesting to note that the “farmer-carpenter” example here is analogous to the famous “butcher-baker” illustration of Adam Smith. While discussing self-interest motivated” behavior, Smith says, “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self-interest.” Ghazanfar, Islahi, *Economic Thought of Al-Ghazali*, 54 in reference.

³²⁴ Ibn Taymiyya, *Majmu’ Fatawa Shaykh al-Islām Ahmad Ibn Taymiyya*, 523.

³²⁵ Islahi, “Ibn Taymiyyah’s Concept of Market Mechanism,” *Journal of Research in Islamic Economics*, Vol. 2, No. 2, (1985): 53.

³²⁶ Franz Rosenthal, *Muqaddimah of Ibn Khaldūn* (Princeton: Princeton University Press, 1967), Vol. 2, 335; Ibn Khaldūn, *Muqaddimah* (Beirut: Dār al-Fikr, n.d.).

³²⁷ Al-Dimashqi, Abu’l-Fadl Ja’far, *al-Isharah ila Mahasin al-Tijarah* (Cairo: Maktabah al-Kulliyat al-Azhariyyah, 1977), 21.

³²⁸ See Ibn Hazm, *al-Muhalla* (Misr: Matba’a al-Nahdah, 1347 A.H/1928 A.D.), Vol. 2 and 6.

religion, security, and proper education as the decisive components of the overall human development in society.³²⁹ Ibn Taymiyya on the other hand encouraged cooperation and interdependence between different fields and economic activities, in order to bring about welfare, which is based on benevolence and justice.

Ibn Khaldūn was on the other hand one of the first scholars who conceptualized economic thought within the field of historical analysis and social factors. Ibn Khaldūn invented a new discipline called *‘ilm al-‘ūmrān al-basharī wa al-ijtimā‘ al-insānī* (the science of the civilization of mankind and human socialization), by studying human society and its nature.³³⁰ His political economy is less based on renunciation of worldly affairs, but on the theory of cycles and socioeconomic development, which goes hand in hand with the idea of just rule. His five-stage cycle³³¹ procures a development of social cohesion of dynasties (societies). While the first phase is about establishment of the empire, in the second phase the ruler gains control over the people. During the third phase, the economic prosperity is achieved and taxes collected, whilst in the fourth phase ruler’s successor steps in. It is the fifth phase that is the most devastating by ways of elite’s overindulgence and luscious life that leads into the shattering of the social system. Ibn Khaldūn’s key concept of *‘aṣabiyyah* (social cohesion) provides stability and cooperation.³³² The cycle theory promulgates *Sharī‘a*-induced views on ruler’s conduct, expenditure policy, tax returns, and social productivity, being both socioeconomic and moral in essence.

9. Islamic Authority (*wilāyah*) and the Principle of Moral Integrity

From its early beginnings, the Islamic caliphate aimed at discerning the legal execution of power from the political rule, linking it only by ways of moral norms. The state in Islam did not exist,³³³ yet the role of the so-called state authority or government (Caliph) was discussed in length in many manuals on just governance, legal texts, and other treaties. Various scholars e.g. Abū Yūsuf, al-Ghazālī, Ibn Taymiyya, al-Maqrīzī, etc., discussed ruler’s role in facilitating fair

³²⁹ Al-Māwardī, *Adab al-Wazīr* (Misr: Maktabah al-Khanji, 1929), 3-4, 20 in Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 66.

³³⁰ See Ibn Khaldūn, *Muqaddimah* (Beirut: Dār al-Fikr, n.d.)

³³¹ Ibn Khaldūn divides society based five distinct yet interrelated spheres: conquest and success; stability and self-exalting; economic expansion and enjoyment of the fruits of development; contentment and compromise; and extravagance, wastage and decadence. Franz Rosenthal, *Muqaddimah of Ibn Khaldūn*, Vol. 1, 353.

³³² Franz Rosenthal, *Muqaddimah of Ibn Khaldūn*, Vol. 2, 271-72.

³³³ See Wael Hallaq, *The Impossible State*, 48.

economic policies. In spite of different geographical and political landscapes, many scholars raised similar concerns.

9.1. *Hisba*, *Muhtasib*, and the Supervision of Markets

The state authority in Islam used to sanction false transactions, incorrect weights or illicit contracts, purchases of unlawful commodities and so forth. Marketplaces in the medieval (Muslim) societies facilitated economic growth and contributed to the expansion of cities. The institution of *hisba*, as part of the Islamic state authority, controlled market functioning. The nature of control differed due to geographical regions, political instabilities and eras – imposed judicial stipulations according to Islamic law, as well as preserve healthy economic growth.³³⁴ The duties of *hisba* institutions encompassed the spiritual and legal aspect of *Sharī'a*. These state institutions were run by a *muhtasib* (a public or market inspector or auditor), who regularly checked prices, false advertisements, incorrect weights, *riba*-transactions, and illicit contracts. As such, the *sūq* was not only a marketplace, but also combined juridical, ethical, economic, and spiritual aspect of daily lives of Muslims.

The institution of *hisba* “led to the proliferation of a unique literature, the *hisba* handbooks.”³³⁵ The so called *al-hisba* literature appertain to authority control as well as monitoring of prices, merchandise, and overall flow of trade, in order to facilitate a just and fair purchases and sales between buyers and merchants. In addition, Greek and Roman tradition knew *agoranomos* or a market inspector who monitored market place.³³⁶ Islahi, for instances, pinpoints that scholars such as al-Māwardī believed that the institution of *hisba* has its origins in the Qur'an.³³⁷ As much as *muhtasib*'s interventions can be invoked as legal rules, e.g. prohibiting jacking up prices by sellers and/or monopolizing market, as it will be indicated below, they are ethical in nature. *Hisba* institutions was in this sense an office to control the function of market and morals in relation to public life.³³⁸ Those who have written on *hisba* are among others, Abū

³³⁴ For more on the role of the *hisba*, see: Essid, Yassine, *A Critique of the origins of Islamic Economic Thought*, 1995; Ibn Taymiyya, *al-Hisba fī al-Islām*; al-Shayzarī, *Nihāyat al-Rutbah fī Ṭalab al-hisba*, trans. R. P. Buckley (Oxford: Oxford University Press, 1999); Ibn al-Ukhuwwah, *Ma'alim al-Qūrbah fī aḥkām al- hisba* (Cairo, 1976).

³³⁵ The institution of *hisba* played a different role under various rulers in the medieval Islamic milieu. Ameer Ali and Herb Thompson, “The Schumpeterian Gap and Muslim Economic Thought,” *The Journal of Interdisciplinary Economics*, Vol. 10 (1999): 31-49.

³³⁶ Charles Tripp, *Islam and the Moral Economy*, 106. For the history of Greek and Christian economic ideas see Dotan Leshem, *The Origins of Neoliberalism* (New York: Columbia University Press, 2016).

³³⁷ “Let there arise out of you a band of people inviting to all that is good, enjoining the right conduct and forbidding what is wrong. Such are they who are successful.” Qur'an 3:104.

³³⁸ Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 58-59.

Yūsuf, al-Shaizrī,³³⁹ al-Ghazālī, and Ibn Taymiyya. These authors describe the virtues and responsibilities of *muḥtasib*, and also provide practical manuals for supervision of markets, administrative control, and industry,³⁴⁰ including standardization of measures,³⁴¹ monitoring of harmful activities in markets such as forestalling and hoarding,³⁴² and fixing of prices in times of necessities.

The role of the *muḥtasib* was in al-Ghazālī's view to ensure "supply and provision of necessities," whose task was supervising market conduct, implementing the immutable law and thereby mobilizing the religious sentiment it contained.³⁴³ The *muḥtasib* promotes justice by preventing the abovementioned acts, and is himself part of the institution.³⁴⁴ One of his roles was to assure price control, which was believed to be set by the market forces on its own, which can occur due to unlawful and undesirable activities by merchants. In this sense the "natural regulation of the market corresponds to a cosmic regulation,"³⁴⁵ indicates restoring what is believed to be the normal price of commodities at the market. The criterion for a normal price is "the price people are used to paying for a given product under normal market circumstances."³⁴⁶ Normal price is thus market price. According to Ibn Taymiyya, *ḥisba*'s office ought to act in accordance with the Qur'anic statement of promoting the good and forbidding the harmful.³⁴⁷ For Ibn Taymiyya, man's active role in economic life is desirable insofar if purchases and sales are strewn upon with various regulations, such as the prohibition of hoarding of wealth and food supplies,³⁴⁸ as a merchant should always seek to sell his commodities at a fair distributive price,³⁴⁹ in accordance with the regulations set on markets, which are run by the market inspector of *muḥtasib*.

³³⁹ 'Abdur Raḥman bin Naṣr Al-Shaizarī, *Aḥkām al-Ḥisba* (Beirut: Dār al-Thaqāfa, n.d.).

³⁴⁰ Ibn Taymiyya, *al-Ḥisba fī al-Islām* (Cairo: Dār al-Sha'b, 1976), 21. See also the English translation by Holland, Muhtar, *Public Duties in Islam: The Institution of the Hisbah* (Leicester: The Islamic Foundation, 1982).

³⁴¹ Ibn Taymiyya, *al-Ḥisba fī al-Islām*, 22.

³⁴² Ibn Taymiyya, *al-Ḥisba fī al-Islām*, 23.

³⁴³ It is documents that Caliph al-Ma'mūn (d. 833) was the first to replace the *sāhib al-sūq* or market inspector, who controlled practical economic matters in Baghdad, with the official *muḥtasib*. The practical impact of the *sāhib al-sūq* still remained in place after the *muḥtasib* was introduced; however, the religious implications in inspecting moral behaviour at the marketplace became much more frequent and permanent during the Abbasid reign, which can be perceived as an attempt to assure a more religious sentiment in the marketplace. Essid, Yassine, *A Critique of the origins of Islamic Economic Thought*, 115, 118, and Ira M. Lapidus, "The Separation of State and Religion in the Development of Early Islamic Society," *Journal of Middle East Studies*, Vol. 6, No. 4 (1975): 376.

³⁴⁴ Al-Ghazālī, *Iḥyā'*, Vol. 2, 312.

³⁴⁵ Essid, Yassine, *A Critique of the origins of Islamic Economic Thought*, 153.

³⁴⁶ Essid, Yassine, *A Critique of the origins of Islamic Economic Thought*, 161.

³⁴⁷ Ibn Taymiyya, *al-Ḥisba fī al-Islām*, 14.

³⁴⁸ Al-Ghazālī, *Iḥyā'*, 72.

³⁴⁹ Ibn Taymiyya, *Public Duties in Islam: The Institution of the Hisbah* (Leicester: The Islamic Foundation, 1982), 32-33.

9.2. Advice for Rulers, Public Finances, and the Aims of Just Governance

Abū Yūsuf stated that “The ruler is responsible for the welfare of the people and must do everything that he considers good for them,” by quoting Abū Mūsā al-Ash‘arī, a companion of the Prophet; “The best of men in authority are those under whom people prosper and worst are those under whom people encounter hardship.”³⁵⁰ Most of al-Ghazālī’s analysis on the state authority and economics are to be found in *Ihyā’ ‘Ulūm al-Dīn* and in *Naṣīḥat al-Mulūk*. The Saljuqs, who ruled the Middle East during the 11th and 12th centuries, marked a new era with their political institutions. The Saljuq-led government attempted to cultivate the Islamic identity by recognizing the legitimacy of the caliphate and its divine descent.³⁵¹ Al-Ghazālī lived in the Saljuq period, which established the relation between state and society based upon religious grounds. Nevertheless, the political and religious realms were distinguished.³⁵² For al-Ghazālī, the state authority (*dawla*) is a necessary institution for promoting just economic activities and to exercise *Sharī‘a*-mandated social obligations: “The state and religion are indivisible foundations of a law-abiding society. Religion is the foundation and the ruler, who represents the state, is its promoter and protector; if either pillar is weak, society will crumble.”³⁵³ For al-Ghazālī, it is clear that ideal government in the Islamic community bases its rules upon Islamic jurisprudence and Islamic ethical teaching.

Kitāb Naṣīḥat al-Mulūk, or the Book of Counsel for Kings is a so-called “Mirror for Princes,” a genre of political writing and distinctive form of literature known in the early Islamic world, especially in the Arab and Persian world.³⁵⁴ In *Counsel for Kings*, al-Ghazālī’s Sufi views of livelihood and politics are expressed,³⁵⁵ discussing the inner dimensions of the spiritual life a ruler, merging political (and legal) with spiritual. The ruler is to obtain prosperity for his people, and should cooperate with ‘*ulamā*’. The authority should keep all subjects satisfied and pleased

³⁵⁰ Abū Yūsuf, *Kitāb al-Kharaj*, 16, and 129 in Abdul Azim Islahi, *Contribution of Muslim Scholars to Economic Thought and Analysis*, 60.

³⁵¹ “They enforced Islamic law, patronized the pilgrimage, endowed colleges of learning and religious activity, and sometimes waged jihad against non-Muslim populations in Anatolia and Central Asia. None the less, these states were not considered inherently Islamic.” Ira M. Lapidus, “State and Religion in Islamic Societies” in *Past & Present*, No. 151 (1996): 13.

³⁵² Lapidus, I.M., “The Separation of State and Religion in the Development of Early Islamic Society,” 376.

³⁵³ Al-Ghazālī, *Ihyā’*, Vol. 1, 17, also Vol. 2, 312-15, 338; al-Ghazālī *Naṣīḥat al-Mulūk*, 59.

³⁵⁴ *Naṣīḥat al-Mulūk* was composed in al-Ghazālī’s birth town of Tūs upon his return from Nīshāpūr, after 503/1109, as a response to the criticism he received from a Ḥanafite ‘*ulamā*’ and as a gift to the Ṣultān Muḥammad ibn Malikshah (d. 1092). The book is divided into two parts with related themes. The first part addresses rulership as a bestowed position which expounds one’s accountability. The ruler does not possess ultimate power and is responsible for the just reign for his subjects. The second part addresses the virtues of a state-appointed ruler. Al-Ghazālī, *Counsel for Kings*, ix, xviii.

³⁵⁵ Al-Ghazālī, *Counsel for Kings*, xxxviii.

with the rule. In regards to fair economic development, certain conditions are to be met: “Efforts of those Kings to develop the world were undertaken because they knew that the greater the prosperity, the longer would be their rule and more numerous their subjects. They also knew that the religion depends on the authority, the authority on the army, and the army on the supplies, supplies and prosperity on justice.”³⁵⁶ Various principles of just approach that pertain to all people within a state are explained:³⁵⁷ the ruler ought to comprehend the responsibility of the role; he should never tolerate injustice; he should rule without pride, since this might invoke revenge and turmoil; he should not indulge into lust; he should avoid harsh governing; and keep his subjects pleased. The responsibility of the ruler and the intervention of the state authority is grounded on the basis to regulate also economic conduct and to facilitate secure conditions for trading.

“when injustice and oppression are present, the people have no foothold, the cities and localities go to ruin, the inhabitants flee and move to other territories, the cultivated lands are abandoned, the kingdom falls into decay, the revenue diminishes, the treasury becomes empty, and happiness fades among the people. The subjects do not love the unjust king, but always pray that evil may befall him.”³⁵⁸

Among others, al-Ghazālī, Ibn Khaldūn and Ibn Taymiyya believed that government is indispensable and its principal aim is to provide for its citizens. Ibn Khaldūn distinguished two types of governments, the one based on reason (*‘aqlīya*) and on Divine law with *Sharī‘a*-compliant higher values. While the first guards against injustice, the second provides for the positive enforcement of law and justice.³⁵⁹ Unlike mercantilism, the notion of *wilāya* depends on the facilitation of mutual cooperation between people and the state, aiming at achieving trust and overall well-being grounded in the moral values of *Sharī‘a*,³⁶⁰ while not presupposing an absolute power by the state. The mentioned classical Muslim scholars did not necessarily analyze the genealogy of the concept of governance and authority in Islam, however, they asserted that one of the crucial aims of authority is the notion of justice and prevention of harm,³⁶¹ in order to secure the well-being of its members, including the socioeconomic justice. Likewise, the Islamic

³⁵⁶ Al-Ghazālī, *Counsel for Kings*, 56.

³⁵⁷ Al-Ghazālī, *Counsel for Kings*, 13-31.

³⁵⁸ Al-Ghazālī, *Counsel for Kings*, 55.

³⁵⁹ Ibn Khaldūn, *Muqaddima*, 150.

³⁶⁰ “In the *Sharī‘a*, the legal is the instrument of the moral, not the other way around” Wael Hallaq, *The Impossible State*, 10.

³⁶¹ Ibn Taymiyya, *al-Siyāsa al-Shar‘iyya* (Cairo: al-Sha‘b, 1971), 90.

governance should strive to eradicate poverty, provide equal opportunity, prevent exploitation, and guarantee the betterment of its subjects, for state influence expands also to the market. The two-fold perspective of the state authority hinges upon the provision of the material welfare as well as spiritual well-being simultaneously.

Analyzing the economic reasons for the demise of the Fatimid financial policy, as well as its political and spiritual remedies, cultivates a discussion on economic history that stretched over the Medieval Mediterranean world and its possible ramifications for the analogous debates across the Muslim world. Al-Maqrīzī was trained as a theologian and jurist, while later holding a position of a public inspector. Even though al-Maqrīzī addressed monetary history and financial policies, his texts excoriates Mamluk officials and authorities, by analyzing the reasons for the economic downfall and possible solutions for it.³⁶² Three main reasons for the economic crisis are political corruption, the rise of land prices and associated agriculture activities, and the widespread circulation of copper money.³⁶³

Three causes, and only three, contributed to this situation: the first cause, the source of this decay, is the holding of administrative and religious positions such as the vizirate, judgeships, provincial governorships, the hisbah, and other functions through bribery, to the point that it has become impossible for anyone to secure any of these positions without paying large amounts of money... The second cause is the high cost of land: a number of persons were promoted to the service of the commanders, whose friendship they were seeking through money that they collected as taxes, to the point that they became their masters... The third cause [of this situation] is the circulation of the *fulūs*.³⁶⁴

Since copper coins functioned as a basic currency, it has become widely accepted due to the overproduction and overcirculation of *fulūs*, which resulted in the debasement of gold. He held the sultan Barqūq (r. 1399-1412) responsible for the inflation, mismanagement of treasury, over-minting of copper coins (*fulūs*), and the monetary harm that struck Egypt, and believed that

³⁶² Al-Maqrīzī was in his text interested to analyze and describe the factors which led to the economic downfall, including the agricultural production due to the costs of plantation activities. Wan Kamal Mujani, Noor Inayah Yaakub, "Al-Maqrizi (d. 1442) and Abd Al-Basit (d.1514) and Their Accounts on the Economy in Egypt" (paper presented at the International Conference on the Modern Development of Humanities and Social Sciences, Hong Kong, December 1-2, 2013, published by Atlantis Press), 33.

³⁶³ Hiroshi Kato, "Reconsidering al-Maqrīzī's View on Money in Medieval Egypt," *Mediterranean world*, Issue 21 (2012): 36.

³⁶⁴ Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi's Ighāthah* (Salt Lake City: University of Utah Press, 1994), 52-55.

economic problems can be addressed through monetary policy that have to be communicated to the highest office.

Increases in the prices of those few exceptions would be caused by either of the following: first, the poor judgment and ignorance of the officials vested with the supervision of [economic] matters; this is the likeliest [cause]. Second, a disaster that strikes a natural product and causes its scarcity... Nevertheless, had there been officials who were bestowed with [divine] guidance and inspired with reason, the situation would have been different from that of the present ordeals. The money that anyone now receives from land tax or any other source consists instead of [copper] fulus, which are, as already mentioned, weighed by the ratl, while gold, silver, and all goods such as foodstuffs, clothing, and the like have become luxuries... Had God guided those whom He entrusted with the welfare of [His] servants to restore the currency to what it was formerly, anyone who would receive these 10 dirhams would receive them in silver and would know that even at current prices they would be sufficient [not only] to meet his needs but even to exceed them.³⁶⁵

Al-Maqrīzī affirmed that the cause of the economic crisis and the subsequent famine was human action,³⁶⁶ and has to be addressed through a set of legal and economic policies, often linked to religious corpus: “the situation became critical; conditions became perilous, disaster was widespread and calamity universal, to the degree that more than one-half of the population of the land [of Egypt] died of hunger and cold. Death was so prevalent that even the animals perished in the years 806/1403-4 and 807/1404-5.”³⁶⁷ He was interested in knowing how the currency has been utilized, for determining “prices of good and costs of labor consists only of gold and silver,”³⁶⁸ since gold has traditionally been used in Egypt. Since inflation caused the dearth of economic stability, its main cause was the usage of copper coins as a main currency, which resulted in higher levels of corruption, and most importantly copper coins were utilized to make more money, which consequently also impacted the debasement of currency. Therefore, he advocated for a supervised minting of coins (since such approach in his view departs from *Sharī‘a*) and a return to a monetary policy based on gold and silver as a measure of value in

³⁶⁵ Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi's Ighāthah*, 83-85.

³⁶⁶ John L. Meloy, “The Merits of Economic History: Re-reading al-Maqrīzī *Ighāthah* and *Shudhūr*,” *Mamlūk Studies Review*, Vol. 7, No. 2 (2003): 189.

³⁶⁷ Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi's Ighāthah*, 51.

³⁶⁸ Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi's Ighāthah*, 55.

finances, trade, and economy as a whole,³⁶⁹ for the inflation (*ghalā'*)³⁷⁰ occurred due to the over-proliferation of coins and the gradual disappearance of dirham. The quantity of copper coins should be circulated only to the needs of the economy and not to boost personal greed. The primary purpose of coins being a store of value and a medium of exchange.³⁷¹ In respect to economic theory, al-Maqrīzī classified social classes into seven groups and discussed the effect of economic crisis that swept through Egypt in the 15th century: those who hold power; wealthy merchants; small-business merchants; farmers; scholars; skilled workers; and the poor.³⁷² He managed to analyze the monetary economy that influenced those social classes as an independent mechanism. Al-Maqrīzī's vivid descriptions of the conflict between the social classes insinuates that the ruling elite controlled the grain market, the middle and small businesses aimed to maximize their profits, whilst the common people (*āmma*) sought to protect their livelihood, indicating that the state was only one of the participants in this competition. After analyzing the effects of the crisis, he concludes that the return to the monetary system based on gold and silver is necessary and in accordance with the moral value, for copper coins were never meant to be a standardized currency, but dirham as an ideal account. Consequently, also goods would be linked to gold as more stable currency. He proposes that "to issue a whole decree to our masters the chief judges – God strengthen their religion – that they require the notaries to write land registers, building contracts, marriage contracts, and loan documents only in dirhams," as well as that judges should be directed to enforce market inspectors to assure dirham-based transactions.³⁷³

Even though al-Maqrizi does not directly address concepts related to Sufi or philosophical discourse, his critique of the governmental policy on economic management in essence pertains to the very core of the moral argument in de-linking the copper money from gold and silver in order to eradicate political corruption and re-establish healthy moral economy. His advices designate a legal, political, and moral policy to the ruling class on monetary affairs as how to refurbish a healthy economy based on sound moral teachings.

10. Concluding Remarks

³⁶⁹ Muḥammad 'Alī al-Maqrīzī, *Ighātha al-Ummah bi Kashf al-Ghumma* (Cairo: 'Ayn al-Dirāsāt al-Ba'ūth al-Insāniyya wa al-Ijtimā'iyya, 2007); Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi's Ighāthah*, 77-78.

³⁷⁰ Adel Allouche, *Mamluk Economics: A Translation and Study of al-Maqrizi's Ighāthah*, 27, 40, 50.

³⁷¹ Warren C. Schultz, "Mamluk Monetary History: A Review Essay," *Mamlūk Studies Review*, Vol. 3 (1999): 183.

³⁷² Hiroshi Kato, "Reconsidering al-Maqrīzī's View on Money in Medieval Egypt," 36.

³⁷³ Al-Maqrīzī, *Shudhūr*, 35-36 in John L. Meloy, "The Merits of Economic History: Re-reading al-Maqrīzī Ighāthah and Shudhūr," *Mamlūk Studies Review*, Vol. 7, No. 2 (2003): 200.

Since premodern Islamic culture was not familiar with the concept of economics or the field of political economy as it is defined and extrapolated in the modern period, the subject of economic thought in Islam has to be approached via the epistemic route that would give precedence to moral understanding of the economic behavior of man. In light of the classical Muslim scholars, the focus of economic ideas was not to maximize profit, but to construct a responsible and all-encompassing, systematic-spiritual *modus operandi* to attain higher objectives, conducted with moral agency.

The individual in premodern Islamic concept was always comprehended as part of a communal reality. Even though commercial laws (*mu'āmalāt*) and judges' decisions indicate that it is always an individual that is addressed and remitted, given the essence of *Sharī'a*, this is inasmuch as significant for the community at large. The individual's heart, salvation, and his impeccable behaviour is henceforth made contingent upon the communal reality. In consideration of this, an individual is a micro-cosmos of society in which there is a dialectical relation between the two. The ultimate duty of an individual is to be an operative part of the moral cosmology of *Sharī'a*, in which one forms "individual communitarianism." *Sharī'a* as Divine law does not address only the institutions of *zakāt*, *ribā*, and other conceptualities in light of legal understanding, but also other more abstract yet profoundly relevant matters which entail moral connotations, including the notion of *maṣlaḥa*. Therefore, it seems appropriate that the moral cosmology of economic thinking in Islam loom large over the legal normativity. In view of this distinction, Islamic economics ought to be studied through the theoretical corpus of Islamic intellectual history and virtuous traits of character.

The aim of classical scholars' writing was not necessarily to eradicate poverty but to refrain from riches. The *kasb-zuhd* amalgam imparts the idea that the poor do not need to contest the rich, while simultaneously the rich do not need to despise the poor, yet the motive of the rich has to change in order to facilitate the needs of the poor. Classical Islamic thought, encapsulated in the theological, philosophical, legal, and moral sources, conveys the importance of virtuous economic faculties. The purely material (or even legal) categories are substituted with spiritual excellence, which is the only channel, which divides members of society. For many classical Muslim scholars, the market was something that evolved naturally according to society's needs and wants. Yet, this should not be mistakenly interpreted that the early Muslim scholars advocated or anticipated a modern conception of free market, for it was heavily regulated by religious and moral norms as well as legal mechanisms. Despite the fact that authority was exercised through the institution of *ḥisba*, which was responsible for market activities, it was not

the final denominator. Markets were effective in the sense that they established a proposed scheme of measurements and needs, accordingly; scholars' texts, ideas, and advices were often incorporated into the governments' policies.

The so-called *kasb-zuhd* texts on spiritual-moral economy from the classical and medieval period are about everyday economics and economic behavior as well as about the spiritual qualities of men, whereby the material is needed and thus in service of the spiritual. As such, economic postulates' final denominator is congruous with the moral cognizance of the Afterlife.

In what follows, Chapter Four critically examines Islamic economic theories and the indigenization of social sciences, which was manifested through the methodological confinement and epistemological contestation of contemporary Islamic economics vis-à-vis modernity's economic positivism.