

## **Economic Thought and Religious Thought: A Comment on Ghazanfar and Islahi**

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The recent article by S. M. Ghazanfar and A. Azim Islahi (1990) on the economic thought of Abu Hamid al-Ghazali is an important attempt to relate the writings of an Islamic thinker to modern economics. It follows several earlier articles (Spengler 1964; Boulakia 1971; Haddad 1977) that have appeared in major Western economics journals on the economics of Islamic thinkers.

The task of relating these Islamic thinkers to modern Western economics is an important one, partly because historians of economic thought seek better interpretations of these early Islamic texts, partly so that the lines of influence can be better traced between these writers and Western writers like St. Thomas Aquinas, but also because recent events in the Middle East and elsewhere have brought the issue of the relationship between Islam and the modern West into sharper focus.

I will argue that Ghazanfar and Islahi's treatment of al-Ghazali is misleading and, more generally, that their interpretative approach rules out any meaningful encounter between modern Western economics and Islamic thinkers like al-Ghazali. Ghazanfar and Islahi look at al-Ghazali's writings through a modern Western lens that blocks out the eleventh-century non-European nature of the texts, and especially their religious nature. In particular, Ghazanfar and Islahi treat al-Ghazali almost as if he were a late-twentieth-century professor of economics at an American

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university and as if his perspective on religion were a post-Enlightenment secular one. This perspective assumes that individuals are free to choose whatever religion they prefer and that this religion is a private matter, wholly separate from and irrelevant to public matters, especially scientific matters. The problem is that al-Ghazali was not such a person and did not hold this view of the relationship between religious thought and economic thought. For al-Ghazali there was no division of life into compartments—for him, Islam was inseparable from economic questions.

Ghazanfar and Islahi's introduction, quoting some of the secondary literature, characterizes al-Ghazali as a scholastic philosopher/theologian (1990, 381-82). Some comments are also repeated about his holistic intellectual approach (381). Unfortunately, these introductory remarks are ignored in much of what follows. In the main discussion of al-Ghazali's economics there is no further mention of these elements of his thought and no attempt to trace their influence on the interpretations offered. The article discusses al-Ghazali's economics under four headings: voluntary exchange and the evolution of markets, production, barter and the evolution of money, and the role of the state and public finances. Under the first heading (see 383-84), the authors discuss al-Ghazali's so-called social welfare function, an extremely misleading characterization of the concept of the common good within Islamic jurisprudence. The authors interpret al-Ghazali's exhortation to, or prohibition of, certain practices as statements about the utility and disutility of the ends associated with those practices. As well as being a utilitarian, judging by the authors' comments, al-Ghazali seems to have been familiar with Maslow's hierarchy of individual and social needs. A problem with these alleged similarities is that when quotations from al-Ghazali's works are given, they do not actually support the assertions, even when the authors use their own translations. For instance the assertion that "al-Ghazali views people as maximizers" (384) is supported by a quotation: "Man loves to accumulate wealth and possessions of all kinds of property. If he has two valleys of gold, he would want to have a third" (384). This has nothing to do with maximization and, if anything, is more consistent with a non-instrumental view of reason. Aside from the problem of their quotations not supporting the assertions, quotations selected are worrisome, especially when there is no adequate discussion of the overall purpose and structure of the works from which the quotations are taken. The discussion of al-Ghazali's economics under the other three headings includes descriptions of his laying of the foundation of the "spirit of capitalism"

(386), the “division of labor” (387), his “sound understanding of the interactions of demand and supply” (387), the “upward-sloping supply curve” (supported by the quotation “if the farmer does not get a buyer for his produce then he sells at a very low price” [387]), “price elasticity of demand” (388), and so on. These assertions are subject to the same problems, and the authors comment that “many of al-Ghazali’s ideas are almost identical to those found in conventional texts” (386) is scarcely credible.

Focusing on Ghazanfar and Islahi’s treatment of the religious nature of the texts, the occasional mention of al-Ghazali’s Islamic faith (in the main part of the paper) makes their secular interpretative position particularly clear. Ghazanfar and Islahi keep faith separate from and subordinate to the scientific economics that al-Ghazali is propounding. The authors’ interpretative position is typified by their statement: “Like other scholars of his age Ghazali mixed philosophical, religious, ethical, sociological, and economic considerations into his writings. From time to time a poem, anecdote, aphorism, or quotation from the Scriptures enlightens his texts” (383). For Ghazanfar and Islahi’s al-Ghazali the scriptures are no more than decorative. This view of al-Ghazali is not plausible given a careful reading of the texts, including the *Ihya Ulam al Din* (usually translated as “Revival of the Religious Sciences” and the *Kitab Tahafut al Falasifah* (“Incoherence of the Philosophers”), which are the sources of many of Ghazanfar and Islahi’s quotations. The overall argument of these works is that to build a structure of thought that goes beyond the Qur’an and hadith is to be lost in undirected human will and speculation (see, for instance, Hourani 1991). It is misleading to characterize al-Ghazali as a modern thinker when the main project of post-Enlightenment Western philosophy has been to build and to justify systems of thought that are independent of religious thought. The inaccuracy of Ghazanfar and Islahi’s characterization of al-Ghazali should be evident just from the titles of the two major works mentioned above, and even more so when the proper sense of *Din* as religious practice is considered. If al-Ghazali actually held the modern secular view that religion is an optional and inconsequential extra, which the authors seem to assume he held, he would probably have gone to the gallows along with his near contemporary al-Hallaj, and we would not have any texts to discuss today.

Overall, ignoring the decorative remarks in the introduction, the al-Ghazali with whom the reader is presented is a philosopher/theologian

with a largely modern perspective but whose particular theoretical formulations were not quite the same as those of modern economics. In their words, “clearly Ghazali must be acknowledged as a distinguished pioneer of modern economic thought” (402).

The main point here is not just that Ghazanfar and Islahi have misinterpreted al-Ghazali but that their interpretative lens prevents them from coming to terms with the nature of al-Ghazali’s writings. A different approach is needed to understand al-Ghazali’s economics—if indeed he conceived of economics in a meaningful way given the modern conception of economics. Before considering what this different approach might be, it is worth mentioning another group of Islamic thinkers from the twentieth century—the Egyptian Sayyid Qutb, the Pakistanis Abu-lala Maududi and Khurshid Ahmad, and the Iranian Ali Shariati, who have received little attention so far from Western economists. These writers are associated with the Islamic revival movement that has struggled with Islamic modernism throughout this century. While they have received some attention from historians and students of religion, the economic aspects of their writings have not, despite their work representing one of the strongest living economic traditions outside the West. It has perhaps made so little impact on Western economic journals because the interpretative approach exemplified in the Ghazanfar and Islahi article does not deal with a nonsecular approach to economics. The interpretative approach is even more problematic in relation to this group of thinkers than in relation to al-Ghazali because nonsecularism is impossible to ignore in aggressively anti-secular writers like Ali Shariati.

What shape might an alternative interpretative approach take? One possibility is the extreme relativist approach which, overwhelmed by the differences between the Islamic and the modern Western versions of economics, abandons the attempt to relate the two. I believe that this view, which rules out any possibility of understanding on either side, is too pessimistic.

A variant is the view that communication of the Islamic view is a task for insiders only—the Islamic writers themselves. Unfortunately, an insider’s perspective is not necessarily more accurate than an outsider’s. For instance, there are many works on Islamic thinkers of the past cited in the last section of Siddiqi’s (1980) survey of Muslim economic thinking, but very often Muslim economists, blinded by the power of Western economics, reduce the Islamic element of their studies of the thinkers of the past merely to showing that Muslims anticipated modern secular

economists on point after point. The distortions involved in these commentaries are often far greater than Ghazanfar and Islahi's of al-Ghazali.

The most fruitful alternative approach in my view would be for economists, whether they be Muslim or non-Muslim, to use a broader interpretative framework when analyzing Islamic religious texts. In terms of the earlier analogy, this would mean keeping a few sets of lenses handy in addition to the modern secular set. This broader framework would see the modern secular position as one among many and would be open to negative evaluations. Examples of this approach are rare: Jacob Viner's works on Christian theology and economics (see Viner 1972; 1978); perhaps Spengler's (1964) article on the early Islamic writer Ibn Khaldun; works like Mannan 1964 and Naqvi 1982, which begin the task of relating Islamic economics to modern Western economics from the Islamic side; and E. F. Schumacher's (1974) essay on Buddhist economics. Joseph Schumpeter had the breadth of vision necessary for the task but in the opening sections of his great work (1954), he carefully and surely consciously limits the scope of his inquiry to exclude the nonsecular.

This broader interpretative approach, if taken further and applied to Islamic writers like al-Ghazali and those associated with the recent revival movements within Islam, might tell us more about another way of doing economics and yield some interesting insights into the nature of modern secular economics itself.

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