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tradition in economic thought by Louis
Baeck**

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Book Review

Louis Baeck

The Mediterranean Tradition in Economic Thought

Routledge, London, New York, 1994, pp. x + 241

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The Mediterranean Tradition in Economic Thought is authored by Louis Baeck who is Professor of International Economics and Development at the Catholic University of Leuven (Belgium). He is also administrator of the Belgium University Foundation. The book surveys the Mediterranean Tradition over four millennia. The author has classified his discussion under seven chapters: The Mediterranean Tradition, The Near Eastern Precursors, The Contribution of the Greek Essayists and Philosophers, The Economic Thought of Classical Islam and Its Revival, The Economic Impact of the Cistercian Order, Medieval Thought in the Latin West, and The Iberian Monetarism and Development Theories of the Sixteenth and Seventeenth Centuries.

In addition to a complete substantial and illuminating chapter on Islamic economic thought, references to Islamic and Arab scholars are scattered at various places in most of the chapters. It is this aspect of the work that must attract the attention of readers interested in Islamic economics. And that is the focus of this review. The author admits that .in most handbooks on economic thought the contribution of the Islamic scholars finds no place. (p.118). But he does not attempt to find out the reason behind it. He pays a rich tribute to Islamic scholars of the past and admits .superiority of Islamic culture to its Greek and Oriental ancestors intellectually as well as in the material field. (p. 119). He does not hesitate to put on record influence of Muslim scholars on Western scholastics; with an almost al-Farabian touch the Dominican sketches the characteristics of an ideal state. (p. 160); Franciscan reformers, with a mystic bent and in an endeavour reminiscent of al-Ghazalian *ash`arism*, defined faith as voluntaristic admission (*adhaesto*) of God's calling and grace (p. 164); Familiar with the Arab sources whose scholastic texts were more positive on trade activities, Thomas concurred with the legalization of a moderate profit. (p. 162); In his discourse on the functions and value of money, Albertus comes very near to Ibn Rushd.s metaphysical absolutism for measures (p. 158). We are told that with the insertion of the metaphysical smallest unit notion in the exchange chapter of his *Ethics* commentary, Ibn Rushd had already opened the door to a latent form of marginalism (p. 171). The author suitably highlights the importance of Ibn Khaldun's *Muqaddimah* in economic literature. To him it is .a piece of work which was ahead of its time, he (Ibn Khaldun) can be labeled as a political scientist, a sociologist and an economist. (p. 116). The author points out various important concepts of modern conventional economics which are found in the *Muqaddimah* in embryonic form (pp. 116-117). He openly acknowledges the role of Islamic thinkers in the development of scholastic economics when he says that, "In the eleventh to the thirteenth centuries the Islamic symbiosis started to infiltrate the Latin West" (p. 119).

In spite of so much applaud for Islamic economics and appreciation of Muslim contribution to economic thought, the book is not free from factual errors and misrepresentation of the Islamic stand at several occasions. In a statement he combines Muslims holy zeal for Allah with *lust for booty* (emphasis added), as the main factors behind Islam's early conquest from Persia to Morocco and up to the Pyrenees in Europe (p. 96), which is just an effort to malign the holy war of Islam. The war was fought as the last resort to remove hurdles in the way of establishment of peace and security and acceptance of the just system of Islam as Muslims were ordained to do that in their capacity as bearers of the last message of Allah.

Similarly, his statement that, ... "The Quran prescribes the distribution of an inheritance according to a formula regulated by the custom" (p. 99), merely shows his ignorance of the Qur'anic law of inheritance. After describing the rules for distribution of inheritance, the Quran has clearly mentioned that "These are settled proportions ordained by Allah and Allah is All-knowing and All-wise" (The Qur'an 4:11). It further says: "Those are limits set by Allah ..." (ibid 4:13).

The author's understanding of the taxation system of Islam needs correction. Contrary to his statement (p. 99), we are *not* left in the dark as to whether within the Islamic community other taxes may also be levied. One of the authentic traditions states .There *is* a claim on one's property other than *zakah* (Ibn Taymiyah: *Majmu` Fatawa*, Riyadh 1483 A.H., Vol. 29, p. 187). It is also based on misunderstanding and not factual to say that .In fact, the taxes for financing general public spending were originally levied on the groups in population that did not belong to the umma: i.e. on the Jews and Christians (p. 99). *Fai* revenue, one-fifth of *Ghanimah*, *Kharaj*, unclaimed property, heirless property, etc., were meant for general public spending. The only special tax on *ahl al-dhimmah* (non Muslim citizens of Islamic state) was *Jizyah* which was much less than *zakah* imposed on Muslims.

While discussing Zaid bin Ali's stand on deferment of payment (of commodities) where solidarity excludes *riba* out of necessity and transactions with the purpose of trade where commercial custom applies (p. 101), the author's interpretation that 'Money invested in commercial operations is perceived as productive capital. On this basis, the interest received on a commercial loan is a legitimate remuneration for its productivity. The prohibition of *riba* applied only to pure money loans' (p. 101) is confusing and rather gross misrepresentation of Zaid bin Ali's stand. (For a sound interpretation of his statement, one may refer to Siddiqi, M.N., *Recent Works on History of Economic Thought in Islam: A Survey*, Jeddah, ICRIE, 1982, pp. 4-5).

The author is not just when he intends to give an impression that *al-hisbah* system owes its origin to a Roman institution and that the *muhtasib* is an Islamicization of a Byzantine market officer (*agoranomos*), (p. 101). In fact its origin goes back to the teaching of the Qur'an and practices of the Prophet (pbuh) and his Caliphs. The Islamic *hisbah* had much wider scope than the market supervision. (For more details on this issue, please refer to Islahi, A.A. *Economic Concepts of Ibn Taimiyah*, Islamic Foundation, UK., 1988, pp. 186-91).

He has extensively examined Ibn Taimiyah's contribution to economic thought. But at two places he ascribed him as *muhtasib* (pp. 103-104) which is not correct. And the same is case with Ibn al-Qayyim,

‘the text of this fourteenth century *muhtasib* clearly formulates the monetary theory professed in the schools of law and jurisprudence of his time’ (p. 105). To the best of our investigation, these two great scholars of Islam never held this public office. They were engaged in academic and teaching work. I wonder what the source of his information is.

It is strange that the author mentions al-Dimashqi under the Persian Tradition. (pp. 107-08). The very attribute of al-Dimashqi should have been enough to be cautious. Exact details about the life and time of Abu’l Fadl Ja’far bin Ali al-Dimashqi are still unknown. It is said that his work *Kitab al-Isharah ila Mahasin al-Tijarah* bears the colour of Neo-Phythagorean economics and contains passages of the lost text of the Greek philosopher Pythagorus (c.f. Essid, Yassine, .Greek Economic Thought in the Islamic Milieu: Bryson and Dimashqi. in S. Todd Lowry (ed.), *Perspectives on the History of Economic Thought*, Edward Elgar (U.K.) 1992, pp. 31-38). That he represented the Persian tradition also is first time heard. Again, it is a gross error to call author of *Kitab al-Kasb* al-Shaybani. (Muhammad bin Hasan al Shaybani (d. 189 AH) a student of Imam Abu Hanifa (d. 150 AH) and an original thinker in his own right) as Persian. (p. 108). Translation of the title *Kitab al-Kasb* as the Book of Merits is also not correct. Perhaps he mixed it up with al-Dimashqi’s work cited earlier and sometimes briefly called as *Kitab Mahasin al-Tijarah* (*mahasin* means merits). To represent the Persian Tradition, some other scholars might have been chosen, such as Ibn Sina (d. 1037), Kai Kaus (d. 1082), Nizam al-mulk Tusi (d. 1092), Nasiruddin Tusi (d. 1274), etc.

The book also suffers from some typographical errors, unusual in Western publications. For example: *Khalif* p. 96 (*Khalifah*), *Makasim al-akhlaq* p. 97 (*makarim al-akhlaq*), Abu Shafi’i p. 100 (Imam Shafi’i), *madrasha* p. 9, 237 (*madrrasah*), etc.

At places, the author seems to be affected by the contemporary propaganda language when he uses the phrase militant of Ikhwan for Sayyid Qutb (p. 115), or when he says The Islamic Paradigm *Jihad* presents an imposing challenge to Western development theories (p. 124). The fact is that “In the process of its northward and Westward move its atlantization modern economics characterized itself as a purely rational construct, freed from the so-called shackles of ethical and religions norms (p. ix). As far Islamic economics is concerned, “The basic aim is to proclaim the ethical basis of economics, with divine law as norm” (p. 124), and that is what the conventional economics is lacking.

However, the work is commendable. Although the theme of the book is wide, it gives substantial coverage to the history of economic thought in Islam, an area generally ignored by the historians of the subject. Indeed it is a significant effort, though partially, towards the long due over the Western investigators. It is perhaps the second most important work on Islamic economic thought by a Western writer in English, the first and pioneer being Joseph Spengler’s “Economic Thought of Islam: Ibn Khaldun”, *Comparative Studies in Society and History*, Hague, 1964, Vol. 6, pp. 268-306), surprisingly no where cited by the author. As a whole, the book is successful in refuting the claim that economic thought is entirely an Anglo American or Atlantic affair. It is an interesting reading also for those who are interested in dialogue between civilizations.

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