



Munich Personal RePEc Archive

## **Islam and Christianity: symbiosis of civilizations**

Cizakca, Murat

INCEIF, Kuala Lumpur

16 October 2006

Online at <https://mpra.ub.uni-muenchen.de/23095/>  
MPRA Paper No. 23095, posted 07 Jun 2010 09:46 UTC

ISLAM AND CHRISTIANITY: SYMBIOSIS OF CIVILIZATIONS

BY

MURAT IZAKA  
INCEIF  
KUALA LUMPUR

Submitted at the University of Munich, Germany on October 16<sup>th</sup>, 2006 on the occasion of the inauguration of the 2006-2007 Allianz Guest professorship.

Copyright by Murat izaka, 2006.

ISLAM AND CHRISTIANITY: SYMBIOSIS OF CIVILIZATIONS

The tragic events in our post 9/11 world disguise the fact that Islam and the West have actually been in a symbiotic relationship for more than a millennium. The identification of Islam with terrorism is not only a very recent development, it is also vastly misleading and lop-sided. So much so that the Italian Minister Roberto Calderoli declared some time ago that Islam was not even a civilization. Nothing can be further than the truth.

Muslims played a crucial role in the development of Western civilization. Within the first 20 years of the revelation of Islam, Arabs conquered Roman/Byzantine Egypt and Syria, thus establishing contact with the wisdom of ancient Greece, Egypt and Mesopotamia. Conquest of Iran and Islamization of Northern India followed. Soon the first translations were made from Greek, Arameic, Sanskrit and Persian into Arabic. What the Greeks lacked, like the concept of zero and trigonometry, were provided by the Indians. By the ninth century, borrowing reached to a new threshold and Muslims began their own contributions in astronomy, geography, mathematics and sciences. A dramatic example is provided by Caliph al-Me'mun, who established a famous academy in Bagdad in early 9<sup>th</sup> century. The scholars of this academy discovered that the earth was round. When informed about this, the Caliph commissioned the scholars to calculate the length of the equator. The result they reached was ca. 40.000 kms. Modern science has not been able to improve this result. Comparative historians of science now argue that western science is a continuation of Islamic science, which itself was a continuation of the Greek sciences. The Greek sciences, on the other hand, evolved from Babylonia and Egypt.<sup>1</sup> In short, we live in a world of *continuum* and civilizations learn from each other.

I am not a historian of science, but my predecessor Prof. Ekmeleddin Ihsanoglu, the

---

<sup>1</sup> F. SEZGIN, *Kim Demis Islam Buyuk Bir Medeniyet Degil Diye*, in "Zaman", July 29<sup>th</sup>, 2005. See particularly his, *Einfuehrung in die Geschichte des Arabisch-Islamischen Wissenschaften*, Frankfurt n.d. (J. W. Goethe Universität).

first Allianz-Gast Professor, was. So I do not want to repeat here the things that he must have explained already. Instead, I want to focus on the contribution of Islam to the West as a historian and a social scientist.

The relationship between Islam and capitalism has long fascinated social scientists. There is strong evidence that Islam had developed its own capitalism. Consider for instance that bulk of the *Sharia*, Islamic jurisprudence, was written down by men most of whom were merchants. More importantly, even Prophet Mohammed himself was a merchant, who firmly believed in free markets and refused to interfere in prices. Moreover, of the four righteous Caliphs, Abu Bakr was a cloth merchant and Uthman was an importer of cereals.<sup>2</sup> Great Islamic philosophers also had firm opinions about property. For instance, the famous twelfth century philosopher Al-Ghazali considers the protection of property (*hifz al-mal*) as one of the five purposes of Islamic jurisprudence (*Maqasid al-Shariat*). The great fourteenth century historian and philosopher Ibn Khaldun had highly sophisticated ideas about economics and, reflecting the Prophet, favoured minimum state interference in the economy.<sup>3</sup> Therefore, there is nothing surprising about the fact that Islam, a religion born in the Arabian desert, where trade constitutes the most important, may be even the sole economic activity, favours merchants, property rights, free trade and market economy. My own conclusion is that Muslims had discovered capitalism centuries before Adam Smith and that there was a highly successful Islamic capitalism. Because an economic system that favours merchants, property rights, free trade and market economy is generally known as capitalist, I have no qualms about calling this Islamic economic system as such even though this term is so closely associated with the Western experience.<sup>4</sup>

---

<sup>2</sup> S. D. Goitein, "The Rise of the Middle-Eastern Bourgeoisie in Early Islamic Times" in S. D. Goitein, *Studies in Islamic History and Institutions* (Leiden: Brill, 1968): 223.

<sup>3</sup> Umar Chapra, *The Future of Economics, An Islamic Perspective* (Leicester: The Islamic Foundation, 2000), pp. 58, 146-177.

<sup>4</sup> For a very detailed and rigorous discussion on whether the Islamic economic system can be called capitalistic see; Maxime Rodinson, *Islam and Capitalism* (New York: Penguin Books, 1974). Rodinson first approaches the problem from Marxist perspective and declines to call Islamic economic system capitalist but then admits that it possessed a highly sophisticated "capitalist sector". He also admits that "the merchants of the Muslim Empire conformed perfectly well to Max Weber's criteria for capitalistic activity", *ibid.*, pp. 28-30.

### Characteristics of Islamic Capitalism:

Islamic capitalism prohibited usury and firmly protected property rights. It also allowed and encouraged free trade, legitimate profit and capital accumulation. But at the same time it also warned wealthy Muslims that they would have to answer the following questions in the day of judgement:

1. How did you earn your capital?
2. And how did you spend it?

Thus, providing wealth is earned through legitimate means and providing it is spent for one's family's needs and for the good of the society, Islamic jurisprudence does not impose any limit to the capital a Muslim can accumulate. Al-Ghazali even considers the acquisition of goods for the fulfilment of needs, as a form of worship. In this context, wealth, for instance, is needed for the fulfilment of the pilgrimage. Consequently, accumulation of capital, according to Al-Ghazali, becomes a form of worship.<sup>5</sup> In short, Islamic capitalism allows accumulation of capital subject to ethical and *voluntary* self-controls and redistribution of wealth.

Classical Islam developed institutions that were vitally important for capital accumulation. To start with, Prophet Muhammad discouraged barter and encouraged conducting trade with money. When the Prophet declared that barter was a form of usury, he must have catapulted the Arabs from the age of barter to the age of money with the result that the demand for money must have increased tremendously. Matching this new demand with an equally great supply was made possible by military conquest – when Islamic armies swept through the Byzantine and Persian domains, they did not hesitate minting Islamic coins out of the hoarded precious metals in churches and temples. In this way, the huge increase in the demand for money could be matched by an equally dramatic increase in the supply

---

<sup>5</sup> Sabri Orman, *Gazali'nin İktisat Felsefesi* (Istanbul: İnsan Yayinlari, 2002), p. 79.

of money.<sup>6</sup> It is well-known that these Islamic coins were found all over Europe. The ubiquitousness of the hoards discovered indicates that they had become the dominant currency in the period eighth-twelfth centuries, when they re-monetized Europe.<sup>7</sup>

Muslims also developed highly sophisticated partnership and contract laws. These laws, the most sophisticated ever throughout the medieval era, were of crucial importance for a civilization that applied a stringent prohibition of interest. Thanks to these highly advanced contract forms and partnerships, Muslims could combine various factors of production despite the interest prohibition. Other financial techniques, such as bills of exchange (*hawala*), checks (*saqq*) etc., were also in all probability developed by the Muslims.<sup>8</sup> Moreover, the waqf (pl. *awqaf*) system facilitated private persons to invest in human capital. State investment in human capital remained marginal in most Muslim empires. *Zekat*, a specific tax on certain forms of wealth, and *awqaf*, charitable/philanthropic foundations, were the institutions through which Muslims distributed their capital *voluntarily*. This word is written in italics here because voluntary rather than forced redistribution through heavy taxation was the norm in classical Islam. Obviously, it was the basic ethical teachings of Islam, which effectuated the voluntary nature of income redistribution.

It was thanks to this unique and ethical capitalism that the Muslims were able to link the Mediterranean and the Indian Ocean world-economies a thousand years before Western capitalism was able to do so. Moreover, they have successfully maintained this linkage for a millennium.<sup>9</sup>

---

<sup>6</sup> Murat Çizakça, "Economic Islamization of Medieval Eurasia: An Institutional Framework", *Library of Mediterranean History*, Vol. I, No. 1, 1994; Andre Wink, *Al-Hind, The Making of the Indo-Islamic World*, vol. I (Leiden: Brill, 1991): 34-36.

<sup>7</sup> Michael McCormick, *The Origins of the European Economy* (Cambridge: CUP, 2001), ch. 12.

<sup>8</sup> For the debate whether the European bills of exchange were influenced by the Islamic *hawala* and *suftadja* see; Eliyahu Ashtor, "Banking Instruments between the Muslim East and the Christian West", *Journal of European Economic History* 1(1972): 553-73.

In linking the Mediterranean and the Indian Ocean world-economies another Islamic institution, the pilgrimage played a great role. This institution literally brought together millions of Muslims from the four-corners of the world in Mecca. Although most Muslims consider the pilgrimage as a purely religious act, in reality it is nearly impossible to draw a line between religion and business. First of all, Muslims are specifically permitted to trade while involved in the pilgrimage. Second, this duty, which is one of the five pillars of Islam, is incumbent upon those Muslims who can afford it, that means basically merchants. Thus bulk of the mercantile class of the Islamic world is ordered to go to Mecca (and trade there) at least once in a life-time. Third, unlike the Christian pilgrimage for which there are a multitude of centres, in Islam there is absolutely one centre; Mecca, forcing in fact all the pilgrims to convene there. Fourth, throughout history the number of pilgrims was huge. The scattered evidence that we have indicates that these numbers fluctuated between 70,000 and two millions throughout the history of Islam. It is doubtful, if the much publicised European fairs of Champagne could ever muster such numbers. Moreover, the Champagne fairs were relatively local affairs bringing together mostly Italian and Flemish merchants. By contrast Muslims from all continents convene in Mecca. Fourth, When pilgrims approach to Mecca, they are ordered to stay and put camp at the nearby plains where it is the responsibility of the ruler that free trade and security prevail. Any ruler who fails to fulfil these conditions would lose his legitimacy.<sup>10</sup> In short, the pilgrimage considerably facilitated the establishment of a world-wide trade network. The west simply incorporated itself into this system.

Let us now look into another linkage, the one between the two capitalisms. There was indeed, significant linkage between western capitalism and its Islamic predecessor. This was provided both by institutional borrowing and dissemination of ideas. Considering the former, the West borrowed from the Islamic world a

---

<sup>9</sup> Andre Wink, *Al-Hind, The Making of the Indo-Islamic World*, vol. I (Leiden: Brill, 1991): 34-36.

<sup>10</sup> Suraiya Faroqhi, *Herrscher über Mekka, die Geschichte der Pilgerfahrt*, (München: Artemis Verlag, 1990).

world currency, which helped it to re-monetize its economy, contract law, partnership techniques such as profit and loss sharing; combination of the capital of a multitude of capitalists and the transfer of this capital to the agent; the shares, cash transfer techniques, checks and charitable/philanthropic foundations.<sup>11</sup> Moreover, Daniel Panzac showed that the three most important sources of European maritime law, the Rhodian, the Oleron and the Consolato del Mare compilations were strongly influenced, even at times directly translated, from the eighth-twelfth century Muslim texts.<sup>12</sup>

Of these, the contract law, partnership techniques and the charitable/philanthropic foundations were of particular importance. Contract law constitutes the “golden triangle” of New Institutional Economics. This is because, contracts relax the constraints of bounded rationality, fix schemes of references for future actions and check on opportunistic behaviour.<sup>13</sup> Partnership techniques, on the other hand, allow the transfer of funds from the capitalist to the entrepreneur, thus combining important factors of production, in an interest free environment. Obviously, in view of the prevailing interest prohibition everywhere, this was a vitally important institution not only for Muslims but also for medieval Europeans. Reference is made here of course to the very probable borrowing of the Islamic *mudaraba* contract under the name *commenda* during the tenth century. The *commenda* was first introduced as a customary practice of the European traders doing trade with the Islamic world and then diffused all over Europe through the various compilations mentioned above. Later on, during the sixteenth century, we observe a synthesis of *commenda* with a genuine European institution; the corporation. It was this synthesis which paved the way to the immensely successful incorporated

---

<sup>11</sup> Murat Çizakça, *A Comparative Evolution of Business Partnerships* (Leiden: Brill, 1996) and *id.*, *A History of Philanthropic Foundations: Islamic World From the Seventh Century to the Present* (Istanbul: Bogazici University Press, 2000).

<sup>12</sup> Daniel Panzac, “Le Contrat d’Affretement Maritime en Méditerranée: Droit maritime et pratique commerciale entre Islam et Chrétienté (XVIIe-XVIIIe Siècles), *JESHO*, 45, 3, 2002: 355-359.

<sup>13</sup> Claude Ménard, “A New Institutional Approach to Organization”, in C. Ménard and M. Shirley (eds.), *Handbook of New Institutional Economics* (Dordrecht: Springer, 2005), p. 282.



joint-stock companies.<sup>14</sup>

While Islamic origins of *commenda* are strongly suggested but not yet definitively established,<sup>15</sup> Islamic origins of the charitable/philanthropic foundations, *waqf* (pl. *awqaf*), without which, the formation of human capital would have been impossible, and Islamic origins of the European maritime law (contract law) are now definitively established.<sup>16</sup> In short, three Islamic institutions had great impact on European capitalism. While the *mudaraba/commenda* paved the way for the incorporated joint-stock companies, the *awqaf* helped Europe establish, finance organize and maintain universities and hospitals, i.e., build human capital, and finally the Islamic maritime law enabled European merchant fleets to dominate maritime trade between both shores of the Mediterranean.<sup>17</sup> Thus, at least from an institutional perspective, it can be safely argued that Islamic and medieval European capitalisms had by and large the same origins.

Moreover, common origins were not limited to institutions. Ideas of some of the greatest medieval Muslim and European philosophers too were quite comparable. This is because, they learned from each other. To start with, Al-Ghazali did not hesitate to refer to the traditions of Jesus Christ and his consideration of work as a form of worship may, at least partially, have been influenced by these Christian traditions.<sup>18</sup> In return, Al-Ghazali influenced St. Thomas Aquinas, who improving upon the custom of his time, acknowledged his debt. Indeed, the influence of Al-Ghazali's economic thought on St. Thomas is now so well established that he is

---

<sup>14</sup> For the significance of the corporate form see the various articles by Timur Kuran, particularly his latest; "The Absence of the Corporation in Islamic Law: Origins and Persistence", *The American Journal of Comparative Law*, vol. LIII, Fall 2005, No. 4.

<sup>15</sup> For a summary of this debate see, M. Çizakça, *Comparative Evolution*, pp. 10-15.

<sup>16</sup> Monica Gaudiosi, "The Influence of the Islamic Law of Waqf on the Development of the Trust in England: The Case of Merton College", *University of Pennsylvania Law Review*, vol. 136, no. 4, 1988: 1231-1261; D. Panzac, *op. cit.*

<sup>17</sup> This is because, resorting to the originally Islamic contract forms, European captains had no difficulty in securing cargoes belonging to the Muslim merchants. So much so that European vessels eventually came to dominate not only the trade between Islamic shores and Europe but also between Islamic ports themselves.

<sup>18</sup> S. M. Ghazanfar, "The Economic Thought of Abu Hamid Al-Ghazali and St. Thomas Aquinas: Some Comparative Parallels and Links", *History of Political Economy* vol. 32, No.4, 2000: 872.

considered to be the forerunner of Aquinas.<sup>19</sup> Indeed, Al-Ghazali's views on just price, usury and profits are reflected clearly in Aquinas. One can also argue that Al-Ghazali's views, in comparison to those of Aquinas, were even more liberal. Although Al-Ghazali's influence on St. Thomas is paramount, the latter also clearly quoted Avicenna and Averroes as well.<sup>20</sup>

But even more important than these, the new religions of Europe, Lutheranism and Calvinism may have been influenced by Islam. Indeed, some of the most important principles of Lutheranism such as the Priesthood of All Believers, Justification Through Faith, Primacy of Scripture and Iconoclasm also constitute the primary principles of Islam. The possible influence of Islam on Lutheranism and Calvinism is supported by the fact that Luther had thoroughly read the Qur'an and had even written the preface to the first ever printed version in Europe, the so-called *Bibliander Qur'an* printed in 1543. Finally, Al-Ghazali's concept of work as a form of worship/prayer also constitutes the cornerstone of Calvinism.

In addition to these abstract concepts, Islamic civilization (this time, the Ottomans) played a significant role in European power politics with vital consequences, which still affect our lives today. This took the form of supporting the new Protestant nations, England and the Dutch Republic, as well as Catholic France in their struggles against the Hapsburgs.<sup>21</sup> Although the real significance of this support is not yet fully understood, we can make the following observations. Ottomans supported these nations out of fear. This was the same fear that the Byzantines had: the re-establishment of a powerful Western Roman Empire. Indeed, the Byzantine doctrine

---

<sup>19</sup> George Sarton, *Introduction to the History of Science*, 3 vols. (Baltimore: Williams and Wilkins, 1927-48), II: 914; *id.* *Twenty-Seventh Critical Bibliography of the History of Philosophy of Science and the History of Civilization* (ISIS 13 (March), 1930: 420); S. M. Ghazanfar, "The Economic Thought of Abu Hamid Al-Ghazali and St. Thomas Aquinas: Some Comparative Parallels and Links", *History of Political Economy* vol. 32, No.4, 2000.

<sup>20</sup> S. M. Ghazanfar, "The Economic Thought...", p. 864.

<sup>21</sup> Alexander De Groot, *The Ottoman Empire and the Dutch Republic, A History of the Earliest Diplomatic Relations, 1610-1630* (Leiden/Istanbul: Nederlands Historisch-Arcaelologisch Instituut, 1978), H. Waetjen, *Die Niederlander im Mittelmeergebiet zur Zeit ihrer höchsten Machtstellung* (Berlin: 1909), *Abhandlungen zur Verkehrs und Seegeschichte II*; Masson Paul, *Histoire du commerce français dans le Levant au XVIe siècle* (Paris: 1896), Alfred C. Wood, *A History of the Levant Company* (London: 1935); H. Inalcik, "Imtiyazat", EI2.

that “as there is but one God, so there is but one emperor”<sup>22</sup> was directly inherited by the Ottomans. This is because, as conquerors of Constantinople, Ottoman sultans considered themselves as the true Roman emperors. The Conqueror, Mehmed II, even took the official title *Kayser-i Rum*, Caesar of the Romans. Consequently the re-establishment of a powerful Catholic Western Roman Empire was an anathema for the Ottomans. The Ottoman support to France, England and the Netherlands took the form of military campaigns on land, which reached to Vienna twice and fleet movements in the Western Mediterranean. The Ottoman fleet even spent the winter of 1543 in the French port Toulon, fully supported by the King of France, François I. It was clear, as François explained to the ambassador of Venice in 1532, that the nations of Europe facing the wrath of Charles V, could not survive without Ottoman support.<sup>23</sup>

Ottoman support to the Netherlands appears to have been equally crucial. Throughout the decade 1559-68, there was an intimate connection between Spain’s Mediterranean problems and the revolt in Holland. The Dutch nobles were fully aware of this situation. They learned from the letters exchanged between the ministers of Spain and their colleagues in the Netherlands that Spain’s chief preoccupation after 1559 was the Turkish maritime threat. So they concluded: as long as the Turks threatened, the (Spanish) king could do nothing in the Netherlands. In 1565 Orange wrote to his brother: “The Turks are very threatening which will mean that the king will not come to the Netherlands this summer”. When the sultan abandoned the Mediterranean in 1566, indirectly causing Orange’s defeat and exile, the Prince sent his own ambassador to the Sultan with the object of securing a Turkish campaign in the Mediterranean which would remove Spanish pressure from the Netherlands. This

---

<sup>22</sup> D. M. Nicol, “Byzantine Political Thought”, in J. H. Burns (ed.), *Medieval Political Thought* (Cambridge: CUP, 1988), p. 52

<sup>23</sup> Halil Inalcik, “Akdeniz ve Türkler”, *Dogu-Bati*, IX, no. 34, 2005-2006, p. 157.

double front war between 1572 and 1576 was a financial nightmare for Spain. Philip II spent during these years double his revenues. By 1576 Spain's unpaid army collapsed. This army which numbered 60.000 men on paper had shrunked to a mere 8000. Spain finally admitted defeat and conceded all the rebels' demands in February 1577, the Perpetual Edict. Victory according to an ancient Dutch proverb have "come from Alkmaar" - it also came from Constantinople.<sup>24</sup>

May be more important than all this, the support also took the form of opening the vast Ottoman markets to the merchants of these nations. In a mercantilist Europe where all the borders were rigidly controlled and the imports were limited to the absolute minimum, the significance of the vast, open Ottoman markets should not escape us. Indeed, as late as the 1660's 48% of the total exports from London were sold in the Mediterranean ports, 43% in all other European ports and only 9% in the North American ports.<sup>25</sup> Thus for English exporters North American colonies were insignificant and the Mediterranean was more important than the whole of the rest of Europe combined. Unfortunately we do not know exactly what percentage of the Mediterranean bound English goods were actually exported to the Ottoman ports. But if we look at the English silk imports from the Mediterranean, Ralph Davis informs us that roughly three-fourth of these goods came from the Levant.<sup>26</sup> In short, though our information is incomplete, it is very probable that Ottoman markets dominated the English trade in the late seventeenth century. Moreover, not only were these ports open markets but the merchants of these nations were also protected by the capitulations granted by the Ottoman sultan. By selling even dumping their goods in these ports, English merchants gained access to the silks and spices of the orient much demanded in Europe. In short, easily accessed and vast Ottoman markets must

---

<sup>24</sup> Geoffrey Parker, *Spain and the Netherlands, 1559-1659* (New Jersey: Enslow, 1979): 28-33.

<sup>25</sup> R. T. Rapp, "The Unmaking of the Mediterranean Trade Hegemony", *Journal of Economic History*, vol. XXXV, No. 3, 1975: 502.

<sup>26</sup> Ralph Davis, "English Imports From the Middle East", in M. A. Cook, *Studies in the Economic History of the Middle East* (Oxford: OUP, 1970), p. 199. During the period 1663-69 silk imports totalled 366.000 lbs. Out of this total, 264.000 originated from the Levant and 101.000 from Italy. Silk was followed in importance by currants, galls and mohair yarn. *Ibid.* p. 202.

have played a vital role in the economic development of these nations. Actually, the Ottoman markets had political impact as well. This is because, the London merchants who accumulated capital at the Ottoman markets used this capital to finance the Glorious Revolution. Indeed, the London merchants were the most important constituency of the Glorious Revolution.<sup>27</sup>

It is also necessary to look at these events from the perspective of Eric Jones, the author the “European Miracle”. If, as Jones argues, “the European Miracle” was to a large extent realized by a multitude of rival, competitive European states opting, because of competition, increasingly for liberal policies, then this anti-Hapsburg Ottoman policy must have contributed to the European political and economic system more significantly than it is normally given credit for. Indeed, had the Ottomans been out of the equation and the Habsburgs established and maintained their firm control over Germany, the Netherlands, France and England and established a powerful absolutist Western neo-Roman Empire, could we still have talked about “the European Miracle”? I doubt it, because Europe then would have been a very different place than we know it today.

This is because, an absolutist neo-Roman empire in the West would not have been democratic. In such a Europe, rule of law, the Dutch Financial Revolution and the English Glorious and industrial revolutions might never have occurred. Without the Glorious Revolution, the other great achievement of the West, the enlightenment, might also have never been achieved. Let us indeed not forget that Voltaire was profoundly influenced by the post Glorious Revolution England. In short, behind the greatest achievements of Europe during the period sixteenth-eighteenth centuries one finds a hitherto unrecognized indirect but important Ottoman (Islamic) contribution.

---

<sup>27</sup> James Macdonald, *A Free Nation Deep in Debt*.

At this point we may wonder, if both the philosophy and institutions of western and Islamic capitalisms had so much in common, why and when did these civilizations diverge from each other so radically. Why indeed did western capitalism flourish and the Islamic one stagnated even declined?

Medieval political history of the Middle East may provide a partial answer. During the disastrous eleventh-thirteenth centuries Islamic world was hit by two immensely powerful enemies; the crusaders from the West and the Mongols from the East. Engaged in a fierce struggle for their very survival, this is the period, when the Islamic world was unified and completely transformed under the Turkish empires. The Turkish domination of the Middle East as well as India that lasted in the Middle East for about 900 years has not been sufficiently explained. But most recently, it has been argued that these Turkic states practiced a proto-secularism and some form of rule of law.<sup>28</sup> It was these Central Asian institutions plus the superb military know-how, also inherited from Central Asia, which enabled these Turkish empires to excel above the older Arab empires. These highly centralized and autocratic Turkish empires were now able to mobilize massive and well disciplined armies organized according to Central Asian traditions to meet the challenge of the crusades head on, and even under the Ottomans, roll them back to the gates of Vienna. The pagan Mongol invasion, even more horrible than the crusaders, could only be checked by an alliance of the Muslim Mamluks and the Anatolian Turcomans.<sup>29</sup> While the military organization of these Turkish empires and states is well known, we have very little information about their economic policies and institutions.<sup>30</sup> Such information becomes available only with the Ottomans.

---

<sup>28</sup> Murat Çizakça, "Cross-cultural Borrowing and Comparative Evolution of Institutions between Islamic World and the West", in S. Cavaciocchi (ed.), *Relazioni economiche tra Europa ed aree islamiche, Secc. XIII-XVIII*, (Prato: Istituto di Storia Economica, F. Datini, Serie II, 38, 2006), forthcoming. The most important Turkic states were the Ghaznavids and Mughals in India, the Seljuks and the Mamluks in the Middle East, Safewids in Iran and of course later on the Ottomans.

<sup>29</sup> Halil Inalcik, "Osmanlı İmparatorluğu'nda İslam", in Vecdi Akyüz (ed.), *Osmanlı'da Din Devlet İlişkileri* (Istanbul: Ayışığı, 1999), s. 95.

<sup>30</sup> W. BARTHOLD, *Turkestan Down to the Mongol Invasion*, London 1977<sup>4</sup> (Gibb Memorial Trust), Ch.2; O. TURAN, *Selçuklular Tarihi ve Türk-İslam Medeniyeti*, Istanbul 1993 (Bogazici Yayinlari), p. 376-384. Apparently, while

These Turkic states/empires that emerged in the Middle East were under the influence of several civilizations. They successfully combined Islamic, Central Asian, Roman/Byzantine and Sasanid institutions and traditions. The result was absolutism, so pronounced that even religion was under the control of the rulers. This age old Byzantine tradition already observed at higher levels in pre-Ottoman states reached an apogee under the Ottomans. In these Turkic states and particularly in the Ottoman Empire, there was no independent Islamic establishment to control the Sultan, no independent cities, no feudal parliaments or aristocracy. The Ottoman Sultan was omnipotent and there was no separation of powers or democracy.

The reflection of this political system on the economy took the form of what I have once called, “the proto-pseudo Ottoman socialism”. “Proto” because it emerged centuries before Karl Marx and “pseudo” because it was not based on the theoretical premises developed by Marx. But in actual implementation the Ottoman system functioned in a similar way to socialism. This system allowed the Ottomans to establish harmony among the social classes. They therefore thought that thanks to this harmony their state would last forever. But while trying to impede the rise of the merchant class above the others, they ended up choking their private enterprise.<sup>31</sup> Equally important, the ideas and vision of the merchants were not reflected on economic policy, which continued to be designed by the bureaucrats.<sup>32</sup> It is therefore not surprising that their system eventually failed when it faced the fiercely competitive western capitalism. Two points must be noticed here:

1. Ottoman “proto-pseudo socialism” did not conform to the classical Islamic capitalism I have described. It was a unique system invented by the Ottomans probably under some Byzantine influence.
2. The collapse of the Soviet socialism vis a vis western capitalism was not the first

---

these empires provided security, they impeded business (S.D. GOITEIN, *Studies*, cit., p. 351).

<sup>31</sup> For evidence see; Murat Çizakça, *Comparative Evolution...*, pp. 204-210. The Ottomans called their state “devlet el-ebed müddet”, the perpetual state.

<sup>32</sup> Sevket Pamuk, *Monetary History of the Ottoman Empire* (Cambridge: CUP, 2000), p. 10, fn. 35.

failure of socialism. The dubious honor of being the first socialism to fail belongs to the Ottoman “proto-pseudo socialism”.

#### CONCLUSION:

Actually, the Ottoman Empire was not the only Islamic empire that collapsed. Other Islamic empires in Iran and India had collapsed even before. Thus, within the last two centuries, three Islamic empires covering vast territories came to an end, Palestine and most recently, Afghanistan and Iraq have also been occupied. In short, the West has emerged victorious.

I have tried to show in this paper how the Islamic world had contributed ever since the seventh century, directly or indirectly, to the success of the West. Will the victorious West now also contribute to the Islamic world? I would say, it should and it can.

The West indeed should help to the Islamic world for its own stability and security. Because, desperate and cornered, Muslims have started to resort to terrorism and with the possibility of terrorists acquiring weapons of mass destruction, we have reached at the threshold of a very dangerous era. The world desperately needs long term stability and security.

In my opinion two things are absolutely necessary for the Islamic world to recover and to start a path towards development and stability: democracy and capitalism. I have already shown that Islam had its own system of capitalism, it had a *Weltanschauung*, which was conducive to it. Therefore, capitalism and contemporary Islam are certainly compatible.

But democracy is both more important and more difficult to achieve. More important, because it is now an established fact that ever since Waterloo (1815), no democratic



country has ever fought a war with another democratic country.<sup>33</sup> In short, democratic countries do not fight wars among each other. It is for this reason that ultimately it is the democratization of the Islamic world, which will ensure the security of the West.

But the Iraqis have taught the world a very important lesson, namely that, democracy cannot be imposed by outsiders. It must be desired by the Muslims themselves. The road to mutual stability and security is therefore clear: much like the successful Ottoman help to those nations, which did not wish to be overwhelmed by Habsburg absolutism, the West should help those secular Islamic countries that do not wish to be subjugated to Islamic fundamentalism and genuinely desire a democratic and prosperous future for themselves. Indeed history has taught us that only those who are determined in their pursuit can be helped.

---

<sup>33</sup> Per Ahlmark, "Conclusions from the 20<sup>th</sup> Century: How War, Mass Murder and Famine Are Related to Democracy and Dictatorship", *Wissenschaftskollegjahrbuch*, 1998-99: 186.

## BIBLIOGRAPHY:

- Ahlmark, Per. "Conclusions from the 20<sup>th</sup> Century: How War, Mass Murder and Famine Are Related to Democracy and Dictatorship", *Wissenschaftskollegjahrbuch*, 1998-99.
- Ashtor, Eliyahu. "Banking Instruments between the Muslim East and the Christian West", *Journal of European Economic History* 1(1972): 553-73.
- Chapra, Umar. *The Future of Economics, An Islamic Perspective* (Leicester: The Islamic Foundation, 2000).
- Çizakça, Murat. "Economic Islamization of Medieval Eurasia: An Institutional Framework", *Library of Mediterranean History*, Vol. I, No. 1, 1994 .
- Çizakça, Murat. *A Comparative Evolution of Business Partnerships* (Leiden: Brill, 1996)
- Çizakça, Murat. *A History of Philanthropic Foundations: Islamic World From the Seventh Century to the Present* (Istanbul: Bogazici University Press, 2000).
- De Groot, A. *The Ottoman Empire and the Dutch Republic, A History of the Earliest Diplomatic Relations, 1610-1630* (Leiden/Istanbul: Nederlands Historisch-Arcaelologisch Instituut, 1978)
- Suraiya Faroqhi, *Herrscher über Mekka, die Geschichte der Pilgerfahrt*, (München: Artemis Verlag, 1990).
- Gaudiosi, Monica. "The Influence of the Islamic Law of Waqf on the Development of the Trust in England: The Case of Merton College", *University of Pennsylvania Law Review*, vol. 136, no. 4, 1988: 1231-1261.
- Ghazanfar, S. M. "The Economic Thought of Abu Hamid Al-Ghazali and St. Thomas Aquinas: Some Comparative Parallels and Links", *History of Political Economy* vol. 32, No.4, 2000.
- Goitein, S. D. "The Rise of the Middle-Eastern Bourgeoisie in Early Islamic Times" in S. D. Goitein, *Studies in Islamic History and Institutions* (Leiden: Brill, 1968): 223.
- Inalcik, Halil. "Imtiyazat", *Encyclopaedia of Islam*, second ed. (Leiden: Brill).
- Masson Paul, *Histoire du commerce français dans le Levant au XVII<sup>e</sup> siècle* (Paris: 1896).
- McCormick, Michael. *The Origins of the European Economy* (Cambridge: CUP, 2001)
- Ménard, Claude. "A New Institutional Approach to Organization", in C. Ménard and M. Shirley (eds.), *Handbook of New Institutional Economics* (Dordrecht: Springer, 2005).
- Orman, Sabri. *Gazali'nin İktisat Felsefesi* (Istanbul: İnsan Yayinlari, 2002)
- Panzac, Daniel. "Le Contrat d'Affretement Maritime en Méditerranée: Droit maritime et pratique commerciale entre Islam et Chrétienté (XVII<sup>e</sup>-XVIII<sup>e</sup> Siècles) », *JESHO*, 45, 3, 2002: 355-359.
- Rodinson, Maxime. *Islam and Capitalism* (New York: Penguin Books, 1974).
- Sarton, George. *Introduction to the History of Science*, 3 vols. (Baltimore: Williams and Wilkins, 1927-48), II: 914
- Sarton, George. *Twenty-Seventh Critical Bibliography of the History of Philosophy of Science and the History of Civilization* (ISIS 13 (March), 1930: 420);
- SEZGIN, Fuat. "Kim Demis Islam Buyuk Bir Medeniyet Degil Diye", in *Zaman*, July 29<sup>th</sup>, 2005.

Sezgin, Fuat *Einfuehrung in die Geschichte des Arabisch-Islamischen Wissenschaften, Wissenschaft und Technik im Islam*, Bd. I, (Frankfurt: J. W. Goethe Universität, 2003).

Waetjen, H. *Die Niederlander im Mittelmeergebiet zur Zeit ihrer höchsten Machtstellung* (Berlin: Abhandlungen zur Verkehrs und Seegeschichte II, 1909).

Wink, Andre. *Al-Hind, The Making of the Indo-Islamic World*, vols. I and II, (Leiden: Brill, 1991).

Wood, Alfred. *A History of the Levant Company* (London: 1935)