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**Economic Ideas of a Nineteenth century Tunisian Statesman:
Khayr al-Din al-Tunisi***

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In early nineteenth century, Tunisia and Algeria in the west and Egypt and Syria in the east were two wings of Ottoman Empire. As the main body itself became sick, the joints were not very strong and with the passage of time they further weakened. France occupied Algeria in 1830. She established her hegemony over Tunisia in 1881. A year later in 1882 Britain took over control of Egypt. Since Tunisia was passing through political and economic crisis, a good number of *ulama*, scholars and statesmen thought and worked for her politico-economic strengthening, on the top of which was Khayr al-Din al-Tunisi. In this paper we aim to study economic thought of this prominent Tunisian statesman. It may be noted that the economic thought of nineteenth century Muslim scholars is largely an un-researched area. The contributions of thinkers from the North African Arab States are still more neglected. The present paper is a modest effort to fill this void to some extent.

Life and work

Khayr al-Din al-Tunisi (1225-1308/1810-1890), a Circassian origin, was brought to Constantinople as a child and later resold to an agent of Ahmad Bey¹ (1253-1271/1837-1855) of Tunisia where he was brought in 1840. At that time Tunisia lost its brightness of old civilization. Educational system was purely traditional and not a very high standard. Only Zaytunah Mosque University² had the advanced teaching of Shariah sciences. Pure sciences and technical education was non-existing. Agriculture was the main occupation where ancient methods were used.³ Khayr al-Din was taught and trained in the palace. After receiving education at the military school established by Ahmad Bey, Khayr al-Din rose through the military ranks to cavalry commander. He spent the years 1853-1857 in Paris arguing Tunisia's position against Mahmud ibn Ayad, who had defrauded

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the government of millions of dinars. Under Ahmad Bey's successor, Muhammad Bey (1855-1859), Khayr al-Din served as minister of marine (*wazir al-bahr*) from 1857 to 1859. He later presided over al-Majlis al-Akbar (the Great Council), a parliamentary body established in 1860. In conflict with Prime Minister Mustafa Khaznadar (d. 1878) (his father-in-law), whose destructive policy of incurring foreign loans was just beginning, Khayr al-Din resigned in 1862 and spent the next seven years in Europe.

Khayr al-Din al-Tunisi was much impressed by the political system of the West. Upon his return to Tunisia in 1869, he endeavoured to create similar political institutions in his own country. According to Abu-Lughod (1963, p. 84), "With conscious acknowledgements and unequivocal value judgement, Khayr al-Din referred to his suggestions as reforms (*Islahat or Tanzimat*) based upon the European model".

He was assigned to preside over the International Debt Commission. In his new political capacity, he worked against Khaznadar to disgrace him and replace as prime minister. Faced with mounting pressures from foreign consuls and the disastrous state of Tunisia's finances, Muhammad Sadiq Bey retired him in 1873 and made Khayr al-Din prime minister. To help him introduce his reforms, Khayr al-Din appointed his Circassian and military school colleagues to positions of authority. He was also supported by Muhammad Bayram al-Khamis, whom he appointed to direct the *awqaf* administration, the government press, and *al-Ra'id al-Tunisi*, the official gazette of the government (Barrie, 2011).

In a brief period of his premiership, Khayr al-Din was able to implement many of his reformist ideas. He resolved many administrative and financial issues. To improve the country's economy, he expanded land under cultivation from 60,000 to 1 million hectares (132,000-2.2 million acres), reformed the customs system to protect Tunisia's handicraft and other industries, and launched public works projects such as paving the streets of Tunis (Barrie, 2011). He founded Sadiqi College in 1875, and established a public library called al-Abdaliyah.⁴ While in office he strived to bring reform in the state institutions and the economy. In this respect he took the following measures:

1. canceling back taxes,
2. granting a twenty-year tax relief for new plantations of olive and date trees,
3. partially canceling the system whereby the *spahis* were paid according to the fines collected,
5. reorganizing the customs with a 5 per cent increase on import duties and a reduction of export duties,
6. establishing a regular system to control *habous* (Muslim endowment) funds,
7. reorganizing studies at Zaytunah University,

8. reorganizing the library,
9. paving the streets of Tunis,
10. creating Sadiqi College "on the model of European lycées", and
11. stopping the costly system of collecting taxes from the nomads by means of military expeditions.

It may be noted that "on this latter point Khayr al-Din argued that the nomads, like the sedentary peoples, were willing to come forward and pay fixed, just taxes. In his view, if the state provided public security and a regular tax system, then the bedouins would cease their raids, and trouble-makers would find no refuge from the central government among the tribes" (Brown, 1967, P. 33).

Khayr al-Din was very strict administrator. When the Bey tried to spend the surplus income of *awqaf* on military reorganization, he opposed it. He said that the military affairs had their own budget. So it was not fair to appropriate surplus of *awqaf*. It might be permissible if there were a deficit, and extravagances were checked (Amin, 1979, 57).

As prime minister, Khayr al-Din had to contend with the machinations of foreign consuls (particularly those of France, Britain, and Italy). Having witnessed firsthand Europe's aggressive intentions toward Africa, as well as the machinations of the foreign consuls in Tunis, Khayr al-Din had come to perceive that Europe was the paramount threat to Tunisia's existence and that the reincorporation of Tunisia into the Ottoman Empire was perhaps the country's one hope to avoid being occupied. The French government disliked the establishment of parliamentary system and establishment of justice. Napoleon III once observed that if Arab tasted justice and freedom, we could not remain in peace in Algeria (ibid; al-Khamis, 1302-3H., 5:120).

Khayr al-Din resigned from the premiership on 2 July 1877 and went into self-imposed exile in Constantinople. Because of his pro-Ottoman stand, he was well received there. He was appointed, for a short period, as Ottoman grand vizier in 1878 and 1879. After his removal as grand vizier, he retired to private life and spent his final years in Constantinople, where he died in 1890 (Barrie, 2011, Amin, 1979, p. 163).

In response to his European experience, and in hopes of reforming the political system in Tunisia, he wrote *Aqwam al-Masalik fi Ma`rifat Ahwal al-Mamalik* (*The Surest Path to Knowledge Concerning the Condition of Countries*) in 1867.⁵ He discussed in this book the economic superiority of the West and offered a practical guide for Tunisia to improve its economic and political system. The book is enough to give him a place in the revival movement of the nineteenth century. Brown (1967, p. 4) says: "It is not simply an essay on abstract ideas, divorced from immediate policy considerations. On the contrary, the

Introduction enunciates and attempts to justify a political program. The line of argument is tailored to answer not the objections which might occur to the philosopher or logician but rather the objections that the author himself had come to expect from his own political experience". *The Surest Path* may also be used as an important source for Tunisian history in the nineteenth century.

Al-Tunisi mentions in this book how the European kingdoms attained their present strength and worldly power. The purpose is that "we may choose what is suitable to our own circumstance which at the same time supports and is in accordance with our *shari'a*. Then, we may be able to restore what was taken from our hands and by use of it overcome the present predicament of negligence existing among us" (*The Surest Path*, p. 73).

According to Brown (1967. p. 5), "The timing of the book is significant in terms of the milieu as well. The 1860s, as can now be seen more clearly, represented roughly the mid-period of the *tanzimat* era in the central Ottoman Empire. By this time some of the results and some of the disappointments produced by this period of active reformism were more in evidence, thus making possible to statesmen a deeper and more sophisticated awareness of what Westernization entailed. Khayr al-Din, both through personal predilection and as a statesman in a *beylik* still nominally part of the Ottoman Empire, was well informed concerning ideas and events radiating from Constantinople."

In this book, Khayr al-Din translates two very long passages of Duruy's and Sedillot's writings in which the two Europeans are found praising the accomplishments of Islamic civilization in its prime. By this he wants to establish that the state advances when ruled by justice, declines when justice is absent. Another reason is that he wants to show that Islam, in point of time, initiated many great material achievements which Europe then borrowed which is conceded by their impartial writers. Thus, there is no harm in Muslims judiciously borrowing from Europe since this was just what a backward Europe did centuries ago in borrowing from them. The secret behind Europe's present prosperity is its borrowing in that what it needed from other cultures. He attempted to convince Muslims to accept needed new reforms by showing that such a course was consistent with Islam, that the early Muslims, including the Prophet himself (peace be upon him), had not hesitated to adopt innovations found useful to the community, and by showing that Europeans, from whom they must borrow needed techniques and institutions, had once borrowed from them. To prove his point, Khayr al-Din shows resemblance between European's representative assemblies and the Islamic *shura* (consultation), their representatives paralleled the Islamic *ahl al-hall wa al-'aqd* (those responsible for Muslim affairs). He argued that Europeans' this-worldly attention to improvement is not something blameworthy. It is requirement of the Islamic legal concept of *maslahah*, discussed below.

Khayr al-Din considers *ulama* as the physicians of the *ummah*. Thus they should not be ignorant of its ailments. They should direct their concern to acquiring the essence of knowledge to the exclusion of its contingent circumstances, so that they can provide the most suitable and effective remedy for its decadence. He makes it clear that "the object of this book is to remind the learned *'ulama* of their responsibility to know the important events of these days and to awaken the heedless both among the politicians and all the classes of the people by demonstrating what would be a proper domestic and foreign conduct. It is also to call attention to these aspects of the Frankish nations - especially those having close contacts or attachments with us - which ought to be known." (*The Surest Path*, 73).

Economic ideas

Maslahah or Public interest: Khayr al-Din recommends application of the Islamic concept of *maslahah* to tackle the newly faced problems of state and economy. He says: "The Islamic *ummah* is bound in its religious and worldly activities by the heavenly *shar'* and by the divine limits, fixed by the justest of scales, which are sufficient guarantee both for this world and the next. Now, there are certain important or even absolutely essential activities relating to the public interest by which the *ummah* secures its prosperity and proper organization. If there is no specific rule in the *shar'* either providing for or forbidding such actions, and if instead the principles of the *shari'ah* require these actions in general and view them with a favorable eye, then the course to follow is whatever is required by the interests of the *ummah*" (*The Surest Path*, 124). In the opinion of Brown, "this passage is an excellent example of the way in which reformers and Islamic modernists have used the Islamic idea of *maslahah* (public interest) to justify a more liberal interpretation of the *shari'a*" (ibid. 123n). Of course, the decision regarding what is *maslahah* and what is not should not be arbitrary or single minded persons. "Any activity for this purpose so that conditions are improved and a great victory achieved in the domain of progress is contingent upon the unity and organization of a group from within the *ummah* who are in harmony - those learned in the *shari'ah* and those knowledgeable in politics and the interests of the *ummah* and also well-informed both in domestic and foreign affairs and in the origins both of harms and benefits. This group would cooperate to the benefit of the *ummah* by furthering its interests and warding off its corruptions so that all would act as a single person Thus, the politicians discern the public interest and the sources of harm while the *'ulama* assure that the action taken in accordance with the public interest is in agreement with the principles of the *shari'a*" (ibid. pp. 123-4). He recommends joint action by *'ulama* and statesmen for the purpose of mutual support to decide the public interest of the *ummah* in different situations. According to Khayr al-Din "just as the administration of *shari'ah* rulings depends on knowledge of the texts, it depends also upon knowledge of the circumstances surrounding the revelation of these texts. If one of the *'ulama*

chooses seclusion and keeping his distance from the political leaders, he closes upon himself the doors leading to knowledge of these circumstances and he opens the doors to the oppression of governors. If the governors seek his help and he refuses, they are in a position to act without restraint" (ibid. p.124). In this way he holds that if *`ulama* refuse to cooperate with politicians in deciding the public interest, they will not be fulfilling their religious duty.

Justice, equity, security and liberty pre-requisite for development: In the opinion of al-Tunisi, the secret behind Europe's progress is their maintenance of justice and security. "The states of Europe had provided physical security, liberty and justice for their citizens. By justice, Khayr al-Din simply meant a system in which each subject of the state knew what was expected of him, could rest assured of no arbitrary change in the law, and was secured by these laws in his life, honor and property. Security, liberty and justice were maintained through a system of accountability. This was called "ministerial responsibility" among the European practitioners of constitutional government. It was equivalent, Khayr al-Din argued, to the Islamic concept of being held accountable to the *ahl al-hall wa al-'aqd*, "those qualified to loosen and bind" (seen as the Islamic equivalent of European representative assemblies). These basic principles - security, justice and liberty guaranteed by a system of governmental accountability - explained Europe's present prosperity just as they had caused the great advances of Islamic civilization in its prime. The absence of these same principles explained the barbarism of Europe when Islam was flourishing just as it accounted for the present plight of the Muslims" (Brown, 1967, p. 49). Khayr al-Din says: "There is no reason for all this except European technical progress resulting from *tanzimat* based on justice and liberty. How can a thinking man deprive himself of something which, in itself, he approves of? How can he lightly turn down what will benefit him simply because of unfounded misgivings and misplaced caution? It is worth mentioning in this connection the statement of a European author on military policy, "Kingdoms which do not keep pace with the military inventions and tactics of their neighbors risk becoming, sooner or later, their prey" (*The Surest Path*, 78). According to al-Tunisi, the said author singles out military matters because that is the subject of his book, but it is equally necessary to keep up with one's neighbors in all aspects of progress, military or non-military (ibid).

Khayr al-Din stresses that Europe has attained prosperity and progress in the sciences and industries through *tanzimat* (reformation) "based on political justice, by smoothing the roads to wealth, and by extracting treasures of the earth with their knowledge of agriculture and commerce. The essential prerequisite for all of this is security and justice which have become the normal condition in their lands. It is God's custom in His world that justice, good management and an administrative system duly complied with be the causes of an increase in wealth, peoples and property, but that the contrary should cause a diminution in all of these things" (ibid. p. 81). He supports this by the Qur'an, sunnah and Persian maxim (ibid.).

To establish that justice and security is necessary for efficient economic activities al-Tunisi gives the example of traders. "One of the benefits of liberty is complete control over the conduct of commerce. If people lose the assurance that their property will be protected they are compelled to hide it. Then it becomes impossible for them to put it into circulation" (ibid. pp. 164-5). A craftsman "must feel secure against being despoiled of any of the fruits of his labor or hampered in certain aspects of his work. What does it profit a people to have fertile lands with bountiful crops if the sower cannot realize the harvest of what he has planted? Who then will venture to sow it? Because of the faint hope of the people in many lands of Asia and Africa you find the most fertile fields uncultivated and neglected. There can be no doubt that the hostile action against property cuts off hopes, and with the severance of hope comes the severance of activities until finally destitution becomes so pervasive that it leads to annihilation" (ibid. 163). This seems to be influence of Ibn Khaldun who also warned against the negative effects of injustice and oppression on economic performance. In fact he makes it explicit when he says: "Anyone who leafs through the third section of Book One of Ibn Khaldun's *Muqaddimah* will find conclusive proof that oppression foreshadows the ruin of civilization, whatever its previous condition" (ibid. pp: 81-2). According to al-Tunisi, some of the Shariah principles are aimed at providing justice, security and removal of hardship, such as "the release of the creature from the exigency of his own passions, the protection of the rights of mankind whether Muslim or not, and consideration of the public interest appropriate to the time and the circumstances, giving priority to averting corruption over that of advancing the public interest, carrying out the lesser of two evils when one is necessary, and other matters of this nature" (ibid. p. 82).

At another occasion, al-Tunisi remarks, "We have seen that the countries which have progressed to the highest ranks of prosperity are those having established the roots of liberty and the constitution, synonymous with political *tanzimat*. Their peoples have reaped its benefits by directing their efforts to the interests of the world in which they live" (ibid. p.164). "In general, if liberty is lost in the kingdom, then comfort and wealth will disappear, and poverty and high prices will overwhelm its peoples. Their perceptiveness and zeal will be weakened, as both logic and experience reveal" (ibid. pp: 165). Thus, the state has to play an important role in propagation of values and carrying out reforms. Commenting on the role of state in this respect Brown (1967, p. 53) remarks: "Khayr al-Din's idea of economics and the role of the state in economic activity is also explained in the same way - if the state were properly fulfilling its functions of providing security, justice and liberty, then the most effective economic activities of its subjects would be assured. However, to see no more than this basic premise of Khayr al-Din's views on economics would be to overlook several significant insights and ideas which, for a Muslim statesman of his time, represents an advance in sophisticated awareness of the economic factor."

Tanzimat or Economic and Political Reforms: Khayr al-Din realized that it was difficult to establish Justice, equity, security and liberty without overhauling the entire system. Thus, he was a strong supporter of *tanzimat* (reforms or modernization) of politico economic system. He questions: "Can this progress be successful without our implementing political *tanzimat* comparable to those we see among others? These institutions are based on two pillars justice and liberty - both of which are sources in our own Holy Law. It is well known that these two are the prerequisites for strength and soundness in all kingdoms" (*The Surest Path*, p.79).

Khayr al-Din applauded efforts of Ottoman Sultan to bring reforms: "Sultan 'Abd al-'Aziz, may God support him, exercised his independent judgment in implementing, refining and supplementing the *tanzimat* with whatever seemed appropriate and consistent with the experience gained, such as the *qanun* he recently established on provincial administration, from which is expected considerable benefit for the great majority" (ibid. p.115). Khayr al-Din stresses that "one of the most important duties imposed upon the princes of Islam, their ministers and the '*ulama* of the *shari'a* is their joining together in the establishment of *tanzimat* resting on pillars of justice and consultation, which will secure education of the subjects, improve their circumstances in a manner which will plant love of the homeland in their breasts and make them aware of the benefit accruing to them both individually and collectively" (ibid. p. 129).

According to Khayr al-Din, "The most imposing obstacle to the *tanzimat* is the opposition of certain functionaries to their establishment and implementation, since to obstruct them is consistent with their personal interests, including their continued exercise of official duties without restriction or accountability" (ibid. p. 153). He critically examines various objections and doubts expressed regarding *tanzimat* and answers each (ibid. pp. 129-36).

No prejudice against modern science and technology: Al-Tunisi criticizes those who oppose economic reform while at the same time they are vying with each other in clothing, home furnishings and Europe's other products while doing no effort to produce those things in their own country. "There is no hiding the disgrace and the deficiencies in economic development and public policy which overtake the *ummah* as a result. The disgrace is our needing outsiders for most necessities, indicating the backwardness of the *ummah* in skills" (ibid. pp: 77-78). He finds no contradiction between Islam and development measures taken by the West. To gain its past glory, the *ulama* have to do two things. "The first task is to spur on those statesmen and savants having zeal and resolution to seek all possible ways of improving the condition of the Islamic *ummah* and of promoting the means of its development by such things as expanding the scope of the sciences and knowledge, smoothing the paths to wealth in agriculture and commerce, promoting all the industries and eliminating the

causes of idleness. The basic requirement is good government from which is born that security, hope and proficiency in work to be seen in the European kingdoms. No further evidence is needed of this. The second task is to warn the heedless among the Muslim masses against their persistent opposition to the behavior of others that is praiseworthy and in conformity with our Holy Law simply because they are possessed with the idea that all behavior and organizations of non-Muslims must be renounced, their books must be cast out and not mentioned, and any one praising such things should be disavowed. This attitude is mistake under any circumstances. There is no reason to reject or ignore something which is correct and demonstrable simply because it comes from others, especially if we had formerly possessed it and it had been taken from us. On the contrary, there is an obligation to restore it and put it to use. The discriminating critic must sift out the truth by a probing examination of the thing concerned whether it is word or deed. ... Wisdom is the goal of the believer. He has to take it wherever he finds it" (ibid. pp. 74-75).

In fact, Khayr al-Din was a practical man. He was motivated by economic and political considerations as well as by ideological interest. He strongly advocated learning Western sciences and establishment of similar institutions (Amin, 1979, p. 160). As noted above, he supported his stand by two arguments. First, Muslim law does not prohibit reforms designed to strengthen economic and cultural life (*The Surest Path*, p.71), and second 'since European civilization was based mostly on what Islam had contributed to it in the past, it was the duty of [Muslims] to take it back (ibid, p.75). It may be noted that most of Muslim scholars who came into contact of Europe and saw their sciences, arts and technology, considered them as Muslims' lost heritage found. For example, Abduh claims: "We only take back what we had originally given (*al-Manar*, 1906, Vol. IX, p. 597-98). Khayr al-Din al-Tunisi left deep impact on his contemporary thinkers.⁶

Capitulation:⁷ The capitulations, granted several centuries back by the rulers to European traders, provided extra territorial privileges to foreign merchants conducting business in Muslim countries. They imposed costs on the local population. Khayr al-Din rightly thinks that they have lost their relevance in the nineteenth century (Amin, 1979, p.163). It benefited foreigners at the cost of natives. It turned into instruments of outright pro-foreign discrimination. The Ottoman policy of 'low tariffs' on foreign traders and granting the Western countries '*imtiyaz* or capitulation' ultimately prevented them from modernizing their own economy (Kortepeter, 1974, p. 59).

That the capitulation was unfair in the nineteenth century was also realized by just and sound thinking foreigners themselves. Al-Tunisi observes: "We have found in discussion with men from certain Western states that they concede the impropriety of capitulations in these times, and they are not averse to changing them in an appropriate manner. However, before that might take place they demand that we provide adequate guarantees to protect the rights of their subjects

by the organization of courts which should be in operation for a sufficient period of time to make it clear through actual experience that the decisions are applied in an acceptable manner. This would facilitate the task of these Europeans in getting their own subjects gradually to accept the new arrangement after having themselves seen its success, until finally they could be placed under our jurisdiction" (*The Surest Path*, p.122). He suggests its cancellation in a proper way as "it is incumbent upon the Islamic states to exert every effort to remove these disadvantages by granting these guarantees and by making them known abroad" (ibid. p.123).

Export of raw material is a sign of backwardness: According to Khayr al-Din a country must utilize its raw material and sell it in the form of finished product. Simply export of raw material is a sign of backwardness. He deplores the technological backwardness which obliged the Muslim states to export only their raw materials, while importing from Europe finished goods at a greatly increased price. This stemmed from "the failure to use our country's industries to process the goods we have, for this should be a major source of gain" (ibid. P.77). He stressed upon having favorable balance of payment. "Under these circumstances, if we considered the total of what is exported from the kingdom and compared it with the imports and found that the two approximate each other, it would be the lesser of two evils, for if the value of imports exceeds the exports, ruin will unavoidably take place" (p.78). He had the idea of protection to boost domestic industries. When he became prime minister in Tunisia during the years 1873-77, he increased import duties by 5 per cent and reduced export taxes in order, to favor industry and agriculture in Tunisia (Brown, 1967, p. 54).

Need for Business corporations: Until middle of the nineteenth century, there was no joint stock company in the Arab world. One of the significant economic institutions which Arab travelers of Europe noticed was existence and role of joint stock companies. This attracted the attention of al-Tunisi also. He emphasizes need and importance to have similar corporations in Muslim countries. He offers his readers a simple, but clear, exposition of major attributes of joint stock companies, giving particular emphasis to the point that the participation of hundreds or thousands of persons, each risking a modest amount of his capital, was the only feasible means of undertaking great enterprises such as the building of railways. "It is reasonable and proven by experience, as we have indicated, that the organization of groups in joint enterprises increases commercial production. The strength of the group is well known in all matters both ordinary and other. As the preference for joint participation is strengthened in the hearts of a kingdom's people profits will increase demonstrably. In Europe the number of societies has increased in all forms of activity, civil, commercial and other. Operations on both land and sea have multiplied. The number of scientific academies and charitable societies for the poor and weak has increased. There has often been cooperation to extract minerals, create canals and waterways by which ships can go up to the mountains

and back, build railroads and engage in other such enterprises which would not have been created but for these societies. Who would be able alone to build a railroad? Who would risk all of his wealth, assuming he were able to, in creating something which can be easily accomplished only by the participation of 200,000 or 300,000 persons, and then each person risks only an insignificant amount of his wealth? The latter risk is neither ruinous nor improbable. If the company is large and deemed of benefit to all, then the state may guarantee it a fixed percentage of profit. To administer the company the shareholders elect persons of good reputation who know how to implement the company's statutes and safeguard its interests. At the end of the year they present an accounting along with all other matters related to the administration and they determine the dividend for the shareholders" (*The Surest Path*, pp. 165-6). Al-Tunisi presents example of various tasks which were individually insurmountable but could be accomplished through joint stock companies. "Among the most notable exploits of joint participation are the cutting of the Suez Canal, the railroad linking the oceans in America, piercing the Alps lying between Italy and France, cutting a railroad passage through the Pyrenees between France and Spain, creating a tunnel under the Thames River in London, the formation of a society called *Messageries Imperiales* owning great ships to be seen on all seas, the placing of a telegraph line under the sea from England to America, and other such examples of the assistance which statesmen, inventors and the most proficient entrepreneurs have found in joint participation" (ibid. p. 166). Al-Tunisi does not enter into discussion whether establishment of such a legal entity is Islamically permissible and what would be its various provision under Islamic system. He leaves such discussions for the generation of *ulama* coming in the twentieth century. He does not think that some of the provisions of Islamic law will be hindrance in establishing and continuing such business corporations.

Banking: Similarly, up to the middle of nineteenth century modern banking system was unknown in the Arab world. On the pattern of business corporation, al-Tunisi explains its significance in economic development of the country.⁸ "It is well known that the strength of a group is much greater than the strength of the same number acting separately. People mutually supporting each other achieve their goal even if it should be a most difficult matter. The Banque de France in 1800 had a capital of 30 million francs consisting of 30,000 shares, and in 1848 its holdings in specie reached the figure of 91 million francs. Its bank notes in circulation among the people, in the same way as coin, reached the value of 452 million francs. At the end of 1849 the state authorized this bank to increase its paper in circulation up to the total of 525 million francs. In 1857 the bank requested the state to renew its franchise for 40 years, and this was granted on condition that it doubles its specie until it would become approximately 200,000,000 francs. The bank did this, and the state honored its request" (*The Surest Path*, 166-7).

Al-Tunisi sheds more lights on the functions and advantages of banks:

"Among the activities of the bank are: negotiating bills of exchange which become validated by the signature of three persons all of whom are known to possess wealth commensurate with a transaction in the amount designated; taking possession of any commercial paper at the request of those holding the note in return for a fixed fee [or discount] unless the notes are in the same province as the bank in which case this is done without charge; accepting savings deposits from the people, keeping in correspondence with whoever places his money in the bank and giving him an accounting; lending money to whoever needs it provided he secures it, not with his home or real estate, but with anything easily converted into a liquid asset such as railroad shares, government bonds, ingots [or bullion], etc.; and giving bills of exchange to the bank's representatives, just as they remit them to the central bank" (ibid. p.167). He concludes: "In sum, one would be correct in saying that the millions with which the people used to do business have now become billions" (ibid. p.168). Most of his contemporary Arab scholars who noticed functioning of Western banks, objected to their involvement of *riba* (interest).⁹ In his description of banks, he does not say anything about their practice of offering or charging interest on deposits and borrowing. It is not known what his stand is in this regard.

Need to encourage artisans and economic innovators: Khayr al-Din feels that there is need to encourage those who contribute to the economic strengthening of the country, whether as an agriculturist, artisan, manufacturer, or innovator. Different steps can be taken in this direction. He asked his readers to learn lessons in this respect from the Western countries which he noted in the introduction to his work *Aqwam al-Masalik*. Al-Tunisi explains various techniques and measure through which European countries encourage and promote economic activities. Of course such things were non-existent and unknown in Muslim countries in the nineteenth century. He says: "One of the reasons for their progress is the attention given to whoever invents something new or concerns himself in any beneficial work. For example, every five years or so, varying according to the special circumstances of the different kingdoms, important expositions are held in the capital cities, displaying the country's produce, livestock and unusual manufactured goods. For the same purpose a meeting of experts is held to examine the things being exhibited. If they find something new, its inventor is given a piece of copper, silver or gold called a *médaille*, shaped like a coin, with a likeness of the king on one side and the place and date of the exposition on the other. A person, who is especially doing well in his profession, may be entitled to a state decoration" (*The Surest Path*, p. 168). Al-Tunisi thinks that his readers may find some of these objects not very valuable, so what is use of doing that? They may question. He notes this possible objection and his reply: "It might be asked what is the utility of these pieces of metal of which the most valuable is only a small piece of gold since they do not recompense the exertion of effort and the difficulties involved in inventing. The answer would be that one receives these pieces of metal along with a document certifying the perfection and progress he has achieved in this field. With this he can be

assured that his products will be accepted and his profits increased, for all that takes place in these meetings is published in the newspapers in order to be circulated among the people. Sometimes the inventor is given a sum of money. Napoleon I. issued an order for one million francs to be given to whoever invented a machine that would automatically spin flax" (ibid.). In other words, these kinds of ceremonial occasions provide a psychological boost, a sense of appreciation, publicity, spirit of competition, and heighten efforts of invention and innovation. His purpose from this description is to draw the attention of officials in Arab states to adopt such promotional measure to encourage inventors, manufacturers and businessmen.

Patent and copyright: Patent and copyright became a subject of discussion and Shariah stand towards them, among the Muslim scholars and *ulama* in the twentieth century. Al-Tunisi introduced it about a century ago when they were, perhaps, completely unaware of them. However, he did not investigate Islamic ruling about them. He wants to show that the patents and copyrights are some other provisions which help the inventors. He says: "If an inventor, even if he withdraws from the exposition before the invention has made him famous, demands from the state the sole right to use his invention for a period of time, during which no one else may use it except with his permission, he is granted such a permit on condition that the time period not exceed fifteen years and that he pay the state a fixed amount in return for this concession. Publications remain the property of their authors for their lifetime and an author may designate an heir to this right for a period extending seven years after his death, or in some kingdoms for thirty years. After this time the restriction is removed. If it were not for this privilege, people would not be stimulated to invent and write, because the inventor is obliged, as the imitator is not, to undertake the most onerous of works, risk losing the expenses of experiments and lose most of his time in preparation. If he were not given this concession there would be no compensation for his work since others would be able to share its benefits" (*The Surest Path*, p.169).

In addition to medals, shields, and prizes, and patents and copyrights, establishment of memorials and organization of business exhibitions are some other methods to encourage inventors and industrialists. Al-Tunisi writes: "Another way Europeans have of stimulating interest in such matters is to put in a public place a marble or bronze statue of whoever has invented something important. Or his name might be given to something newly created at that time as a bridge, a new road, etc. to serve as a memorial. The result of their policy in this regard is to give proper consideration in whatever way the situation requires to anything which should not be forgotten" (ibid.). The exhibition provides an opportunity to sell one's product to a large gathering from various parts of the country and sometimes even abroad.

Concluding Remarks

From the overall study of his work, it appears that Khayr al-Din was an activist and practical man. His ideas of the state and of economic activity were

as much a negative reaction against the prevailing conditions in Muslim states as they were a positive response to European ways. At the end we would like to note the opinion of Brown (1967, 55) who presents an assessment of al-Tunisi's economic thought: "Khayr al-Din's ideas of economics appear quite close to the classical European economic theory. The state should remove all barriers which restricted the economic activity of its subjects. This would be largely achieved when the subjects felt secure in the possession of their property, could expect to reap the benefits of their extra effort or creative inventiveness, and therefore would be burdened by minimal taxation. ... This suggests that Khayr al-Din had been influenced by the prevailing economic theories of Adam Smith, Ricardo and J. B. Say but there is virtually no evidence pointing in this direction. Khayr al-Din's views and insights appear to have been more empirical; in fact, everything seems to indicate that he was shaped by what he experienced rather than by what he read. *The Surest Path* is most illuminating when Khayr al-Din is relating his ideas derived from personal experience, much less so when he is recounting the names of Europe's great ones and their achievements."

End notes

1. Tunisian rulers were called 'bey'.
2. Jami` al-Zaytunah was established by Umayyad governor of Tunis in 720 H.
3. For more details see Amin, 1079, p. 149.
4. Parts of information about al-Tunisi's biography are obtained through various sources of internet, especially one prepared by Larry A. Barrie from the following link: <http://www.answers.com/topic/khayr-al-din#ixzz1fYDeUBhw>
Accessed on 11.11.2011
5. The Arabic original of Khayr al-Din's work was first published in Tunis in 1284/1867, divided in two parts, on the pattern of Ibn Khaldun's *Muqaddinah* and his history. Accordingly, al-Tunisi called its first part the *Muqaddinah* (Prolegomena). The second part gives European countries' history, geography, population, socio-political organization, etc. Like Ibn Khaldun's *Muquddinah*, al-Tunisi's *Muqaddinah* is more important than the main work. In this he presents a comparative image of European and Muslim societies. His purpose was to explore the basic causes of Europe's progress and decline of Muslim states and to offer remedies for their decadence. Al-Tunisi's *Aqwam al-Masalik* has been translated into English language by Leon Carl Brown, under the title *The Surest Path*. It is acknowledged hereby that this translation has been used in the present paper.
6. For example, 'introduction' of another scholar of Tunis Ahmad b. Abu al-Diyaf's (1219-1291/1804-1876) work *Ithaf ahl al-Zaman bi Akhbar Muluk Tunis wa Ahd al-Aman* shows that the author is highly influenced by *the muqaddimah* of Khayr al-Din al-Tunisi's *Aqwam al-Masalik* (Ibn Abu al-Diyaf, 1963, Vol. 1, pp:16-19, 45-46). Like Khayr al-Din al-Tunisi, Ibn Abu al-Diyaf also appreciates the *Tanzimat* and emphasizes establishment of justice and removal of tyranny and despotism for socio-economic progress.
7. In the period under study, the Western countries greatly benefited from the trade concessions received from Muslim governments. France, having friendly relations

- with the Ottomans, got capitulation as early as 1569 for trading in the Ottoman territories. At that time other European countries had to sail and trade under the French flag. In early seventeenth century half of France total trade volume was in the Levant. The English and the Dutch were granted capitulation in 1580 and 1612 respectively." Except during the civil war between 1642 and 1660 the English had the lead in the Levant trade in the seventeenth century (Inalcik, 1974, p. 57).
8. It may be noted that the first bank in Tunis was established in 1873 with the British collaboration.
 9. For example: Rifā'ah al-Tahtāwī (1801-1873), remarks: "Had their (the French) earning not been mixed with interest (*riba*), they would have been the best people from earning point of view" (*Takhlis al-Ibriz*, Chapter three, section eleven cited by Imarah 1973, p. 152) He casts critical view on the French economy. "Their economy would have been the best among the nations" he observed, "had it not been involved *riba*." He notes that the activities like publishing books and spreading knowledge are also aimed at earning profit only (ibid., pp. 101-102).

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