

The Economic Thought of Classical Islam

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Most textbooks on the history of economic theory scarcely mention the Islamic contribution. The writings of Grice-Hutchinson, Lowry, and Essid are notable exceptions, in that they offer a broad summary of the Islamic literature that enriched the Mediterranean tradition. Yet, Islamic civilization simply deepened the flow of ideas inherited from Antiquity before, and passed them on. From the twelfth century, its brilliance started a slow transfer of Islamic knowledge to a West which was ready to receive it.

At first, Muslim economic literature was descriptive and did not provide any deepening of theory. This was the case with the literature of mirrors. With the Western Islamic philosopher Ibn Rushd (Averroès, 1126–1198), theoretical discussion made an appearance. He formulated an original theory of standards of value and of measurements in general in particular monetary standards. His concept of the stability of the standard of value was a fundamental contribution.

With Ibn Khaldoun, political, social, and economic science found one of its pioneers in the analysis of the mechanisms that bring about the formation and dissolution of societies. From a methodological point of view, Ibn Khaldoun introduced the realism (positivism) of social science into a tradition of normative ideas, inspired by the ethical ideal of the Greek city and of Islamic *shariah* (holy law). In his analysis of the tension between the ideal city and the real situation, he began to distinguish himself from Hellenistic philosophers. In the *Muqaddima*, he put forward what today we would call a universal theory of development. Thus, his work can be considered a precursor of social science.

I. Economic Thought of the Golden Age

The Literature of the "Mirror for the Prince"

With the conquest of Persia, which followed the establishment of the Abbassid dynasty in Baghdad, the Islamic conquerors were faced with a more developed culture than their own, as well as an Oriental political system – that is to say, a more authoritarian one. The persianization of Islam manifested itself through a strengthening of doctrine, which also was felt in economic thought and which caused the fusion of social ideas derived from the Koran with Persian philosophical and political concepts. In literature, this fusion was expressed in the writings of scholars and *vizirs* who, in the name of public opinion, were striving to propose a just and effective system to those who held power. Their open letters are known as the "literature of the mirror for the prince." This didactic genre is represented by a large number of authors: Al-Dimashqi (ninth century), Al-Farabi (887–950), Al-Biruni (975–1056), Al-Ghazali (1058–1111), and Al-Turtushi (1059–1126), to mention only those who had the most influence.

This literature includes accounts of the economics of public administration and fiscal systems, of the efficient organization of commerce, of a just regime, and so on. The authors tried to paint for the prince the attractive picture that this type of government was "ideal." In his account, Al-Farabi appealed to the economic ideas of Plato and Aristotle. Later, Averroès took inspiration from Al-Farabi. Al-Ghazali, however, remained within the classical Muslim tradition.¹ After a visit to India, Al-Biruni proposed the example of the Indian princes to the Sultan. But Al-Dimashqi was the one who paid most attention to economic questions. He even formulated a theory that distinguished normal periods (when the market price was close to the cost of production) from periods of shortage (when the passion for speculation ruled the market). In fact, the work of Al-Dimashqi was a didactic textbook of commercial science, in which he sketched the portrait of the ideal trader, stressing his social role with respect to the common good for the community.

The trader mediated in the market between supply and demand, between parties who had a surplus or a shortage of goods. The ideal situation was one in which the trader was able to avoid the passion for gain and speculation as well as the impulse to-

ward illicit accumulation. Nevertheless, Al-Dimashqi considered that a normal profit corresponded to a fair salary for the trader. In a rather amusing style, full of anecdotes, he formulated the mechanisms of the market in a coherent and synoptic fashion, while sympathizing with the trader. In a remarkable passage, he quoted an earlier author, Ash-Shaybani, in his *Kitab al Kash* (Book of Merits), for whom the work of the trader had more value for the community than did that of the bureaucrat or soldier. The work of Al-Damashqi was clearly a plea on behalf of the commercial bourgeoisie, who, at that time, constituted a wealthy and rapidly expanding group within the territory of the Abbassids, and who were encountering a certain mistrust from the fundamentalists. All the "mirror" authors recommended the ethic of the just mean and disapproved of the passion for accumulation as well as the risks of speculation. For them, fairness was a higher norm than efficient public management and good economic organization.

The Organization of the City and of the Household

A second source of economic ideas is the literature concerning the *tadbir al-madina* (organization of the city), and the *tadbir al-manzil* (organization of the household). These texts deal with the organization of the family enterprise: role of the head of the family, the wife, children, slaves, and so on. Since they are mainly accounts of the social microcosm, one occasionally finds remarks of a microeconomic nature.

The literature on the *tadbir al-madina* is important for the study of nascent economic thought in the Islamic world. Some of the works are in-depth analyses of market transactions in Islamic urban centers. In each town, one or more bailiffs of the market made sure that commercial transactions were conducted properly and fairly. These bailiffs were given the title of *sahib al-suk* (master of the commercial guild). At a higher level was the person in charge of the tribunal of commercial affairs, who was called *muhtasib*. The literature deals with their areas of competence and their functions in some detail.

Just as in the Koran, the emerging economic thought of the Islamic world remained integrated within a religious, moral, and political framework. The literature on the *tadbir al-madina*

differed from the literature of the “mirror,” however, in that it brought together the writings of lawyers and administrators, whose point of departure was their experience as bailiffs of the market or as presidents of the tribunal of commercial affairs. In this way, they completed and made explicit the elementary standards of the Koran, while offering to the reader various gems revealing a pragmatic view of the transactions of the market.

In the Koran, Mohamed supports the free market. Nevertheless, the complexity and fragility of supplying goods to the towns had created price fluctuations and had forced the religious and administrative authorities to control and regulate the free market. The *muhtasib*, in association with the religious authorities, thus played a central role. He had to supervise changes in prices, weights, and measures as well as rates of exchange on the financial markets. For the poverty-stricken masses, each price increase was a manipulation on the part of traders greedy for speculative gain. In the eyes of the central authorities, the *muhtasib* fulfilled not only an economic function but also a political and social one, that of containing social conflict in periods of shortage and famine.

From an economic point of view, the writings of Ibn Taymiya (1262–1328)² are worthy of attention. He lived in a period of social turbulence and lively arguments between religious sects. More than his *muhtasib* colleagues, he devoted himself to the theoretical analysis of market mechanisms. In addition, his discussion of the advantages and disadvantages of the regulation or deregulation of markets continue to have relevance. His work presents a detailed conception of the law of supply and demand. In his analysis of supply, he clearly distinguished local production from imported products and noted the differences in terms of the “elasticity of supply.” As for demand, he mentioned the most important determinants, such as the number and purchasing power of potential buyers, the level of scarcity or abundance on the market, the sociopsychological state of the buyers, and their personal evaluation of the utility of the product. For luxury goods, prestige and status played a considerable role. Given the contemporaneity of these issues, Ibn Taymiya’s ideas could be considered medieval precursors of Veblen’s theory of conspicuous consumption.

In fact, Ibn Taymiya came close to synthesizing the objective and subjective theories of value, a feat which was attempted later. In a normal market situation, traders and artisans had to cover the costs of production as well as take a profit for their risks. When the market was more speculative – that is, dominated by shortages or by abundance – subjective considerations of utility on the part of participants in the market played an important role. Ibn Taymiya's account is based on the concrete observation of the evolution of the market. Because of his position, he had been able to acquire authentic practical experience in how profit was generated: for example, among artisans through the transformation of raw materials, among traders, money changers, those who rented out public baths, and so on.

In the debate between those supporting the free markets (as presented in the Koran) and the supporters of official price-fixing by the central administration, Ibn Taymiya opted for a moderate line in favor of ad hoc regulation based on actual conditions. Consequently, he was in favor of control over excessive speculation but he nonetheless considered that the general fixing of prices was inefficient, whether it was done by market guilds or by the authorities. A perceptive observer of the laws of the market, he was aware of the negative effects for business caused by the debasement of the coinage by princes. When princes struck coins of lesser value because of budget deficits, the good coins were hoarded and the bad coins remained in circulation. Two centuries before its formulation, this Arab writer was already aware of this substitution, known in contemporary economic theory as Gresham's Law.

In his doctoral thesis, A. Islahi pointed to Ibn Taymiya as the inspiration behind theories on changes in coinage put forward by the Latin scholastic, Nicole Oresme (1320–1382). Once again, this influence underlines the intellectual osmosis between East and West in this period.³ However, it seems to us that the most fundamental contribution on monetary standards was certainly the work of Ibn Rushd, the intellectual predecessor of Ibn Taymiya as well as Oresme. Whereas Ibn Taymiya and Oresme put themselves in the sphere of monetary politics, the Andalusian philosopher postulated the stability of the monetary standard as a theoretical, even metaphysical, paradigm.

II. The Philosophical Tradition of Ibn Rushd

Ibn Rushd (hereafter also referred to as Averroès) took Aristotle as his philosophical master, a fact which compromised him in the eyes of the fundamentalists. His work on economic theory is brief but of major importance because of its later influence on Christian scholastics, especially the Thomists. He produced a commentary on Aristotle's *Nicomachean Ethics* as well as Plato's *Republic*.⁴ It is remarkable that Averroès paid more attention to Plato's enlightened but controlled democracy than to Aristotle's ideas on the subject. Living in a period of political agitation and faced with the example of weak and opportunistic emirs, he was probably attracted by the idea of a "philosopher king."

It is above all his commentary on the *Nicomachean Ethics* that is important for our purposes.⁵ For Aristotle, ethics was applied philosophy, dealing with the practical organization of human existence, itself founded on *eudaimonia* (the good and harmonious life). Economics certainly had something to contribute, but prosperity, far from being an end in itself, was only a means to achieving well-being, a category on a higher level. Well-being could be realized only within the city, where man lived in society. Thus for Aristotle, economics was "political economics," in which equity (the ethical norm) prevailed over economic growth and the ability to accumulate. Averroès borrowed this hierarchy of economics, politics, and ethics, but added that the truth revealed in the Koran subordinated the economy to supernatural norms.

With the exception of C. Miller and M. Grice-Hutchinson, historians of economic theory generally ignore Averroès's commentary on the *Nicomachean Ethics*. The commentary difficult to study because the original Arab text no longer exists, and one must rely on Latin versions used by Christian scholastics.⁶ In 1240, at the translation center in Toledo, Hermannus Alemannus translated Averroès's commentary into Latin, giving it the title *Liber Nicomachiae*. This translation became known in several versions in the Western Christian world. In the opinion of specialists, the most faithful translation is that of Leonardo Bruni of Arezzo, known as Aretus, printed in 1489 in Venice. It includes the version of Hermannus Alemannus and the corrected version of Aretus.

A comparison between Aristotle's original and Averroès's

commentary brings out the similarity between the economic ideas of the two philosophers. Averroès differed from Aristotle on only one important point: his theory of money. On the one hand, the Arab author clarified Aristotle's confused formulation, which had already posed many problems for analysts. On the other hand, Averroès corrected Aristotle's nominalism with regard to money. He described and clearly analysed money's three functions – as a means of exchange; as a standard of value for all other goods and services (*metron* in Greek, *mensura* in Latin); and as a liquid reserve for future exchanges and transactions (in the text: *tangulam fidejussor supplendi necessitatem futuram*). While Aristotle had distinguished clearly the double function of money as a means of exchange and a standard of value, the third function, namely as a reserve of purchasing power, is less explicit. The honor falls to Averroès for having attributed to money the role of being a reserve of purchasing power. For him, money was also a liquid or cash reserve.

A second remark by Averroès concerns the nature of money. Is money a commodity like any other, which can change value – for example, through an official monetary readjustment or during fluctuations in supply and demand on the market – or does it belong, because of its essential roles, to a different *genus*? Aristotle does not deal with these questions in any detail.

Aristotle seems to be a monetary nominalist, that is, he sees the value of money as a value fixed by sociopolitical convention (*nomos* in Greek, from which the term *numisma* for money is derived). As a consequence, the community can readjust this value at will through devaluation or revaluation.

On the other hand, Averroès, the product of a different political and cultural world, considered the variability of the value of money to be strange and unacceptable. His argument was, first and foremost, philosophical. A standard cannot vary without falling into the arbitrariness of complete indeterminacy. Allah, the standard by which everything is measured, is unchanging. All essential standards, in particular the value of the *dinar* or of the *dirham*, are subject to the same law. But simple equity is also at stake. If money is also a reserve of future purchasing power, then revaluation (which creates usury or *riba*) and devaluation (which robs the holder of part of the value of his money as a cash reserve) are in the domain of the arbitrary.

Rosenthal's study of *Averroès' Commentary* suggests that the

Arab philosopher favored monetary nominalism. This seems doubly problematic. In the first place, this thesis seems to be incompatible with Averroès's philosophical and cultural milieu. Secondly, Aretus's version does not give any textual support to a thesis of this kind. Indeed, the passage from Aristotle on the variability of the value of money is commented on by Averroès in the following fashion: *Et quum ista inveniatur in denario expone ut sit nomen legis apud grecos denominative sumptum a positione, nominatus est denarius in lingua greca nomine denominative sumpto a lege* (And as it states explicitly in legal dispositions in the Greek language, money is the legal tender of value by convention or by law). This passage simply confirms the fact that Aristotle and the Greeks adhered to a nominalist conception that was ratified by law.

In Latin scholasticism, the followers of Averroès developed his ideas concerning the soundness of money. Following St. Thomas Aquinas, the Franciscan tendency in Christian scholasticism – as represented by Dresme and Buridan – opposed the *corruptio* of money, that is, the medieval princes' debasement of the coinage. Nevertheless, their theses were based on other arguments.

III. The Literature of the Decline

Starting from the middle of the thirteenth century, the Muslim world went into crisis. The *umma* was split up and thus disintegrated. Persia submitted to the seizure of power by the Seldjukid dynasty and was invaded by Asian Moguls. Egypt was dominated by the Mameluks. The *Reconquista* by the Catholic kings put Spanish Muslims on the defensive. The crisis brought about the loss of territory and the multiplication of internal quarrels; the *Sitz-im-Leben* of thought, including economics, also was affected.

The Persian author Nasir al-Din Tusi (1201–1274), a counselor of the Mogul Hulalu in Baghdad, wrote a work on public finance and monetary problems. His approach was very close to that of the Greek Pythagorean Bryson. In his textbook, Tusi did not present anything new from the technical point of view, but made a plea in favor of Islamicizing the economic system, that is, requiring a stricter application of the Koranic tradition in public life. Three other authors were also dominant in this period of

decline: Ibn Khaldoun (1332–1406), Al-Maqrizi (1364–1442), and, although less important, Al-Dawani (1427–1501). The first two were well-known historians who drew attention to problems of development and who attributed Islamic cultural decadence to injudicious socioeconomic management by those in power.

The Global Vision of Ibn Khaldoun

Born in 1332, Ibn Khaldoun was the first Arab author who had a global view of the economy. He analyzed the processes of production and distribution as well as the influence exercised on them by public finance. He insisted that economic development was affected by cyclical movements. His theory of value and of price, based on the cost of production, is, however, less elaborate than Ibn Taymiya's more subtle analysis. However, his demographic analysis was original.

His work emphasized cohesion and group solidarity (*asabiah*), which served a barometer of prosperity, or of decadence when they were lacking. It was in Bedouin society that the spirit of solidarity was at its most powerful. *Asabiah* had been deteriorating for a long time in urban societies, and this deterioration inevitably led to decadence. The opening of a new cycle of economic regeneration would be possible only through the intervention of new dynasties, which would undertake the conquest of the decadent cities while relying on the Bedouins, who were strengthened by their spirit of solidarity.

In the *Muqaddima*, a masterpiece of this period, Ibn Khaldoun analyzed the physical, social, economic, and institutional factors that influenced history. One could describe the author as a political scientist, sociologist, and economist. Some even consider him a proto-Marxist economist, although this seems exaggerated, as Ibn Khaldoun invoked community spirit, religious conviction, and political power (or its dispersal) simply as explanatory elements. Moreover, he opted clearly for a market economy.

The fifth section of the *Muqaddima* includes a detailed description of different professions of the period. The theoretical section, which refers constantly to the Koran and often is related to the ideas of Al-Dimashqi, nonetheless has several original contributions grouped into a coherent and dynamic system. In the first place, Ibn Khaldoun proposed a theory of production. In

his view, production is a human activity organized at the social level as well as at the international level. Man produces in order to satisfy his needs, but the impossibility for each man to produce individually brings about the specialization and division of labor, which leads to producing more than is strictly necessary for survival, and thus releases a marketable surplus.

For Ibn Khaldoun, labor is the essential factor of production; the value of each object corresponds to the quantity of labor necessary to produce it. It follows, then, that the prosperity of a country is not characterized by its quantity of money, but by the level of specialization of its population: the more intense the specialization and division of labor, the higher are the levels of production and wealth. As for Ibn Khaldoun's ideas on money, they remain fairly elementary. He considered gold and commodities to be two forms of natural money created by God. The caliphate, as a religious institution, had to ensure that money maintained its appropriate weight. The price of gold (and of silver) could not change. They were the standards of value. Other prices, however, could fluctuate.

As a result of his theory of the division of labor, Ibn Khaldoun, in an intuitive fashion, approached certain concepts of national accounting. Indeed, for him, the price of a product incorporated three elements: compensation for the producer (wage), compensation for the trader (profit) and compensation for the public authorities (tax). It is important to know that, according to him, the payment of these three elements was influenced by the supply of and demand for the products in question. These factors were determined, on the one hand, by the number of producers and consumers (for example, the density of the population and the desire to produce and consume), and, on the other hand, by the fiscal policy of the government. These two determinant factors were subject to cyclical movements.

With respect to the population factor, the argument was as follows: the more dense a population was, the more possible it would be for the population to specialize, and the more likely it would be to reach a high level of prosperity. A higher level of prosperity encouraged the birth rate, which, in its turn, stimulated processes of specialization and accumulation. Thus, wealthy regions underwent urban growth and became richer, while less well-endowed regions became poorer. But this process of cumulative growth reached its limit when faced with the problem of

the rural exodus – which it caused. The exaggerated growth of the cities brought about their decadence, whereas the decline in agricultural production – a consequence of the rural exodus – brought about illnesses, famines, and, finally, a decrease in population.

A similar cyclical movement dominated Ibn Khaldoun's conception of the role of public finance. In the first stage, the power of the State is limited and fiscal pressure and its yield remain weak. This stimulates the desire to consume and to produce, but the growth of production brings about an increase in fiscal revenues, which, in increasing the income of the State, consolidates the power of the public authorities. Finally, fiscal pressure becomes so heavy that it puts a brake on the stimuli to produce and consume, and the process goes into reverse, the power of the State dwindling in proportion to the decline in fiscal revenue. Ibn Khaldoun proposed that, at a certain moment in this cycle, there existed an optimal relationship between the volume of income formation and the amount of tax. If the prince begins to waste money, the social fabric will disintegrate and cause revolts. If the fiscal pressure is excessive, the pact of equity will be broken, and will bring about a vicious circle leading to fiscal fraud.

One can conclude that Ibn Khaldoun had formulated the advantages of the division of labor well before Adam Smith, that he had devised a cyclical theory of population before Malthus, and that his ideas on taxation could be compared to those of the more modern theories of supply and demand.

Written in a flowing style agreeable to the modern reader, the *Muqaddima* and the complete text of *Kitab al-Ibar* form a solid and balanced plea in favor of the dominant groups who held power at the time they were written. The text bases the hope for a new leap forward for Islam on effective government and a renewed spirit of solidarity. Ibn Khaldoun wished to pass on to his contemporaries the memory of the splendid civilization that earlier generations had known, and he showed nostalgia in the face of the decadence that he analyzed in a critical spirit. In the attempt to decolonize the social sciences from solely Western paradigms, certain North African sociologists in our time have been inspired by this great historical master.⁷ For Islamic theorists of development, Ibn Khaldoun opens the way to a conceptual approach rooted in the culture and history of Islam.⁸

Al-Maqrizi

Al-Maqrizi had been a *muhtasib* in Cairo under the Mameluk dynasty. He left a large body of work, of which only two studies are important for the history of economic theory: his "Study on Periods of Famine" and his "Study of Finance." Although Al-Maqrizi opened up interesting perspectives on the economic problems of his times, only recently has he been "rediscovered." More than Ibn Khaldoun, Al-Maqrizi's analysis constitutes a study of the cause of "systemic" crisis.

According to him, famine periods and shortages of food products cannot be explained solely by natural catastrophes – such as the irregularity of the Nile, which sometimes irrigated too much, sometimes too little. Problems of this kind, which were scarcely touched on in the golden age of Islam or even in the reign of the great Pharaohs, can be resolved by human organization. Thus, it was in the socioeconomic determinants of the regime that Al-Maqrizi sought the cause of the crisis. The country was the victim of a feudal class that skimmed off the top of the production surplus by imposing excessive taxes and requiring services in kind that were too burdensome.

The attack on the purchasing power of the population was also monetary in nature. Three types of money circulated in Egypt: the gold *dinar*, the silver *dirham*, and the copper *fals* (plural: *foulous*). In order to fill the State's coffers, the sultans of the Mameluk dynasty struck increasingly depreciated foulous. In fact, this was monetary depreciation (debasement of the coinage). In order to protect themselves, the wealthy classes began to hoard the *dinar* and the *dirham*, which had a value greater than the *fals*. Contrary to Al-Taymiya and (later) to Gresham, who were content to describe this substitution (bad money drives out good), Al-Maqrizi provided a closer analysis of the mechanisms. By locating the crisis in the global moral and social framework, his explanation went beyond the purely monetary dimension.

According to Al-Maqrizi, monetary depreciation was a symptom of the general crisis of values. Since the domination of the Mameluks, corruption had triumphed and public administration and efficiency left a great deal to be desired. Al-Maqrizi formulated the problem in the following fashion: inefficient administration had driven out efficient administration; the superior feudal class exploited the masses; and an equitable distribution between

taxes and obligations had given way to fraudulent administration, which violated the directives of the Koran. As a Muslim economist, Al-Maqrizi associated money, as the standard of just value (*namus al-adil*), with the law of the Highest. Finances could be made healthy only if the socioeconomic and political system was put right, that is, if the directives of the Koran were applied. Taking his inspiration from the *shariah*, Al-Maqrizi wrote: "All Powerful, inspire our sultan so that he will commit himself to re-establish our *umma*, so that the *dirham* will once again become the money-standard of all other currencies (even foreign ones) just as Allah is the absolute value-standard for leaders and subjects." For Al-Maqrizi, price inflation caused by monetary manipulation was not just a monetary phenomenon. A sick currency was the product of a morally sick society.

Finally, it is necessary to mention Al-Dawani, a Persian author who came close to the analyses of Tusi and Al-Maqrizi. He could be considered the person who popularized their ideas – without adding anything new to them. Like Al-Maqrizi, he can be described as an Islamic economist. Indeed, he affirmed that efficient and fair management was only possible if the authorities ensured that the standard of goods and services remained inviolable and correct. He proposed the following measure: that finances be placed under the control of the higher religious authority, namely the caliphate.

Conclusion

Economic thought is a product of the society from which it grows. It is, as a consequence, culturally and historically determined. For the philosophers of ancient Greece, population, territorial organization, and the economy made up the material infrastructure of society. Social relations, and above all political organization, belonged to a superior category. The absolute and constituent element of society was the sociopolitical one. Plato and Aristotle praised the Greek *polis*, characterized by community links that were determined by ethical norms, as the supreme form of human society. Man could develop completely and in a balanced way – that is, lead a good life – only on the basis of this social solidarity. Individual (*krematistikè*) as well as family (*oikos*) accumulation were subordinated to the solidarity of the

social fabric. From this point of view, the economy was a “political” economy, subject to the norms of the ethic of the just mean. It was *oikos-nomos*.

Islam had borrowed this tradition of ancient thought, which arose out of a view of society that was both organicist and teleological. But Islam enriched the Greek ethic of natural order with the transcendental prescriptions of the Koran. This synthesis fertilized Christian and medieval scholasticism. Thus, Islam constituted an essential link in the Mediterranean economic tradition that opened up sixteenth-century Spanish scholasticism. After the hegemony of the Mediterranean tradition, which had lasted for two thousand years, the thinkers of the rising Atlantic nations took over. In this Atlantic tradition, the economic element gradually separated itself from the sociopolitical element. The economy became an end in itself. It was a “pure” economy.

Compared to the Greek pioneers, the contribution of Islam was a remarkable broadening and deepening of extant economic thought. With Ibn Khaldoun and Al-Maqrizi, a new analytical method arose, more independent of Hellenistic political philosophy. The two authors placed the socioeconomic dynamic in its historical context. They analyzed the tension that occurred in human societies between the ideal of the virtuous city and the reality of the historically concrete. Their positivist methodology heralded the modern social sciences.

The Muslim thinkers, however, had formulated strict ethical norms with respect to production, distribution and sales, public finances, and finance in general. Above all, they admired the moral integrity of norms. In the area of monetary economics in particular, the Islamic authors had produced epoch-making theories. They had gone beyond and even corrected Aristotelian nominalism. In their view, devaluation by debasement of the coinage or through disguised fiscal taxes was inadmissible because such manipulations were ethically and socially unjust. In a contemporary world where exchange rates fluctuate at the whim of the market and of speculation, and where there is no longer any stable standard, do not analyses of this kind have considerable relevance?

Notes

1. S. Ghazanfar and A. Islahi, "Economic thought of an Arabic Scholastic: Abu Halid Al-Ghazali," *History of Political Economy* 2, 1990.
2. Ibn Taymiya, a prolific author, spent his life in Cairo and belonged to the Hanbalite school.
3. A. Islahi, *Economic Views of Ibn Taymiya*, Aligarh, Aligarh Muslim University, 1980.
4. F. Hourani, *New Light on the Political Philosophy of Averroès*, Albany, 1975; R. Rosenthal, *Averroès' Commentary on Plato's Republic*, Cambridge, 1965.
5. Averroès's commentary on the *Nicomachean Ethics* follows from a previous Muslim master, Al-Farabi.
6. There is also a Hebrew version that has been preserved. The Mediaeval Academy of America is preparing a complete edition of *Corpus commentarum Averrois in Aristotelem*.
7. A. Zghal and H. Karoui, "Decolonization and social science research: the case of Tunisia," *Middle East Studies Association Bulletin* 7, 1973.
8. L. Baeck, "Development theory: Revival of the Mediterranean tradition," *Research Paper in Economic Development* 14, Louvain, University of Louvain.

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