

Abdul Azim Islahi
**Contributions of Muslim Scholars to Economic Thought and
Analysis (11-905 A.H./ 632-1500 A. D.)**

*Scientific Publishing Centre
King Abdulaziz University
Jeddah, Saudi Arabia. 2005, 138 pp.*

Reviewed by:

M. Kabir Hassan
University of New Orleans, USA

I was delighted to read this book on the history of Islamic economic thought by Professor Abdul Azim Islahi, a distinguished scholar of Islamic economic history. Islamic scholarship in the middle ages, when the European nations were in the vacuum of knowledge, preserved the Greek-Roman writings and transmitted this knowledge from the East to the West. The Schumpeterian “Great Gap” is not realistic. The Islamic scholars during seventh and sixteen century filled this gap by preserving, translating and retranslating Greek thoughts and enriched them with ideas and concepts from Islamic faith.

This is not the first work of the author on Islamic economic history. He has written very extensively on the economic thoughts of Imam Ibn Taymiah and Ibn al-Qayyim. Like his previous works in this area, he provides materials and references that can fill the “great gap” in the history of economic thought. His book also provides guidance for those who are willing to search for truth in the history of economic thought and find common grounds in sciences, cultural understanding and inter-civilization dialogue.

This reviewer will first provide a brief summary of each chapter to lead the readers for main ideas and links propounded in the book. In doing so, commentaries will also be provided wherever are seen fit.

In chapter one, the author lays the ground work for the book. There is an increasing curiosity among the students of economics regarding the root of modern economic thought. The present study aims to find out contributions of Muslim scholars that played an important role in the continuity and growth of mainstream economics. This study aims to provide material that could be used to make up the existing deficiency in the literature on history of economic thought. By reporting and analyzing economic ideas of Muslim scholars, it will also explore various channels through which their ideas reached the European West and influenced the scholastic scholars.

Since the very beginning, writers on history of economic thought had tended to ignore the contribution of Muslim scholars to the subject. They start with the Greek philosophers and Roman jurists and administrators. They also mention opinions of some Christian fathers who lived in the early centuries of the Christian era. Then they jump to middle ages when Europe came out from darkness to light and thinking on different natural and social sciences began, leaving a wide gap of about five centuries. This was exactly the period when Muslims ruled the greater part of the known world, established powerful empires, developed economies and contributed to the promotion of culture and science including economics. Modern development of Islamic economics began during the second quarter of the 20th century. Perhaps the first article to introduce economic thought of Muslim scholars was written by Salih in Arabic entitled 'Arab Economic Thought in the Fifteenth Century' in which he discussed economic ideas of Ibn Khaldun, al-Maqrizi, and al-Dulaji. In the first half of the 20th century most of works on economic thought in Islam were written in Urdu or Arabic.

In Chapter 2, the author discusses the methods by which Islamic economic thought was developed. The first phase - the formation period - covers the period just after cessation of the revelation to the end of the Companions' era (11–100 A.H./632–718 A.D.). Islamic economic thought, in its early formation period, was not influenced by any outside elements. No doubt, since pre-Islamic times, Arabs had some commercial relations with neighboring countries but this did not lead to the establishment of cultural and intellectual contacts. There is no evidence of translation activities during that early period. Nor were the means of communication so developed to get acquaintance with foreign ideas. On the other hand, the very basic sources of Islam – the Qur'an and Sunnah – contained a number of economic principles and many detailed economic teachings. There was, therefore, no need to look for alien sources. The early Islamic economic thought was based on its internal sources. Although some translation activities were started as early as in the 1st/7th century, they were of different nature and had no discernible impact on the evolution of economic theory. For one, they were very insignificant in nature and limited among the ruling elite only. Secondly, Muslim scholars at this stage were devoted fully to the study and development of Shari`ah sciences and felt no need to pay attention to foreign sciences. Thus, the entire development of economic thought in this period was inspired by the internal factors rooted in the basic sources of Islam – the Qur'an and Sunnah and Islam's encouraging view towards engagement in economic matters.

The second phase, the translation period, when foreign ideas were translated into Arabic and Muslim scholars got an opportunity to benefit from the intellectual and practical works of other nations (2nd–5th/8th–11th century). By translation period we

mean the age when foreign classical works and master pieces, specially those embodying Greek ideas, were translated into Arabic and Muslim scholars came to learn them and benefit from them. The translation activity started in the first century Hijrah itself, although it took two more centuries to make its influence felt among Muslim scholars. The first incidence of translation is reported during the Caliphate of `Umar. Later Khalid b. Yazid made a somehow systematic beginning of translation. He sent for scholars from India, Persia, Rome and Greece and arranged the translation of their classical works. In the coming years the political upheavals interrupted this work. Its full-fledged commencement could be traced to the Abbasid Caliph al-Ma'mun who established '*Bayt al-Hikmah*' (the house of wisdom) especially for this purpose. The incorporation of ancient sciences into Arabic gave a fresh lease of life to many important Indian, Persian and Greek works and saved them from oblivion. By the end of 3rd/9th century, scholars were generally aware of and conversant with the contents of the translation works and they started exposition, assessment, addition and commentary on those sciences and even production of similar works. Muslim philosophers translated *oikonomia* as '*ilm tadbir al-manzil*' (the science of household management). It was one of the three branches of Greek philosophy, the other two being ethics (*ilm al-akhlaq*) and politics (*ilm al-siyasah*). They extended this branch of knowledge 'far beyond the household, embracing market, price, monetary, supply, demand phenomena, and hinting at some of the macro-economic relations stressed by Lord Keynes'.

The third phase, the re-translation and transmission period, when Greco-Arab Islamic ideas reached Europe through translation and other contacts (6th– 9th/12th–15th century). The third phase of Islamic economic thought marks the translation of Islamic sciences in general and Greco-Arab sciences' (Muslim scholars' additions and commentaries over Greek philosophy) in particular from Arabic to Latin and other European languages. During those days economic discussions formed the part of ethical and philosophical discourses, so the Muslim scholars' economic ideas were also translated and transmitted along with their philosophical works and translations. For example, most of Aristotle's views of economic interest are found in *Politics* and in the *Nicomachean Ethics*. Translation of Ibn Rushd's commentary on these two works became very popular in the West.

In Chapter 3, the author discusses the value theory and market and pricing mechanism from an Islamic perspective. Muslim scholars benefited from the Greek translations, at the least the groups of *mutakallimun* and *hukama*. But before they got these translations during third century Hijrah and subsequent period, they had already developed a host of economic ideas and policy concerns. The union of these two elements provided impetus to this branch of knowledge. They not only improved and developed Hellenic thought, they introduced new concepts as well.

Elements of value theory and its main building blocks existed long before the builders of modern economics. It is interesting to note that development of value theory in Islamic tradition took just the other way, not like the west. Muslim scholars perceived valuation based on marginal utility as early as 2nd/9th century, of course without using the terminology. The writings of Ibn Abd al-Salam, al-Shaybani and Ibn al-Jawzi clearly portrayed that they were fully aware of these economic tools. Ibn Taymiyyah believes that value is an increment obtained from both labor and capital. So it should be

divided among them as an increment resulting from two factors. This suggests that Ibn Taymiyyah was fully aware of production theory of value. Ibn Khaldun insists that 'profit is the value realized from labor, which suggests that he had clear concept on labor theory of value.

Muslim scholars had deep insight in their analysis of market forces. The question of administrative fixation of price arose during the life of the Prophet (p.b.u.h.) who refused to fix it. By prohibition of hoarding and forestalling and with his remark "...let Allah provide them with living – some of them with other", he approved determination of price by free play of market forces – demand and supply. Muslim scholars were aware of this mechanism. The author included a chain of scholars who visualized this. Perhaps the earliest explicit statement on the role of demand and supply in determination of the price came from the leading jurist imam Shafi'i. Al-Kasani quotes him to have said that "the value of a commodity changes each time there is change in the price, due to increase or decrease of people's willingness to acquire the commodity (demand) and depending whether it is available in small quantity or large quantity (supply)". Another early expression of the role of demand and supply came from al-Jahiz in his work '*al-Tabassur bi'l-Tijarah*' (the Insight in Commerce): "Everything becomes cheaper if its amount increases except knowledge as its value is enhanced if it increases". Al-Ghazali, the great scholar of Islam, provides a rather detailed discussion of the role and significance of voluntary trading activities and the emergence of markets based on demand and supply forces in determining prices and profits. Ibn Taymiyyah's statement partly reflects a commonly held view at the time that rising price is the result of manipulation of the market. He argues that there could be market pressures behind the rise and fall of prices i.e. shifts in demand and supply functions. Thus, at a given price demand increases and supply decreases, leading to a price rise or, conversely, at a given price, supply increases and demand decreases, leading to an ultimate decline of the price. Muslim scholars had the idea of price of the equivalent' (*qimat al-mithl*) or 'just price' (*qimat al-'adl*). But their concept of 'just price' was not borrowed from the Greek literature. It originated in Islamic tradition itself as the term was used by the Prophet (p.b.u.h.) as well as by his two Caliphs.

In Chapter 4, the author examines the production and distribution theory from an Islamic historical perspective. Muslim scholars gave high value to engagement in production activities. Al-Shaybani classified productive activities into four categories- services, agriculture, trade and industry. An 8th/14th century scholar Muhammad b. Abd al-Rahman al-Wasabi divides basic sources of earning into three categories- agriculture, industry and trade. Depending upon the basic needs of living entities, al-Ghazali classified them into five categories- farming (food for people), grazing (food for animals), hunting (including exploration of mineral and forest products), wearing (textiles or clothing) and building and construction (for dwelling). He suggests another classification of industries quite similar to that found in contemporary discussion i.e. primary, secondary and tertiary, which refer to agriculture, manufacturing, and services respectively. Traditionally commerce was given high value by Muslim scholars. The reason may be that once it was the occupation of the Prophet (p.b.u.h.) himself and it was the main source of earning in Arabian Peninsula. Collections of the Prophet's traditions and books of Islamic jurisprudence have several chapters related to commercial transactions. Some scholars have glorified agriculture such as al-Shaybani,

Ibn Abi al-Rabi` Ibn al-Hajj, Najm al-Din al-Razi etc. They generally put agriculture on the top of economic activities because it is the source of industry and commerce as well.

Linkages of industries and their *interdependence* were first mentioned by al-Shaybani. Al-Ghazali makes it clearer when he says; “the farmer produces grains, the miller converts it into flour, and the baker prepares bread from the flour”.

A natural result of linkages and interdependence of industries was need for *cooperation* and *division of labour*. Almost all thinkers including al-Shaybani, al Ghazali, al-Asfahani, al Dimashqi, Ibn Taymiyyah and Ibn Khaldun on this aspect of economy argued for the two.

Distribution is of two kinds: *Functional* that takes place as a result of production process; it may be called initial distribution, and *personal distribution*, which means redistribution. In Islamic system, the latter is much emphasized and a detailed scheme is found in its basic sources. Muslim scholars have also discussed them elaborately. In the mainstream economics, analysis of functional distribution has been given more importance.

Muslim scholars excluded *interest* (a rate charged on capital lent against the time given for use) from the list of rewards for factors. Capital has to come in terms with entrepreneur as equity participant and share in *loss and profit* of the enterprise. Ibn Taymiyyah suggests that entrepreneurs should earn profit in commonly accepted manner (*al-rihb al-maruf*) without destroying their interest and the interest of the consumers. He is against abnormal rate of profit exploitative (*ghabn fahish*) of a situation where people are ignorant of market conditions (*mustarsil*). Thus, he opposes price discrimination to maximize profit. Among other things profits are related to the risk, as it is clear from various statements of Muslim scholars.

In Islamic system labor has been considered as a service carrying a market price and therefore in normal condition it will be left to the free play of market forces to determine the wage. He uses terms like ‘pricing in labor market’ (*tas`ir fil-a`mal*), ‘wage of the equivalent’ (*ujrat al-mithl*) analogous to ‘pricing in goods market’ (*tas`ir fi l`-amwal*) and ‘price of the equivalent’ (*thaman al-mithl*). Ibn Khaldun has also similar things to say about wages.

Muslim scholars talked more about rental than rent and mostly of juridical nature. Their statement about economic rent is rare and not very clear. Ibn Khaldun reached very near to Ricardo in his example how real estate forms an ‘unearned income’ for his owner but could not strike it to point the element of rent, ‘... their value (i.e. real estates and farms) increases, and they assume an importance they did not have before’.

In Chapter 5, the author enumerates the concept of money and interest in Islamic economic thought. Umar, the second Caliph, expressed his intention to issue money of camel skins. The context is not known. However, he refrained from implementing it when fear was expressed that this would lead to extinction of the camel. Ahmad bin Hanbal is reported to have said that if people decide something as money, it should be acceptable. Ibn Battutah noted in his travel account during eighth/ fourteenth century

that the Chinese were using paper money for their sale and purchase. But Muslim scholars did not develop their thinking on this line, though they accepted that 'money' is not desired for its own sake. Most of the Muslim scholars discussed nature and functions of money, merits of bimetallic standard and consequences of bad money and debasement of currency. Problems of barter exchange and function of money as medium of exchange, unit of account and store of value, have also been discussed both by al-Ghazali and al-Dimashqi. Ibn Rushd introduced Aristotle's definition of *nomisma* (the Greek word for money) and his concept of money as a common measure 'between separate things, so that equality prevails in business between things where it is difficult to measure equality in existence.' Ibn Rushd, like his many predecessors, reiterates that money is needed because of the difficulty of transacting business in a barter economy. Ibn Taymiyyah witnessed the turmoil resulted due to debasement practiced by Mamluk rulers of his time. He had some idea of the relation between quantity of money, the total volume of transactions and price level. Ibn Taymiyyah and al-Maqrizi, the two scholars of Mamluk period also saw and analyzed the phenomenon known in the West as Graham's Law.

Interest is strictly prohibited in Islamic Shari`ah. So, why interest arises and how its rates are determined became irrelevant to Muslim scholars. A unique contribution of Islam to economic thought is that it envisaged occurrence of interest in certain cases of barter that involve exchanges unequal by way of quantity or time of delivery termed as *riba l-fadl* and *riba l-nasi`ah* respectively. Grice-Hutchinson praises Ibn Asim's contribution in dealing with this subject. A number of Muslim scholars including Ibn Rushd, al-Ghazal and Ibn Taymiyyah argued the reasons behind the prohibition of *riba*.

In Chapter 6, the author examines the public finance and the nature of development from an Islamic historical perspective. Prophet (p.b.u.h) gave all the necessary principles of good governance and trained his followers in such a way that they established ideal caliphate based on justice, equity, *shura* (mutual consultation) and God-fearing. At the same time, he never forbade to benefit from the good experiences of others. It was in this environment that the early writings on Islamic political economy started. They addressed practical problems arising due to expanding rule of Islamic caliphate such as economic responsibilities of the government, management of lands, administration of revenue, public expenditure, supervision and control of market activities, provision of necessary goods and services, improvements of the economic condition of people and development of the economy as a whole, etc. After the death of Prophet (p.b.u.h), Muslim scholars started writing on economic issues as a response to emerging situations and the problems they faced.

Muslim scholars wrote a series of writings on statecraft and rules for governance appeared in Islamic tradition. Abu Yusuf's *Kitab al-Kharaj* falls under this category. Examples of other similar works are *Da'aim al-Islam* by Abu Hanifah al-Nu'mn al-Isma'ili, *al-Ahkam al-Sultaniyyah* each by Abu Yala al-Farra and al-Mawardi, *Siyasat Namah* by Nizam al-Mulk al-Tusi, *al-Tibr al-Masbuk fi Nasihat al-Muluk* by al-Ghazali, *Siraj al-Muluk* by al-Turtushi, *Qabus Namah* by Kay Kaus, *al-Siyasah al-Shar'iyyah* by Ibn Taymiyyah, *Tahrir al-Ahkam fi Tadbir Ahl al-Islam* by Ibn Jama'ah (all in chronological order starting from 2nd/8th century to 8th/14th century). In addition to rules for good governance, these works have been a rich source of Islamic political economy.

Most writers dealing with state and economy have chapters or sections in their work on *al-hisbah*, a very important institution of Islamic state. Through this department the state exercised a comprehensive socio-economic control on trade and economic practices. It may be noted that in Greek and Roman traditions also, activities of market place, were administered by the market inspector or *agoranomos*. On the basis of this partial similarity it has been claimed that Islamic *hisbah* is taken from European *agoranomos*. But the Muslim scholars insist that it owes its origin to the Qur'an itself.

Muslim scholars, including Al-Marwardi, al-Ghazali and Ibn Taymiyyah have assigned the state responsibility of elimination of poverty, supply of necessities, provision of justice and fair distribution, establishment of peace and security, promotion of human values, and building infrastructure for development of the economy.

Muslim economic thinking is distinguished from early economic thought by paying increasing attention to public finance and exclusive writings on the subject. Works on taxation in Islam (*Kitab al-Kharaj*) and public finance (*Kitab al-Amwal*) first appeared in 2nd/8th century and within the next few centuries more than two dozens treatises were written. Shemesh gives, from various sources, a list of 21 works that were written on taxation during early centuries of Islam. The works that could survive include those of Abu Yusuf, al-Qurashi, Abu Ubayd, Ibn Zanjawayh, al-Dawudi, Ibn Rajab, and portions of Qudamah b. Ja'far, and al-Makhzumi. In addition to exclusive works on the subject, issues of public revenue and expenditure constituted parts of juristic and political writings.

Economic development has been a prime concern of Muslim scholars. Al-Mawardi presented an outline of sustainable development of state and economy. Establishment of state requires the foundation of 'religion', military 'power' and economic resources. State policy should be based on 'development of country', 'protection of citizens', 'management of army' and 'administration of revenues'. Again development of a country requires due attention to both rural and urban areas. In this connection, he mentions certain criteria, such as crime-free society, required industries, means of employment, enough drinking water, pollution-free environment, wide road, planned cities and districts, education, training facilities, etc. One can see most of these items are still considered as necessary for human development. Al-Ghazali assigned so much importance to education and training in socio-economic and human development that he discussed its various aspects in about one hundred pages of his famous work *Ihya Ulum al-Din* – even the title of this four-volume work indicates the same.

A variant view is found with Ibn Khaldun. His political-economic theory of development is in fact a cyclical model of development. The core concept of Ibn Khaldun's theory of development is '*asabiyyah* (group feeling, social cohesion) which keeps people united behind their leader and solid against enemies. It provides stability and strength to political setup of the country, a pre-condition for development efforts

In Chapter 7, the author discusses how the Islamic thinking impacted the medieval Europe, and the net value addition in the continuum of the development of economic thought. Muslim scholars started their intellectual journey equipped with revealed knowledge. But, they were not afraid of learning the existing human heritage of

sciences. In this respect, Greek philosophy received their first attention. Greek philosophy had differential impact on various scholars as this philosophy never had answers to every challenge of the time.

It would be interesting to examine Muslim scholars' addition to and improvement over Greek economic ideas. Greek economic ideas were confined to a few aspects of life such as, 'wants and their satisfactions', 'economy of self sufficient households', 'division of labor', 'barter', and 'money'. Such ideas extracted from a great body of literature that survived constitute the Greek bequest to economic science. Muslim scholars were not confined to these areas alone. In addition, they discussed market function and pricing mechanism, production and distribution problems, government economic role and public finance, poverty eradication, and economic development, etc. Muslim scholars did not take to Greek philosophy and economic ideas without critical assessment. Al-Ghazali criticized the whole Greek philosophy in his work '*Tahafut al-Falasifah*' (*Incoherence of Philosophers*), although it is alleged that Al-Ghazali followed Plato in some cases. In this chapter, the author clearly portrayed how Muslim scholars made addition to certain Greek works generation after generation with a number of examples.

It is an accepted historical fact that 'economic thinking' in Europe started with the scholastic philosophers. Christianity traditionally discouraged man's engagement in economic enterprise. Trade and commerce, until the Middle Ages, were considered sinful, the urge to earn more was an expression of mere avarice. This attitude accounts for 'the great gap' from early Christianity up to the middle of the Middle Ages.

It is really surprising that coming to 12th and 13th century A.D., a revolution came and the prohibited tree of economics became part and parcel of Christian scholastics. The question naturally arises what were the factors that led to this radical change and how scholastics were able to develop a very large body of economic thought without almost any precedent. Very few historians of economic thought have tried to address this question. Even those who answered it, they could not fully substantiate it. For instance, the great historian of economic thought, Professor Jacob Viner, remarks: "From the thirteenth century on, after the discovery of Aristotle in the Western world, and especially after the absorption of Aristotelian teaching by Albert the Great and St. Thomas Aquinas, Christian moral theology became a tremendous synthesis of biblical teaching, church tradition, Greek philosophy, Roman and Canon Law, and the wisdom and insights of the scholastics themselves". In this statement "moral theology" refers to Scholasticism, economics was a part of it. However, one may wonder, what is new or unique in these elements. Bible teachings, church tradition, Roman and Canon Law and even Greek philosophy all existed since long ago. Why such synthesis could not be presented during the Dark Ages? Among the above-mentioned elements, if anything was new it was Greek philosophy *with the commentary and exposition by Muslim scholars*.

What are the factors behind the dramatic change of dark Europe? There must have been other factors that affected 'the wisdom and insights of the scholastics themselves' and induced them to change the traditional Christian outlook towards the realities of life and think the way they thought. Of course this important factor was the contact –

negative or positive – on various levels with the Muslim scholars, their work, traders, traveling for education or exploration, war and peace, conquest and defeat. The author presented a few samples to establish the fact that Muslim scholars' influence cannot be ruled out in the development of these ideas, which existed in Islamic system since centuries. If one tries, one will find similarity not only in thought but even in contents of many scholastic works.

Muslim influence in the Medieval West is also manifestly clear from the name of various economic institution and business practices whose origin is Arabic. Words such as *hisbah* (agoranomos) 'mathesep' (*muhtasib*) existed in the Roman East, *mudarabah* (commenda) *suftaja* and *hawalah*, *fundaq*, *mauna* (maona) *Sakk* (cheque), *mukhatarah* (muhtarah) give a clear connection between the Muslim and Western world. Lopez Baralt gives a list of several 'Spanish words directly "naturalized" from Arabic, vividly demonstrating the influence of Muslim civilization on so many aspects of Spanish – and by extension, Latin-American – life and on the Lexicon even of English. Most of these words constituted trade items'.

In Chapter 8, the author forcefully argues that Muslim economic thinking is one of the sources mainstream economics. He also questions the intellectual integrity of the West of not acknowledging Muslim contributions in this regard. Muslim scholars' influence on Medieval Europe with respect to philosophy, science, mathematics, geography, history, art and culture is well-documented and known in the circle of concerned subjects. But their impact on economic thinking and institutions – a very important part of life – is yet to be fully explored and recognized. The very fact that Medieval Europe borrowed from Muslim scholars in so many diverse field is enough to believe that they must not have avoided the economic thought of Muslim scholars as there was no reason to ignore their intellectual contribution in this vital and practical aspect of life. In parts of the book, the author shows certain incidence of influence that strengthens the proposition that Medieval scholars and practitioners had availed the opportunity and benefited from the contribution of Muslim scholars and used the available knowledge to advance their ideas and further build their institutions.

Muslim influence reached Medieval Europe through *translation activities*, *education* and *oral transmission*, *travel accounts of explorers*, *trade*, *crusades*, *diplomatic missions* and *pilgrimages*. But, these contributions are totally ignored in the family Tree of Economics. *A History of Economic Thought* by John Fred Bell and Samuelson's Economics categorically ignored their contributions. Borrowing by a scholastic philosopher from Muslim scholars in economic field is the least recognized fact in spite of convincing circumstantial evidences. One of the main reasons may be the fact that scholastic scholars never cited Islamic sources in their discourse on economic issues. The question arises why did scholastic scholars not acknowledge their borrowing from Muslims? A few contemporary writers have tried to answer this. A strong reason is that the scholastics held a denigrating view of Islam and Muslims.

In Chapter 9, the author provides conclusion with his own views of reconciling the facts of the history of economic thought. It is a matter of satisfaction that the situation is not altogether hopeless. There are Western scholars who acknowledge Muslims' contribution to science and culture in general and their role in development of economic thought in particular.

After a detail study of Ibn Khaldun's economic thought published in the *Journal of Political Economy*, Jean Boulakia concludes: "Ibn Khaldun discovered a great number of fundamental economic notions a few centuries before their official births. He discovered the virtues and the necessity of a division of labor before Smith and the principle of labor value before Ricardo. He elaborated a theory of population before Malthus and insisted on the role of the state on the economy before Keynes". Karl Pribram who died in 1973 and whose work was published posthumously had 'sought to provide the students and scholars of economics with a well-documented history of economic reasoning from the Middle Ages to the middle of twentieth century'. He acknowledges Muslim scholars' influence in very clear and candid manner at various places in his work '*A History of Economic Reasoning*'. Another scholar Nicholas Rescher states, 'In the twelfth and thirteenth centuries, the first period of European impingement, Arabic philosophical writing exerted a significant stimulative influence on the great synthesis Christians Aristotalianism by St. Albert the Great and St. Thomas Aquinas'. This influence has not only been extensive and profound, but relatively continuous and astonishingly diversified. In fact, scholastics learned their principles from Muslim scholars for the scholastic method used by medieval Christian scholastics was already in current use among Muslim jurists long before St. Thomas.

Many researchers now have realized that any work on the history of economic thought will be incomplete if Muslim scholars' contribution is excluded from such a work. They have, therefore, included in their edited volume or original writing a section or chapter on this aspect. In 1978 Grice-Hutchinson authored '*Early Economic Thought in Spain*' in which he extensively wrote how Greek economics was developed and propounded by Muslim scholars and how they transmitted it, along with their own original ideas, to the Christian West.

The author provides a rich reference list-both in Arabic and English- that will help researcher to dig deeper in the search for truth. We hope that readers of this book will examine each of the Muslim scholars who wrote on economics subject extensively by showing how their works have impacted the development of modern economic thought. It is never late to correct the mistakes made by the scholars of economic thought to put the Islamic economic ideas and how the Muslim scholars acted as a bridge between the Greek ideas and Scholastic thought. In fact, the "Great Gap" never existed. It was dully filled by the Muslim scholars during 632-1500 AD. We may very well be surprised to see that Adam Smith was in fact not "the Father of Economics" as we know now. If we analyze the economic ideas of Ibn Khaldun, we will find very striking similarities of Adam Smith with those of Ibn Khaldun, but the difference is that the Ibn Khaldun wrote a century earlier than Adam Smith.

CONTRIBUTION OF MUSLIM SCHOLARS TO ECONOMICS

Here we may appreciate the interaction and influence of Islamic economics from the beginning up to the modern period. Typically, scholastic scholars borrowed from Muslims scholars on economics without acknowledgment: they never cited Islamic sources in their discourse on economic issues (Islahi, 2004: 99).

Source: Islahi, Abdul Azim, "Contributions of Muslim Scholars to Economic Thought and Analysis", Jeddah: IERC, 2004: 100

5. AH / 8 th-11 th cent.): Umar al-Khattab (r. a.) introduced account books "diwan" (from the Persian word meaning "book") in 20 AH/640, and established the bayt al-mal (state treasury): improvements in government required scholarship in public finance and administration.