PREFACE

Comparing the often sorry reality of the present day Islamic World with the Islamic World of yesterday with its many achievements, when Muslim governments were powerful and setbacks less disasterous, provides us, with the benefit of hindsight, rich empirical evidence and lessons to derive conclusions from. Historical evidence should be treated with caution however, as history has inherent distortions when it comes to extracting evidence, as the prevailing conditions of the past may differ from those dominant in the present. History contains useful lessons to be learned, however, providing that this be received with an examining mind and an inquisitive attitude. In Islamic economics, historical examination can tell us that the Islamic system per se has the capability of providing an operational norm and the workable model, as long as the surrounding environment was helpful. As the present is an unbroken chain with the past, it is, in a similar historical fashion, a continual link with the future. And Islamic economics, in a historical sense, is no exception.

This study intends to link the past with the present, in preparation for the future. The remit covers the development of Muslim economic thought from the emergence of Islam, long before economics became a separate discipline. Concern with economic issues predates the development of the analytical tools associated with contemporary economics, and these concerns were evident in the writings of the early Muslim jurists. The introductory chapter examines the economic and financial environment in ancient Arabia from which Islam emerged. The second chapter is concerned with the Islamic economic concepts and ideas in the Qur'ān and Sunnah up to the time of the death of the Prophet. This is a particularly important chapter as Islamic economists, both the jurists in the early centuries of Islam and the contemporary writers, inevitably base their treatise on the subject on the two primary sources of the religion: the Qur'ān and Sunnah. Islamic economic thought during the Rightly-Guided Caliphate, and the development of Islamic society and economy during that period, which are much quoted in the writing of modern Muslim economists, is the subject of the third chapter. The fourth chapter deals with societal changes during the dynastic caliphates, the Umayyads and the Abbasids, and the administrative and economic reforms in the early powerful periods of these two dynasties. The golden age of the intellectual development of Islam and the appearance of the first specialized books on Islamic economics is the focus of chapter five, while the sixth chapter deals with the crucial stage of Islamic history associated with the political decline of the caliphate. Despite this setback there was significant intellectual development during this period. This was to influence the subsequent economic revival, the subject of the seventh chapter that considers the increasing power of the Islamic state during the periods of the Ottomans, the Safawids and the Mongols. In this chapter socioeconomic and political changes are highlighted with a view to looking into the effect of these changes on the intellectual development in general and the development of Islamic economic thought in particular. Chapter eight covers the Islamic reform movements up to the present stage of the Islamic revivalism. The emphasis in this chapter is on the effect of revivalist movements on the development of Islamic economic thought and applications that have become more obvious in the twentieth century, notably the emergence of Islamic banking. Finally, chapter nine concerns the present, focusing on the development of Islamic economics and the partial Islamisation of economic and financial systems. Some observations are made on the prospects for Islamic economics in the light of its history, a future that is in many respects full of promise.