

# *Ibn Khaldun As an Economist:* *A Comparative Study with Modern Economists*

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## INTRODUCTION:

Abd-ar-Rahman Ibn Muhammad Ibn Khaldun al-Hadrami of Tunis (A.D. 1332-1406) — an Arab genius who achieved in a single 'acquiescence' of less than four years' length, out of a fifty-four years' span of adult working life, a life's work in the shape of a piece of literature which bears comparison with the work of Thucydides and Machiavelli for both breadth and profundity of vision as well as for sheer intellectual power. He is indeed the one outstanding personality in the history of Muslim civilization whose social life on the whole was 'solitary, poor, nasty, brutish and short'.<sup>1</sup> In his chosen field of intellectual activity he appears to have been inspired by no predecessors, and to have found no kindled soul among his contemporaries. It appears there has been no answering spark of inspiration kindled in any successors; and yet, in the Prolegomena (*Muqaddimah*) to his Universal History he has conceived and formulated a philosophy of history which is undoubtedly one of the greatest work of its kind that has ever yet been created by any mind in any time or place. It was his single brief 'acquiescence' from a life of practical activity that gave Ibn Khaldun his opportunity to cast his creative thought into literary shape.<sup>2</sup>

Ibn Khaldun was a historian, politician, sociologist, economist, a keen student of human affairs, anxious to analyse the past of mankind in order to provide better understanding of its present and its future. Not only is he the greatest historian of the Middle Ages, but one of the first philosophers of history, a forerunner of Machiavelli, Bodin, Vico, Comte and Curnot. Among Christian historians of the Middle Ages there are only two who can perhaps be compared with him, Otto Von Freising



and John of Salisbury. What is equally remarkable, Ibn Khaldun ventured to speculate on what we call to-day the methods of historical research....<sup>3</sup>

R. Nicholson characterised Ibn Khaldun's work with the assertion that "no Muslim had ever taken a view at once so comprehensive and so philosophical; none had attempted to trace the deeply hidden causes of events, to expose the moral and spiritual forces at work beneath the surface, or to divine the immutable laws of national progress and decay. Ibn Khaldun stood far above his age, and his own countrymen have admired rather than followed him...."<sup>4</sup> G. Sarton regarded Ibn Khaldun as "the greatest theoretician of history, the greatest philosopher of man's experience, not only of the middle ages, but the whole period extending from the time of the great classical historians down to that of Machiavelli, Bodin and Vico...."<sup>5</sup>

Ibn Khaldun also occupies prominent place in the annals of Islamic History. This renown is based on his monumental (*Kitab al-'Ibar*) *Universal History* in seven volumes, the first volume of which constitutes the famous *Muqaddimah* "Introduction to History"; on his (*ta'sif*); *Autobiography* and on some other smaller works which have become known only recently.<sup>6</sup>

Ever since the European discovery of the importance of Ibn Khaldun's philosophy in the nineteenth century, his profound socio-philosophical ideas, as embedded in his *Muqaddimah*, have been expounded and made the subject of a great number of valuable and thorough studies and monographs. Very eloquently have these ideas been evaluated and appreciated by a galaxy of eminent orientalist and historians.<sup>7</sup>

Ibn Khaldun's claim on our attention rests on firm ground, for his *Muqaddimah* represents the most comprehensive synthesis in the "Human Sciences" ever achieved by the Arabs, and gives the modern non-specialist reader an accurate and vivid picture of the range of knowledge available to the medieval Muslim world. Other Muslim thinkers, notably Ibn Sina.<sup>8</sup> (Avicenna), Ibn Rushd<sup>9</sup> (Averroes), and Al-Ghazzali,<sup>10</sup> had a much deeper insight into metaphysical and religious problems, and their influence over Europe was immense; but Ibn Khaldun, while profiting from their philosophical speculations, greatly surpassed them in his understanding of social problems.<sup>11</sup>



Ibn Khaldun's book *Muqaddimah-i-Kitab al-'ibar*, gives the earliest analysis of Islamic civilization. He was a versatile scholar who had profound understanding of the realities of Islamic societies of North Africa, Spain and the Middle East. Ibn Khaldun's *Muqaddimah* has no precedent in either the literature of Islam or the literature of the world.

His book is divided into six chapters, each chapter explaining one or more aspects of Islamic civilization. The chapters are arranged as follows :

1. Introduction to civilization in general.
2. A study of Bedouin Life.
3. The State and its administrative system.
4. The cities, their origin and growth.
5. Economic life with special reference to crafts, professions and commerce and
6. Science and learning e.g., Arithmetic, Algebra and Geometry, Alchemy and Medicine, as well as Poetry and Islamic subjects.<sup>12</sup>

The *Muqaddimah* is a scientific achievement of high rank. In spite of its many deficiencies, the *Muqaddimah*, in conception and exposition, by far surpassed anything that had been said about human culture until the time of Ibn Khaldun; and it was of equal rank with modern works that have been produced on similar subjects.

Indeed, the great significance of Ibn Khaldun has been almost universally acknowledged. Hitti speaks of Ibn Khaldun as the discoverer of the true scope and nature of history, as well as the father of sociology, and one of the greatest historians of all times.<sup>13</sup> Farrukh writes that not only the science of history, but also sociology, were invented by Ibn Khaldun.<sup>14</sup>

As regards the science or philosophy of history, Arabic literature was adorned by one most brilliant name. Neither the classical nor the medieval Christian world can show a single work of the same brightness. Ibn Khaldun considered simply as an historian, had superiors even among Arab authors, but as a theorist on history he had no equal in any age or country until



Vico's appearance, more than three hundred years, Plato, Aristotle and Augustine were not his peers, and all others were unworthy of being even mentioned along with him. He was admirable alike in his originality and sagacity, profundity and his comprehensiveness. He was, however, a man apart, as solitary and unique among his co-religionists and contemporaries in the department of historical philosophy as was Dante in poetry or Roger Bacon in science. Arab historians had indeed, collected the materials which he could use, but he alone used them....<sup>15</sup>

While Ibn Khaldun has been widely acclaimed as a philosopher of History and Sociology — his predominant contribution — he has not been given due importance as an economist. Ibn Khaldun studied life in its entirety and presented his research findings on all important aspects of human civilization. How could he overlook economics which is the central and controlling activity of man's endeavours for a better life on the face of earth? Although his economic ideas are interspersed in almost all the chapters of *Muqaddimah* but he has also devoted a separate chapter on it entitled 'Economic life with special reference to crafts, professions and commerce'.

Though he has studied the economic aspects of his contemporary society, yet he has compared their activity with the past societies and thus drawn conclusions which hold good for all times to come.

Study of Economics has gained great importance in the West during last century and most of the progress made there is a result of researches of economists and their application to the infrastructure of their societies. A comparison between Ibn Khaldun's economic thought and some eminent modern economists would be an interesting study for two reasons: (1) Discovering Muslim legacy in the field of Economics (2) comparative study of Ibn Khaldun's ideas with that of the modern Western economic theories. We start with the opinions expressed by scholars about economic views of Ibn Khaldun.

Many scholars have described Ibn Khaldun as "medieval Islam's greatest economist". James Thompson describes him as "at once a historian, political theorist, economist, sociologist and philosopher that only the word 'genius' can describe him".<sup>16</sup>



The work entitled "Economics thought of Islam: Ibn Khaldun" by Joseph Spangler gives us an entirely new perspective of Ibn Khaldun's bent of thought. According to Spangler, Ibn Khaldun's "economic observations flowed from his concern with the rise and fall of ruling dynasties and with the role of crafts, together with their acquisitions and their correlation with the level of civilization or culture".<sup>17</sup>

The economic views of Ibn Khaldun are a part of his general theory of society and they are scattered throughout the *Muqaddimah*. In chapter four of the *Muqaddimah* there are some interesting sections pertaining to economic topics such as taxation and the reason for low and high revenues, custom duties, accumulation of estates and farms, prices in towns; commercial activities of the rulers, etc.

Ibn Khaldun conceived of Economics as standing independently of Ethics, being concerned with a positive description of phenomena and an apprehension of the laws governing them, rather than an appraisal of their moral value. He realized that production rather than trade is the source of wealth. He realized, too, that gold and silver, far from constituting wealth were mere metals prized because the relative stability of their prices makes them good media of exchange and stores of value. Before Locke and Hume, he saw that each country gets the gold it needs through foreign trade and that gold producing countries are not necessarily the wealthiest.

Even his theory of value is not devoid of interest. He understands the influence of supply and demand factors on prices, including wages; he states that the value of a commodity is mainly derived from the labour embodied in it. He realizes that prices are interdependent, so that a rise or fall in the price of one commodity tends to communicate itself to others. He believes in free competition and strongly condemns monopoly. He clearly understands the functions of trade and declares it and most other services, such as medicine, teaching and even singing, as productive and thus showing himself more clear sighted than Adam Smith. He even goes so far as to say that as civilization progresses the relative importance of agriculture declines while that of services increases.



But if Ibn Khaldun's views on "Pure Economics" fully earn him the title of "Pioneer economist",<sup>18</sup> his views on Social Economics are even more advanced. More clearly than many modern economists he saw the interrelation of political, social, economic and demographic factors.

As Rosenthal puts it:

But more significant in the undoubtedly new and correct perception of the casual interdependence of economy, finance and political power.... He (Ibn Khaldun) perceived that the economic sphere cannot without serious consequences for the machinery of society be looked upon as segregated from finance, army, spiritual culture. These are all inter-connected and only if they are in perfect equilibrium on the basis of a mutual give and take is the state at its best and functions normally and effectively.<sup>19</sup>

Before Durkheim, Ibn Khaldun hinted that division of labour reinforces social solidarity. Like Marx, he understood the enormous influence exerted by economic factors on political and social life, the difference between different people arises out of the differences in their occupations. Few sociologists have seen more clearly the influence exerted by an occupation on the character of those pursuing it. Even his views on public finance reminds one of those of contemporary advocates of state expenditure assigned to promote economic activity.<sup>20</sup>

Ibn Khaldun states that the economic life of the city is characterised by the gradual perfection of the methods of producing goods and services whose consumption and use differentiate civilised cultures from primitive cultures. In contrast with primitive economic activity which concentrates almost exclusively on primary modes of production (farming, animal husbandry, and hunting) civilized economic activity is designed for the satisfaction of man's desire for luxurious goods and services. The mode of civilised economic activity (the use of money and exchange, trade, industry, and elaborate arts and skills) are the product of the demand created by this desire. He observes that the gradual rise of civilised economic activity is intimately related to the rise of the state; further the degree and duration of civilised economic life are dependent upon the character, power and duration of state. As the power of the state reaches its summit so does economic prosperity.<sup>21</sup>



## *ECONOMIC VIEWS OF IBN KHALDUN*

### *Stages of Economic Development:*

It should be known that differences of condition among people are the result of the different ways in which they make their living, social organization enables them to cooperate towards that end.... Some people live by agriculture, the cultivation of vegetables and grains; others by animal husbandry, the use of sheep, cattle, goats, bees, and silk worms, for breeding and for products. Those who live by agriculture or animal husbandry cannot avoid the call of the desert.... This is followed by an increase in comfort and ease, which leads to formation of the most developed luxury customs, ... 'Sedentary people' means the inhabitants of cities and countries, some of whom adopt the crafts as their way of making a living, while others adopt commerce. They earn more and live more comfortably than Bedouins, because they live on a level beyond the level of bare necessity, and their way of making a living corresponds to their wealth.... It has thus become clear that Bedouins and Sedentary people are natural groups which exist by necessity, as we have stated.<sup>22</sup>

### *Kinds of Occupations:*

Agriculture is prior to all the other (ways of making a living by its very nature, since it is something simple and innately natural. It needs no speculation or (theoretical) knowledge.... The crafts are secondary and posterior to agriculture. They are composite and scientific thinking and speculation is applied to them.... Commerce is a natural way of making profits. However, most of its practices and methods are tricky and designed, to obtain the (profit) margin between purchase price and sale price. This surplus ~~m~~akes it possible to earn a profit. Therefore, the law permits cunning in commerce, since (commerce) contains an element of gambling. It does not, however, mean taking away the property of others without giving anything in return.<sup>23</sup>

*Labour and Value:*

Profit may be the result of human labour. (such labour may be applied) to specific materials. Then it is called a craft.... But human labour is necessary for every profit and capital accumulation. When (the source of profit) is work as such, as, for instance, (the exercise of) a craft, this is obvious. When the source of gain is animals, plants, or minerals, (this is not quite as obvious, but) human labour is still necessary, as one can see. Without (human labour), no gain will be obtained, and there will be no useful (result)....<sup>24</sup>

*Demand and Supply:*

Crafts improve and increase when the demand for their products increases. The reason for this is that a man will not give his labour free of charge, for it is his source of livelihood. Consequently, he will only direct his labour towards these things which have value in his town, in order to make a profit therefrom. And when a craft is the object of demand, attracting much expenditure [i.e. on the part of consumers], it becomes like a commodity which being in demand, is brought for sale in larger quantities. There is another factor determining the state of the crafts and that is the extent to which they are demanded by the state. For it is the goods demanded by the state which enjoy the highest sales. Other goods, not demanded by the state but only by private individuals, cannot compare with them, for the state is the greatest market, spending on things without too nice a calculation....<sup>25</sup>

*Supply:*

The cost of agricultural labour also enters into the price of foodstuffs. It is reflected in these prices. This has happened in Spain at the present time. The Christians pushed the Muslims back to the sea coast and the rugged territory there, where (the soil) is poor for the cultivation of grain and little suited for (the growth of) vegetables. They themselves took possession of the fine soil and the good land. Thus, (the Muslims) had to treat the fields and tracts of land, in order to improve the plants and agriculture there. This treatment required expensive labour (products) and materials, such as fertilizer and other things that



had to be procured. They calculated this expenditure in fixing their prices.

The Berber countries are in the contrary position. Their fields are fine and their soil is good. Therefore, they did not have to procure anything (from outside) for their agriculture, which is widely and generally practised there. This is the reason for the cheapness of good stuffs in their country.<sup>26</sup>

*Price:*

The customs duties raise the sale prices, because small businessmen and merchants include all their expenses, even their personal requirements, in the price of their stock and merchandise into the sale price.<sup>27</sup>

It provides a profit and a livelihood for professional traders. When the prices of any type of goods, food, clothing material, or anything else that may bring in capital, remain low and the merchant cannot profit from any fluctuation of the market affecting these things, his profit stops if the situation goes on for a long period. Business in this particular line slumps, no trading is done, and the merchants lose their capital.<sup>28</sup>

*Wealth is a Social, not an Individual Product:*

The concentration of real property and estates in the hands of individual countrymen or townsmen does not come about suddenly, nor in one generation, such estates are built up gradually towards the end of a dynasty, and the setting up of a new state, real estate loses its attractiveness, owing to the poor protection afforded by the state and the general conditions of chaos and ruin: its utility is diminished and its price falls. Now when the new state has firmly established itself and order and prosperity have returned and the country has rejuvenated itself, real estate becomes once more attractive, owing to its great utility and its price once more rises, and this is the meaning of the term: "The fluctuation of the real estate market". The owner of such estates becomes among the richest men of his generation, and this is not due to his own efforts and gains, for the individual capacity is incapable of securing such large fortunes.<sup>29</sup>



*Money is the Measure and Store of Value:*

Furthermore, God created the two minerals, gold and silver, as the measure of value for all capital accumulations. These the inhabitants of the world, by preference, consider treasure and property. Even if, under certain circumstances, other things are acquired, it is only for the purpose of ultimately obtaining (gold and silver). All other things are subject to market fluctuations, from which (gold and silver) are exempt.<sup>30</sup>

*Money is not Wealth:*

Know then that such forms of wealth as gold, silver precious stones and subjects made out of them are only minerals and products having an exchange value, like iron, copper, lead, and the other metals and minerals. It is society, acting through human labour, which brings them to light and increases or decreases their quantity. The quantity existing in the hands of men circulates and is transmitted from generation to generation. And it probably circulates from country to country and from state to state, according to the price paid for it. For it is social effort, the search for profit and the use of tools that cause the increase or decrease of the quantity of precious metals in circulation.<sup>31</sup>

*Population:*

The reason for this is that the individual human being cannot buy himself obtain all the necessities of life. All human beings must co-operate to that end in their civilization. But what is obtained through the co-operation of a group of human beings satisfied the need a number of many times greater than themselves.

If the labour of the inhabitants of a town or city is distributed in accordance with the necessities and needs of those inhabitants, a minimum of ~~what~~ labour will suffice. The labour (available) is more than is needed. Consequently, it is spent to provide the conditions and customs of luxury and to satisfy the needs of the inhabitants of other cities. They import (the things they need) from (people who have a surplus) through exchange or purchase. Thus, the (people who have a surplus) get a good deal of wealth.<sup>32</sup>



*Public Finance:*

It should be known in that the beginning of the dynasty, taxation yields a large revenue from small assessments. At the end of the dynasty, taxation yields a small revenue from large assessments.... the individual imposts and assessments, which together constitute the tax revenues are low. When tax assessments and imposts upon the subjects are low, the latter have the energy and desire to do things. Cultural enterprises grow and increase, because the low taxes bring satisfaction. When cultural enterprises grow, the number of individual imposts and assessments mounts. In consequence, the tax revenue, which is the sum total of (the individual assessments), increases.<sup>33</sup>

*Effects of State Expenditure on the National Income:*

A decrease in the expenditure of the King leads to a decrease in the amount collected in taxation. Wealth keeps on circulating between the King and his subject, from him to them and from them to him. If therefore, the King should hold back money, the loss would fall on the subject.<sup>34</sup>

*Economic Consequences of Oppression:*

Know then that the arbitrary appropriation of men's property by the Government results in the loss of all incentive to gain, when men realise that what they have accumulated will be taken away from them. A loss of incentive will lead to a slackening in enterprise, the slackening being proportional to the extent and degree of confiscation. Thus if confiscation is widespread covering all forms of economic activity there will be a general slackening, owing to the feeling that no branch offers any longer any hope of gain, if however confiscation is mild, there will be only a relatively slight falling off in economic activity. Oppression ruins society, while the ruin of society leads to the weakening and destruction of the State. Among the most oppressive measures, and the ones most deeply harming society, is the compelling of subjects to perform forced work unjustly.<sup>35</sup>

*Ibn Khaldun's Comparison with Modern Economists:*

The economic views of Ibn Khaldun are a part of his general theory of society. Ibn Khaldun does not consider



Economics as an independent science or even a part of political philosophy as was the case with Aristotelian classification of the science. Practical philosophy is missing altogether in Khaldun's work. These sciences are differentiated from the traditional sciences whose foundations are the Quran and the "*Sunnah*" and philosophical or rational sciences which consist of logic, physics, metaphysics, and mathematics. Each of which in turn is divided into special fields.<sup>36</sup>

Stefano Colosio studied Khaldun from the economic point of view and extols his economic theories. "The great Berber historian" he says, "was able to discover in the middle ages the principles of social justice and political economy before Considerant, Marx and Baconine".<sup>37</sup> He then analyses the ideas of Ibn Khaldun about the state's function in the economic field and its bad effects; about the political forces, and social classes, the different kinds of property, the social task of labour, the fact that free labour is a source of wealth and lastly about the law of supply and demand. In all this, remarks Colosio, Ibn Khaldun was an original economist, who understood the principles of political economy and applied them with intelligence and skill long before they were known to western research. Colosio concludes with the following words:

If the theories of Ibn Khaldun, about the complex life of society, place him foremost among the philosophers of history his comprehension of the part played by labour property and wages, places him foremost among the master's of modern economy.<sup>38</sup>

Modern economists agree that economics is primarily a study of man and not of wealth. But it does not study man as an isolated individual. It studies, on the other hand, men who live in society affecting society by their actions and themselves exposed to social influences. Economics is not so much concerned with the "economic man" an abstraction — but with the man of flesh and blood swayed by ordinary motives noble or ignoble and having his ordinary share of vices and virtues. However economics is not a social science in the sense that it studies social acts as distinguished from the acts of the individuals.<sup>39</sup>

Although Ibn Khaldun does not consider economics as an independent science, he does see economics as a social science in that economic problems do not arise due to individual acts but of the society as a whole. Ibn Khaldun observes "the true



meaning of history is the knowledge about human organisations".<sup>40</sup> He further says:

A single human being cannot live by himself and his existence can materialise only in association with his fellow men alone he would be unable to have a complete existence and lead a complete life. By his very nature he needs the cooperation of others to satisfy all his needs.<sup>41</sup>

Consequently, social organisation is necessary to the human species. As a social being, man is not independent from conditions that are beyond his controls; he is subject to them and they shape him as a biological being.

Ibn Khaldun says that human labour is the basis of old values. Profit is the value realised from labour. The part of the income that is obtained by a person through his own effort and strength is called profit.<sup>42</sup> Modern economists also consider labour as one of the 'factor of production' i.e. one of the original productive resources viz. land, labour, capital and organisation. Some economists reduce this classification from four to two: land and labour as primary factors. Ibn Khaldun, unlike modern economists does not distinguish between productive and unproductive labour. Marshall defined labour as "any exertion of mind or body undergone partly or wholly with a view to some good other than the pleasure derived directly from the work".<sup>43</sup> However, they all agree that labour is manifestly different from other factors of production. It is a living thing, and that makes all the difference. Labour is not only a means of production but is also an end of it.

Regarding Ibn Khaldun's theory of prices he observes:

The prices of goods are determined by the costs of production and by 'Demand' and 'supply' Activities not required in a city are not regarded, since there is no profit in them for those who occupy themselves with them.<sup>44</sup> Similar are the views held by present day economists. Marshall attaches equal importance to both demand and supply (or cost of production) in the determination of the value of price. His famous analogy of a pair of scissors is worth quoting: "neither the upper blade nor the lower one taken individually can do the work of cutting; the lower blade may be kept stationery and only the upper one may be move. Yet both are indispensable for the process of cutting."<sup>45</sup>

The only really accurate answer to the question whether it is supply or demand which determined price is that it is both. At times it will be seen that one is more important than the



other, for one will be active and the other passive. For example, if demand remains constant but supply conditions vary, it is demand which is passive and supply active. But neither is more or less important than the other in determinating price.<sup>46</sup>

From the above analysis it is clear that as observed by Ibn Khaldun — price is determined by the interaction of demand and supply. But it should be remembered that demand and supply are itself governed by most of other factors. Supply and demand is only a superficied formula. Professor Samuelson rightly remarks:

Supply and demand are not ultimate explanations of price. They are simply useful catch-all categories for analysing and describing the multitude of forces, causes and factors impinging on price. Rather than being final answer supply and demand simply represent initial questions. Our work is not over but just begun.<sup>47</sup>

Ibn Khaldun states that money is not wealth but a measure of store and value. Modern economists differentiate money from commodity, in the sense that it has no utility of its own other than its being a medium of exchange. Modern economists have summed up the functions of money in a couplet:

Money is a matter of function of four a Medium, a measure, a standard, a store.<sup>48</sup>

As regards effect of money on prices, the 'Quantity Theory of Money' states: 'if the quantity of money increases, its value falls exactly in the same proportion and it rises exactly in the same proportion, if there is a decrease in its quantity whereas the 'Modern Theory of Money' states that the value of money or the price level is in fact a consequence of the total incomes rather than of quantity of money.<sup>49</sup> Ibn Khaldun remarks that wealth keeps on circulating between the king and his subjects from him to them and from them to him. If therefore, the king should hold back the money, the loss would fall on the subjects.<sup>50</sup>

Ibn Khaldun considers agriculture as essentially prior to all other crafts for it is simple, natural and instinctive. In his opinion 'wealth' is acquired in only one form by real estate, viz. when land itself becomes a commodity. As regards 'gain' from land it is acquired through labour. According to the Ricardian theory of rent, "economic rent is the true surplus left after the



expenses of cultivation as represented by payment to labour, capital and enterprise have been met".<sup>51</sup>

According to Ibn Khaldun, the more numerous the population of a state, the higher is the general standard of living. Ibn Khaldun particularly emphasize that people produce wealth, so that the prosperity of a city and of a state increases with the population.<sup>52</sup> According to Malthus theory of population<sup>53</sup> stated in the words of Thomas Marshall himself:

By nature human food increases in a slow arithmetical rates, man himself increases in a quick geometrical rates unless want and vice stop him. The theory is opposite to that of Ibn Khaldun. However, in the Modern Theory or Optimum Theory of population, modern economists have rejected the Malthusian theory of maximum population which, if exceeded, will spell misery in the country. Instead of the maximum population, the modern economists have substituted the idea of optimum population which is more in line with that of Ibn Khaldun. By optimum population is meant the ideal number of the population that a country should have considering its resources. The optimum number can therefore be defined as the one at which per capita income is the highest.<sup>54</sup>

### CONCLUSION:

Ibn Khaldun believes that the intellectual activities of man, the arts and sciences, his moral attitudes and behaviour, the style of living and taste, standard of living and human customs are determined by the kind and degree of development of production. His theory of history is marked by the strong emphasis on economic factors. Ibn Khaldun saw no balance between spiritual and material forces, he was not able to relate them to each other; the different factors were placed abruptly beside each other and were equal with respect to their significance and effectiveness.

It can be ascertained from Ibn Khaldun's work that he assigns equal importance to the forces which determine the course of history of humanity and that he leaves open the relation between ideal and material essence; but because of this, the claim that he believes that the spiritual activity of man is dependent upon material factors is not invalidated.

The great importance that Ibn Khaldun's theory of society bestows on human labour and on the production of goods frequently induced scholars to compare his doctrine with



Marxism and, even beyond that to protect him from the reproach that his doctrine is basically Marxist. It lies in the nature of the subject that Ibn Khaldun's doctrine cannot be Marxist by any means, because the condition for Marxism is the existence of a proletariat. Rosenthal emphasises that one should be careful not to see a "Marxist" in Ibn Khaldun, "however close many ideas may be to Marxist views since he does adhere to a private capitalistic economy".<sup>55</sup>

Ibn Khaldun does not deal in detail with rural economy, he is satisfied with general observation about it. He examines the economic conditions in the Islamic states of his time by especially taking into consideration the urban economy. Urbanites have more ways of subsistence than does the rural population. In differentiating rural from urban economy Ibn Khaldun states that agriculture is the original way of subsistence: other people subsist through manual skills or commerce. Ibn Khaldun represents the interests of the urban middle classes, the independent artisans and merchants. This position of his becomes especially clear in his remarks about landed property, fiscal policy and the participation of state in commerce. Ibn Khaldun's position in regard to the fiscal policy of the state also expresses his attitude in favour of the urban producer classes.

Ibn Khaldun says that human labour is the basis of all values and that profit is the value realised from labour. He believes that as the source of culture, labour is the foundation of all values. This idea identifies him as an ideologist of the upwardly mobile bourgeoisie who with this thesis opposes the interests of the ruling classes. While stating that the price of goods are determined by the costs of production and by demand and supply, activities not required in a city are not regarded since he says there is no profit in them for those who occupy themselves with them. Supply and demand, he observes, are manipulated by merchants whereas in commerce gains are obtained by storing goods. While discussing population Ibn Khaldun believes that people produce wealth, so that the prosperity of a city and of the state increases with population.

Ibn Khaldun believes that the classes create values through labour are of central importance. He is quite aware that there are other classes also, even though he very rarely men-



tions the feudal subjection and dependence of the producers, so that the existence of feudal exploitation is purposely ignored; its presence is branded as unimportant and insignificant.

Ibn Khaldun conceives of surplus work only on the basis of feudal relationships. Economic dependence upon exploiters is not only important but also a form of personal subordination of a certain kind that is determined by the political structure of the society. The fact that Ibn Khaldun condemns statute-labour also indicates that he rejects feudal conditions.

As regards the fiscal policy of state he points out that the payment of taxes is a sign of degradation, that in the stage of nomadic life the group consists of free equal individuals. As long as "asabiyah" is strong enough, people do not submit to their fellow men. But by pointing out the degrading effect of taxes Ibn Khaldun does not want to propagate their abolition altogether for nomadic life is not the only natural way of life.

In dealing with the economic problems the approach of Ibn Khaldun is basically Macro economic study i.e. he analyses the various problems of the economy as a whole. Rarely, if at all, he makes a Micro approach to the study of economic problems such as a firm, an industry or a commerce. In spite of the consistency with which Ibn Khaldun discusses economic problems, his statements remain schematic, they are only hints of problems.

Even though Ibn Khaldun's economic views show weaknesses in the details, it cannot be denied that in his work he made a remarkable attempt to elucidate the importance of the economy to culture and tried to show its significance for the functioning of the society.

#### NOTES AND REFERENCES

1. Charles Issawi, *An Arab Philosophy of History*, London, 1969, p.ix.
2. *Ibid.*, p.x.
3. *Ibid.*
4. Walter J. Fischel, *Ibn Khaldun in Egypt*, Las Angeles, 1967, p.2.
5. *Ibid.*



6. *Ibid.*, p.1.
7. *Ibid.*
8. Ibn Sina (980-1037), known to the West as Avicenna, was born near Bokhara in Central Asia. An amazingly precocious youth, from the age of 16 onward he served as Physician to several rulers in Persia. His *Canon of Medicine* established him as the leading medical authority in Islam, and found its way into most European universities. He developed and systematized Al-Farabi's syncretic philosophy.
9. Ibn Rushd (1126-1198), famous in medieval Europe as Averroes, was the last of the great Muslim philosophers. Born in Cordova, he served as court physician and judge in Spain and Morocco. Most of his works have perished; some survived in the Hebrew or Latin translations, which spread Averroes thought throughout the universities of Europe. Ibn Rushd carries further than most of the Muslim philosophers the bold use of reason, even where that leads to conclusion which seems to contradict the teachings of religion.
10. Ghazzali (1058-1111), known to medieval Europe as Algazel, has often been compared to Thomas Aquines and his monumental *Ihya al-'Ulum al-Din* to the *Summa Theologica*. Combining the critical intellect of a philosopher with the spiritual awareness of mystic. Most of his note-worthy works have been translated into several languages, including English.
11. Charles Issawi, *op.cit.*, p.1.
12. M.A.J. Beg, "Ibn Khaldun: Study of Islamic Civilization", *The Concept*, April 1983, p.11.
13. *Ibid.*
14. Fuad Baali, *Ibn Khaldun's Science of Human Culture*, Lahore, 1978, p.11.
15. Charles Issawi, *op.cit.*, p.x.
16. Shahryar M. Sufian, "Ibn Khaldun's Concept of Asabiyya", *The Muslim*, July 30, 1982.
17. M.A.J. Beg, "Ibn Khaldun's Study of Islamic Civilization", *The Concept*, April 1983.
18. M.A. Nashatt, "Ibn Khaldun: Pioneer Economist", *L'Egypte Contemporaine*, May 1944.
19. Ibn Khaldun, *The Muqaddimah*, translated by Franz Rosenthal, abridged and edited by N.J. Dawood, London, 1967, p.90.
20. Charles Issawi, *op.cit.*, pp.15-17.



21. Mohsin Mahdi, *Ibn Khaldun's Philosophy of History*, London, 1957, pp.216-220.
22. Ibn Khaldun, *op.cit.*, pp.91-92.
23. *Ibid.*, pp.299-300.
24. *Ibid.*, p.298.
25. *Ibid.*, p.304.
26. *Ibid.*, pp.277-78.
27. *Ibid.*, p.286.
28. *Ibid.*, p.311.
29. *Ibid.*, p.284.
30. *Ibid.*, p.298.
31. *Ibid.*, p.322.
32. *Ibid.*, pp.273-74.
33. *Ibid.*, p.230.
34. *Ibid.*, p.129.
35. *Ibid.*, p.130.
36. Fuad Baali, *op.cit.*, pp.113-14.
37. *Ibid.*, pp.114-15.
38. Muhammad Abdullah Enan, *Ibn Khaldun: His Life and Work*, Lahore, 1975, p.163.
39. K.K. Dewett, *Modern Economic Theory*, Delhi, 1988, p.15.
40. Fuad Baali, *op.cit.*, p.114.
41. Franz Rosenthal, *op.cit.*, p.417.
42. *Ibid.*, pp.272-312.
43. *Ibid.*
44. *Ibid.*, p.301.
45. *Ibid.*
46. Stonier and Hague, *A Text Book of Economic Theory*, Delhi, 1979, p.155.
47. Paul A. Samulson, *Economics*, New York, 1968, p.392.



48. K.K. Dewett, *op.cit.*, pp.515-22.
49. *Ibid.*, pp.51-52.
50. Franz Rosenthal, *op.cit.*, p.129.
51. K.K. Dewett, *op.cit.*, p.32.
52. Franz Rosenthal, *op.cit.*, p.32.
53. K.K. Dewett, *op.cit.*, pp.115-20.
54. *Ibid.*, pp.120-26.
55. Franz Rosenthal, *op.cit.*, p.32.