

A Critical Analysis of History of Islamic Economic Thought as Response to Schumpeter's Claim of 'Great Gap' Period (700-1200 AD)

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Abstract

This exploratory research paper attempts to provide a constructive argument to confirm or refute the Austro-American economist Schumpeter's thesis of "Great Gap" mentioned in his book *The History of Economic Analysis* in 1954. The aims of the paper are twofold. The major aim is to focus especially on the assessment of Schumpeter's "Great Gap" thesis in the historical connotation of economic thought. Secondly, the paper aims to produce enough evidence to prove or disapprove his claim by presenting Muslim scholars' contribution in the evolution of the economic thought in the gap period (700-1200 AD). This paper uses qualitative research design through narrative literature review analysis through which relevant literatures have been studied to explore whether Schumpeter's "Great Gap" was really a gap or not. The findings show ample historical evidence that refutes his thesis of "Great Gap" in economic thought because there were huge literatures found that gap period and most of the literatures have been done by Arab-Islamic scholars. Also, there is a presence of self-contradictory statement while demonstrating his thesis. The findings of this research are useful for historians and economists to rethink the history of economic thought in the Middle Ages and create a scope for further research studies.

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Introduction

History is a continuous process of conveying knowledge from one generation to the other. Thinking is the process of using cognitive memory of the human mind to reach innovative ideas or solutions to issues and problems. The main raw materials of the tinkers are the historical facts, the observations, and the experiences. According to Ibn Khaldun (1332-1406), “history makes us acquainted with the conditions of past nations or events as they are reflected in their characters (Khaldun, 2005, p. 10).

In the book entitled *The History of Economic Analysis* published in 1954 written by an Austrian economist Joseph P. Schumpeter (1883-1950), there is a mention of a “Great Gap” period (700-1200 A.D.) in the Chapter 2 of his book, while emphasizing the history of economic thought in the Middle Ages (Schumpeter, 1954, p. 70). It was claimed that the intervening period between the Greeks and the Scholastics was not that significant and even unproductive too. This claim has been adopted by many contemporary economists in the conventional economics arena. This idea and thesis have created and spread misperception and confusion among the readers of the economic history (Ghazanfar, 2003).

Lowry has mentioned that the character and sophistication of Arabian writings in the Middle Ages has been ignored by the researcher (Lowry, 2003). Whereas the literatures, particularly in the history of economic thought, denote that several economic thoughts were perceived and developed long before they became known in western conventional mainstream economics. Chapra, a reputed Islamic economist, illustrate number of areas for giving examples of intellectual contributions by the Muslim scholars in the Middle Ages, including property rights; division of labour, specialization; savings and investment; role of demand and supply in the determination of prices, determinants of demand and supply; role of money; market mechanism; currency debasement, and Gresham’s law; etc (Chapra, 2008).

It is not possible to highlight all ideas and concepts by the early Muslim scholars who have made significant contribution in the different of economics. However, the discussion of the topic makes the point that the

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well-known economic concepts were not new instead these were known and discussed hundreds of years before the 18th Century, when Adam Smith became known as the 'father of economics. This paper aims to prove that economic ideas and thoughts have existed in the phase of history and knowledge has accumulated over the years particularly in the gap period. So, it is unacceptable to ignore or overlook the contribution of early Muslim scholars during the Islamic civilization under the pretext of economic analysis and consider only the contributions of the Western thinkers. Furthermore, it is argued that Muslims lived golden days of science, the West was living in what are known as the 'Dark Ages' (Ghazanfar, 2011). Besides, the Muslim civilization has made rich contributions to intellectual activity by studying the works from the Indian, Sassanian, and Byzantine scholars, particularly socio-economic thought during the "Great Gap" period (Mirakhor, 1987). It is also argued that these intellectual contributions help to kindle the flame of the European scholastic movement in the Middle Ages (Chapra, 2008). Even the Scholastics themselves were influenced by the contributions made by Muslim scholars. The quotation of Pifer is "the names of Ibn Sina (Avicenna, d. 1037), Al-Biruni (d. 1048), Al-Ghazali (d. 1111), Ibn Rushd (Averroes, d. 1198) and Maimonides (d. 1204, a Jewish philosopher, scientist, and physician who flourished in Muslim Spain) appear on almost every page of the thirteenth-century summa (treatises written by scholastic philosophers) (Pifer, 1978, p. 355)."

This research paper uses narrative literature review analysis method by studying the previous works on this specific subject. This paper has five sections. In addition to this introduction, the second section discusses about Joseph Schumpeter and his thesis of the Great Gap. Section three gives an overview of Islamic economic thought. Section four, findings' section, provides a review of literature that provides ample historical evidence to refute the hypothesis of the "Great Gap." Finally, section five presents the discussion and conclusion.

Joseph Schumpeter and his 'Great Gap' thesis

Joseph Schumpeter (1883-1950), an Austrian economist, who was born in Triesch, Moravia (now part of the Czech Republic). He achieved his doctorate degree in economics in 1906 from the University of Graz and started his academic career first as a professor of economics. Also, he was a renowned professor in Economics department at Harvard University.

Joseph A. Schumpeter is one of the big names in the modern economics discipline. He made significant contributions to the field of economic theory, particularly in the areas of entrepreneurship, innovation, business cycle, and economic development. His book named *The History of Economic Analysis* published in 1954 and this book has been called as one of the most outstanding works in the economic history. His analysis on different economic issues is remarkable. He emphasized the role of history for economic analysis. This book draws a historical analysis on different economic thoughts and events in different timelines.

Schumpeter states that economic analysis consists of three things: history, statistics, and theory (Schumpeter, 1954, p. 10). Economics, a subject matter in social science, is fundamentally a distinctive process in historic time. Having knowledge in historical facts and good command in historical consciousness or experience is pre-requisite to explain economic phenomenon (Schumpeter, 1954, p. 12). Moreover, he quoted “economics has associations with several other branches like philosophy, psychology, sociology, and politics. There requires specific knowledge to realize the relationship between economic and non-economic issues from the historical records and backgrounds.” He also emphasized the filiation of ideas and continuity of the conceptual underpinnings in historical analysis (Schumpeter, p. 4). Schumpeter’s analysis of the history of economic thought in his magnum opus is a good contribution in the academia. While writing economic history, Schumpeter gave a good background on Greeks, Romans, Christian thinkers in the Late

Middle Ages, and Classical thinkers. In his book, he states that the economic thinking process begins only from the Greeks not before. Then he emphasized on the role of Roman jurists and administrations in this process. He also mentioned in his book that this process could not be re-established until Latin Scholasticism emerged with St Thomas Aquinas (1225-74). In Chapter 2 of Part II Schumpeter begins with a discussion of the “Great Gap” of five hundred years (700-1200 AD) while highlighting history of economic analysis. He gave a snapshot of Byzantine and German states and drew a conclusion which has been depicted in the following quotation, “so far as our subject is concerned, we may safely leap over 500 years to the epoch of St Thomas Aquinas (1225-1274) whose *Summa Theologica* is in the history of thought what the Western spire of the Cathedral of Chartres is in the history of architecture (Schumpeter, 1954, p. 70).”

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The above quote indicates the several blank centuries without any contributions in the economic thought process. The hypothesis here is that there were no significant works on economic thoughts in the five hundred years in any part of the world as Europe was passing through Dark Ages and so, there was a gap over intellectual evolution throughout the rest of the world. There are two major assumptions of his analysis require proper justifications; one of the assumptions is that there is no thought in other parts of the world before or during Graeco-Roman period and the other one is that there were no major contributions in the Great Gap period.

It is not a problem to highlight the contributions of certain civilizations or empires in the academic world. But we argue that the denial of other contributions while writing history of thought is an obvious omission. This paper scope is twofold: one is critically analysing the "Great Gap" thesis, and the other one is the elaboration of selected thoughts of Muslim thinkers in the gap period.

Islamic Economic Thought

Islam as a religion is characterised by a cosmic view of the world and is both polity and religion, a revelation, and a temporal community of believers bound by the same faith (Essid, 1992). In Islamic writings, economics has been illustrated as a part of a comprehensive approach. The history of Islamic economics goes back to the Quran and Sunnah (Islahi, 2005, p. 11). The revelation and explanations of these two basic sources are divine in character. Whereas thought is a product of human mind. Muslim scholars accepted the economic teachings of the Qur'an and Sunnah as a basis. Then they used their own reason and applied the principles derived from the basic sources of Islam to solve the emerging problems in the changing historical and economic conditions. They translated and used the works of scholars from other civilizations and gave thought to solve both economic and non-economic problem. This process continued throughout Islamic history.

Islahi divided the economic thought process of Middle Ages into three broad categories: formation period (11-100 A.H.632-722), translation period (2nd- 5th A.H./8th-11th century), and re-translation and transmission period (6th-9th A.H./12th-15th century) (Islahi, 2005, p. 11-12). This classification starts from the cessation of the revelation to broad intellectual transmission to other parts of the world. In the formation

period, thinkers use revelation (Al-Quran), the hadith-based knowledge, logical analysis of the then period (Islahi, 2005, p. 12). After the formation period, Muslim thinkers used the Greek philosophers' knowledge through comprehensive translations along with their own contributions (Islahi, 2005, p.13). There is a historical consistency of contributions by the Muslim thinkers from the East to West. Besides, after 14th century, the Ottoman thinkers, and Indian subcontinent thinkers also contributed to the economic thought process. Those thinkers have significant contribution in thought process as well policy making of the different empires of their time. They also critically argued and criticized many public policies of the empires.

According to Spengler, the economic ideas of the Muslim scholars named, are ideas on taxation policy, market regulation, usury, wages, price and its fluctuations, division of labour, money and its functions, debasement of money, coinage, and finally personal and business ethics (Spengler, 1964). Spengler (1964) finds the strong influence of Plato, Aristotle, Neo-Platonism, and the Neo- Pythagorean "Bryson" in above ideas. However, he had noticed and described these contributions in the gap period. He (1964) also stated that Muslim scholars had produced a few excellent thoughts while analysing Ibn Khaldun's work. To sum up, Islamic economic thought in the Middle Ages cannot be ignored due to two specific reasons: one is theoretical dimension, and the other one is practical implementation in the policy making of some big empires.

Critical Argument on Schumpeter's Great Gap Thesis

In *The History of Economic Analysis*, Schumpeter's main purpose is to fill the scientific ideas with doctrinal history by analysing economic thoughts. As a reference, he mentions that Greeks are the pioneer in analysing different economic problems as a systematic theological-philosophical thoughts (Schumpeter, 1954, p. 62). There are some giants in the Greek civilization namely Aristotle, Plato, and Bryson and these persons have substantial contributions in household and administrative economic issues. We can find the extraordinary thoughts of Greek philosophers by the Al-Fārābī, Ibn Sina, and Ibn Rush translation works in the early Middle Ages (Mirakhor, 1987). According to him (1987), these scholars not only did translation but also explained different ideas with comprehensive thoughts. After the Greeks, Roman jurists and administrative personnel contributed to different economic thoughts under legal boundaries. Then Schumpeter

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(1954) discussed the contribution of the 13th century's theologian St. Thomas Aquinas and his book *Summa Theologica* as a prime source of economic thought in the Middle Ages. It is surprising that he initially emphasized on the evolutionary nature of economic thought, quoted "any historical analysis is subject to predecessors, historical conditioning, and process of filiation (Schumpeter, 1954, p. 3)." But he argued that there is no possibility of almost any developments, economic or otherwise, elsewhere during the intervening period between the Greeks and the Latin Scholastics. Later, Schumpeter is more explicit and covers the whole span of the more than two thousand years that extends from the beginnings to about twenty years after the publication of the *Wealth of Nations* by Adam Smith in 1776 with selective literatures. The work of Schumpeter's *The History of Economic Analysis* is commendable on economic history. But we argue that his thesis on "Great Gap" while denoting the Middle Ages is misleading for the three reasons; first one is self-contradictory analysis which raises confusions to the readers of economic history, the second one is the obvious omission while emphasizing the thesis, and the final one is ethnocentric approach.

We argue that his thesis itself a self-contradictory in nature as he refers history as a process of filiation of predecessors' contributions and ideas. According to Schumpeter (1954, p. 3), "scientific analysis is an incessant struggle with creations of our own and our predecessors' minds and it progresses, if at all, in a criss-cross fashion, not as logic, but as the impact of new ideas or observations or needs." But he mentioned a complete blank period of five hundred years without development of economic thought neither in Europe nor in other parts of the world. There were plenty of economic concepts and policy implications we can find in the Middle Ages. Particularly, Muslim thinkers have produced many economic ideas and policy tools in that period (Islahi, 2005, p. 25). Thus, the attempt of putting literature gap denies the concept of "intellectual continuity" and "filiation of ideas." There is also a persistent trend of creating such gap in this contemporary academic world. In line with the thesis of 'Great Gap', many writers (for example Eric Roll, Rima, Spiegel, Spengler, Newman and his group, Barry Gordon) purposefully omitted the contributions of Muslim thinkers in the Middle Ages in their works (Roll, 1938; Spiegel, 1960; Spengler, 1964; Gordon, 1975).

We also argue that there is an obvious omission in his 'Great gap' thesis while explaining the contributions in early and the late Middle Ages. There

is an absence of analysis of other thinkers let alone Muslim economic thinkers in this period. He quoted five hundred years (700-1200th century) as blank centuries and specifically termed as a 'Great Gap' in the history of economic thought. After Graeco-Roman contributions, he immediately drew attention of the 13th century scholar St. Thomas Aquinas by stating the significance of "Just Price" theory written in the *Summa Theologica* book (Schumpeter, 1954, p. 90). To support our argument, the following quote of Mirakhor has been mentioned, "clearly, the reason for Schumpeter's omission could not be the lack of availability of the works of Arab scholars. For a century prior to Schumpeter's time, a plethora of those volumes was available in all major European languages in many libraries (with which Schumpeter was familiar) (Mirakhor, 1987, p. 256)."

The gap tradition has entered in every discipline. For economic history, Schumpeter's book became a classic in this area. According to Mirakhor, it appeared that Schumpeter is aware of Muslim scholars' influence, as is evident from his brief statement and a footnote, concerning "Semite mediation" through Avicenna (Ibn Sina, 980–1033), Averroes (Ibn Rushd, 1126–98), and Maimonides (Ibn Maimon, 1135–1204) (Mirakhor, 1987). It is really an unfortunate that such big names in the scholarly thought are placed in a footnote by tagging them as mere 'interpreters' or 'transmitters' of Aristotelian thoughts. Labelling Arab-Islamic scholars as mere translators is debatable and unacceptable because St. Thomas Aquinas himself mentioned these names in his several works for analysing different issues (Mirakhor, 1987). Furthermore, he (1987) also mentions that there are many similar ideas we can find in the works of *Summa Theologica* that were previously explained in *Ihyā' 'Ulūm al-Dīn* (The Revival of Religious Sciences) of Al Ghazali. It is not surprising to see similar views in the economic history of two independent thinkers in different periods it is a continual process. However, there are some writers who recognized the influence of Muslim Scholars on European Scholastics. Pribam (1951) is one of those who mentioned the influence of Arab-Islamic world on 13th century Scholastics. If we look at the statement of George Sarton (1884-1956), mediaeval historian, we can get some credible ideas of history of the Middle Ages. According to him (1927, p. 27), "we are like dwarfs standing upon the shoulders of giants; and some of the giants of medieval times belong to the Arab culture." Then he (1927) also mentions sixteen names, and adds, the list 'could be extended. The following statement of Rescher (1968, p. 156-7) is more relevant of this paper's argument, "In the 12th and 13th centuries, the first period of European impingement, Arabic

philosophical writings exerted a significant stimulative influence on the great synthesis of Christian Aristotelianism by St. Albert the Great and St. Thomas Aquinas...[T]his influence has not only been extensive and profound, but relatively continuous and astonishingly diversified.”

We also argue that the ‘Great Gap’ thesis is misleading due to his ethnocentric views. If we look from the beginning till end of Schumpeter’s book and more specifically during gap period and after gap period, we can find the absence of contributions by any other religion scholars except Christian and any other areas except Europe. The medieval Scholastics’ is biased and antagonistic particularly towards Muslim Scholarship (Mirakhor, 1987). We argue that Schumpeter’s assertions of the “Great Gap” and “blank” centuries hypothesized in a similar underpinning. Schumpeter (1954, p. 84) mentioned that this period is a “dark age” for the European as well as the entire world and mentioned Scholasticism was made up of Patristic, Aristotelian, Neoplatonic and Arab-Islamic thought. He acknowledges, explicitly or implicitly, all sources except the last one. Furthermore, we argue that his economic analysis is restricted to a particular region specifically Anglo-Saxon’s scholarship. E. Streissler (1990) in a letter quoted “Schumpeter was not a scholar with an open mind ... a more appropriate title of the famous 1954 book would thus be Joseph Schumpeter's Selected Thoughts about History.” The above statement even though is a quite harsh, the depiction of historical analysis in that book is an example of ethnocentric mentality.

Economic Thought in the Gap Period by the Muslim Thinkers

The Islamic civilization has contributed to almost all areas of the philosophical and scientific thoughts, including socio-economic thought. The historical facts are undeniable. The Muslims were the torchbearers and act as a bridge between Greeks and Latin Scholasticism and thus the Renaissance was sparked and the Enlightenment kindled (Lowry, 2003). It is also surprising that Schumpeter ignored a great scholastic named Ibn Khaldun’s (1332-1406) work of *Al Muqaddimah* in which many economic ideas emerged and postulated by classical economists (Ghazanfar, 2011). Since the very beginning, writers of the history of economic thought had tended to ignore the contribution of Muslim scholars to this subject. Muslims established powerful empires and ruled major parts of the World, developed economies, and highly promoted culture and science including economics in the early and late Middle Ages. However, there are some

good replies from some contemporary Muslim thinkers and those responses create logical queries and feedback of the Schumpeter's denial of the Muslim thinkers' contribution in that period.

By surveying the book of *Muslim Economic Thinking of the Past and Present up to 1975* in 1980 and *Recent Works on History of Economic Thought in Islam* in 1982, Nejatullah Siddiqi supplied more material for researchers (Siddiqi, 1982). Mirakhor has produced a very well-documented paper in which he has critically argued the Schumpeterian great gap thesis. He has provided a summary mentioning the profound contributions made by the Muslim scholars (Mirakhor, 1987). A more comprehensive works done by Ghazanfar in his edited book *Medieval Islamic Economic Thought: Filling the Great Gap in European Economics* in 2003 by drawing some Muslim thinkers' contributions in that period and analysing the contemporary literature gap after Schumpeter's work (Ghazanfar, 2003). And finally, Islahi extended the literatures in this area by specifying timeline and thoughts (Islahi, 2005). This paper has drawn some major contributions by Muslim thinkers in economic thought in the gap period. Muslim economic thinkers in the early and late Medieval period gave far-reaching economic thoughts that cannot be ignored. Their goal was not only limited to solve economic problems of their time but also extended greater thoughts that had a direction for the future thinkers. Before going to discuss few economic thoughts, we can find the existence of scholars in the gap period mentioned by Spengler in his book of economic history. He did surveys from the Islamic East as well as Muslim Spain and mentioned these names; Al Ghazali, Ibn Al-Ukhuwa, Kai Ka'us Ibn Iskander, Nizam Al-Mulk, Ibn Abi Ar-Rabi', Al-Farabi, Ibn Sinā, Nasir Al-Din Al-Tusi, Al-Diwani, Ja'afar Al-Dimashqi, Ibn Bajja (Avempace), and Ibn Rushd (Averroes) (Spengler and Allen, 1960). According to them (1960), the last three are from Muslim Spanish with whose works the Scholastics were familiar. All these authors have contributed between ninth and fourteenth centuries. Other than these thinkers, Imam Abu Hanifa, Imam Abu Yusuf, Imam Muhammad ibn Hasan Al Shaybani, Imam Ahmad Bin Hanbal, Al Sarakhasi, and few other thinkers who wrote different economic issues in their time (Islahi, 2005). As the leaders of schools Imam Al-Shafi'i, Imam Malik and their followers made important contributions too in economics.

There are almost thirty more thinkers who have significant contributions in economic thought process during 700 to 1400 century (Islahi, 2005).

Muslim economic thinkers in the Middle Ages have touched almost all spheres of economic thoughts like demand to supply, consumption to production, money to interest, contracts to market regulations, division of labour to specialization, monetary to fiscal policy (Mirakhor, 1987). We can find both microeconomic and macroeconomic thoughts in their contributions. It is not possible to explain all the thoughts in this single paper. Few of the thoughts explained for pointing out the contributions by Muslim thinkers in the Middle Ages.

- **Market and its Factors**

Trading is one of the highly respectable professions from the beginning of the Islamic civilization. Medina is the city of trade during the Prophet (peace be upon him). In the Islamic thought process, we can find the analysis and implications of varied factors of market: demand, supply, price, quantity, quality, profits, regulations, and so on. If we look at the time of the Prophet (peace be upon him), there are several market-related questions. Imam Abu Yusuf in his magnificent work *Kitāb Al Kharāj* (Book of Land taxation) gave a very extensive thought on demand, supply, and price by giving example of grain (M. Busra, 2021). According to Imam Abu Yusuf Ya'qub (731-798), "there is no definite limit of cheapness and expensiveness that can be ascertained. It is a matter decided from heaven; the principle is unknown. Cheapness is not due to abundance of food, nor expensiveness due to scarcity. They are subject to the command and decision of Allah. Sometimes food is plentiful but still very dear and sometimes it is too little but cheap (1979, p. 87)."

This quotation gives an idea how the influence of demand and supply on price and creates a different thought comparing with law of demand and supply. In the Middle Ages, we can find the works of Al-Māwardī (972-1058), Ibn Ḥazm (994-1064), Al-Ghazālī (1058-1111), Al-Dimashqī (1256-1327), Ibn Taymiyyah (1263-1328), Ibn al-Qayyim (1292-1350), Ibn Khaldūn (1332-1406), al-Maqrīzī (1364-1442) regarding the different actors and factors of markets. According to al-Ghazali (1989, p. 227), the market emerges for fulfilling the mutual economic needs of the people and the demand and supply drives to fix the prices and the profits. The concept of 'median prices' which is like 'just price' given by St. Thomas Aquinas in the 13th century was given by Al-Dimashqī in the 12th century (Islahi, 2005). Ibn Khaldun (2015, p. 460) discusses the shift of market demand and supply due to market pressures, and conceptualizes the market

mechanism in a way, “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 thinkers were against price fixation as it creates injustice in either way in the market but some of them proposed price control during emergency circumstances like war, flood, and so like. There was a practice of *Narh* in the Ottoman empire which means to fix the prices of the most essential goods in terms of unusual circumstances (Sezgin, 2011).

For market regulation, there is a concept named *Al-Hisbah* which refers to an office to control market functions (Ziadeh, 1963, p. 70). Through *Al-hisbah* system, the state exercised a comprehensive socio-economic control (supervision of trade and industry, prevention of adulteration, forestalling, hoarding, fixing of prices, wages and rentals, and many other mechanisms) on trade and economic practices (Ibn Taymiyyah, 1982). Imam al-Ghazali (1989, p. 238) argued that *hisbah* is not only an institution for regulating producers and sellers it strictly monitors the quality of the products. In the current world, we cannot see such specialized institution in any country.

- **Monetary and Fiscal Policy**

The goal of Islamic economic thought is to ensure justice and to reduce injustice (Ghazanfar, 2010). Majority scholars gave a holistic thought in which both economic and social justice were the significant issues. State must make necessary steps to ensure the justice. If we look at the works of the early Muslim thinkers, we can see their contributions as a comprehensive approach. Their works are quite like policy studies. Interestingly, thoughts on monetary and fiscal policies were the major areas of their works. For the sake of brevity, this paper discusses the concept of these two policies precisely by citing the scholars of the Middle Ages.

According to al-Ghazali (2015, p. 71), the main functions of money are medium of exchange, standard measure, and store of value but they were against the time value of money concept due to *Ribā* (interest). The scholars discussed a corruption in money market which is about bad money and debasement of currency. al-Ghazali (2015, p. 73) also explained the debasement of money as a form of mixing of inferior metals with gold or silver coins and he quoted, “It is a great injustice to place counterfeited money in circulation.” He (2015, p. 74) discussed about the circulation of

bad money which leads to increase the price of the products in the state. In a similar vein, Ibn Taymiyyah (1982) states that bad money leads to inflation and anarchy in the state. Ibn Taymiyyah and al-Maqrīzī, the two scholars of Mamluk period analysed the phenomenon known in the West as Gresham's Law in the 13th and 14th century. According to Ibn Taymiyyah (1982), bad money kicks out good money from the market by mixing two different money units of the same face value but varying intrinsic value in term of the purity of metals. In different perspectives, al-Ghazali (1989, p.1989) quotes, "State should interfere to control bad money and sometimes state itself can produce mixed metals if it is required."

Public finance and expenditure management were discussed by the Muslim thinkers at the gap period. Works on taxation in Islam titled *Kitāb al-Kharāj* by Imam Abū Yusuf and public finance title *Kitāb al Amwāl* by Abu 'Ubayd first appeared in second/eighth century AD and within the next few centuries more than two dozen books and treatises were written (Islahi, 2005). Ben-Shemesh (1967) lists of twenty-one works that were written exclusively on taxation as a public finance policy during early centuries of Islam. Furthermore, the issues of public revenue and expenditure constituted parts of juristic and political writings were discussed in-depth. In their writing, we can find the issue of taxation (land tax, poll tax, and other taxes), zakat, ghanīmah, war booty, and miscellaneous public revenue sources. They gave comprehensive thoughts on quantity (fixed vs proportional), collection, administration of these public revenue sources (Siddiqui and Ghazanfar, 2001). They emphasize on moderation and leniency while collecting and discuss the role of honesty of the tax collectors and recommended that state should not do injustice in the collection and administration of the public finance (Altundere-Doğan, 2021). Contrary to the mainstream economics, we can see that public finance constituted the earliest work related to economic problems in the Islamic tradition writings, in which public expenditure occupied a considerable portion. The holy Qur'an itself mentioned about the rules regarding 'Zakah' and 'Ghanīmah' for public finance management (Al-Quran, 8:41, 9:6). The welfare revenue or *Amwāl Al-Maṣālih*, a term used by al-Ghazali was a major issue of public finance from the Prophet (peace be upon him) (al-Ghazali, 1989).

Economic role of the state is one of the highly discussed areas by the Muslim thinkers. And Last but not the least, public borrowing is also

discussed in several early literatures. According to Abū Yūsuf (1979, p. 119), “development projects whose benefit is general should be financed by public treasury, but such projects whose benefit is confined to a particular group, should be financed by that group.” In addition to Amwāl (Goods) there is also a huge *Kasb* (Earnings) literature in Islamic world during this period. In his book on *kitāb al-Kasb*, Muhammed Al-Shaybānī (750-805) analysed the consumer and producer behaviours and he made critical contributions of altruism and behavioural economics (Sevinç, 2021).

Discussion and Conclusion

To sum up, Schumpeter’s “Great Gap” thesis is an inconsistent historical discourse which is a misrepresentation of the history of Middle Ages. Also, this sort of thesis creates a blind spot in the historical analysis as his analysis is mostly on pro-European context (Rama, 2017). There perhaps exist Egyptian, Persian, Chinese, and Indian thoughts during Graeco-Roman period and even before that. In the gap period, it is evident that there is a dearth of intellectual contributions in the larger parts of Europe, but a rich contribution can be found in the Muslim-ruled empires. Those empires consist of three big areas: Asia, Africa, and some parts of European continent. We see that the Muslim economic thinkers of the gap period had substantial contributions in all spheres of economic sciences. Although most of thinkers wrote their works based on entirety, they gave a thoughtful analysis of different economic issues of their time. It is very surprising for us as readers that Schumpeter’s thesis main contributor St. Thomas Aquinas himself referred the Ghazali’s views in his works, but he (Schumpeter) ignored the contributions of Ghazali.

Some non-Muslim historians admit that the Muslim thinkers influenced to many Latin Scholastics in different insights (Butler, 1933; Watt, 1972). We argue that the Muslim economic thinkers from the East to West have explained different economic thoughts ranging from individual economics to state economics. We can see the microeconomic analysis like demand, supply, price, market mechanism, individual consumption, production, macroeconomic analysis like money, monetary policies, taxation, fiscal policies. Surprisingly, the thinkers emphasize on behavioural economics like ethics of customers, sellers, code of conducts, conspicuous consumption, and many more. Furthermore, we can see the issue of welfare economics, role of state, economic development.

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This paper is an attempt to provide constructive arguments of his own statement “intellectual continuity” and “filiation of ideas,” and the role of Muslim economic thinkers in the gap period. Most importantly, there is a consistent chain of history in the Islamic economic thought that we are going to argue. The early Muslim economic thinkers like Imam Abu Yusuf, Imam Hasan Al-Shaybānī, Abū ‘Ubayad and few others contributed to the light of legal jurisprudence, but they used logical reasoning too and analysed the backgrounds and their contemporary circumstances. The then translation period came, the philosophers like Al-Kindī, Al-Fārābī, Al-Bayrūnī, Al-Ghazālī from the Centre and Ibn Ḥazm, Ṭūsī, and Ibn Rushd from the West contributed to the different economic thoughts. Their contributions are huge, and denial of their contributions is not desirable in the academic world. It is not the end if we look at the 13th and 14th century, we can see the big names like Ibn Taymiyyah, Ibn Qayyim, Ibn Khaldūn, Al-Shāṭibī, Al-Maqrīzī contributed with more clear thoughts. In the 15th and 16th centuries, we can find the significant contributions from the Ottoman Scholars in economic history. One of the beauties of Muslim society was that the rulers respect the scholars. They took their opinions in economic and political management. If we look the centres of knowledge, we can also see the names of some big cities (Makkah, Medinah, Baghdad, Al-Kūfah, Cairo, Damascus, Cordoba, Seville, Bukhara, Samarkand, Istanbul) (Chejne, 1980). These cities represent the cities of culture, science, knowledge, and power centres for different timelines in different empires. Here is one the gap mentioned by Schumpeter himself in the Christian states. The rulers have little tolerance of scholarly thoughts in the Christian states in the Middle Ages (Schumpeter, 1954, p. 90).

This paper’s main aim is to give a message to the readers of economic history regarding the contributions of other thinkers especially Muslim thinkers during the so-called ‘Great Gap’ period. The writings of those thinkers are still relevant, and their thoughts can be implemented for the socio-economic development certainly by analysing the current context. This paper’s main argument is not to attack Schumpeter but instead, to provide a constructive analysis on his “Great Gap” thesis. Historical facts are undeniable and so, historical analysis should depict a real scenario otherwise it makes confusion among the readers. We cannot deny the role of others by making priority to a particular group.

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