

▲ Law rather than legislation.

▲ Islamic conception of law Hayekian.

▲ The Qur'an encourages economic progress.

▲ Fundamentalism a slur on Islam.

islam and hayek

Can the Muslim world be integrated into the world economy?
Dr Imad Ahmad, president of Imad-ad-Dean Inc. of Bethesda, Maryland, argues that the market economy is fully compatible with Islamic belief. Muslims believe in the rule of law.

Can the Muslim world be integrated into the international economy? Charles Hill of the Hoover Institution has expressed the view that Islam itself is an obstacle to any such integration. At the Mont Pelerin Society conference of liberal economists held in Vancouver last August, Hill charged that Islam is opposed to a free flow of information, creativity, pluralism, freedom of thought, elections, and limitations on power. Such charges may fairly be levied against many Muslim groups – including almost all Muslim governments today. To say that such attitudes are fundamentals of Islam, however, flies in the face of Islamic history and jurisprudence.

For most of the period from the 8th to the 15th centuries 'world trade' and 'Muslim economy' were almost synonymous. The attributes cited by Hill as necessary to international trade were part of Islamic practice then. Muslims freely produced and circulated literature including pre-Islamic Greek, Persian, and Hindu works. Muslim creativity was manifested in scientific and technological breakthroughs that included the development of algebra, the invention of spherical trigonometry, the discovery of the circulation

of the blood, and the development of the sugar-refining industry. Pluralism was introduced to statecraft by the Muslims who treated peaceful non-Muslim groups as protected minorities. Their internal affairs were governed by their own laws to a degree unmatched even in modern secular states. While Christians under Muslim jurisdiction were permitted wine for their sacraments, the Supreme Court of the United States has denied American Indians a constitutional right to peyote use in their religious ceremonies.

It is on the issue of limitation of power that Islam is most misunderstood. F.A. Hayek attributed to David Hume the 'invention' that in its positive aims government was entitled to 'no power of coercion and was subject to the same general and inflexible rules which aim at an overall order by creating its negative conditions: peace, liberty, and justice'.¹ The Islamic idea of a

fixed law over which the institutions of government have no legislative authority preceded Hume by almost 1000 years. Islam is neither democracy (in the sense of legislation by the people) nor theocracy (in the sense of legislation by clerics) but is *nomocracy*, rule by a fixed law that develops by a process of 'discovery' rather than legislation. For men to submit their wills to other men – whether those others are clerics or the 'majority' – violates the fundamental premise of Islam. The word 'Islam' is Arabic for 'submission to God' alone: each person is directly responsible to the Almighty. Obedience is due to the fixed law called *shari'ah*, rather than to human legislators. The particulars of that law are discovered by the efforts of

legal scholars just as the particulars of natural laws are discovered by the efforts of physical scientists.

The nomocratic nature of Islam cannot be overstated. Who could have a better claim to demand obedience of the Muslims than the Prophet Muhammad (peace be upon him)? Yet the fountainhead of Islamic law, the Qur'an, directs obedience to him only 'in any just matter' (e.g. 20:12) and warned the Prophet 'nor art thou set over them to dispose of their affairs' (39:41). In his inaugural address, the

first Caliph Abu Bakr reflected an attitude in sharp contrast to that of political leaders before Islam:

Now it is beyond doubt that I have been elected your Amir, although I am not better than you. Help me, if I am right; set me right if I am in the wrong; truth is a trust; falsehood a treason... Obey me as long as I obey God and His Prophet; when I disobey God and His Prophet, then obey me not.

Abu Bakr was elected to his position as Caliph proving that Islam does not oppose the electoral process.

Hayek emphasised that a liberal order depends upon a conception of justice, as something to be discovered by the efforts of judges or scholars and not as determined by the arbitrary will of any authority; that it always had difficulty taking roots in countries in which law was conceived primarily as the product of deliberate legislation, and that it has everywhere

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Dr Imad Ahmad is President of Imad-ad-Dean Inc., and author of *Signs in the Heavens: A Moslem Astronomer's Perspective on Religion and Science*.

declined under the joint influence of legal positivism and democratic doctrine, both of which know no other criterion of justice than the will of the legislator.¹ What Hayek called 'the distinguishing mark of Western political tradition' that coercion to protect individual rights be 'confined to instances where it is required by general abstract rules, known beforehand and equally applicable to all' is found in the *shari'ah*.

Qur'anic encouragement of trade and economic progress arises from the fact that it recognises that man is at once rational, volitional, acquisitive, and ethical.

It prescribes moderation as the means of attaining success in this world and the next (see, e.g. verses 7:31-32, 18:46 and 17:29). It asserts that man can and should act to provide for existence on this material plane without sacrificing his moral sensibilities. Reasonable consumption is encouraged (2:168), while niggardliness (35:29), wastefulness (6:141) and extravagance (17:27) are condemned. The desire for a livelihood (4:5), for comfort (42:36), even for ornament and adornment (18:46) or protection from future uncertainty (4:9) in this world is never called evil. Private property is protected (2:188). The fulfilment of obligations is commanded (2:177:5:1) and contract law detailed (e.g. 2:282-283). Fraud is prohibited (26:181) and clear standards of

weights and measures called for (55:9).

The risk that Hayek saw in a nomocratic system is also the fear that Westerners often profess against an Islamic government. Nomocracy 'leaves open possibilities of enforcement of highly oppressive rules on some dissenting group, especially in the field of religious observance, and perhaps also in such restrictions on consumption as Prohibition'.² The experience of Jews in Muslim Spain shows how Islamic pluralism avoids that problem.

Muslim society strayed away from

This suggests that the misnamed 'fundamentalists' may be the best hope for an Islamic renaissance. The term 'fundamentalist' is misleading when applied to Muslims. Christian 'fundamentalists' are those who consider the Bible to be both inerrant and literal. Every Muslim considers the Qur'an inerrant. Since the Qur'an declares itself partly allegorical (3:7) no Muslim could claim that it is always literal. Fundamentalism applied to Muslims is a slur to lump together extremists, militants and unthinking traditionalists with those who

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these principles gradually. Ideas picked up in the conquered areas adulterated and eventually undermined Islamic nomocracy. Political leaders, then as now prone to corruption, began interventions into the economy, gradually developing a loss of respect for private property and individual liberty. Yet, until the 13th century, Muslim scholars, largely independent of the government, continued to develop a jurisprudence grounded in the Qur'an and the practice of the Prophet, as they understood it. That Islamic society was able to resist those corrupting influences and continue its vitality for so many hundreds of years is a testimony to the firmness with which the Qur'an has put forward its nomocratic ideal.

are truly fundamentalists in the root sense of the word, who would go back to the fundamentals of Islam: the Qur'an and the principles exemplified by the practice of the Prophet. Someone who is a 'fundamentalist' in this sense should find it easy to resist the temptation to abandon the nomocracy of the *shari'ah* for statist programmes in vogue in the majoritarian West or the autocratic East. □

¹ *Studies in Philosophy, Politics and Economics*, F.A. Hayek, University of Chicago Press, 1967.

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

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