



BOOK REVIEW

ETHICAL TEACHINGS OF ABU HAMID AL-GHAZALI: ECONOMICS OF HAPPINESS

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This book is a great effort to illuminate Al-Ghazali's economic thought and formulate it into economic concepts within the modern economic framework. Despite Al-Ghazali devoting his writings to social justice and ethical economic behavior, scholarship has generally ignored his economic contribution compared to the attention given to his contributions in theology, philosophy and mysticism. This may be because of his outstanding influence in those fields surpasses his economic ideas. Therefore, this book assists in exposing Al-Ghazali as an economic thinker and adds this capability to the list of his intellectual mastery. The book also disproves the assertion made by a number of Western academics, including Schumpeter (1997), that classical Islamic scholarship did not contribute significantly to the development of economic philosophy during the Middle Ages.

The book is well referenced where four primary sources used by the author to analyze the economic thought of Al-Ghazali are *Ihyā' 'Ulūm Al-Dīn*, *Al-Munqidh min Al-Dalāl*, *Mizān Al-'Amal*, and *Naṣīḥāt Al-Mulūk*. In addition, various secondary literature on Al-Ghazali's economic thought are referred by the author, especially Ghazanfar and Islahi (2014). The book has five chapters excluding introduction and conclusion; which are the biography of Al-Ghazali, history of Islamic economic thought, Al-Ghazali's economic teachings, classical economics, and the position of Al-Ghazali's ethical economics in modern economics.

In the introduction, the author highlighted how ethical values played a fundamental role in the original development of modern economic discipline. Al-Ghazali linked individual economic behavior with moral laws aimed at attaining eternal happiness in the Hereafter.

Unfortunately, the ethical dimension has somehow been missing from the modern Islamic economics narratives which have been predominantly concerned with lawful and unlawful conduct and transactions. Therefore, the author managed to motivate the research on the ethical teachings of Al-Ghazali to revive the importance of ethics in Islamic economics.

The main theme of the book on connecting ethics and economics is timely since it reassesses the relationship between the two, where modern economics as evolved from the West are void of values although originally the economic discipline permeates from moral philosophy as claimed by the author. Additionally, the author criticizes modern Islamic economics and finance, which only considers the legal-technical aspects of transactions rather than the larger ethical dimension under Islamic law. This echoes the view that Islamic jurisprudence does not truly justify the rationale for Islamic finance beyond the ban on interest (Al-Jarhi, 2017).

Main objective of the book is to examine Al-Ghazali's economic thought, which is heavily influenced by his ethical propositions. The author believes that Al-Ghazali successfully integrated Islamic legal tradition with philosophical reasoning and mysticism into a nexus that forms economic theories and engagements in relation to ethics of happiness (*sa'ādah*) and knowledge path to the Hereafter (*'ilm ṭarīq al-ākhirah*). The author pointed out that Al-Ghazali's economic theories are based on human agency and moral behavior, which are the cornerstones of the ethical theory of happiness. According to the author, Al-Ghazali envisaged an economic system based on ethical growth, in which socioeconomic progress coexisted with philosophical reasoning and mystic teachings. As economic agents, humans are thought to be affected by intrinsic spiritual and psychological characteristics that go beyond the purely technical and legal aspects of economic interactions.

In Chapter 1, the author narrated Al-Ghazali's biography with a special focus on his intellectual and political involvements as well as his spiritual voyage that heavily influenced his ethical-economic worldview. The author then reviewed the major arguments and propositions in two books written by Al-Ghazali that describe the basis of his perspectives on economic thought and analysis; which are *Al-Munqid min Al-Ḍalāl* and *Iḥyā' 'Ulūm Al-Dīn*. According to Al-Ghazali, both purification of soul and righteous participation in economic life are essentials to achieve salvation.

In Chapter 2, the author explored the history of Islamic economic thought and explained its key concepts as an ethical human

endeavor. Several economic ideas in European scholasticism are found to share similarities with Al-Ghazali's economic philosophy, especially the reconciliation between faith and reason to regulate economic activities. Classical Muslim scholars, however, did not separate ethics from economic thought, unlike their Western counterparts. The author then criticizes modern Islamic economics as a discipline where its epistemology was developed from the Islamization of knowledge (IOK) project, and not from classical Islamic scholarship. This claim is somehow absurd since the IOK epistemology recognizes divine revelation as the origin of knowledge (Malkawi, 2014) while the works of previous scholars are regarded as a type of true narrative that must be considered in developing Islamic economics (Haneef, 1997). In this view, applications of modern economic tools and data to support economic reasoning should be considered as a form of *ijtihād* that should be encouraged as long as they do not violate Islamic law.

Al-Ghazali's economic thought and philosophy are presented in Chapter 3, where the author systematized Al-Ghazali's economic teachings based on his ethical philosophy. An economic agent strives to optimize *maṣlahah* instead of maximizing utility in his economic behavior. Such action is parallel with *maqāṣid al-Sharī'ah* as elaborated by Al-Ghazali himself. According to Al-Ghazali, performing virtuous economic conduct leads to eternal happiness and divine truth. The author then examined major economic concepts based on Al-Ghazali's writings on the science of the Hereafter, which are economic justice, labor specialization and market development, poverty and wealth, and the role of government.

Economic justice requires all individuals to apply their moral compass to be moderate between miserliness and extravagance in their economic behavior. Their economic actions should be done for the sake of achieving higher spiritual goals and not simply to gain immense wealth. Labor inputs in the production process are treated as *ibadah*. The division of labor is minimal in order to adequately support production of diverse goods and services needed by society which leads to the natural development of markets to coordinate their mutual exchange governed by trade ethics.

Al-Ghazali emphasized the importance of ethical principles to guide the interaction between buyers and sellers in the market. He advocated moderate profit as a form of *ihsān* that is necessary to maintain a reasonable price level where sellers should not charge excessive prices or take advantage of buyers, where the profit rate should be around 5-10 percent of the price under normal market

circumstances. Furthermore, extra profit should not be extracted from basic needs such as foodstuff to ensure everyone can afford it. The author, however, listed medicine under basic needs on page 86 where excess profit is disallowed but stated that it is not part of basic needs on page 87 where hoarding of it is allowed. In the analysis of voluntary trade in the market, there is a clear application of Al-Ghazali's classification of *maqāṣid* based on human priorities of *darūrīyāt*, *ḥājīyāt*, and *taḥsīnīyāt* where extra profit and hoarding are allowed for goods and services that belong to the latter two categories only.

The author shows how Al-Ghazali's complex view on poverty and wealth reflects his understanding of their multifaceted nature. Material poverty is correlated with spiritual poverty depending on the individual's intention on wealth accumulation. Several statements in this section, however, require detailed elaborations to avoid misunderstanding. For instance, on page 89, the author claimed "despair is viewed as wealth" while "not having that which is necessary is not considered poverty" according to Al-Ghazali. Furthermore, on pages 89-90, *faqr* is credited with "an ethical merit" and "practicing *faqr* is essential in forming one's moral order." If such a view is accepted, then poverty may be regarded as praiseworthy and encouraged in Islamic economics, and consequently lead to policies hindering economic growth. The author should note that although Al-Ghazali prefers voluntary poverty over wealth acquisition, he does not regard it as the norm nor encourage it in society, and later took a more balanced position where wealth is required in one's quest to achieve the highest rank in life and the Hereafter (Ghazanfar and Islahi, 2014). Additionally, as opposed to material poverty, it will be challenging to measure spiritual poverty and study its policy impacts because proper instruments are unavailable.

Al-Ghazali believed that money played an important role in the economy, but that it should be used in a way consistent with ethical and moral principles. Hence, money is seen as a means to an end that should be used to benefit society. He believed that money has no intrinsic value but serves as a medium of exchange. While this view emanates from both classical Islamic jurisprudence and modern Islamic economics especially in the discussion of *ribā* prohibition and just measure of goods, the author somehow ascribed this to the *ṣūfī* and ethical views on money in the Islamic tradition.

Government authority is fundamental in managing economic affairs in society where peace and justice must be safeguarded as they are prerequisites for sustainable economic growth. Through the *ḥisbah* institution, the authority is responsible for monitoring economic

conduct and regulating the market by preventing harmful practices. It is unclear, however, why Al-Ghazali affirms that public finances in his time are mostly based on illicit sources as claimed by the author since they are derived from the customs of the Saljuq dynasty and not exclusively on Shariah law. This statement is inconsistent with the general principles of Islamic jurisprudence which recognize customs as a source of law (Kamali, 2002). Al-Ghazali promotes 'pay as you can' as the basis for a just taxation.

In Chapter 4, the author presented the main postulates of classical economics and compared the latter with Al-Ghazali's ethical economic thought. According to Al-Ghazali, economic endeavors are fundamentally about good manners, which is accomplished by both knowledge and action, and performed in order to reach the higher goals of happiness in the Hereafter. At the same time, market development is guided by spiritual goals that transcend both individual self-interest and class relations.

In Chapter 5, the author explicated neoclassical economic theories and tried to position Al-Ghazali's economic philosophy in the modern debates on ethics and economics. The author successfully argued on the desideratum of ethical economics as the alternative for neoclassical economics, where Al-Ghazali applied ethical philosophy to analyze economic activities which combines individual utility with social relationality to achieve righteous living. The intricate relations between moral action and economic development should guide market interactions while purely individual endeavors should be removed from it in order to change the current economic operations toward a more humane and effective system where legal and technical factors are viewed as subsidiary to higher aspirations.

Appendix 1 is a good attempt by the author to classify classical Muslim scholars based on two major trends in classical Islamic economic thought: conceptual economic ethics, and technical-legal aspects of economics. In Appendix 2, the author quoted selected paragraphs from Al-Ghazali's writings that constitute his economic teachings in English, which is useful for readers to follow the track of original ideas discussed in the book. Given the enormous number of Arabic terms and phrases used throughout the book, however, a glossary of these words will help readers unfamiliar with Arabic language.

The book is proof that there is a growing recognition in economics that ethical considerations cannot be easily separated from economic reasoning. At the same time, it adds to the growing interest in incorporating ethical considerations into theoretical economic

analysis. The author has managed to bring forth ethics as a fundamental element in Al-Ghazali's teachings of economics.

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