



BOOK REVIEW

ISLĀM AND ECONOMICS: SHAH WALI-ALLĀH's APPROACH

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Abdul Azim Islahi's book, *Islām and Economics: Shah Wali-Allāh's Approach*, narrates the life and scholarly ideas of Shah Wali-Allāh (1703-1762), an 18th century *Muslim* scholar renowned for his insights into various topics, including economics. He is regarded as the bridge connecting classical and modern *Islāmic* economic thought. His contributions are comparable to his contemporaries Adam Smith (1723-1790), the father of modern economics in the West, and Muhammad ibn Abd al-Wahhab (1703-1792) and Uthman dan Fodio (1754-1817), notable *Islāmic* economic thinkers. An academician, writer, translator, philosopher, biographer, and multifaceted thinker—*Wali-Allāh's* numerous roles demonstrate his eminence as a scholar. In just 256 pages, the author effectively captures *Wali-Allāh's* thoughts and writings, creating a comprehensive compilation of his works.

The book consists of nine chapters; illustrating the *Muslim* context during *Wali-Allāh's* era and exploring his intellectual ideas, with a particular emphasis on the economic aspects. Chapters 1 and 2 explore the *Muslim* situation and *Wali-Allāh's* history during his time. Chapters 3 and 4 discuss his intellectual and academic heritage and economic ideas, respectively. Chapters 5 to 8 examine his economic ideas, covering topics such as *Tadbīr al-Manzil* (Household Management), money and interest, public finance, and stages of socio-economic development. Chapter 9 concludes the book with the author's comparison and evaluation of *Wali-Allāh's Islāmic* economic thoughts. The book's bibliography shows that the author has included

an extensive range of references, accompanied by thorough explanations in the notes and references sections of each chapter.

First, the book provides an overview of the *Muslim* conditions during *Wali-Allāh's* lifetime, detailing the socio-political landscapes of six pivotal regions and their rulers. *Wali-Allāh* lived during times of political turbulence and social unrest. This was the beginning of Western colonization of *Muslim* lands. The Indian subcontinent, where he resided, faced instability because of frequent changes in leadership. Emperor Aurangzeb, the sixth Mughal emperor, passed away in 1707, and sixty years later, the empire witnessed the reign of 10 emperors, neither of whom could maintain the prestige and authority of their predecessors due to various challenges. This era also witnessed the beginning of intellectual resurgence, modernization, and religious reformation among *Muslims*, during which *Wali-Allāh* followed the trend of reformist thinking of *Islāmic* scholars.

The second chapter highlights *Wali-Allāh's* situation during his time. His life started during the power struggle in the Mughal Empire, marked by weak rulers that caused political instability, leading to economic and religious disorder. Born into a family of scholars, he received rigorous academic training and began teaching at age fifteen. His return from the Hijaz (Makkah and Madinah) inspired his mission to reform India, a perspective he could not have changed if he had remained in India. He initiated comprehensive reforms where he addressed various societal sectors through his teachings and writings before advocating for the change in the whole population. It was his dissatisfaction with the plight of the artisans and craftsmen which prompted his writings on economic aspects.

Chapter three delves into *Wali-Allāh's* intellectual and academic writings. He extensively wrote on various subjects, and his distinctive style of writing and method of argument greatly contributed to the popularity of his works. Influenced by Ibn Taymiyyah, his writings consistently drew from the *Qur'ān*, *Sunnah*, and the teachings of earlier *Muslim* scholars. He attracted students and scholars who followed his works, and his influence extended beyond his homeland, reaching Arabia and Turkey within a century. He authored around 60 books, with other works attributed to him. His books and writings survive to this day, preserved by his loyal followers and the *Madrasah* where he taught. Regarded as a genius of his time during a period of intellectual decline in *Muslim* thought, he is revered alongside historical *Islāmic* intellectuals such as al-Ghazali and Ibn Rushd.

The author introduces *Wali-Allāh's Islāmic* economic ideas in the fourth chapter. *Wali-Allāh* became interested in economics after

observing the situation around him. Chaos came from all angles of society, prompting him to provide insights into the causes and how it led to society's poor economic condition. *Wali-Allāh* especially examined the artisans and craftsmen, recognizing their significant role in economic development. The challenges these workers faced and the potential he saw for reformation and improvement inspired his writings on various economic areas. *Wali-Allāh* provided insights into theoretical economic concepts such as human wants, cooperation, and the division of labor. He even identified various economic activities within an *Islāmic* framework and suggested measures to prevent disputes in economic transactions.

In chapter five, the author mentions that *Wali-Allāh* wrote extensively on *tadbīr al-manzil* (household management) from an *Islāmic* perspective compared to earlier scholars. The term originates from Greek philosophers, *Oikonomia*, which evolved into the modern discipline of economics. However, the term may now have broader implications than its initial Greek counterpart as Western economists primarily focus on the market rather than the family, unlike many *Islāmic* economists who emphasize the family. *Wali-Allāh* defined it as the science that explores methods for upholding relationships among household members according to the second level of societal support. He outlined several subject matters of *tadbīr al-manzil*, including cooperation between men and women, the art of economic transactions, the responsibilities of man as the head of the house, equitable treatment of slaves and servants, and management of children's affairs. Additionally, he addressed inheritance distribution and cooperation, and division of labor within household management.

The author explores *Wali-Allāh*'s views on the importance of money and the prohibition of interest in chapter six. *Wali-Allāh* aligned with Greek philosophers and past *Muslim* scholars' views on various aspects of money while adding his views on the matter. Furthermore, his perspectives on money and interest are significantly influenced by Al-Ghazali. *Wali-Allāh* acknowledged money as a crucial tool in economics, where the division of labor and specialization calls for the necessity of money as a medium of exchange. He however stressed that misuse of money through interest-based lending, where money becomes a desire in itself, leads to societal problems. Instead, *Wali-Allāh* advocated for *mudārabah* (profit sharing) as a preferable alternative for business transactions.

Chapter seven explores public finance as a topic of interest to *Wali-Allāh* due to his dissatisfaction with the deteriorating state of the Mughal empire. Factors such as public treasury depletion, the decline

in government lands, and poor management contributed to the Empire's weakening state. He advocated for the government to fully replenish the public treasury and to set reasonable tax rates without overburdening the populace. *Wali-Allāh* also touched on the institution of *zakāt* (almsgiving), emphasizing appropriate rates and collection times. The chapter then covers public expenditure, where the author notes that *Wali-Allāh* distinguished between purely *Muslim* and mixed-population countries in terms of fiscal allocation. He also addressed public borrowing and expressed concern for the poor.

The eighth chapter explores *Wali-Allāh's* stages of socio-economic development. *Wali-Allāh* is among the few *Islāmic* scholars capable of presenting a theoretical framework for economic development. His theory, known to the West as the 'stages of history approach', was later adopted by several Western economists. Like other scholars, he adopted a holistic approach, integrating faith and action, spirit and matter, health and education, peace and security, and political power with economic factors. *Wali-Allāh* outlined four stages in his systematic theory of socio-economic development: rudimentary life, town building and the city-state, the formation of government and a country-state, and internationalism. He stressed the promotion of religious life, justice, education, and overall economic improvement. *Wali-Allāh* introduced the concept of *irtifāqāt*, describing it as the natural progression of humankind through different stages in its quest for spiritual purification and development, aligning it with the pursuit of seeking *Allāh's* pleasure. The author concludes the book in chapter nine with an evaluation and comparison of *Wali-Allāh's* works with those of other scholars as discussed throughout the book.

The book offers valuable insights into how *Wali-Allāh* formulated his views during the turbulent conditions of his era and the determination he exhibited in reforming various aspects of society, as evidenced in his writings and biographies. The author demonstrates meticulous attention in describing the circumstances of *Wali-Allāh's* era, considering factors ranging from the Mughal empire to other regional influences that contributed to his country's decline. The book also examines the reasoning behind *Wali-Allāh* choosing the path of a scholar rather than entering politics to influence his country, asserting that reform comes from changing society rather than relying on weak leadership. The author exhibits a deep understanding and thorough handling of the sources related to *Wali-Allāh*, making this book an invaluable reference for anyone interested in *Wali-Allāh's* views, particularly in economics. It serves as a comprehensive source for scholars and researchers looking to delve deeper into *Wali-Allāh's*

works, stimulating fresh ideas in his contributions. This book lays a solid foundation for future research, including comparative studies of his economic ideas with other *Islāmic* and Western economists.

While not solely intended as a historical account, it deeply explores *Wali-Allāh's* thoughts and perspectives on the political, societal, and economic dynamics of his time. The author provides a clear summary of the sources of *Wali-Allāh's* books after listing them one by one and even categorizes them based on major and other works. He even lists the books on economic topics in chapter four, making it easier for readers studying *Wali-Allāh's* works. Furthermore, the book offers a comprehensive and insightful exploration of *Wali-Allāh's* economic views. Each area of discussion connects cohesively, culminating in *Wali-Allāh's* systematic theory of stages of socio-economic development. Despite its concise and simple explanation, the book could benefit from drawing stronger connections to contemporary relevance. A more thorough comparison with contemporary Western economists might offer readers a broader perspective, particularly in exploring how *Wali-Allāh's* theories align with or diverge from modern economic principles. Overall, the book constitutes a significant contribution for those interested in *Islāmic* economics and *Wali-Allāh's* stages of socio-economic development theory. Further reading on the theory can also be found from the author's earlier article (Islahi, 2010) on *Wali-Allāh's* Islamic economic ideas.

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