Methodology of Economics: Secular versus Islamic


Abstract

This book is based on the thesis that I submitted in August 2006 to the International Islamic University Malaysia in partial fulfillment of the requirement for the award of the PhD degree in Economics. It was a difficult topic but this reality dawned on me only after I had already crossed the point of no return. I found the area hazy and controversial in mainstream economics. In the case of Islamic economics the situation was even worse. Methodology was invariably confused with a research design or work plan. The subject in a formal form did not even exist. Whatever was available in the literature was part of discussions on Islamic economics or Shari’ah issues. Usually, the discussion was of a ‘touch and go’ nature. The writers were seldom found coming to grips with real issues in the area let alone reaching any worthwhile conclusions. Much confusion and controversy in the methodology of economics essentially centered on the efficacy of criteria, rules, and procedures that have to be observed for evaluating the performance of economics – secular or Islamic. In fact, until today there has hardly been a common view or a clear understanding among the Islamic scholars as to whether Islamic economics itself has a separate existence independent of its mainstream counterpart let alone having a methodology to assess and oversee it. In this dark and un-chartered area, I have tried to show that Islamic economics is both epistemologically ‘linked’ to and is also ‘independent’ of secular economics. To be precise, methodology of Islamic economics is and would broadly be the application of the Shari’ah norms to mainstream dispensation with a view to assessing their compatibility with the Islamic faith and the position of the Shari’ah on the many and divergent micro and macro economic issues. We shall find in the following discussion that the subject under the name ‘Islamic economics' is presently no more than the result of applying the Islamic rules and injunctions, i.e. Islamic fiqh, to secular economics: Islamic economics is not yet, contrary to what some scholars would want us to believe, a discipline that replaces secular economics. In Islamic educational institutions worldwide, curricula and teaching programs are dominated – even if out of necessity –by course structures and reading materials appropriate for Western social setting and values designed as they are on the assumption of an impersonal market environment. The Islamization of Knowledge program in economics follows what one may call a ‘step-by-step approach’ for developing the subject. This de facto means that there has been no attempt to replace the mainstream concepts and theories completely with the pure Islamic ones: the initial plan has been just to modify and integrate them with what Islam would allow or could modify to fall in line with the Shari’ah tenets. When the subject itself was in a state of infancy, one need not wonder if its methodology were all the more found confused and patchy. However, it is this messy state of methodology that lends reason and significance to the present work. It fills a gap, however imperfect it might look: I am aware of its limitations. The main issue relevant to our discussion in this exploration was whether reality adjusts to doctrine or that doctrine conforms to the reality or one finds a mutual interaction between the two in the field of economics. What methodological affinities or divergences, if any, are between them? Also, we attempted to see whether prediction could or should be the hallmark of a theory in social sciences as is currently believed in economics at least, or the tractability of events, their analysis, and human prescription were of greater importance. It will be satisfying if the readers could find this small work light bearing on these and related issues.

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