Introduction

Al-Ghazālī (1058-1111 C.E.), a great theologian, philosopher and Sufi (Islamic mystic), was man of erudite and a prolific Islamic scholar of philosophy and ethical values, whose writings encompass all dimensions of life with special focus on socio-economic thought. As such his discussion of economic issues emerge in the ethical perspective of human life as a whole, rather than a segregated value-neutral discipline as it appears in the contemporary economic analyses and systems. Hence his analysis is generally normative rather than positive in nature.

He was one of those eminent scholars of Iran who has left indelible impact on the Muslim world through his very significant contribution to different branches of Islamic learning: Islamic jurisprudence, theology, philosophy and mysticism. Being a Sunni Scholar, he belonged to the Shāfi‘ī School of Islamic jurisprudence and at the same time followed Ash‘arite School of theology. While debated on Ghazali’s life and contribution, the scholars were and are extensively involved in studying and examining the range of texts he had written in order to get a better picture of the man. For some people Ghazali is the great “Defender of Islam” (Ḥujjat al-Islam); Ḥujjat literally meaning “proof”. Others blame him for damaging the rational edifice of Islamic thought in his sharp critique of Muslim philosophers such as Ibn Sina and Al-Fārābi.

Al-Ghazālī was writing in the second half of the 11th and early 12th centuries which were roughly six centuries before the emergence of Mercantilism and seven centuries before Adam Smith (1723-1790 C.E), that is, roughly six to seven centuries before the beginning of economics as a separate discipline. Even then, it is interesting to note that Al-Ghazālī writings contain a good number of economic ideas, although discussed in the ethical normative perspective. This aspect of Imam Ghazālī has not been taken up in detail by any of the contemporary scholarship.

The socio-economic aspects of Ghazālī’s thinking can only present a bare outline, but from this we can grasp what might be called his “Islamic social welfare function” as well as his views on the role of economic activities generally. An overriding aspect throughout his works is the concept of Maṣlīha, or social welfare or utility (“common good”), a concept which encompasses all human affairs, economic and others, and which
establishes close links between the individual and society. Indeed, scholars have suggested that Ghazali discovered “the hard-to-pin-down concept of social welfare function that modern economists long for.” Ghazali identified all matter in terms of whether they were *masliha* (utilities) or *mafāsid* [disutilities] in promoting social welfare. He further defined the welfare function in terms of hierarchy of individual and social needs.

According to Al-Ghazālī, the welfare (*maṣliha*) of a society depends upon the pursuit and preservation of five basic objectives (*maqāṣid al-Shari‘ah*).

1. Religion (*dīn*) comprehensively defined as a way of life.
2. Life or soul (*nafs*).
3. Family or progeny (*nasl*)
4. Prosperity or wealth (*māl*)
5. Intellect or reason (*‘aql*)

Al-Ghazālī’ was concerned not only with reviving the Islamic disciplines but also with reforming society in a practical way. In his works he offers candid assessments of the roles of different groups in society. He come down hard on the generality of Muslim scholars, who he believed, are chiefly to blame for the social and moral themes away from their primary function of guiding the rulers and the commoners, and they are busy ingratiating themselves with the powerful and influential. They are moreover involved in petty disputes and have shut their eyes to real and pressing problems facing society. The rulers are autocratic and misuse the public treasury for their personal interests. Al-Ghazālī wrote letters to several sultans and viziers reminding them of their duties in this world and of accountability in the next. He also criticized the rich for their callousness and the poor for their superstitions and non-Islamic practices.

According Al-Ghazālī the one who observes Islamic guiding principles in their economic activities will achieve the highest rank in the hierarchy of successful people, both in this world and in the hereafter. He offers the following guidelines:

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The seller should act as an Islamic follower with “correct” aim about his trade – i.e. to support himself and his dependents, and to acquire the means and strength of performing his religious duties.

While starting a business, he should also seek the fulfilment of socially obligatory duties (*Farḍ al-Kifāyah*).

His desire to be successful in material terms should not blind him against success in the hereafter.

He should not transact his business in a greedy manner.

He should refrain not only from clearly *Ḥarām* (prohibited) activities, but he should also be vigilant over all his activities, remembering at all times that he is accountable before Allah for all of them.

Moreover, Al-Ghazālī’s discourses on the important issue of *Ribā* are witnessed in his discussion on the functions of money (chapter 3). He emphasized that the exchange involving *Ribā* are prohibited because they involve violation of the nature of functions of money. Interestingly Al-Ghazālī does not discuss the issue of interest in relation to borrowing of money and lending thereof. To him charging of interest on money is contradictory to the primary functions of money i.e. a medium of exchange and as a measure of value.

On the role of society in regulating the economic activities, Al-Ghazālī in his writings suggested on how the state should respond in issues related to economic issues in accordance with *Shari‘ah* guidelines. He considers importance of the institution of state at two levels; first for the proper functioning of society’s affairs and governance; and secondly for the “fulfilment of *Shari‘ah* -mandated connective obligations (*fard kifāyah*)”

He categorically stated:

State and religion are the inseparable pillars of an orderly society. The religion is the foundation and the sultan is its promulgator and protector. Any pillar without a foundation will be weak, and society will crumble.
Al-Ghazālī considers maintenance of peace and security as necessary conditions for economic progress and well-beings of the people. He recommends that state must adopt all necessary measures to establish internal law and order and to secure the state.

From external threats Al-Ghazālī stresses the state must adopt all necessary measures. He says:

Army should be kept to defend the country and protect people from robbers; there should be a judiciary for settlement of disputes; there will be need for jurisprudence to control people through it. These are necessary government functions which can be undertaken by specialists only, and when they engage in these activities they cannot spare themselves for other industries and need support for their living. On the other hand people need them because if all people engaged in fighting the enemy, the industries will suffer and if military men engaged in industries for their livelihood the century would lack defenders and people will be victimized.

On the basis of Islamic system of public finance, Al-Ghazālī identifies several sources, but he is critical of some sources as not being valid Islamically, and others which are consistent with Shari‘ah are not being utilized. Al-Ghazālī declares:

The state finance in our time, the whole or most of it, is based on illegitimate (Ḥarām) sources, why so? They valid sources like Zakāh, Ṣadaqāt, fal’ and Ghanīmah are non-existent. Jizya is found but collected with so many illegal methods. Apart from these, there are different kinds of taxes on Muslims: there confiscations of their properties, briberies, and all kinds of injustices.

From the above brief discussion, one would be struck how Al-Ghazālī had envisioned such overarching socio-economic thought that still today’s bears quite relevance, more so, when the contemporary world has been engulfed in the economic imbalance; wide gap between rich and poor; between rural and urban societies that have far reaching implications on the all-round socio-economic development across the globe.
Literature Review:

Since the very beginning, Western scholars on history of economic thought had tended to ignore the contribution of Muslim scholars in general and of Al-Ghazālī in particular to the subject. Similarly, there have been very few works, in English, from Muslim scholars on Islamic economic thought in general. Nevertheless, recent years have witnessed an increasing interest; a number of good works on the modern development of Islamic economic thought have come to fore which besides highlighting the foundational principles of economic thought in Islam, they have explored and examined the economic thought of medieval scholars such as Abu Yusuf (731-798), Ibn Khaldūn (1332-1406), al-Maqrizi (1364-1442), Abdul Azim Islahi’s *Contribution of Muslim Scholars to Economic Thought and Analysis* (Jeddah: King Abdul Aziz University, 2005). Al-Ghazali has received a special attention in some recent works—books and articles. Sheikh Mohammad Ghazanjfar and Abdul Azim Islahi, *Economic Thought of Al-Ghazali* (Jeddah: King Abdul Aziz University, 2011), presents first of its kind, a groundbreaking work, focuses on Al-Ghazālī’s economic aspects of *masliha* (social utility); Paul Oslington, “Economic thought and religious thought: a comment on Ghazanjfar and Islahi” (1995), is a critique of the 1990 ‘Al-Ghazālī’ paper, and the author argues that Ghazālī’s economics is essentially religious thought and nothing more; S.M. Ghazanjfar and A.Azim Islahi, “A rejoinder to ‘Economic thought and religious thought’” (published 1995), is also a response and argues that Ghazali’s economics is no more “religious” than that of some Latin-European Scholastics, most notably St Thomas Aquinas, and entirely consistent with the theological-philosophical debates of the age.

Therefore, the present work seeks to investigate and study the *Socio-Economic Thoughts of Al Ghazali* (1058-1111 C.E). It is quite evident and true also that on the one hand the philosophical and mystical dimension of Al-Ghazālī has been explored at very a huge length, while as on the other hand his socio-economic aspect/dimension has been ignored if not fully but to a large extent as is evident in the literature review. Amid highlighting the socio-economic dimension of Al-Ghazālī, the current work, thereby, aims and endeavours to fill this gap. The present work comprises of four chapters excluding *Introduction and Conclusion*.
The First chapter titled “Socio-Political and religious Conditions of 11th Century Iran” highlights the political, social, religious, and educational conditions of the Muslims in Iran in the eleventh century. It examines the development of various social institution in the then three main Muslim centres—‘Abbasid’s, Seljuk’s and Fatimid’s. It also reflects on the religious and other allied subjects that were getting prominence during the period. Such as ‘Sufism’, ‘Ilm Kalām, Fiqh, Falāsifah etc.

The Second chapter titled “Al-Ghazālī: Life and Works”, discusses in detail the life of Al Ghazali from birth to death. It touches the birth of Al-Ghazālī, his early life, and education. Moreover, amid mentioning some of his famous teachers and his famous pupils, the chapter also discusses his services as teacher and as a guide in Madrasa-i-Nizamiyyah, Baghdad. The chapter unravels his later life such as his stay at Damascus, Jerusalem, Hesron, Makkah and Madīnah. Moreover, his attachment and role with the rulers and Ulama of that period, religious path, and finally his illness and demise is also highlighted. The chapter also provide a list of his major works written in Arabic and Persian.

The Third Chapter of the thesis is titled “Economic Thought of Al-Ghazālī”. While presenting his overall contribution in the Economic field, the chapter makes a critical assessment and appraisal of some of his prominent works on various aspects of Islam and Islamic Economics. It also gives a brief history about economics, and also highlights the primary sources of Islamic economics like Qur’ān and the Sunnah of the Prophet Muḥammad (ﷺ), and the secondary source like fiqh. Discussing the great Muslim thinkers of that time who had contributed to the field of Islamic economics, the chapter also defines, among other things, Rules of Economic Activities, Trade, Exchange and Market, Barter System, Values and Ethics, Functions of Money. Besides, it also explains the concept of Riba (Usury) in Islam especially in the light of Qur’ān and Ḥadīth, with a special focus on the approach of Al-Ghazālī on this crucial issue.

Chapter Four of the thesis titled “Socio-Economic Thought of al Al-Ghazālī”, discusses at length the fundamental principle of Islamic society. Investigating the purpose of Islamic Shari‘ah in the society, the chapter throws light on Al-Ghazālī’s standpoint and opinion on the concept of Maṣliha where in he points out three aspects of Maṣliha in a hierarchical form which are: necessities (darurāt), conveniences or comforts (ḥajāt), and refinements or
luxuries. Moreover, the chapter also traces out, *inter alia*, the Role of the State in the Society, Al-Ghazālī’s Guiding Principles for Rulers, Public Finance and Sources of Revenue (*Ghanīmah, Sadaqah*, and *Fay’*). In the concluding pages, the chapter amid focussing on the concept of justice discusses the topic of public expenditure *vis-à-vis* the views of al Al-Ghazālī.

**Research Methodology**

The methodology adopted in the current study is historical and analytical. The study has been largely conducted on the primary sources. These include the original works of Al-Ghazālī. In addition to primary sources a lot of material from the secondary source like books, journals, online articles and other sources has also been consulted, to analyse the facts in a comprehensive way to reach the conclusion.