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# A CRITICAL STUDY OF IBN SINA'S ECONOMIC IDEAS

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A CRITICAL STUDY OF IBN SINA'S  
ECONOMIC IDEAS

BY

NURIZAL ISMAIL

A dissertation submitted in fulfillment of the  
requirements for the degree of Master of Art in Islamic  
and Other Civilization

International Institute of Islamic Thought and  
Civilization (ISTAC)  
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August 2012

## ABSTRACT

This study explores the economic ideas of Ibn Sīnā in household and political economies. The study also discusses the relevance of Ibn Sīnā's economic ideas on modern micro and macroeconomics ideas. According to Sabri Orman, the economic ideas of Ibn Sīnā can be traced and found in his practical philosophy, which is divided into three headings: *Akhlāq* (ethics), *'ilm Tadbir al-Manzil* (economics) and *'ilm Tadbir al-Madīnah* (politics). This study explains that household and political economies should be handled together, centered on Islamic values in the state. Findings of this study explain that the economic ideas of Ibn Sīnā are mostly related to the literature of *'ilm Tadbir al-Manzil* (economics) and *'ilm Tadbir al-Madīnah* (politics) that are related to modern micro and macro economics. Firstly, Ibn Sīnā's microeconomics focuses on man as the agent of economy and his own activity in managing wealth. This gives us a model of managing wealth from Ibn Sīnā that consists of *kasb* (earning) and *infāq* (spending). The *kasb* (earning) is from *al-tijārah* (trade) and *al-ḥinā'at* (manufacturing skills), while the *infāq* is the function of *infāq ijtīmā'i* (common expenditure), *infāq dīni* (religious expenditure) and *al-iddikhār* (savings). The *kasb* and the *infāq* are important variables of managing wealth. Secondly, Ibn Sīnā's macroeconomics focuses on the government's role on welfare in the state by regulating the law of economy, providing job opportunities and ensuring social security. This concept emphasizes that the state should also be responsible for social interests (*ma'ālih mushtarakah*) and common funds (*mal mushtarak*) to conduct a balanced economy in society. This macroeconomics can be associated with the concept of the welfare state in today's world. Lastly, Ibn Sīnā's idea in economics is still relevant in the implementation of contemporary Islamic economics.

## ملخص البحث

تحاول هذه الدراسة أن تكتشف الأفكار الاقتصادية لابن سينا في التدبير المتزلي، والسياسات الاقتصادية، و تناقش الدراسة كذلك علاقة أفكار ابن سينا الاقتصادية بالاقتصاد الكلي، والاقتصاد الجزئي؛ و يري صبري أورمان أن أفكار ابن سينا الاقتصادية يمكن الوصول إليها من خلال البحث في فلسفته العامة، التي يمكن أن تُقسم إلى ثلاثة أقسام رئيسة هي: الأخلاق، و علم التدبير المتزلي، وعلم تدبير المدينة أو (السياسة الاقتصادية). وتوضح هذه الدراسة أن التدبير المتزلي، و السياسة الاقتصادية يجب معالجتهما معا بالتركيز علي القيم الإسلامية للدولة. وأشارت نتائج الدراسة أن أفكار ابن سينا الاقتصادية ترتبط بصورة أساسية بأدب اقتصاديات التدبير المتزلي، و علم تدبير المدينة (السياسات الاقتصادية)، اللذان يرتبطان بالاقتصاد الحديثة؛الجزئي والكلي. ويركز ابن سينا في أفكار الاقتصاد الجزئي علي الإنسان بوصفه مسؤولا عن النشاطات الاقتصادية و إدارة الثروة، و هذا يعطينا نموذجا لإدارة الثروة من وجهة نظر ابن سينا التي تقوم علي الكسب، والإنفاق. ويكون الكسب من التجارة، والصناعة، أما الإنفاق فيكون علي الالتزامات الاجتماعية، والدينية، و يكون من الادخار، و الكسب والإنفاق عاملان متغيران ومهمان في إدارة الثروة. أما الاقتصاد الكلي عند ابن سينا فيركز علي دور الحكومة في الرفاهية و الرعاية الاجتماعية، و ذلك بتنظيم اللوائح الاقتصادية، و توفير فرص العمل، و كفالة الأمن الاجتماعي. ويؤكد هذا التصور أن الدولة مسؤولة عن المصالح الاجتماعية المشتركة، وتمويل المشاريع العامة، وذلك لإيجاد توازن في اقتصاد المجتمع. وهذه النظرة الشمولية للاقتصاد تتشابه مع مفهوم الرعاية الاجتماعية الحديث للدولة، وأخيرا فيمكن القول إن أفكار ابن سينا الاقتصادية ما زالت صالحة للتطبيق في الاقتصاد الإسلامية المعاصر.

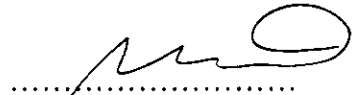
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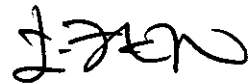
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Mustafa Omar Mohammad  
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This dissertation was submitted to International Institute of Islamic Thought and Civilization (ISTAC) and is accepted as a partial fulfillment of the requirements for the degree of Master of Islamic and Other Civilizations.




.....  
Ismawi Hj. Zen  
Dean, International Institute of  
Islamic Thought and Civilization  
(ISTAC)

## DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Nurizal Ismail

Signature.....

Date.....*10 August 2012*

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**A CRITICAL STUDY OF IBN SINA'S ECONOMIC IDEAS**

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**In honour of my beloved parents:  
Ismail Achmad  
Nurhayati Hamid**



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## TABLE OF CONTENTS

Abstract.....	i
Abstract in Arabic.....	ii
Approval Page.....	iii
Declaration.....	iv
Copyright Page.....	v
Dedication.....	vi
Acknowledgements.....	vii
Table of Contents.....	ix
List of Tables.....	x
List of Figures.....	xi
<b>CHAPTER 1: INTRODUCTION .....</b>	<b>1</b>
1.1 Background .....	1
1.2 Problem Statement.....	3
1.3 Objective of Study .....	5
1.4 Contribution of Study .....	5
1.5 Significance of Study.....	6
1.6 Related Literature .....	6
1.7 Method, Scope and Organization .....	8
<b>CHAPTER 2: IBN SĪNĀ’S BACKGROUND.....</b>	<b>11</b>
2.1 Ibn Sīnā’s Life and Educational Background.....	11
2.2 Political and Economic Situation in his Time .....	14
2.3 Ibn Sīnā’s Contribution to the Islamic Civilization.....	17
2.4 Ibn Sīnā’s Position in the History of Islamic Economic Thought.....	18
<b>CHAPTER 3: IBN SĪNĀ’S MICRO ECONOMIC IDEAS.....</b>	<b>24</b>
3.1 Man AS Homo Economicus.....	24
3.2 Classification of Occupation .....	29
2.3 The Concept of Managing Wealth .....	32
2.4 Conceptualization of Micro Economic Model.....	35
<b>CHAPTER 4: IBN SĪNĀ’S MACRO ECONOMIC IDEAS .....</b>	<b>39</b>
4.1 Structure of Society and Law in Political Economics .....	39

4.2 Employment Opportunities in the State .....	44
4.3 Social Security.....	47
4.4 The Role of the State ... ..	50
<b>CHAPTER 5: DISCUSSION AND CONCLUSION .....</b>	<b>58</b>
5.1 Discussion .....	58
5.2 Conclusion.....	62
<b>BIBLIOGRAPHY .....</b>	<b>65</b>

## LIST OF TABLES

<u>Table No.</u>		<u>Page No.</u>
4.1	The Rate of 'Ushur	55

## LIST OF FIGURES

<u>Figure No.</u>		<u>Page No.</u>
2.1	Ibn Sīnā's Position in the History of Islamic Economic Thought	22
3.2	Ibn Sīnā's idea of Managing Wealth	36

# CHAPTER ONE

## INTRODUCTION

### 1.1 BACKGROUND

Islamic civilization has accumulated very rich literary tradition that spreads human knowledge through revealed or rational knowledge. This progress has encouraged the earlier Muslim thinkers to study both types of knowledge and to produce significant contributions to the *ummah*. As a result, many books have been produced in areas such as *fiqh*, *hadist*, *kalam* (theology) *tasawwuf*, and philosophy. Moreover, these literatures contain some economic ideas.

Jurists, theologians, sufis and philosophers have contributed to the sources of Islamic economic thought in Islamic texts that contain economic ideas.<sup>1</sup> There were many books of *fiqh*, *kalam*, *philosophy* and *tasawwuf* had been related to economic ideas such as in *al-kharaj* of Abu Yusuf and *Ihya ulumuddin* of Imam Ghazali. Hence, this development of Islamic economic thought has evolved through the development of Islamic law (Shari'ah) which is associated with the life of Muslims economically, socially and religiously. According to Orman (1997), the source of Islamic economic thought is divided into two further categories: (1) independent work forming different literature (general source) and (2) single independent (or unique) work (special work).<sup>2</sup>

Therefore, the study on Islamic economic thought still needs to be explored in order to compare the past economic ideas to the present economic. According to

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<sup>1</sup> Sabri Orman. Source of the History of Islamic Economic Thought. *Al-Shajarah*. 2 (2), 1997, 24; Abdul Azim Islahi. Thirty Years of Research in the History of Islamic Economic Thought: Assessment and Future Directions, *MPRA paper*, No. 18102 (2009), academic search premier via MPRA, <http://mpra.ub.unimuenchen.de>, accessed, Desember, 23 2010.

<sup>2</sup> Sabri Orman. Source of the History of Islamic Economic Thought, *Al-Shajarah*: 3 (2), 1997, 1.

Muhammad Nejatullah Siddiqi's survey on the history of Islamic economic thought, the economic ideas of Muslim thinkers like Ibn Khaldun (1942; 1960; 1970; 1973)<sup>3</sup>, Ibn Taimiyyah (1988)<sup>4</sup>, Abu Yusuf (1995; 1969)<sup>5</sup>, Yahya bin Adam (1969; 1867)<sup>6</sup>, Abu Ja'far Dimashqi (1994)<sup>7</sup> and Imam Ghazali (1990; 1985)<sup>8</sup> have been studied deeply and in detail.<sup>9</sup> But, the study on Islamic economic thought has yet to cover other Muslim thinkers especially among Muslim philosophers such as Ibnu Rusyd, al-Farabi and Ibn Sīnā. It cannot be denied that they were influenced by Greek thought in philosophy, which contains the economic ideas. For instance, al-Farabi appealed to economic ideas of Plato and Aristotle<sup>10</sup> and Ibn Sīnā, while relating the divisions of the practical philosophy mentions about its sources as well.<sup>11</sup> Therefore it is very important to raise the economic ideas from philosophical perspective.

<sup>3</sup> Muhammad Abdul Qadir, The Economic Thought of Ibn Khaldun, *Indian Journal of Economics*, (Allahabad), 1942, Vol. 22, 898—907; S. Manzoor Alam, The Khaldun's Concept of the Origin, Growth and Decay of Cities", *Islamic Culture*, Vol. 34, 1960; S. Ahmed Ali, Economics of Ibn Khaldun-A Selection, *Africa Quarterly*, (New Delhi), Vol. 10, No. 3, Oct-Dec. 1970, 251—259; M.A. Sattar, Ibn Khaldun's Contribution to Economic Thought, Proceedings of the Third East Coast Regional Conference, M S A (U.S.), Gray (Indiana): 1973, 157—168.

<sup>4</sup> A.A. Islahi, *Economic Concepts of Ibn Taimiyah*, Leicester: The Islamic Foundation, 1988. 286.

<sup>5</sup> Sabahuddin Azmi, *Abu Yusuf's Contribution to the Theory of Public Finance*, M. Phill. Dissertation, Aligarh Muslim University, 1995, 140; A. Ben Shemes, *Taxation in Islam*, Vol. III, edited Translation of Abu Yusuf's Kitab al Kharaj, Leiden: E.J. Brill, 1969, 155.

<sup>6</sup> M.J. Kister, The Social and Political Implications of Three Traditions in The Kitab al Kharaj of Yahya bin Adam al Qarashi, *Journal of Economic and Social History of the Orient*, (Leiden), Vol. 3, Part 3, Oct. 1960. 326—334; A. Ben Shemes, *Taxation in Islam* (Translation of Kitab al Kharaj), Vol. I, Leiden: E.J. Brill, 1967, 172.

<sup>7</sup> Adel Allouche, *Mamluk Economics: A Study and Translation of al Maqrizi's Ighathah*, Salt Lake City, Utah: University of Utah Press, 1994, 745.

<sup>8</sup> S.M. Ghanzafar, and A.A. Islahi, *Economic Thought of Al Ghazali*, Centre for Research in Islamic Economics, (Under print); S.M. Ghanzafar, and A.A. Islahi, "Economic Thought of an Arab Scholastic: Abu Hamid al Ghazali" *History of Political Economy*, Durham (USA): Vol. 22, No. 2, Spring 1990, 381—403; Orman, Sabri, *Economic Thought of Abu Hamid al Ghazali – A Methodological Approach*, New Jersey, Assembly of the World Religion, 1985. 13.

<sup>9</sup> Muhammad Nejatullah Siddiqi, *Muslim Economic Thinking: A Survey of Contemporary Literature*, UK: The Islamic Foundation, 1981. 122—124.

<sup>10</sup> Louis Baeck, The Economic Thought of Classical Islam, *Diogenes* (154), 1991, 101.

<sup>11</sup> Sabri Orman, *Intercivilizational Exchange of Knowledge in the Intellectual Tradition of Islam: A Case Study on the Relationship between Islam's 'Ilm Tadbir Al-Manzil and Ancienet Greek's Oikonomia*, (Islam Hadhari Bridging Tradition and Modernity), ed. Mohamed Ajmal Abdul Razak Al-Aidrus, Kuala Lumpur Malaysia, ISTAC, 2009.249.

According to Ibn Sinā, *al-hikmah* (philosophy) is divided into two: *'ilm nadhori* (theoretical philosophy) and *'ilm 'amali* (practical philosophy).<sup>12</sup> His economic ideas are placed under three headings: *Akhlāq*, *'ilm Tadbir al-Manzil* and *'ilm Tadbir al-Madīnah* . The possible translations, according to Orman (1997), the three major divisions of practical philosophy are ethics, household management and politics.<sup>13</sup> Although *Akhlāq* contains certain information related to economics, the other two branches of practical philosophy (*'ilm Tadbir al-Manzil* and *'ilm Tadbir al-Madīnah* ) are more about the sources of Islamic economic thought.

Generally, this practical philosophy explains how household management will correlate with the state in order to bring justice and welfare to it. This concept is also emphasized by Ibn Sīnā. To him, economics matter is an important source of social revolution by making household management (micro level) as the first fundamental of economy and state management (macro level) as the policy maker to give justice and prosperity to the society. This explanation gives important ideas of Islamic economic thought from the perspective of philosophy derived from Ibn Sīnā's thought.

## 1.2 PROBLEM STATEMENT

Islamic economics has grown and contributed positively in the world. Practically, this progress can be captured in development of Islamic banking, Islamic insurance, Islamic capital market and Islamic social institution. Moreover, it has still faced main obstacles to progress research in Islamic economics. One of the main obstacles faced in research of Islamic economics is lack of study in Islamic economic

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<sup>12</sup>Ibn Sina. *Al-Shifa/Al-Hilahiyyat*. Kairo: al-hay'a al-'am li syu'ūni al-mathābi' al-amiriyyah, 1960. 3. Ibn Sina. *Avicenna on The Divisions of the Rational Sciences*, translated by Muhsin Mahdi, *The Medieval Political Philosophy*, ed. Ralph Muhler and Muhsin Mahdi, New York: Cornell University Press. 1986. 96—97.

<sup>13</sup>Sabri Orman. *Source of the History of Islamic Economic Thought*. 1.



history, which is related to economic thought. It is a product of the society from which it grows.<sup>14</sup> Importantly, exploring economic ideas from historical perspective are really needed in order to get the important thoughts and experiences from the past and then to be taken into consideration of implementing in this contemporary world.

According to Siddiqi (2005), most of sources of the economics projected as Islamic have been *fiqh*, which is largely based on the historical experiences of the first four centuries.<sup>15</sup> Therefore, the study of Islamic economic has only discussed on Islamic finance and public finance, that dealt with administration of wealth or income in the level of micro and macro. Although, history of Islamic economic was not only produced by jurists, but also by sufis and philosophers. They have different emphasis toward economic views, which produced different perspectives. To Siddiqi (1987), the jurists focus on the normative prescription with positive insight, just behaviour and sound policy, while the sufis focus on the hereafter, and the philosophers focus on happiness (*sa'adah*), a rational quest for justice and more positive analysis as a macro approach.<sup>16</sup> Accordingly, the literatures that discuss on philosophical economic have been not studied very much into detail especially in the thought of Muslim philosophers. In fact, it is very important to know the construction of philosophical economics, which were most influenced by Greek philosophy. It is known that Greek economics (*Oeconomica*) discussed housecraft (the art of governing a household or home) and statecraft (the art of governing a nation).<sup>17</sup>

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<sup>14</sup> Louis Baeck. The Economic Thought of Classical Islam, *Diogenes* (154), 1991, 111.

<sup>15</sup> Muhammad Nejatullah Siddiqi, *Obstacles to Islamic Economics Research*, paper presented eventh International Conference on Islamic Economics, Islamic Economics Research Center, KAAU, Jeddah. April 1-3, 2008.

<sup>16</sup> Muhammad Nejatullah Siddiqi. *Islamic Economic Thought: Foundation, Evolution and Needed Direction* (unpublished paper. was presented in International Seminar on Islamic Economics. 6-9 July 1987), Petaling Jaya, 444.

<sup>17</sup> Aristotle. *Metaphysic books X-XIV: Oeconomia Magna Moralia*, tran. G Cyril Armstrong, London: Harvard University Press, 1965, 327.

*Al-Shifā* is one of the books written by Ibn Sīnā, has been translated into English which explain explicitly the economic ideas. Ibn Sīnā's exposition of economics and politics which forms the last two chapters of final section of his *Shifa* at the end of the treatment of metaphysics and some can be traced in his *kitab al-siyāsa*.<sup>18</sup> Ibn Sīnā considers *tadbir al-manzil* as elements of political community, social organization, and management of income and expenditure.<sup>19</sup> By looking into previous statements, it can be assumed that Ibn Sīnā's theory in economics discusses the household and political economics. In order to assure justice and prosperity in the state, the two concept raised by Ibn Sīnā should be carried out in good administration based on Shari'ah principles.

### 1.3 OBJECTIVE OF THE STUDY

In line with the background and problem statement, the objectives of this study are:

1. To study Ibn Sīnā's economic ideas particularly the household economics and political economy.
2. To discuss the relevance of Ibn Sīnā's economic ideas to the modern micro and macro economics concepts.

### 1.4 CONTRIBUTION OF THE STUDY

Some of the expected contributions of this study are as follows:

*First*, to enrich literatures on Islamic economic thought, especially on philosophical aspect of economics.

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<sup>18</sup>E.I.J. Rosenthal, *Political Thought in Medieval Islam: An Introductory Outline*, London: Cambridge University Press, 1968, 143—152.

<sup>19</sup>Zohrel Ahghari, *The Origin and Evolution of Islamic Economic Thought*, (PhD Dissertation, The Florida State University, 1991), 105.

*Second*, to attempt to give some insights on Ibn Sīnā's economic ideas, which are related to the model of micro-economic and macro-economic.

*Third*, to encourage Muslims to refer to the original Islamic sources (Al-Qur'an and Sunnah) and literatures such as *fiqh*, *tasawwuf*, *hikmah* (philosophy) and *kalam* (theology).

## 1.5 SIGNIFICANCE OF THE STUDY

The significance of study is to give understanding about the importance of studying sources of Islamic economic thought, which have contributed significantly to the current literatures of Islamic economic and finance. Its study will explain an economic idea from the philosophical perspective, which is especially derived from Ibn Sīnā's thought. It is well-known that Ibn Sīnā's thought is mostly related to philosophy and medicine, but this study will raise awareness of Muslim society that Ibn Sīnā has great valuable to development of Islamic economic thought. Therefore, it will study the concept of economic from Ibn Sīnā's work: *kitab al-Shifā* and *kitab al-Siyāsa*.

## 1.6 RELATED LITERATURE

Ibn Sīnā's idea in economy can be found in several works of him such as in *al-Shifā* and *kitāb al-Siyāsa*. According to Rosenthal (1992), Ibn Sīnā's *Siyāsa* is devoted to ethics and economics, and the regiment of the household which comprises the master of the family, his wife, children and servant.<sup>20</sup> This study is mostly related to *'ilm Tadbir al-Manzil*. There are many Muslim thinkers who have written *tadbir al-manzil* besides Ibn Sīnā such as Nasir al-Din al-Tusi and Muhammad bin As'ad. To Essid

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<sup>20</sup> Frenz Rosenthal. *The Classical Heritage in Islam*, tran. From German by Emile and Jenny Marmoer in Islam, London: Routledge, 1992. E.I.J Rosenthal, *Political Thought in Medieval Islam: An Introductory Outline*, London: Cambridge University Press. 1968. 143.

(1995), they are influenced by Greek literature that was derived from Bryson's economic called *oikonomia*.<sup>21</sup> *Oikonomia* is related to practical philosophy that some Muslim philosophers developed further. The authors of *'ilm Tadbir al-Manzil* acknowledge their debt to Greek literature. According to Sabri Orman, though there are many similarities can be found between *'ilm Tadbir al-Manzil* and *oikonomia*, but differences do appear in the principle that *ilm Tadbir al-Manzil* is based on the Divine Law (Shari'ah).<sup>22</sup>

Additionally, Essid (1995) in his book, briefly discusses Ibn Sīnā's concept in *'ilm Tadbir al-Manzil* which is included in *kitāb al Siyāsa*. According to him, Ibn Sīnā begins his treaties with an introduction on the necessity of administration and governance of human aspects of life; why men need dwelling and why they must congregate in families. It specifically concerns with management of the household which looks at the responsibility of all family components in conducting the household in a proper manner.<sup>23</sup> Ibn Khaldun says in his *muqaddimah* that the *Siyāsat al-madaniya* is the management of household or of the state in keeping with the demands of ethics and wisdom, so that the whole may be led on a path on which regularity is maintained.<sup>24</sup>

Murād (1999) says that according to Ibn Sīnā, the management or the governance of *al-Madīnah al-fādilah* should be based on the *Shari'ah* which consists of *Ibadah* and *Muamalah*. *Muamalah* reflects on Ibn Sīnā's economic thought which discusses the matters of human's social. division of work, and rules of economics

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<sup>21</sup>Yassine Essid, *A Critique of the Origin of Islamic Economic Thought*. New York: E.J. Brill, 1995

<sup>22</sup>Sabri Orman, *Intercivilizational Exchange of Knowledge in the Intellectual Tradition of Islam: A Case Study on the Relationship between Islam's 'Ilm Tadbir Al-Manzil and Ancienet Greek's Oikonomia, (Islam Hadhari Bridging Tradition and Modernity)*. ed. Mohamed Ajmal Abdul Razak Al-Aidrus, Kuala Lumpur Malaysia, ISTAC, 2009.

<sup>23</sup>Sabri Orman, 185—186.

<sup>24</sup>*First Encyclopedia of Islam 1913-1936*, Vol VII ed. M.TH. Houtsma, A.J. Wensinck and H.A.R. Gibb. W. Heffening and E. Levi-Provencal, New York: E.J. Brill, 1987, 595.

under the condition of *al-Madīnah al-fāḍilah*.<sup>25</sup> Zainal Ahmad also discusses the economic thought of Ibn Sinā in his book entitled “*Negara Adil Makmur Menurut Ibn Sinā*” which means Just and Prosperious State from Ibn Sinā’s Perspective.<sup>26</sup> Zohrel Ahghari in his dissertation entitled “*The Origin and Evolution of Islamic economic Thought*” mentions Ibn Sinā as one of the philosophers who contributed in developing the history of Islamic economic thought in a short treatise on *tadbir al-manzil*.

### 1.7 METHOD, SCOPE AND ORGANIZATION

In order to achieve its objectives, this study employs qualitative research that refers to the meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions of the matter under study.<sup>27</sup> It comprises of two methodologies of research, namely interpretative and historical analytic methods. Each forthcoming discussion, therefore, represents a result of careful textual analysis of Ibn Sīnā’s major important works which included the following:

1. Ibn Sinā, *Al-Shifā fi al-Ilāhiyyat*: al-hay’a al-‘am li syu’ūni al-mathābi’ al-amiriyyah, (1960).
2. *Fi Aqşam al-‘ulum al-‘aqliyah*: This is included in the collection of nine treatises (*Tis’u al-Rasail*) of Ibn Sīnā. It has been translated into English by Muhsin Mahdi in the book entitled “*Medieval Political Philosophy*”, and edited by Ralph Muhler and Muhsin Mahdi (Published by the Free Press of Glenceo, Cornell Micmillan, Canada: 1963).
3. *Istbat an-Nubuwwat*: It is also included in the collection of nine treatises (*Tis’u al-Rasail*) of Ibn Sīnā. It has been translated into English by Michael E.

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<sup>25</sup>Ali Abbas Murād, *Daulah al-Shari’ah: Qirāatu fi Jadilah al-Din wa al-Siyasah ‘inda Ibn Sina*. Beirut: Darul al-Talī’ah, 1999, 121—154.

<sup>26</sup>Zainal Abidin Ahmad. *Negara Adil Makmur Menurut Ibnu Siena*. Jakarta: Penerbit Bulan Bintang, 1974.

<sup>27</sup>Bruce L. Berg, *Qualitative Research Methods: For The Social Sciences*. USA: Pearson Education Inc. 1989, 3.

Marmura in the book entitled “*Medieval Political Philosophy*”, and edited by Ralph Muhler and Muhsin Mahdi (Published by the Free Press of Glencoe, Cornell Micmillan, Canada: 1963).

4. *Kitab al-Shifā* in the tenth article Chapters 2, 4 and 5. The three chapters have been translated by Michael E. Marmura in the book “*Medieval Political Philosophy*” as mentioned above.
5. *Kitab al-Siyāsah* which is edited by Louis Ma'luf in *Maqālat Falsafiyah Qadimah li Ba'di Masyāhīrih Fālāsifah al-'arab Muslimin wa Nasara*, published by *al-Matba' al-Kātsūlīkiyyah lil Abāi al-yasū'iyin* in 1911.

Furthermore, Ibn Sīnā's idea in economic should have a relationship with foundation of philosophical aspects (axiology, epistemology and ontology) which can be found in his writing. This study is the organized in the following ways to ensure an in-depth look on Ibn Sīnā's theory in economics is discussed in full.

Chapter One presents Ibn Sīnā's background which consists of his life and educational background, political and economic situation in his time and his contributions to the Islamic civilization. Sometimes, some works can be influenced by a person's, geographic, culture, economic and political situations. Therefore, this chapter tries to study Ibn Sīnā's background that relates to his economic ideas.

Chapter Two focuses on Ibn Sīnā's Micro Economic Model, which will look at man and economic order, classification of occupation, concept of managing wealth and conceptualization of economic model. These three concepts are related to aspects of economy in small unit (household economic) such as earning for survival of live, finding a good work, and making a saving for the future life.

For Chapter Three, Ibn Sīnā's Macro Economic Model which consists of suitable structure of society in political economics, the obligation of government to prohibit unemployment, public wealth for society interest and social guarantee in the

society are explained. This chapter will more focus on role of the state in the economic matters.

The Final chapter provides a critical assessment of previous studies by giving an overall conclusion. Ibn Sīnās' ideas on economics will be evaluated in brief comparison with the views of Greek and modern economics.

## CHAPTER TWO

### IBN SĪNĀ'S BACKGROUND

#### 2.1 IBN SĪNĀ'S LIFE AND EDUCATIONAL BACKGROUND

Ibn Sīnā whose full name is Abu 'Ali al-Husain 'Abdillāh Ibn Hasan Ibn 'Ali Ibn Sīnā, was born in August 980 CE (Safar, 370 A.H) and brought up in the kingdom of the Samanids. He was known in the West as "Avicenna", which comes through Hebrew into Latin. There are two facts regarding his birth place. Some said that the birth of Ibn Sīnā was in a large village near Bukhārā called Afsahānah, his mother's native land.<sup>28</sup> Others said that it was in Khairmaitan close to Bukhārā.<sup>29</sup> Afsahānah is the most mentioned and reasonable because of that was place where his parents married and also his father took up residence.<sup>30</sup>

Furthermore, his father, Abdullah, was from Balkh, a town known to the Greeks as Bactria, located in northern Afghanistan. According to Afnan (1958), Balkh was an important commercial and political metropolis, the intellectual and religious capital of the Muslim East. Furthermore, in the reign of Amir Nūh ibn Mansūr, Ibn Sīnā's moved from Balkh to Bukhārā. Then, he was involved in public service and was appointed as a local governor in Khairmaitan.<sup>31</sup>

Ibn Sīnā's father was married to a woman named Sitāra.<sup>32</sup> Ibn Sīnā's father was an Ismā'ilī. This is significant because of the Ismā'ilī's inclination towards

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<sup>28</sup>Muhammad 'Abdurrahman Marhabā. *Minal Falasifa al-Yūnāniyyah ila al-Falasifah al-Islāmiyyah*. Beirut: Mansyūrāt 'awīdāt, 1970, 474. D. Gutas, Avicenna: Biography, in *Encyclopedia Iranica*, Vol. III, Ed. E. Yar-Sharter. Mazda Publisher, 1987, 69.

<sup>29</sup>Soheil M. Afnan. *Avicenna: His Life and Works*. London: George Allen & Unwin Ltd. 1958, 57.

<sup>30</sup>William E. Gohlman. *The Life of Ibn Sīnā: A Critical Edition and annotated Translation*. New York: State University of New York Press, 1974, 17—18.

<sup>31</sup>Zainal Abidin Ahmad, *Negara Adil Makmur Menurut Ibnu Siena*. Jakarta: Penerbit Bulan Bintang, 1974.106.

<sup>32</sup>William E. Gohlman. *The Life of Ibn Sīnā*,17.



philosophy and mysticism. Obviously, his family's interesting in philosophy caused his interest in the subject of philosophy:

From them, he (My father), as well as my brother, heard the account of the soul and the intellect in the special manner in which they speak about it and know it. Sometimes they used to discuss this among themselves while I was listening to them and understanding what they were saying, but my soul would not accept it, and so they began appealing to me to do it (to accept the Ismā'ilī doctrine). And there was also talk of philosophy, geometry and Indian calculation.<sup>33</sup>

The pursuit of knowledge in Ibn Sinā's time became interesting activities for his people. However, it was the translation movement of the 8<sup>th</sup> and the 9<sup>th</sup> century which established and civilized the great culture of knowledge such as Greek, Indian and Persian works that had been translated into Arabic in the 10<sup>th</sup> century. The important works mostly influenced Ibn Sinā's education until he became a great Muslim scholar in his time.

His early education was received at home, where Persian and anti-Muslim traditions were still full of life and vigour.<sup>34</sup> A teacher of the Qur'ān and literature were provided to him, and then at age of ten, he finished the Qur'ān and many works of literature. Additionally, he studied Indian calculation from a vegetable seller. At 16, he studied *fiqh* with Ismail al-Zahid, language with Abu Bakar Ahmad Ibn Muhammad al-Barqi al-Khawarizimi, read *al-mantiq* (logics) and architecture. His first logics teacher was Abū 'Abdullah al-Nātilī who introduced him to *Isasoge* and geometrical figures.

After al-Nātilī left him, he moved to other cities and devoted himself to study the original and commentary texts on natural science, metaphysics and medicine.<sup>35</sup>

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<sup>33</sup>William E. Gohlman, *The Life of Ibn Sinā*, 18—21.

<sup>34</sup>T.J. De Boer, *The History of Philosophy in Islam*, translated by Edward R. Jones, England: Curzon Press, 1903, 131.

<sup>35</sup>Muhammad 'Abdurrahman Marhabā. *Minal Falasifa al-Yūnāniyyah ila al-Falasifah al-Islāmiyyah*. 474.