

---

## 8. Islam and capitalism: military routs, not formal institutions

*Ali Kadri*

---

Islamic history abounds with merchant trade, and major Islamic cities flourish or decline by the rhythm of long-distance trade (Amin 1976). Islamic free-trade precepts derive their legitimacy from religious tenets. A *hadith* (a saying of the Prophet) acknowledges that profits are nine-tenths commerce and one-tenth other.<sup>1</sup> The freedom for merchants to travel, set prices and exchange with few constraints are central to many schools of Sharia. The oft-debated problematic is that even though Islam did not inhibit the development of commerce, the Muslim world lagged behind Europe in establishing capitalist production relations.<sup>2</sup> Keeping in mind that the map of Europe keeps changing and that history is not a sports race with a beginning and an end, this chapter revisits certain methodological points that may contribute to the better understanding of a rather thorny subject. The central point of my argument is that European conquests hold primacy in explaining the antecedent rise of capitalist relations in Europe over differences in forms of social organization between European and Eastern modes of production. Imperialist conquests, beginning prior to the onset of capitalist relations circa the sixteenth century, and direct plundering increased the wealth of European merchant capital, limited the expansion of Eastern merchants and situated the inexorable birth of capitalist production relations on the European continent (Marx 1867; Emmanuel 1972).

In a heterogeneous, self-differentiating and interrelated world, the issue of whether Islam, and the East more generally, have failed in comparison to Europe is a misplaced problematic. European capital through its colonial and class linkages extends to the East. The East through its labour, raw materials and underdevelopment by colonial diktat reaches the West. The lines of demarcation that set real concepts apart from hallucinatory forms of thought are the class lines that crisscross national boundaries. Where the space that defines an entity vis-à-vis another ends, is where the ideological inclination begins. So when Bernard Lewis posits that Islam has become poor, weak and ignorant, Michael Neumann responds with relevant data showing that poverty and underdevelopment are not exclusive characteristics of the Muslim world, but are shared across cultures (Neumann 2003). With two world wars and several other wars to its credit in the twentieth century, not least including unjustifiable poverty levels in contrast to immense wealth, Christendom carries more guilt on its conscience (Neumann 2003). From its onset on the world stage, the crisis of capitalism, its genocide of the natives and slavery, has eclipsed its progressive moments. This chapter is not about value-judging historical

---

<sup>1</sup> My interpretation of the chapter on the etiquette of commerce, at: <http://www.mezan.net/books/man-layahdraho/fakeeh3/html/ara/books/faqih/faqih-3/a62.html>.

<sup>2</sup> Given that the object of research is the method rather than historicity, at this level of generalization I will be using 'Islamic world' and 'Islam' interchangeably, referring broadly to areas where Islam has been the dominant religion.

development by selective comparisons. It is about reading the onset of capitalist social relations, critiquing the fetishism attendant thereupon and the endogeneity of technology and violence akin to their progress. There is a tremendous amount of material related to this topic. In the main, this chapter builds on the concept of historical surplus value (Abdel-Malek 1981) and is informed by three principal texts:

1. Maxime Rodinson, *Islam and Capitalism*, first published 1966.
2. Hussein Mroueh, *Materialist Tendencies in Islamic Philosophy*, Volumes 1–3 in Arabic, first published 1978.
3. Suheil Taqoush, *Historiography of Islamic History*, Volumes 1–15 in Arabic, completed 2002.

## DEVELOPMENT IN CONTEXT

More so than any other discipline, the study of development is blatantly ideological. For the mainstream, development is said to have arisen as a subdiscipline of economics because it inherited the wartime optimism about the world-changing potential and the belief in economics as a science (Toye 2012). For the heterodox school, development, defined as the improvement in the living conditions that the masses obtain through class or national liberation struggles, is the study of the class relationships that spawn progress or the opposite thereof. Prior to the mid-twentieth century, the study of development was known as the economics of the colonies. As fewer and fewer colonies remained in the grip of Western empires, colonial economics assumed the name ‘development economics’. When the Cold War peaked, development studies reflected the political polarization between the two opposing camps. The discussion oscillated between equality of condition – the Soviet model, and equality of opportunity – the United States (US) model; or the debate between the sack of wheat and the voting booth, as Bertrand Russell puts it. The debate would deliver the treatise on all-round development on the Soviet and non-aligned movement side, and the choice theoretic framework on the US side. Social-choice welfare, in its individualistic-probabilistic approach bereft of historical necessity, overlooks the objective and impersonal forces of history that leave the majority without choices. Neglecting necessity as the mediation of simultaneously concrete and coincidental social flux, manifest in the phenomenon of the choice-less majority, and assembling human development indices that vary with convention, adhered to conservative ideological proclivities. Abstract, as opposed to social individualism, elevates the model of emulating personal lifestyle consumerism into a countrywide development imitation by formally demonstrating that the wealth of the few may be similarly made available to the whole, if the latter follows the way of the free market. So far, the free market way has enslaved billions, especially in the Muslim world, and because its ideological bent obscures the subject of history and the social contradiction behind the laws of development, it is a continuation of the hate literature lurking in the modern European past.

With the collapse of the Soviet Union, the triumph of the capitalist model was sealed as science. Empiricism parading as theory de-historicized development. The quantification of social variables without regard to their content had clouded over surplus transfers from colonies to the Empire in the past. A whole history of Third World and

indigenous development and a wealth of knowledge that developing societies experienced in the past was discarded and replaced with a European value system rooted in racial or cultural superiority. In the most recent line of argument, the Islamic world's developmental descent was ascribed to static institutions incapable of incubating progress. These formalized institutions, abstracted from conditions in the present and projected upon the past, not only transcend history but also inject a dose of inferiority into 'other' cultures for not being dynamic and Christian like the West. In the same manner that the modern economy was subjected to supply-side economics, history was subjected to supply-side historiography. In the former case, for instance, the modern Islamic world did not provide sufficient tax exemptions for private investment to thrive, and in the latter case, the ancient Islamic world did not set clear private-property rules – un-Islamic rules (Christian-like) – for capitalism to dawn. History was tautologically conceived with the object (the outcome of development and its form of organization in institutions) fantasized as the subject (the maker of development or the social relationships that are responding to the objective material conditions that shape society) who failed to ensure sufficient grounds for development.

The reconstruction of Islamic history under the diktat of the dominant ideological power of capital is not innocent. It influences the current development debate and its attendant neoliberalism. Islam, a religion of a single colour, did not exist. It also does not exist now, as often professed in current propaganda masquerading as independent media or academia. Islamic civilization is a concrete historical process reflecting the manifold historical conditions in which it has evolved. It is as vast and varied as the different modes of life organization across history. Problems in documenting, analysing and periodizing this history would best be served by open-ended questions. The modest purpose of this chapter is not so much to highlight some of the underemphasized characteristics of the Islamic world, but merely to argue the falsity of imposing historically transcendent criteria upon the challenging road of historical development. The study of development must account for the historically determined circumstances that qualitatively demarcate one epoch from another. Of the many reasons behind the decline of the East, and of the Islamic world in particular, the succession of military defeats, the devastation over land by the Mongols and, more decisively, the expulsion from the seas by the Europeans, beginning as early as the twelfth century and reaching a climax in the battle of Lepanto in 1571, curtailed the transition of Islamic merchant capital into productive capital.<sup>3</sup> In the more autonomous parts of the Islamic world, where indigenous capitalist relations would flourish of their own accord, the savagery of European colonialism put a speedy end to that.

There is a fundamental qualitative difference between capitalism (the historical phase) and its predecessors: it is a phenomenon in which dependency on the market determines nearly all aspects of social life. The private appropriation of social wealth draws the outlines of production, consumption and exchange under capitalism and necessitates a level of disengagement of assets and technology unknown in earlier times. However, it is

---

<sup>3</sup> In his *Muqaddimah*, al-Duri (1969, 87–89) cites the great recession of 1400–1401 coinciding with the Tamerlane invasion of the Levant (including forcing many artisans to move to Samarkand), the beginning of European piracy and the onslaught of the Portuguese navy, which by 1509 had controlled essential eastern seaways and cut off the sea sources for Muslim traders.

not only that with competition relaying prices to profit-making agents, spurring technological development, and allocating resources to private ends that the capitalist economy becomes different from other modes of production; it is also because it becomes all-moneyed as opposed to partially moneyed (moneyed trade in luxury items on the margin of society, as opposed to moneyed trade in all sectors, including the subsistence ones). Under capitalism, a particular economic activity transmutes into the general by acquiring a money form; what it takes to support life – all the value that society creates – assumes the universal money form. A new unit of analysis comes into being as the particular economic activity fuses through the money form with all the other economic activities. All sectors become one in the universal money form. This whole that is the economy (the general condition) mediating the parts (sector-specific activity) through the money-value form comes into being as a result of the revolutionary moment when the means of political control over economic processes no longer derive from immediate subordination to feudal rank but from the relations between moneyed and objective commodities destined for exchange. This shift in the social relationship does not arrive on the scene *causa sui*; it glides upon the tide of growth in the necessities and the means to support human life. The subsumption of the particular economic activity in the moneyed whole develops gradually from the time the merchant begins to engage the craftsman for a wage in order to meet rising demand, until the time of commodification on a grander scale with the onset of the Industrial Revolution.

However, from the moment life-sustaining commodities begin to possess value destined only for exchange, their relationship would stand above society and determine the allocation of its resources, save opposition from the working class (Marx 1867). The issuance of credit to restrict or expand economic activity and money supply becomes a principal instrument in determining the living wage. The substance of the interest associated with credit and its impact on the livelihood of society is dissimilar to the usury rate affecting peripheral luxury trade on the margin of subsistence society. The generalized money form pervades the whole structure of society; the cost of money issuance and credit is itself the expansion of economic activity, and hence, an interest rate is collated against all economic transactions and the degree the rate assumes. Under capitalism, even the holding of cash involves variations in its value consequent upon the prevalent interest rate. Trade policy no longer affects single luxury-item imports but may cause the caloric intake of a significant population to plummet. Capitalism as a new sociological condition is the underlying basis for the new macroeconomic condition that takes shape in real and logical forms.

Markets may still be called markets, but they are not of the same nature before and after capitalism. One ought to question the reasons why mainstream economics adopts a position of historical development as growth of markets without regards to changes in their underlying social structures. Could today's level of human and physical asset underutilization have been carried out in the feudal age with society managing to overproduce? Not so, is the answer. When so many of the poorest and war-assaulted countries in the world are Muslim countries, one must ask how their poverty and debilitation by violent means have contributed to global accumulation. This chapter traces select features of Islamic development, namely the strand that views Islamic history as a linear process devoid of dynamism in order to brand European capitalism as the sole bearer of progress to humanity. Comparing progress over millennia is illusory. Because history is

read to influence the present, the only reason such a comparison would be posited is to justify the elimination of some version of the noble savage as the just price for progress. Madeleine Albright's response that 'we think the price is worth it', to kill 500 000 Iraqi children to bring Western-style democracy to Iraq, best illustrates the endurance of such an argument.

## DEVELOPMENT IN THE ANCIENT MASHRIQ

The earliest places to develop into sedentary cultures were to be found in the present-day Mashriq (Ancient Syria and Mesopotamia). The area at the end of the Great African Rift Valley known as the Fertile Crescent was a natural gathering ground for domesticable animals; it enjoyed regular rainfall and a variety of easily cultivable cereals. The good soil quality circa 2000 BC produced about the same tonnage of barley as in early 1970s (Hilou 2004). The steady development of tools and modes of social organizations required regulation and the pacification of the labouring class. Measures for trade and laws to attenuate repression and limit the appetite of the clergy represent the first set of rules intended to steady the course of development: the Code of Ur-Nammu (2100 BC) (Real History World Wide n.d.). The code addresses three vital points: the ruling on weight for trade, a limit to what the clergy could extract in tribute, and a statement ensuring the protection of the vulnerable from the transgression of the powerful. These precepts crown the notion of the 'Just Man' of the East (al-Alawi 2009):

[i]n accordance with the true word of Utu, set the monthly temple expenses at 90 gur of barley, 30 sheep, and 30 sila of butter . . . the bronze sila-measure, standardized the one-mina weight, and standardized the stone weight of a shekel of silver in relation to one mina . . . The orphan was not delivered up to the rich man; the widow was not delivered up to the mighty man; the man of one shekel was not delivered up to the man of one mina (Ur-Nammu, 2100 BC)

Stripped of its mystique, justice was the veil behind which despotic societies pacified and regimented slave labour. The code itself did not relieve rulers from the pressure of rebellions; it was still an era characterized by a high frequency of revolts (Hilou 2004). Yet the codes *cum* welfare measures sprang in response to a history of revolts. Indeed, rebellion and the quelling of uprisings were central to the myths and beliefs of the Sumerians. In Atra-Hasis (mainly a flood myth but also with a creation story circa 1800 BC), the creation of humankind replaced angel-workers who rebelled against superior angels as they could no longer tolerate the harsh conditions of labouring the earth (Atra-Hassis, as compiled by Lambert et al. 1999). In this myth, man was moulded from the flesh and blood of a revolutionary angel whose ideas initially instigated the labouring class of angels into mutiny. Rebellion and/or the critique of living conditions in Sumerian myth constitute an inherent characteristic of humankind.

Four centuries later, the Code of Hammurabi further embellished the Ur-Nammu's demands for justice, the right to trade and the protection of civil and property rights:

To bring about the rule of righteousness in the land, to destroy the wicked and the evil-doers; so that the strong should not harm the weak, and enlighten the land, to further the wellbeing of mankind. He referred to himself as the 'shepherd of the oppressed and of the slaves,' and

ordered that ‘these my precious words’ be written upon his memorial stone, before his image ‘that the strong might not injure the weak, in order to protect the widows and orphans . . . in order to bespeak justice in the land, to settle all disputes, and heal all injuries (Hammurabi, circa 1750 BC; King 1915)

In comparison to the Code of Ur-Nammu, the Code of Hammurabi held the sovereign accountable for the delivery of welfare. If a tort could not be redressed by the law of equal retaliation (*lex talionis*), the state had to compensate for the loss itself. The other side of the *lex talionis*’s ‘an eye for an eye’, is ‘a sack of wheat for a sack of wheat’. The sovereign acted as an insurance institution to indemnify losses. To avert peasant unrest, the sovereign had to protect the peasants of the lower echelons from injury. Moreover, the rights of women to own property and divorce husbands – rights that women lack in some states today – became binding laws.

To the Ancient Mesopotamians as well as the Greeks, whose societies were raised by slave labour, strengthening the home front by more equitable distribution as wealth rose plastered over the fault lines of their class-ordered social structures. Material circumstances and social orders were changing and concepts were evolving, but it was not until Heraclitus that change was considered eternal law. Heraclitus stood opposed to unchangeability; his dynamic concept would later challenge Plato’s notion that change is a matter of appearance whereas reality is unchangeable and only penetrable by discerning the forms of thought (Ilyenkov 1977). Later in Aristotle’s *Politics*, a cycle of change and a schema of organic growth, defining development from birth to peak and ultimate dissolution, took shape. However, similarly to the Mesopotamian ‘Just Man’, Aristotle’s ‘Rational Man’, through implementing equality, engendered a functional role to avoid collapse from within:

Equality consists in the same treatment of similar persons, and no government can stand which is not founded upon justice. For if the government be unjust everyone in the country unites with the governed in the desire to have a revolution, and it is an impossibility that the members of the government can be so numerous as to be stronger than all their enemies put together. (Aristotle 2014, *Politics*, Book 7)

## EQUALITY IN ISLAM

Whether by word of man or word of God, steady development requires the attenuation of distributional imbalances. The issue of equity seems to be remarkably similar, but cyclical, across culture and time (Reinert 2013). In Islam, as in any viscous theological thesis, equity echoes God’s ultimate edict on the one hand, while inequity can be God’s manifestation of wisdom on the other. Equality is central to Imam Ali’s treatise on faith; he was a contemporary of the Prophet, whose sermons emphasized social justice. In his *Nahj al-Balaghah* (The path of rhetoric), the inherent equality of all men is established as canon. Sayings attributed to Ali such as ‘people are as equal as the teeth of a comb’ or, a more pertinent quote, ‘people should have equal access to such resources as water, food and fire’, are often flaunted to display Islam’s knack for egalitarianism (Bin Abi Talib 1963). Apart from the right of access to common waters, which remains in practice in some outlying areas of the Muslim world, the Muslim world consistently exhibited

disparate living conditions. Given the importance of water in mainly arid regions, reserving part of the *al-aflaj* irrigation system to common use exemplifies the necessity to obey some fairness in rationing water distribution (Wilkinson 2003).

Imam Ali hailed from the lower tribal ranks of the Quraysh (the Prophet's tribe) and his reflexive egalitarian position is rebutted by just as many other views sanctifying inequality. Religious intellection reflects the real practice and the ideology of the power structure. To the many interpretations that tout Islamic egalitarianism, there are just as many positions ordaining inequality by divine fiat.

Islamic doctrine is a diverse field of practice and thought, especially so in areas influencing resource allocation. According to the Shafi'i School of Sharia, there is no obligation to pay *zakat* – compulsory charity to assist the poor (Samak 2007). *Zakat* (voluntary payment) is separate from *kharaj* (state taxation levied upon Muslim subjects), but the former is the rationale for the latter.<sup>4</sup> The case when great wealth and poverty can coexist finds its roots in Quranic verse: 'It is we who have apportioned among them their livelihood in the life of this world and have raised some of them above others in degrees [of rank] that they may make use of one another for service' (Surah 43, Aya 32); contrariwise, there are far too many *ayas* that extol the virtue of social equality:

The Quran does not proscribe privileges based on the ownership of certain assets, such as the means of production and the sources of material used for production, that confer enormous power over the whole of social life . . . that is why throughout history the spectacle of a poignant poverty contrasts with the astonishing luxury prevailing at the courts and among the rich. (Rodinson 1978 [1966], 308)

Quranic *ayas* draw upon specific occurrences during the last two decades of the life of the prophet. *ayas* promoting justice are incident- or context-specific, and, unlike the asceticism of the New Testament, the Quran sees in wealth an adornment of worldly life (Surah 18, Aya 46). Unlike religions that urge the complete suppression of hedonism, Islam recognizes worldly desires but ordains disciplining them.<sup>5</sup>

However, the twisting of the meaning of Islamic justice by modern Islamists assumes new heights as justice becomes equated with the trickle-down effect of neoliberal markets.<sup>6</sup> Obstructions of unrestricted trade, free capital flows and market openness become violations of Islamic justice (Chapra 2014). 'Free movement of goods, people and capital accelerate development and further cement solidarity and integration, which are among the important objectives of Islam' (Chapra 2001, 7). The neoliberal recipe is central

---

<sup>4</sup> According to al-Duri (1949), the various tax regimes adopted different meanings across the Islamic world. Here I have used the two most current categories for Muslims and non-Muslims.

<sup>5</sup> Discussion with Ahmad Ra'ouf Al-Qaderi, Mufti of the Hermon region in Lebanon, 2011.

<sup>6</sup> The present-day hold of free market ideology was such that when Islamic economic practice was reinterpreted and caricatured in what became known as modern Islamic economics, its liberalism exceeded that of neoliberalism. The projection of old Islamic thought upon the modern world without major qualifications can be meaningless, because under capitalism commodification prevails and, at least in one area, there is a necessity to disengage assets that did not exist in Islamic times. Modern Islamic economics, like neoclassical economics, falsely constructs history as a set of homogenous commercial relations continuous across time. The modern capitalist market little resembles the Islamic market of the past. In the time of the caliphates the market extended narrowly to luxury goods and barter, such that when disrupted, it resulted in no major perturbation of day-to-day existence. By contrast, under capitalism, market activity determines the near totality of social life.

to development, and it is (Islam-wise) unjust to stand in the way of such development (Chapra 2001).

Islam, in its modern economic interpretation, is presumed to be a precursor to Ricardian comparative advantage. However, by the time of Ricardo, trade in essential commodities would have determined whether societies starved or not as a result of trade policy. Conditions in Ricardo's time cannot be superimposed on long-distance trade in luxury goods in pre-capitalist times. There is utter disregard for the diachronic development of concepts or the social relationships that underlay forms of social organization. It was not freer trade across time that created or diminished wealth, it was the growth of merchant capital into productive capital and later the intensification of commercial exploitation (the enslavement of whole countries) in the colonies prior to the Industrial Revolution that unleashed higher productivity. To collapse justice into free trade following the twisting of Islamic edicts and to gratify commerce for the sake of commerce have no bearing upon justice in terms of wealth distribution. The class that controls the valves of the circuit of value also determines the degree of social equality.

Pre-capitalist collection of tribute through *kharaj* (tribute from Muslim subjects) and *jizyah* (tribute from non-Muslims), mostly in *a'shar* (tithes), directly involves the reigning political authority in maintaining the sustainability of the population and the productive base through foremanship and income redistribution. The evolution of Islamic justice, welfare rationale and practical redistribution measures depended on historically specific circumstances, rising with wealth and political stability. Professor Reinert refers to the work of Ibn Hussein (775–822), writing at the peak of Islamic civilization and highlighting the notion of just tax distribution:

Distribute [taxes] . . . among all taxpayers in a fair, just and equitable manner and make them general, not exempting anyone because of his noble rank or great riches . . . and do not levy on anyone a tax which is beyond his capacity to pay. (Ibn Hussein, as quoted in Reinert 2013)

In his introduction to the wealth of literature on political economy at around this time, Noueihid (2014) lists the contributions of three other scholars whose distributive policies agree with those of Ibn Hussein:

1. Early works on money and taxation, titled *Al-Kharaj* by Al-Qurayshi circa 750, detailed the various forms of taxation from land, and stressed egalitarianism between Muslims and non-Muslims in terms of access to resources. He put forth the avant-garde thesis that land belongs to whoever labours it, thus antedating modern land reform discourse.
2. Another work, also titled *Al-Kharaj*, of around the same period by Ya'coub bin Youssef explores the empire's financial policies, its sources of revenue and its expenditures. Bin Youssef's principal contribution is in bestowing statutory rights upon public property. Access to public property as a right stood above dispensation of individual privilege. Public property included trading routes, on rivers and over land, access to water, and to common grazing lands.
3. At around AD 850, a more sophisticated work, *Al-Amwal* (literally *Moneys*, but a more appropriate translation would be *Wealth*) by Ibn Salam, proposed centring the

activity of finance on public works, rejuvenating old land and creating incentives to bring new lands into production.

This was the zenith of Abbasid prosperity. For all three authors mentioned above, the welfare policy proposed that no person should be saddled with inhumane taxes and that the caliphate should intervene to support the weak and exempt them from taxation. For Ibn Salam, justice went further in the sense that the burden of taxation should be shared equally between Muslims and non-Muslims. In earlier times of penury, circa 650, under-privileging the poorer strata in the Arabian Peninsula in terms of tribute distribution contributed to the first Islamic civil war, the Battle of Siffin (Hitti 1970; Mroueh 2008 [1978]). Tribute and booty redivision marked fault lines between clans that could lead to conflicts. Intervention to maintain a certain degree of stability derives from relative wealth levels in real historical circumstances. However, averting destruction of capital assets, population decline and introducing some measure of equalization payments were commonsense efforts that have stabilized the process-surplus extraction.

## EXPANSION BY ECONOMIC ZEAL

Few of the caliphs were fundamentalist zealots. Only 30 years after the death of Muhammad, the clan least committed to faith, the Umayyad, assumed power. They concentrated their efforts on expanding moneyed wealth rather than expanding conversion to the faith (Mroueh 2008 [1978]). In the two broader forms of tribute that prevailed throughout the Empire, *kharaj* and *jizyah*, the latter higher rate of taxation was favoured by the caliphs (Mroueh 2008 [1978]). In narrow accounting terms, the rate of caliphate revenues would shrink with a higher rate of conversion to Islam, which implies that caliphs would have been averse to high rates of conversions. Evidently the non-accounting (real) historical process had too many departures from this static rule, since revenues varied in relation to political stability. There is a consensus among secular Arab historians that adherence to faith was not a strong point of the caliphates (Azme 1995). Arabs conquered a great part of the world in the name of a new religion, but they were not very religious, and their motive was wealth rather than religion (Russell 2004 [1946]). Russell adds that 'it was only by their virtue of lack fanaticism that a handful of warriors were able to govern without much difficulty' (*ibid.*, 414).

Early Islamic caliphates (the Umayyad) levied lower tax rates than Byzantine or Persian empires (Taqoush 2002). The Turkic tribes of Anatolia began converting to Islam only three decades after the death of the Prophet, partly on account of dodging heavy Byzantine taxation (Mroueh 2008). The same tribes would later rebel against the last Umayyad caliph in Harran on account of higher tax rates (Mroueh 2008 [1978]). In certain parts of the Byzantine Empire bordering the caliphal territory (Asia Minor), Umayyad caliphs shared tax collection with Byzantine Constantinople (Taqoush 2002). It is also around this time (around 100 years after the death of the Prophet) that the Umayyad extended their rule as far as Spain in the West and Central Asia in the East. In its early stages, the official language of the Islamic caliphate remained a variant of ancient Greek, the Koini of the Seleucid Empire (Hitti 1970). It was not until the Umayyad Caliph Abd al-Malik bin Marwan fought and won a limited battle against

Byzantium (AD 692) that the official language and the currency of the empire began to be Arabized (Taqoush 2002).

Tribute flourishes with a growing human and physical infrastructure. Evidence of conditions that provide for higher tribute or tribute-collection awareness in Islamic conquests emerges as modern excavators unearth no layers of black sediment; they did not sack conquered cities (Donner 2011). There were exceptions to this rule, as in the sacking of Amorium (c.AD 838), allegedly in retaliation for the Byzantine destruction of Isparta, the town of the Caliph Al-Mu'tassim's mother, who reigned from AD 833 to AD 842. In staking new territory for booty, Muslim caliphs had preserved capital assets required for steady productivity. In societies that depended on population growth and in which productivity would decline with marginal lands, it was common sense to avoid outright demolition of assets. This strategy of expansion, more by commerce than the zeal of religion, is eschewed by modern-day Islamists as in Zaman (2009).

## ISLAM AND THE EAST

While the Islamic world did not leap into capitalism, despite enjoying significant merchant capital, neither did India and China. Its lagging behind the transformation to capitalism cannot be attributed to inhibitions particular to the Islamic faith (Rodinson 1978 [1960]). The Orient failed this transition to capitalism altogether. This failure cannot be ascribed to retrogression in cultural development because Islam did not entirely object to scientific progress. In the epoch in which Islam was the leading civilization, major scientific progress was recorded:

For four or five centuries, Islam was the most brilliant civilization in the Old World . . . nothing less than trigonometry and algebra . . . mathematical geographers, astronomical observatories and instruments, optics, for chemistry, pharmacy. More than half the remedies and healing aids used by the West came from Islam. In the field of philosophy, the scope of this rediscovery, however, was not limited to copying and handling on, valuable as that undoubtedly was. It also involved continuing, elucidating and creating. (Braudel 1995)<sup>7</sup>

Brilliant as Islamic civilization may have been, for Braudel European 'true capitalism' remains justified on the basis of Eastern stagnation and thus, for Professor Goody, Braudel's vision is Eurocentric (Goody 2007). The frame of reference of many Western

---

<sup>7</sup> Braudel is a rarity among Western scholars to attribute creativity in philosophy to non-European cultures. The chauvinist mantra repeated *ad nauseum* is that civilizational advance always mimics Western philosophical rationality, or that Muslims only copied and translated the Greeks. It is common sense that whether through written or verbal transmission, any society conceptualizes its specific life processes, and thus philosophizes; that is, investigates its state of being and knowing – its mode of existence. The question as to whether the construction of thought should follow a formal framework is not relevant for the construction of philosophical thought. Formal logic was given new life and systematized by Leibnitz in the late fifteenth century (Ilyenkov 1974). Hegel, whose science of logic sublated formal logic, adopted an approach that draws theory from the course of spiritual and cultural development in time, and he, above all, remained quintessentially philosophical. Assuming that modern formal symbolism was incubated in something historically Western, when the West as such was not yet born, is a delusional offshoot of nationalism. There is just as much 'philosophical rigour' – rigour defined by convention – in rationalizing a social process from a historical or a literary angle as from an angle of formal analytics.

scholars is European, and this Eurocentricity can hardly be avoided unless European colonialism is held to account for its systemic aggression against the colonies. The way European aggression is thought of in terms of being necessary or not, defines Eurocentricity. In this respect, Braudel underemphasizes the necessity of aggressive expansion to European capital, and its impact on destabilizing the Orient, as in causing it to stagnate or decline. This stance assumes that a nation's wealth is a function of the specialization of productive tasks that ensues from the division of labour, the degree of which is determined by the extent of the market (Brenner 1977). But even for Brenner, when the market itself is qualified by the capacity of the owning class to reproduce their class position within the market economy, say by reducing costs as the direct producers lose their means of production (proletarianization), the space in which incipient capitalist development occurs is confined to Europe. To him, it is not so much colonial plunder as opposed to changing capitalist relations within Europe.

The early capitalist developments in Europe are often contrasted against an Asiatic mode of production (AMP), exhibiting loosely defined property relations, self-sufficiency of village production, unity of handicrafts and agriculture, simplicity of production methods, or the conditions of stagnant growth from which it could not have escaped. To break from the idleness, a social system requires shifting class structures in relation to the drivers of the growing world market, be they demographic, commercial or industrial. How is one to explain the apparent stagnation of the AMP, when only two and a half centuries ago, in *The Wealth of Nations*, Adam Smith (1977 [1776]) makes reference to an industrious and rich East? The reason is that from a Eurocentric perspective the answer to the question of why the East and Islamic world did not assume forms of capitalist relations prior to Europe will always neglect the growth of capitalist markets by the exercise of violence and expropriation – because commercial exploitation (reducing subject-object to object or people into things as in slavery) or the extraction of surplus as a result of lowering the price of labour power or subsistence income through the price system to values that prematurely waste human lives (super-exploitation). Even when by the odd chance the answer underscores the role of imperialist pillage in the growth of capitalism, it distorts Marxian value theory, as in falsely bestowing a nationalist character upon an internationalist production process and, hence, making Western lives more valuable than others. The kernel of the Eurocentric argument is to dehistoricize development and justify European wealth with European capabilities. In short, Eurocentric history, which is nearly all of historiography, understates colonial violence and plunder.

## INVOLUTION AND THE ASIATIC WAY OF LIFE

The concept of the AMP is a broad category, but two characteristics are often touted as differentiating it from European feudalism. Firstly, the centralized bureaucratic empires in Asia historically exercised control over land and played a strong role in the construction of irrigation works that were vital to the success of the indigenous agricultural systems. Secondly, the village economy of Asian societies was taken to be essentially self-sufficient and self-contained, with production for exchange centred on use value (Hobsbawm 1965). This steady growth without leaps, or the state of involution, rests on a set of pre-capitalist social relations, principally the Asiatic feudal class extracting

surplus on the basis of combining absolute economic and political power. Capitalism as a historical phase is determined by a rupture in the social relationship binding political and economic powers and corresponding to the development of productive forces, including science, technology, population growth and modes of labour organization (Dobb 1946; Sweezy 1976; Abdel-Malek 1981; Amin 1977).

With respect to technology, there will always be technical improvements across history that do not necessarily lead to capitalism (Wood 2002); however, under capitalism the creation of technology becomes an innate offshoot to the circulating commodity, falling outside of immediate social control (objective), destined for exchange and its associated social relations. Although reducing energy consumption per unit of output indicates technological development, the higher speed with which capitalist technology grows arises out of the social pressure to produce by competition through the market. This intensifies the contradiction with the outdated constitution of the machinery, bringing together motor power, transmission mechanisms and tools in a more energy-saving and compact process that foregrounds higher production capacity (Marx 1867, Ch. 15). Under capitalism, competition renders technological advancement endogenous, not so much because there is a variable in an equation like human capital that grows through its interdependency on better machine technology, but because private appropriators in their anarchic accumulation rip away technological advance from social control.

Yet not any technological development across history will shift up the productive forces and hence propel society into capitalism. There cannot be capitalism without a dialectical collision of coincidence and necessity in the development of several elements of the productive forces, including technology, population growth, forms of primitive accumulation and changes in the organization of the reproduction of society. When capitalism begins to take shape, the mode of production changes from use-value constrained production into production meant for exchange, whose value is alienated from the direct producer and which acts as a self-expanding relationship dictating the pace of social life, no less including spurts in technology.

It would be counterfactual history, as well, to assume that prior to the interrelated development of the productive forces and their corresponding relations coinciding with the growth of merchant capital, proletarianization and larger ownership of assets could summon capitalism in any prior epoch. The Plebeians of ancient Rome, free peasants each cultivating their own piece of land, were expropriated; they were divorced from their means of production and became poor. Alongside them a mode of production developed which was not capitalist but dependent upon slavery (Marx 1877). The genesis of European capitalism cannot be applied across the board to all times, as 'events strikingly analogous but taking place in different historic surroundings led to totally different results. By studying each of these forms of evolution separately and then comparing them one can easily find the clue to this phenomenon, but one will never arrive there by the universal passport of a general historico-philosophical theory, the supreme virtue of which consists in being super-historical' (Marx 1877).

Similarly, it would be hypothetical to theorize that because Islamic feudalism differs from European feudalism – the Islamic peasantry in the countryside enjoyed greater freedoms – it would have been difficult for the independent Islamic peasantry to be dispossessed by a central authority and forced into wage labour (El Kodsí 1970). Aspects of primitive accumulation and the making of private labour into social labour stem from

changing relations of production, as commercial capital implicates by the forces of its own development a rate of surplus-value extraction attendant on socializing labour and its means of production. Super-historical or trans-historical transpositions, whichever term one uses, only explain hypothetical history, especially juxtaposed to periods preceding the development of capitalist production relations. The rise of Europe in a specific period – real history – is the historical fact that requires explanation.

There is no single version of the AMP. In the AMP many forms of political and property control over social reproduction prevailed. Broadly, the Islamic mode of production has had an unsteady central authority incapable of reaching far and applying general rules (Rodinson 1978 [1966]; Khalil 1996). As in other pre-capitalist formations, the production of use value for subsistence, from which surpluses constitute tribute, prevailed. The ideological aspects that shape social control revolve around bonding labour to land, mostly by adherence to faith. In terms of religious beliefs regimenting labour, the Islamic world differed by the degrees of variation between the many sects and *tariqas*. The faiths *cum* ideological variations indicated that degrees of submissiveness to the central authority also fluctuated; however, self-sufficiency in village agriculture was steadier on average for all the East vis-à-vis Europe (Frank 1998; Godelier 1964).

The saliency of the AMP arose as Marx paid more attention to primitive accumulation in his later writings (Hobsbawm 1965). Dismayed with the prospects of the revolution in Europe, Marx turned to communal forms of social organization (especially Russia) and began to assess the value that commercial exploitation imparts to central wealth (Emmanuel 1972). However, if there were to be a single dynamic that characterized the Orient, it would be empires with highly organized administrative structures that could rise and fall in rapid succession, although their underlying economic life might continue relatively unchanged for long periods of time (Braudel 1995). The empires' changing forms of social control or revolutions, which resulted in intermittent political economic freedoms from serfdom, did not transform merchant capital into small-scale manufacturing and then industrial capital. The articulation of internal social relations affecting social control with the growth of merchant capital resulting from increasing external trade – this evolving unity as such – originated in the West and not in the East.

In debating the origins of capitalism with Dobb, Sweezy held that the roots of capitalism were unrelated to inherent conditions originating in England or in Europe (Sweezy 1976). It was not anything peculiarly European, such as free spiritual development (Bacon or Hegel), early forms of parliamentarism or bourgeois forms of organization, that ruptured the monotony of feudalism. The crepuscule of the fifteenth century instantiated developments combining advances in the forces of technology, communication, trade, rising supply of gold and silver, and growing population after a period of decline, engulfed the planet and particularly the Mediterranean basin.<sup>8</sup> Interrelatedness through culture and trade implies that transformative conditions cannot be attributed to a specific locality without a high dose of arbitrariness. In particular, European military superiority at sea cultivated the fruits of these globally generated developments in the productive forces. The mediation of rising exchange through trade necessitated a division of labour,

---

<sup>8</sup> World population declined from around 1250 to 1450 according to estimates of the US Census Bureau, available at [http://www.census.gov/population/international/data/worldpop/table\\_history.php](http://www.census.gov/population/international/data/worldpop/table_history.php) (accessed 23 January 2015).

rising numbers of wage workers and output, and the subsumption of outlying territories by violent means as tributaries of production. The endogenization of technological innovation and wars of encroachment developed as a result of a shift in the relations of exploitation from direct surplus extraction by feudal absolutism to an indirect form of value creation (through fetishism), or through the medium of commodity exchange through the market. There arose a subordination of the invention of technology and the engagement in political violence to anarchic conditions of accumulation (driven by competition). The implication of these intrinsically generated developments is that the organized dimensions of capital and its institutions would not be able to curb the appetite for war and technology that may threaten human existence, save the political power of an organised and internationalist working class.

In contrast to capitalist relations springing up at different rates across sea-trading routes, an approach resembling cosmological inflation (the rise of the universe from a single equation) situates the rise of capitalism in the English countryside. A politically weakened English aristocracy as a result of the English Revolution, relying more on rising agricultural output by innovation than on feudal fiat to draw a surplus, created higher output per hectare, foreclosed the peasantry and laid the foundations for capitalist accumulation (Wood 2002). However, by the sixteenth century, more violent forms of primitive accumulation wresting control of resources across sea-trading corridors were already nurturing the growth of European merchant capital and, specifically, English merchant capital.<sup>9</sup> Primitive accumulation, the transformation of merchant capitalism into capitalist accumulation, is broader than the British Isles. Acquisition of immense resources by means of war around the world transformed merchant capital; a transformation to which the English agricultural revolution responded. It was not some post English civil war weakness of the English landed aristocracy that ushered capitalism; it was the forced wresting of value from the colonies and assigning it a money value for exchange by a signalling mechanism emerging from a growing market for commodities:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalled the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation. (Marx 1867, Ch. 31)

The broad range of commodities acquired by merchant capital, having objective value on their own and whose interrelations have replaced relations between humans, created new social forms of organization and institutions that could not have existed before. In a commodity produced for exchange, value (socially necessary labour), the natural form of value (use value) and the social form (exchange value) are moments of the same expression of value inseparable from the fetishism attendant upon the production of commodities, a 'fetishism which clings to the products of labour as soon as they are produced as commodities and which is therefore inseparable from commodity-production' (Marx 1867). The commodity as self-expanding value dictates its terms to society. Its realization

---

<sup>9</sup> Unlike England, the East had undergone a perverse transformation resulting in expropriation without re-engagement of resources, thus slowing its growth (Patnaik 2012).

in sale away from home shapes the conditions for production, distribution and the division of labour at home.

In parallel to European development, one ought to recall that where capitalism developed on its own terms in the East, as in the modernizing Ottoman Empire of the nineteenth century, Islamic values or institutions did not obstruct capitalism per se (Rodinson 1978 [1966]; Turner 1993). Lethargic capitalist development as it occurred in the East is also attributable to policies of colonization that arrested any type of modernization to countervail European ascent. This draws us closer to the two misconceptions relating to Eastern involution: to begin with, the East and the Islamic world were not too stagnant and, subsequently, as capital took hold of development, intense colonial assault thwarted the development of the Islamic productive forces.

## A NOT SO STAGNANT ISLAMIC WORLD

From its *hijazi* beginnings through the Mongol and Crusader invasions to European imperialism, numerous political upheavals have unsettled the Muslim world. The first significant revolt against the Abbasid Caliphate arose from the Al-Zot tribes of Iraq, which were Indian tribes resettled in the plains of Mesopotamia. The many revolts that followed – such as *Al Zanji* (the African revolt) and the Carmatian revolt (they were an Isma'ili sect that attempted to set up a Utopian state) – and the speed at which the Islamic Empire splintered would have created space in which the tenant farmers could come to exercise more control over their lives. There was no monotony to the politics of Empire, and the depth of revolts would end up in some form of state- and land-control restructuring. But in none of these did capitalism, the social relationship that socializes labour, ensue (by 'socializes' I mean make private workers into wage or social labour). For the many Shiite sects that governed central territories, especially the Isma'ilis, liberal control empowering the direct producers and communal ownership would prevail from time to time (Mroueh 2008 [1978]).

The hand of the central authority in exercising executive powers, promulgating laws and implementing them was unsteady. However, the economic laws underpinning the life of society were quite steady and tied to the slow pace of development in the accumulation of wealth and the social relations attendant thereupon. Economics, unlike politics, transcended the immediate peasants and their communities, and articulated them to an ongoing economic structure larger than the immediate locality centred on the common material basis of society, namely subsistence agriculture (Braudel 1995). The history of a splintering empire and successive peasant revolts only nominally reorganized the economic structure; ordinary everyday life still depended on staple crop production meant for personal use, regardless of changes to the polity. Insofar as it was history undergoing the labour of political revolts, Islamic history was incapable of delivering or of bringing into being a new structure of capitalist social relations:

A peculiar antithesis to this was the religious risings in the Mohammedan world . . . The townspeople grow rich, luxurious and lax in the observation of the 'law.' The Bedouins, poor and hence of strict morals, contemplate with envy and covetousness these riches and pleasures. Then they unite under a prophet, a Mahdi, to restore the observation of the true faith and to appropriate in recompense the treasures of the renegades. In a hundred years a new purge of

the faith is required, a new Mahdi arises and the game starts again . . . when they are victorious, they allow the old economic conditions to persist untouched. (Engels 1894)

Preceding Engels, Ibn Khaldun had observed a circularity in terms of the Nomadic–urban conflicts that led back to the same social conditions as a result of fluctuation in his *asabiya*' (al-Attas 2013). History then becomes a sequel of tribal wars, not leading to any radical changes in development. Reinert observed that in Ibn Khaldun's pre-industrial setting, history logically becomes a cyclical sequence of tribal wars – with foreign supporters – fighting over the static and non-productive rents that accrue to the nation's or region's capital (Reinert 2013). Reinert sees that the forces that broke the Ibn Khaldunian circle of rent-seeking tribal violence were the simultaneous development of a large division of labour and the growth of increasing returns in industry which made capital an asset to all sectors. He traces these developments to Dutch and Italian city-states that first broke with the zero-sum game of constant and inequitable returns.

Improvement in the productive forces and a concomitant rise in the complex division of labour in Venice were also Engels's account of capitalist development (Engels 1894). These transformations occurred when Europe began its state of political ascendancy. The period after 1492 was a time of great geographic-commercial discovery, and the sudden expansion of the market area that followed the revolution in communications linked to it. The expansion of production to meet growing trade via the employment of wage labour and the collusion of states and trading companies that conquered and exploited new territory underpins the ascent of capitalist production relations (Engels 1894). It is also at this point that one may speak of individual merchant wealth rising steeply with the militarization of trading companies.

Crises of underconsumption caused by natural disasters or maldistribution characterized pre-capitalist formations. The strains of these crises partly fuelled the drive for expansionary wars. Given the low technical capacity necessary for rebuilding after conflicts, wars would bring to a halt centuries of progress. Unlike capitalism, which is endowed with the scale capacity to reconstruct and re-engage assets at high turnover rates, a strategy of pillage in the pre-capitalist age represented a one-time gain, after which the losses in tribute from ruination amounted to long-term losses. One of many reasons that the Islamic world failed to leap into capitalism before Europe is that the devastation of the Mongol and Crusade invasions imposed a drag on wealth accumulation and developmental progress. But most definitively, the reasons were the European encroachment on global offshore trading posts and the cheaper and more secure trade routes limiting the sea-trade platform by which Islamic merchant capital would have grown. These European incursions and later complete hegemony dashed the basis upon which merchant capital may have transmuted into productive capital.

Huge Islamic metropolises with tens of thousands of artisans grew at low and constant rates. Just prior to the surge of Europe in the sixteenth century, many Eastern cities incurred the wrath of the Mongol invasions. It is difficult to assess the deaths from the Mongol invasions in Baghdad, one of the biggest cities of the East, but Arabic sources present figures that vary between 500 000 and 1 million (al-Duri 1969; Taqoush 2002). In *A History of Western Philosophy*, Russell remarks that around 850 000 people perished in the sacking of Baghdad (Russell 2004 [1946], 414). Pursuant to the fall of Baghdad, between 1258 and 1335, state revenue declined by 90 per cent, while only a tenth of the

cultivable land was put into production (Abu-Lughod 1989). The degree of Mongol destruction initially spanned nearly the whole of the East and although al-Duri (1969) notes improvements in certain artisan activity, the war with the Mamaluk limiting sea and land trade and Nomadic interruptions imposed ostensible barriers to mercantile development: 'being continually interrupted by political events, just as all Levantine trade collapsed owing to the Mongolian and Turkish invasions when the great geographic-commercial discoveries after 1492 only accelerated this decline and then made it final' (Engels 1894).

Within the straitjacket of analytical Marxism, if such a study could exist at all, Asiatic stability as 'the secret of the unchangingness of Asiatic societies' reflected a constancy in the development of productive forces that was matched with torpid progress in production relations (Marx 1867, 248). Key to the secret of the unchangeableness of Asiatic societies is the stagnation resulting from the 'simplicity' of the organization for production in these self-sufficing communities that constantly reproduce themselves in the same social form, and when accidentally destroyed, they spring up again on the spot and with the same name (Marx 1867, 248). Asiatic society seen from these 'out of context' quotes, as is often the case, does not do justice to Marx. Simplicity buries within it the unison of unripe productive forces with Islamic defeats and expulsion from sea-trading routes. In a race for time, few Asian cities rebuilt their past glory from the devastation wrought at the hands of the Mongols, the Crusaders and Tamerlane's great recession (1400–1401 crisis). Looting Crusaders travelling on Venetian ships, Portuguese fleets ousting the Muslims from the Eastern seas, and ultimately, the Ottoman loss at Lepanto in 1571 eradicated Asians and Muslims from major sea-trading posts. These dislocations were not aberrant statistical outliers; they were decisive in reducing the scope and scale for trade that would have transformed merchant capital into productive capital.

In nineteenth-century Europe, information about the East exhibited a Eurocentric bias. Questions related to the AMP were addressed by European scholars to explain the European transition to capitalism and not Eastern development (Turner 1978). Asiatic society was misconceived as a series of missing private property and bourgeois institutions. Asiatic society was a manifestation in Marxism of an Orientalist problematic inherent to European philosophy (Turner 1978). Anderson (2010) shows that Bryan Turner and Edward Said had only read a partial account of Marx and that their views were one-sided. However, even if one missed reading the whole of the Marxian material, the method of Marx cannot stop at the general characterization of facts without identifying the social contradictions that underlie their state of becoming. Understanding capitalism as a system of class and power relationships feeding off the expropriation of direct producers would inevitably lead Marx, or any other thinker utilizing the law of value, to point to the necessity of wars of encroachment to capital as the form of expropriation of the colonies. The use of necessity here is crucial to the argument because it organically ties together global development under capitalism.

There is always a store of knowledge or a frame of reference that is conditioned by the available information and the ideological direction upon which authors rely. Collecting facts and moralizing about the oneness of humanity does not exonerate one from Orientalism or Eurocentrism. Already, the ideological structure of capital inherently promotes symbolic and actual forms of dividedness that oppose the centripetal forces that may equalize labour across the globe. On more solid (political-economic)

rather than cultural grounds, only the recognition that resource and value grab by violent means forms the material basis of social reproduction under capitalism rids one of Eurocentrism or Orientalism. Incidentally, for Abdel-Malek, it is not any liberal notion of othering or otherness that earmarks Orientalism; it is the historical surplus value and wars of expropriation that reproduce Orientalism as intellectual practice. This historical surplus value may be defined as the wealth amassed from wars of colonization and from the value that developing countries impart to colonizing countries by virtue of their deliberate de-industrialization (Abdel-Malek 1963). Had Marx only held the position of Eastern stagnation without concluding that it was the early colonial wars that set the East back, his position would have been fully in accordance with any Eurocentric characterization of the AMP. A bias depending on one's frame of reference will always exist, but it is the method of development by contradiction that necessarily removes Marx from the Eurocentric circle. The litmus test of Eurocentrism is straightforward: in historically determined, income, wealth and cultural circumstances, the rule is that imperialism does not, in the slightest, impart progress to the colonized world. Of course, historically determined wealth shifts the level of subsistence income upwards, for all but the devastation of the colonies must be gauged in relation to the social dislocation that it incurs in relation to wealth-making in the centre. For the sake of perspicuity, one has to posit that the production of a Western commodity begins with the invasion, say, of the Congo, and thus global wealth inequality for the Eurocentric is based on a value system that assigns a lower value to the Congolese life that perished as a result of European wars of colonization.

## THE INFANTICIDE OF EARLY ISLAMIC DEVELOPMENT

Across the Muslim world, class relationships until circa AD 1800 remained locked in the Asiatic-type articulations. One cannot say 'Eastern despotism' here because there were more, or at least similarly, brutal forms of slavery in Europe than in the East. When Islamic-indigenous conditions ripened for change, ushered by Ottoman modernization (al-Duri 1969; Mundy 1975), the devastating impact of European colonialism consigned development to commerce (during and after colonialism). European colonialism had become the principal political force in breaking old forms of social relationships and organizations, forms of property, local innovation in knowledge and political structures, but always in ways that preserved feudal regimentation and shunned industrialization. As a rule, colonial policy deployed resources in tandem with the demand of central capital (Baran 1957). Internally growing Islamic capitalism became subordinated to Western capitalism and fettered by the ancient hierarchies without the partial emancipation attendant on budding bourgeois forms of social relations. When the European state acts at the behest of capital, it subjugates a peripheral formation into a production outlet of raw material or relegates it to the lower echelons of the value chain. It is not comparative advantage or free trade which prompted colonialism; it is partly for the purposes of suppressing ingenuity in manufacturing or arresting emulation that developed countries invade the colonies (Emmanuel 1972; Reinert 2008).

In contrast to the high quantities of gold and silver circulating in the Western hemisphere as of the sixteenth century, money in the East remained comparatively scarce until

the early nineteenth century (Taqoush 2002; Kılıncımlı 1987). In-kind transactions, rent coinciding with tribute in sharecropping supporting the armies of Empire, represented the mainstay of fiscal policies; until the late 1700s for the Ottoman Empire. As of the early nineteenth century, with rising volumes of money and trade in cash crops, part of the surplus product would be appropriated in money-form taxation. Ground rent wrought in kind declined, but the agricultural area expanded as a result of the cash and titled property incentives provided to reclaim outlying lands used for cash-crop culture (Owen 2004). The change in the wealth base of communities, resulting from revamping modes of subsistence into cash-crop culture, restructured channels of appropriation between various communities; and revolts swept parts of the Islamic world, shifting old class structures and precipitating civil conflicts (Lutsky 1969).

The more autonomous part of the Islamic world, the Ottoman Empire, had experienced genuine internal progress (modernization) by its own capacities towards capitalism (Mundy 1975). With the onset of European colonialism and the redesign of older forms of political organizations into vassal nation-states, the historical process making the Islamic world became a product of the exercise of colonial power. There were cash-crop cultures, textile industries and vibrant commercial sea-trading posts prior to direct European colonialism across the Islamic world. Colonial assault degraded these capacities, especially cotton textiles in Egypt and silk cloth in the Levant. Although the restructuring of pre-capitalist social relations began under late Ottoman modernization and momentum was building for a bourgeois transformation conceived by local means, colonial forces perverted these changes in a manner destined against the interests of the Muslim masses. There was no 'pre-capitalist' Islamic formation being assimilated by the Europeans; instead there was a slowly developing industrial capitalism that was snuffed out by European colonialism (al-Duri 1969). The colonial *rapport de force* implanted itself in the nascent states as the national power broker. With manufacturing or modern-scale economic activity being the springboard to development (Reinert 2008), the fact that there are so many small Islamic states, some only viable as outposts of global capital (the Gulf sheikhdoms were formed by the British East India Company), implies that an industrial structure is unlikely to have, *sui generis*, moulded current political geography.

In spite of nearly half a million people employed by the Ottoman states in various social functions by the mid-nineteenth century, the empire's level of industrial development was lagging behind in comparison to Europe (Gelvin 2004, 80). The few Ottoman experiments that attempted to uncap potential – Mohammed Ali of Egypt and the industrial southern belt of the Ottoman Empire linking Tripoli, Aleppo and Mosul – were extinguished by colonial design (al-Duri 1969). The greater share of Islamic agriculture remained to satisfy subsistence (al-Duri 1969). However, it is not because a social formation has more subsistence farmers than wage workers that it gets defined as pre-capitalist rather than capitalist. Slavery under capitalism was crueller than past forms of slavery, but it was nonetheless capitalist. The issue of whether a formation is capitalist or not does not depend on numbers. The size of the reserve army of labour is irrelevant to the definition of capitalism; capitalism instantiates the reserve army of labour. As an incipient relationship, capital, already in control politically, had already saddled the Islamic labour process with conversions to cash-crop culture by the early nineteenth century.

Piecemeal European infiltration beginning in the nineteenth century was followed by

outright occupation, and, consequently, the conditions of resource usurpation came to be determined almost entirely by the pace of European capital. Consummate colonialism signalled the beginning of the hegemonic articulation of the colonized mode of production: it is colonial articulation imposed by absolute violence. The full wrath of Western colonial practice bore down on the Islamic peasantry. The peasant population, although delinked from capitalist production proper, was subject to immense repression. Lutsky (1969) underscores the broad practice of forced labour and illustrates how bonded Egyptian labour was forced to march in front of British soldiers in World War I so that the enemy may exhaust its ammunition on shovel-wielding peasants before it reached British soldiers.

Little mainstream emphasis is laid on indigenous Islamic development and the fact that by the mid-nineteenth century, textile industries flourished in both the Levant and Egypt, in silk and cotton industries, respectively. Under Mohammad Ali's development project, the industry employed nearly 40 000 wage workers (al-Duri 1969). Then, by the late nineteenth century, European colonialism imposed rules of conduct and trade-liberalization measures that eroded national industry, which subsequently resulted in the first phase of industrial decline. Colonial suppression accentuated an already inherent path of uneven development under capitalism by hindering indigenous industrialization (al-Duri 1969).

By the late 1870s, the Ottoman Empire literally pawned Egypt's tax revenue to Britain, and £1 million in taxes had to be extracted from the Egyptian peasantry to service Ottoman debts to British banks (Lutsky 1969). Farming areas were condemned to poverty in relation to wealthier small enclaves made up of middlemen and compradors. More importantly, colonial forces set the exchange price of the local currency in relation to their own currency at levels that undervalued the output of the dominated country, especially the value of subsistence agriculture in the countryside. Relegating the Muslim world, mostly by violent means, to a repository of material for capital and engaging it through the war industry into a process of value destruction incapacitated any means for self-reproduction of those societies. It was from this particular experience that Anouar Abdel-Malek formulated his concept of the historical surplus value; broadly speaking the value that formed in the centre in relation to the value destroyed or snatched from the Third World (Abdel-Malek 1985). Although in the longer term value chains and value creation demonstrate the organic unity of working classes, the underside of the process in value snatch and value destruction creates what Emmanuel (1972) calls aristocratic nations that maintain a high standard of living by pauperizing the Third World.

## THINGIFIED INSTITUTIONS

More recently, a new strand of institutional social science (Acemoglu and Robinson 2012)<sup>10</sup> in the tradition of New Institutional Economics (NIE) undertook an explanation of the global transition to capitalism. To begin with, one may define institutions in

---

<sup>10</sup> In reference to the work of Daron Acemoglu and James A. Robinson (2012), which was critically assessed by Professor de Vries (2012).

many ways; for the purpose of this chapter I draw on a Marxian definition: institutions are forms of social organization that mediate materially grounded and historically determined social relationships. Capitalist institutions and their ideological set-up came to reflect the relations interred in the commodity as self-expanding value, which could not have come into being before a broader commodity-producing world had come into being. Yet, it is argued that certain immutable qualities of institutions explain contemporaneous as well as past developmental progress, or the lack thereof. As in every concept that springs to prominence in social science, reified – that is, thingified and given a life of their own – institutional accounts are flaunted for ideological reasons. The formal idea of what constitutes an appropriate institution (a noumenon-like form) derived from present-day phenomena is projected on a past in which modern institutions could not possibly have arisen. Every concept exhibits a shifting qualitative meaning in relation to real developing conditions.

NIEs are rooted in the neoclassical method. For the neoclassical school, capital, labour and technology (principal determinants of economic growth) inhabiting a frictionless and symmetrical world left too much of reality out of the picture. Bringing the rest of reality in terms of transaction costs (as per the NIE) into the model helps to reach an equilibrium; but that is a way out from fantasy into absurdity. The transaction costs are the real world, while the algebraic model coming into some steady state is the fiction. The perniciousness of such an approach is that if the market model failed to reach equilibrium, it did so because there were conditions in actuality – namely, all of reality – which were unaccounted for and had caused the system to fail. This is a failure of theory at its inception and before it becomes subjected to interpersonal comparisons (as in theoretical nihilism). Selecting some of the real but distorting conditions that stand in the way of equilibrium and including them as additional variables in a model is theory by convenience. Whatever blocks equilibrium – disorganized property rights, asymmetric information, and any other condition *ad infinitum* – would be priced by sub-markets to reach an ultimate equilibrium.

The forgotten point here is that there is a self-differentiating process within and between social or economic variables; that is to say, they are a product of themselves and they affect each other by qualitative change. As such, this state of contingency a priori omits the possibility of modelling becoming theory. Moreover, the mainstream choice (NIE) of dissecting the social state of affairs by overlooking social contradiction also omits the model as such from serving merely as an illustrative tool. So it is not only that some variables were overlooked and that theory requires their inclusion in a continuous process of falsification to stand on better grounds, or that it is the quantitative relationship of variables to each other that would count as theory; it is in failing to account for the dynamics of history: that is the subject of history (who is doing what by means of intermediated agency), its defining social relationship, which is rudimentary to theoretical construction.

But for the developing world, and particularly the Islamic world, neoclassical constructs cannot conceal the prejudice behind formal models that wipe away all sorts of contradictions when many of them are mired by wars and forms of violent expropriation. There is not even a semblance of bourgeois democracy by which abstract individualism and choice could be entertained in theory. Encroachment wars in East Africa, North Africa, South Asia and East Asia as of the sixteenth century were followed with the

East India Company's actual creation of the small emirates of the Gulf to hedge against piracy in the Arabian Sea (Lutsky 1969). By the eighteenth century, the main reason for which European powers did not dissect the Ottoman Empire was their concern for one another's share of the loot rather than any Ottoman response (Lutsky 1969).

As in yesteryear, there are today, at any given time in and around the vicinity of the weaker Islamic states, US troops patrolling the land, the Fifth and Sixth Fleet cruising the seas, various US-supported military institutions controlling dissent, and the state of Israel, which in the anecdotal words of Henry Kissinger costs the US less than the Sixth Fleet to maintain as a gendarme of the Middle East. As it did in the past, this firepower would enforce any contract, set the terms for trade, exchange and transaction costs, and define rights, including property rights and the rights of people to own their natural resources and use the proceeds to improve their living conditions. The market in these weak formations with its prices and supply and demand is first and foremost a by-product of an immense power differential caused by imperialism. It is the social and political power structure which moulds trade and transaction costs; in this social relationship – that is, imperialism as the realization of capitalism in the periphery – 'supply and demand' would be illusory constructs meant to obscure 'who makes what' in history.

Institutions in the NIE tradition, however, are:

a set of constraints on behaviour in the form of rules and regulations; a set of procedures to detect deviations from the rules and regulations; and, finally, a set of moral, ethical behavioural norms which define the contours that constrain the way in which the rules and regulations are specified and enforcement is carried out. (Srivastava 2004, 3)

When defined as a set of transhistorical rules, all of social reality at any time fits into this framework to some degree. Applied to the Islamic world, one finds that the Islamic formations supported multiple sorts of property rights (Mundy 2010). That property relations are sustained by an undemocratic political system, which allows a minority to gain at the expense of society's welfare, is always the case in a class system. One ought to note that the docility of capitalism is the result of a balance of class power within it; otherwise it would devour itself. As discussed in the section above on 'Development in the Ancient Mashriq', equity since ancient times has assumed better standing in relation to the ruling regime's desire for political stability, the strength of the labouring class and the degree of wealth distribution. Necessarily but not exclusively, this hydraulic-like control mechanism still applies.

It is vacuous to suppose that institutions support irrational property rights as a result of a narrow elite that has organized society for its own benefit at the expense of the vast mass of the people (Acemoglu and Robinson 2010). The 'narrow elite' can only perform its wealth appropriation measures in relation to the power of other social classes. It is the co-determination of the 'narrow elite' with other 'elites', the agency of the transnational elite consortia, which organizes value transfers within and from society and that accounts for types of property. Private property rights, whether irrational (as alleged about the Muslim world) or not, are rights that exclude the majority by minority rule; neoclassically, the justification is attributed to an entrepreneurial minority that takes risks or has rights by entitlement. In line with this stance, an undemocratic political system raises the costs for the majority to organize and impose a different property rights regime,

understood as property rights required for a competitive market economy. In other words, it assumes that the majority organize to exclude themselves from public property (socializing assets), because publicly owned wealth is less market-efficient. Does such a proposition need to be assumed when the articulation of ruling classes that includes international financial capital and imperialism does all it can – in ideological terms as well – to exclude the majority? Each and every concept used in mainstream institutions serves the minority that excludes the majority, or is a hollow ideal without reference to a real process. In all cases it is loaded with ideological bias.

In the Muslim world, the structure of property and taxation was not so straightforward: urban *milk/mulk* versus status of agricultural land, *waqf* versus *shar'i* transmission for the former, changing doctrines and tax practices and articulation to market over the centuries of agricultural land, changing legal status of cultivators, make it impossible to have an easy rule-of-thumb about the structure of property relations in Islam (Mundy and Smith 2007; Mundy 2004). As to democracy and democratic practice as touted by NIEs, the very use of the cliché 'European democracy' when slavery and genocide are carried out by Europe in the periphery define some lives as cheaper than others to justify value extraction by violent force as the principal activity of social relations in capitalist society. European democracy is the gyroscope that steadies an otherwise implosive capital system. The distribution of wealth to European working classes from the proceeds of commercial exploitation reorganizes the social order around warring national identities and colonial plunder. In an organic value transfer mechanism originating in the global South, any form of democratic representation for the vanquished working classes would undermine the rate of capital accumulation; Iraq boasts a European Style Parliament while its more or less egalitarian society has come to exhibit one of the lowest labour shares globally. This thingified institutional discourse is not innocuous; it rereads history from a skewed optic that obscures the necessity of snatch by violent means to justify the continued pillage of the Muslim and Third Worlds.

Thingified institutions in the NIE tradition display no content of institutions as such. The changing objective forces of history and the quasi-monolithic structures into which people are born are discarded from the definition of institution. NIEs also settle on the strongest form of reductionism and determinism at the level of the individual, and the impact of other factors is acknowledged if only to be sidelined in deference to the 'pricing of principle' (Fine and Milonakis 2003). The power of social classes captured in varied institutional practices or imperialist assaults upon the Muslim world counts merely as transaction costs and not as a shaper of historical development. The mainstream discourse therefore stretches the width of institutions – only their organizational form and function, but not their substance – as generalizations spanning the full length of a monotonic history. The peril of overgeneralization is to render a symbol whose corresponding reality is changing into an unchanging universal so that it assumes the same quality across history. States, parliaments, forms of property, production relations and any other institutions arising thereupon cannot share inherent qualities for millennia. The most 'pertinent' of these institutional qualities are trans-historical qualities that would suddenly predispose an entire continent (Europe) into a shift to capitalism because it is, for instance, 'culturally' democratic. The mythology behind this facile argument finds its roots in the absurdity that slave-owning Ancient Greece was democratic and would later become the genus of all future democratic development.

The growth in science, technology, forms of labour organization, new world wealth and means of communication did not come to rest, and their deployment in production is dependent upon class *cum* power relations. It was not an esoteric European institution of democracy that readily became receptive to global changes and commandeered history: it was European armies and battleships. Although Emmanuel (1972) notes that it took centuries (dating back to Rome) of direct plundering to make possible a kind of primitive accumulation on an international scale, it was the Venetian looting and violent expeditions in the Mediterranean, and the later Spanish, Dutch and Portuguese colonization, that had an immediate bearing on capturing sea routes and ports. Europe's relations with the rest of the world have been one long story of acts of piracy, such that when capitalist production relations came to maturity, 'an immense mass of booty had already been accumulated in Europe' (Emmanuel 1972, 358). To dismiss Eastern or Muslim losses at sea and land trade routes across Asia and the Mediterranean as minor departures in world development is to neglect power, control and class from the process of wealth-making.

So-called 'good' institutions *à la* NIE that fit all times and all conditions do not exist. Institutions that serve as thresholds for development arise as instantiations of historically determined social relations. To ignore periodization on the basis of specific laws of development (not universally shared characteristics, because constituent elements can only be similar in quantity), and not particularize the concepts of each historical phase, opens the way to gelatinous explanations that reduce quality to quantity. Different forms of private property prevailed across history, but exchangeable title deeds holding value for individual owners beyond the land's use for subsistence could only have occurred under capitalism. If one were to comply with the language of NIE, the institution of private property as such would not have appeared outside the prevalence of exchange value. One ought to note that the falsity of this quantifying way of reasoning, such as abstracting from particular institutions of property, governance and trade rules that rise above the specificity of social time, had been critiqued as a false logic at around two centuries ago:

If it be the office of comparison to reduce existing differences to Identity, the science which most perfectly fulfils that end is mathematics. The reason of that is that quantitative difference is only the difference which is quite external . . . If quantity is not reached through the action of thought, but taken uncritically from our generalized image of it, we are liable to exaggerate the range of its validity, or even to raise it to the height of an absolute category. (Hegel 1831)

The underside of quantification as overgeneralization is that it leads to falsification of fact. To prove the theory one must distort the fact. Islamic land ownership and forms of property were complex and varied in relation to the political measures taken by the central authorities (Cahen 1982). The holdings of wealth were tied to the politics of the central authority and rarely steadied for Islamic private or *waqf* property and inheritance rules so that these institutions could carve a path of their own. The notion that all property was Allah's masked the point that the caliph was Allah's agent in matters of real estate. Fiefs changed hands often enough not to be bequeathed in smaller divided parcels to a third generation (Taqoush 2002). The division of assets does not shape wealth accumulation in scale economies when capitalism takes root. The multifarious Islamic *fiqh* (jurisprudence) could have easily extended *sharaka* (partnership) into legal corporatism,

given the adaptability of Islam. However, late nineteenth-century corporations, unlike recent ones in which personal liability is waived, were a form of *sharaka* in which owners bore personal responsibility for business; a replica of Islamic *sharaka*.

Falsifications of Islamic history hinge on the absurd in order to shift the blame for underdevelopment onto the abstract idea of Islam itself rather than the belligerence of European imperialism. Islamic inheritance rules as opposed to European primogeniture is said to divide initial wealth holdings into smaller portions, thus reducing the wealth pie and the scope for merchant capital development (Kuran 2011). A blanket proposition as such misses the hard reality of the high degree of wealth inequality under feudal despotism, Islamic or otherwise, and the fact that for most of Islamic history right to tribute was more by allegiance than inheritance (al-Duri 1969; Taqouh 2002). Anecdotally – and one can only treat such remarks in this manner – had there been population growth with redivision of assets by inheritance, the Islamic world could have been a haven of equity. Laws are subsets of social relationships, and despotism (the feudal relationship) is the revocation of laws. Under the capitalist social relationship, laws promoting monopolies in trade and the militarization of merchant capital growth boosted individual wealth, but the growth in wealth itself required new technological ideas that were often cheap to realize.

Institutions organizing particular social relationships are interrelated subsets of the broader, more determining relationships that guide development. ‘The principle “the truth is the whole” – to use an expression from Hegel – carries with it, in turn, the inescapable necessity of refusing to accept as a datum or to treat as immune from analysis, any single part of the whole’ (Baran 1961). The transformation of merchant capital into productive capital grew by growing demand from the world market, control of peripheral resources and ownership of trading routes and posts. An institution such as the corporation or inheritance laws cannot prepare society to enter into a historical phase whose time has not yet come. The Muslim world lost the demand for its merchant capital products – its export platform vanished. No supply of good institutions could have made it capitalist.

Social relationships under capitalism became subsets of the market order upon which all of livelihood would soon come to depend. That market space in which merchant capital operated was often violent and structured by power hierarchies. In the debate between Greif and Edwards, the latter discounts docile commerce as a culture for trade based on the reputation and traditions that enforced contracts, as Greif (1993) argues, and posits that it was the might of the law and the potential threat of force that brokered departures from tacit market agreements (Edwards and Ogilvie 2008). Forms of property and wealth holdings also became subsets of the market diktat, which more often than not changed hands by outright dispossession rather than the rules of legal institutions. The same market forces that prompted genocide in Australia, Africa and the Americas also required accumulation by grab and input-cost reduction wars against the Islamic world. As early as the twelfth century, the rise of European naval supremacy pushed Jewish and Islamic traders out of the Western Mediterranean (Edwards and Ogilvie 2008).

At a further remove, the civilization of the Silk Road, a form of globalization within available technical and communication means of the time – by land and several sea routes, sea routes being less costly and far more important to capitalism (cf. Frank 1992) – exhibited a steady and narrow line of traded goods: silk, pepper, spices, drugs, porcelain, glass and pearls from the Far East. The many interruptions to the Silk Road

between the second century BC and the late seventeenth century brought no significant crisis to the population of the East, whose subsistence was sufficed (Frank 1998; Taqoush 2002). During trade with faraway China, Europe's balance remained in deficit in this respect until as late as the 1820s, and precious metals flowed to the Far East (Braudel 1992). By the sixteenth century, Europe was ahead of the rest of the world, and the standard of living of the average citizen was high enough to sustain luxury imports from China (Emmanuel 1972).

However, this was not an epoch where the suspension of trade would lead to famine. Social reproduction dependent on trade is what constitutes the sociological difference between Silk Road-type trade and the latter phases of trade in essential commodities under capitalism (as around the time of the Corn Laws). Once the embryonic relationship of capital begins to set the pace of value creation through technological innovation, socialization of labour (uprooting of peasants) and wars of encroachment, the outdated modes of production become material for capital held in animated suspension. As pre-capitalist formations fall within the reach of European navies, it is no longer institutional quality that hinders their indigenous growth into capitalism, but their loss of autonomy. Their institutions as organizational forms of their classes are co-determined by their interrelations with the more powerful social class of imperialism and its institutions.

Religion rarely stood against the advancement of commerce. Islamic restrictions on the development of merchant capital were minimal: constraints on commerce contradicted the values of the Prophet. Injunctions against usury, the alleged Achilles heel of Islamic development, did not impede trade (Turner 1993; Rodinson 1978). Already, usury (*riba*) was widely practised in Mecca, for in order to participate in the profitable caravan trade, many Meccans who only had modest incomes had to resort to usurers (Belayev 1969). Also, the prohibition of usury was not common to all schools of Sharia. The Maliki School does not distinguish between buying and selling (as in trading goods) and usury (al-Baghdadi 1991). Where usury was prohibited, the Ruses '*Hyal'*', one of which is to embed the interest rate as an extra premium in a sale transaction similar to money laundering today, covered the cost of lending while appearing as a normal sale (Rodinson 1978 [1966]). A number of scholars have concluded that the rigidity of Islamic law and its prohibition of usury never really interfered with commerce (Turner 1978). It was not Islamic ideologies that governed; they merely expounded God's opinion (Rodinson 1978 [1966], 73).

Max Weber's point about the Islamic dependency on the feudal warrior ethics inhibiting capitalism is factually wrong (Turner 1993). Islam was urban, commercial and literate (Turner 1993, 53). At the height of Islamic-European cultural exchange, basic Islamic terms were conveniently translated into European ones without much respect for etymology: Ibn Khaldun's *umran* gradually turned into Guizot's 'civilization'; the *maslaha* of the Maliki jurists and Ibn Taymiyya into the 'utility' of John Stuart Mill; the *ijma* of Islamic jurisprudence into the 'public opinion' of democratic theory; all of which are institutions that were supposedly absent in the Islamic world (Hourani 1962).

Current scholarship flaunts only Ibn Khaldun (1332–1406), as if Islamic materialist thought was a single aberration attendant on his *Prolegomena*. The theoretical ferment in Islamic philosophy dates back to several centuries earlier. The treatise on faith being founded upon reason of the Mu'tazila and later the avowed atheism of some of the Brethren of Purity (tenth century) led to an understanding of phenomena as conditioned

by material circumstance. The materialist philosophical debate peaked in Fatimid/Abbasid times (the eleventh century) with Muslim *zindiqs* proclaiming their atheism (Mroueh 2008 [1978]). Apostates and godless folk were rarely, if ever, punished by death; then as now, punishment by death related to maintaining regime stability rather than adherence to faith.

The tenth-century debate on reign by reason versus reign by predestination mirrored the Fatimid desire to gain legitimacy, a status enjoyed by the Abbasid Caliphate of Baghdad. In a manner similar to the irrevocability/revocability of the monarch in the English Civil War, rule by reason as opposed to rule by divine predestination would posit that there were reasonable grounds for the caliph's absolute powers to be retracted and maintained symbolically. Philosophical debates from the tenth century onward assumed materialist overtones and ushered in a global era of humanism common to the Mediterranean basin (Makdisi 1990).<sup>11</sup>

Weber's view that Islam did not know the communal institution or the corporation as a juridical entity but as a form of artisanal collection is due to his lack of knowledge of Islamic history (Davis 1957; Turner 1978, 2002). Turner (1978) posits that Weber's positions about Islam were sweeping generalizations; especially the point that the Islamic world was taxed arbitrarily by troops that paralysed the moneyed economy and did not respect private property. The interface between types of social or legal arrangements and development outcomes is dependent on the articulation of classes and their corresponding power. It should have been objective scientific practice for Weber (Weber was one of the few who thought that objective social science was possible) to acknowledge that it was European militarization of the seas and colonial savagery that underpinned capitalism. Turner's critique of Weber is apt; however, his classification of Islamic military routs as just one reason among many for the lagging of Islamic societies deflects the determinacy of power and control from social relationships. In reference to this method of muddling historical reasons in social history without specifying the determining relationship, Davis (1957) considers approaches of a similar nature as evasive academic manoeuvres whose purpose is not to challenge dominant vested interests.

There was no shortage of flexibility in Islamic institutional development. The second orthodox caliph undertook a census (*diwan* in Arabic, from which *douane*, 'customs', in French originates) to redistribute resources more evenly and solidify the home front in the Hijaz (Hitti 1970). Since AD 800, Ibadism, the principal sect in Oman, has elected its Imam (al-Mouharami 2004). The Omanis traded across sea routes to China and the Indian Ocean and were the principal traders off the coast of East Africa. Electing chiefs was general practice throughout the island of Java (Anderson 2010, 27). But capitalism was not to emerge from East Africa, the Indian Ocean or anything related to more participatory forms of politics. When capitalism began to take root, the Portuguese in the sixteenth century had already occupied Muscat and displaced the Arabs from much of

---

<sup>11</sup> In conveying the linkages of Islamic heritage to Europe, Grollenberg (1980), standing in Trafalgar Square in London, reminds his readers that 'the name of the square was Arab; that the banking cheques were named from Arabic, the numbers on them Arabic; the drains had been developed in Baghdad; the key stars are called by Arab astronomers; the techniques of navigation used by Nelson to Trafalgar were first codified by Arab navigators; Nelson's title, Admiral, is an Arabic word; the water flowing is pure because of a science of chemistry first properly organized by Arabs'.

the southern seas. Islamic history in terms of civil liberties mirrors varied social conditions that prevailed at different times and regions. To attribute capitalism to European cultural superiority, stability of political rule or more pluralistic forms of political decision-making could easily be countered by just as many examples from the East. However, European 'voyages of discovery', as imperially sponsored pillaging expeditions, created the wealth that prompted rising production of commodities coinciding with times of progress in the development of productive forces (the dialectical collision of coincidence with necessity). In contrast to the European side, the demand for Muslim goods did not pick up and, accordingly, institutions could neither prepare for nor adapt to capitalist conditions prompted by changes incurred by merchant capital.<sup>12</sup>

Recalling: trade routes may have been safer under the Mongols, but their sacking of principal trading centres reduced capacity and trade volume (Abu-Lughod 1989). More importantly, it was the loss of the sea-trading posts that really dealt a heavy blow to Islamic merchant capital (sea routes were cheaper and less risky). That said, the dominant relationship welding together divine political and economic rights had no external stimuli to come apart. In Europe, by the sixteenth century, the spectrum of commodities being exchanged expanded. The already established pattern of grabbing resources abroad picked up speed to meet the competitive pressure from an increasingly moneyed economy. By the seventeenth century, the idea of credit expansion to cover merchant capital's transition to industrial capital morphed warring companies into warring states. A system of public credit – that is, of national debts – whose origin we can discover in Genoa and Venice as early as the Middle Ages, took possession of Europe generally during the manufacturing period, and the colonial system with its maritime trade and commercial wars served as a forcing-house for it (Marx 1867). Extracting surplus from rising productivity via commodity exchange brokered by the medium of prices became the determining feature that restructured European social relations and market institutions. The underpriced value of slavery and colonial booty was foundational to the overpriced commodities circulating at the higher end of the value chain.

In the various moments comprising the totality of early capitalism, it is not scant money supply in its metallic form that may limit the transition to a moneyed economy; exchange mediating the contradiction between use-value and value may assume a universal form in metallic and non-metallic money forms. If anything, gold and silver inflation in the sixteenth century did not place Spain before the Dutch and the English in the race to industrialization. The issue of metallic-money quantities should not have been a hurdle to Islamic expansion either. However, the line of essential commodities (as in textiles) being produced in Europe and piling up for exchange had become the blueprint of a sociologically new phase that demarcates capitalism from its predecessors. The commodity itself became the genome of capitalism and capital as self-expanding value required value-forming relations that involve extirpation of the peasantry, piracy and expropriation of the direct producers before production proceeds. Every particular

---

<sup>12</sup> In spite of the significant size of some medieval Islamic urban centres, Islamic merchant capital did not turn artisanry into an institution redefined by a technical division of labour and wage labour. The reproduction of the merchant class did not require rising productivity to meet rising trade. There prevailed a steadiness, up to the twelfth century, and then a decline afterward in the underlying economic life such that the grounds for this transformation did not come about.

incident of merchant capital exchange finds in state-sponsored credit expansion and global pricing its general condition. There is no longer a particular event of usury confined only to the growth of luxury-merchant capital; the whole economy is moneyed and expands by credit: 'pre-capitalist usury exploits a given mode of production and does not create it, as does credit expansion under capitalism, but is only related to it outwardly' (Marx 1984, Ch. 36).

The macroeconomy subverts particular exchanges, and its credit expansion also expands the grounds upon which merchant trade grows into forms of capitalist production. There is only a partial theory of capitalist development if one overlooks the iterative process of particular trade instances transmuting into a holistic condition of trade. Not only is a specific line of commodities traded for money; so are all commodities, and in particular labour power. Fringe-trade deals become sublated (negated and preserved simultaneously), and all commodities trade, underwritten by credit, marks the new phenomenon of a capitalist society. The modern illustration of growth in the general condition is best illustrated with the US Federal Reserve interest rate hike, which could trigger convulsions in food prices across the globe, at times contributing to increasing hunger. In this unfolding and novel condition, it is flawed to presume that there could have been 'good institutions' identified with modern capitalist social relations, which could have been transplanted back into an era into which capitalism has not yet arrived, and then to conclude that the past Islamic world did not develop because it did not have good institutions like our modern ones. The reason for confounding past and present concepts is to downplay the role of European imperialism, which continues to represent the decisive historical fact that accounts for European wealth.

## CLOSING COMMENTS

Changes in the course of development are the outcome of impersonal and objective forces of history. Islamic history is often told like a fairy tale in which spirits remained enslaved and villains reversed the course of progress. The world according to the mainstream discourse is fragmented into various institutions, capturing specific social relations such that when they acquire certain formal qualities, developmental progress occurs. History is not a set of elements related or unrelated to each other at different intervals in time. For Hegel, history was the development of spirit in time. For Marx, it is the process of self-differentiating material relationships in their state of becoming. Classes, in their acts of self-reproduction, are the foremost social relationships. Classes expand by peaceful and warring means. Falling populations as of 1250, the Mongol and Crusade invasions, and the assault of Europe on trading posts across the East, extinguished what was left of the trade platforms and the power of the old Islamic world. The received literature underplays the primacy of this loss of power as a result of successive military routs.

The hold of the dominant ideology cannot bear the thought of a metamorphosis in the Islamic world on the basis of its own values. Genocide, slave trade and wars of aggression appear as mere outlying statistical points that should not affect sound institutional development. The putative perception of Islamic social structures is a selection of irrelevant facts that constitute a false concreteness. The comparative evolutionary approach of earmarking similarities or departures between Islamic and European formations biases

the argument either way, depending on the selection of facts. The facts one selects or the different institutional shapes, whatever they are, may be interrelated and apart simultaneously, but still they remain an outcome of a labour of history in which the law, the dynamic of movement or the general (universal) is not the similitude of facts in phenomenon. The general is the contradiction in the social classes that necessarily but not exclusively regenerates the facts in some sort of similitude. The mainstream avoids mention of the contradiction of social classes. At around 1500, the breaking point in the historical development between East and West, rising demands on merchant capital activity were changing the old conditions that feudalism had imposed on European society in the past. This pressure to change the old conditions as a result of significant growth in merchant capital is what occurred in Europe and did not occur in the Islamic world.

Capitalist accumulation is principally a process of expropriation of the direct producer in which institutions mediate historically specific social contradictions. Aggression, followed by the defeat of Islamic formations, marks the history of the Islamic world. To date, wars of encroachment expropriate Muslim working peoples *en masse* of their resources by stripping their states of their sovereignty. Just as Egypt was de-industrialized when the British invaded in the late nineteenth century, so Iraq was bombed into oblivion by the late twentieth century as it tried to industrialize using oil revenues. With the exception of the few vassal states that are subordinate partners of the North Atlantic Treaty Organization (NATO), Islamic states constitute the poorest, most war-ridden class of countries on the globe. Accumulation in the Islamic world remains centred on the export of raw material, and in particular oil. And also because war for the sake of war has come to be relevant to the global economy, Islamic states, by their very poverty and disarticulation, serve as fertile grounds for continuous conflict. Moreover, given capital's ideological hegemony, the politics and economics of modern Islam are both sponsored by and a by-product of colonial assault. One ought to restate the crucial point made by Rodinson (1978 [1966]), which is that because of the wide latitude in the interpretation of the social agenda in Islam, Islamic ideology cannot serve as a rallying point for progress.

Islamic states' mode of integration with the global economy remains conditioned by the presence of immense US and NATO firepower. Wars of encroachment and the hiring of immense numbers of labourers as war soldiers employing machinery and technology to extirpate and grab value from the Islamic world also generate high value-added productivity, just like the production of cars in a factory. The imperialist wars engage labour in the opposing nations that act as living labour reproducing services and commodities and, literally, as dead labour, for obvious reasons. These wars reassert the positions of aristocratic nations, prop up their high wages and bolster unequal exchange; here I am using a permutation of Emmanuel's (1972) vision. Conversely, imperialist wars pin the productivity of the Muslim world and its wages to its medieval values, as they destroy national infrastructures and reduce its power position. Poor developmental showings are better understood as a result of political declassing rather than religious precepts (Rodinson 1978 [1966]). Islamic history must be read from a standpoint of colonial social relations, involving economic bondage and devalorization, which have led to catastrophic conditions. Collecting and cataloguing cultural differences with the West does neither East nor West justice, as it overlooks the fullness and interrelatedness of social life. To build a case against the Muslims world's underperformance as a market system on the basis of some innate fault in Islamic culture has nothing to do with any reading

of history, and everything to do with justifying present and forthcoming imperialist assaults.

## REFERENCES

- Abdel-Malek, A. 1963. 'Orientalism in Crisis', *Diogenes* 11(44), 103–140.
- Abdel-Malek, A. 1981. *Social Dialectics*, Vol. 2, transl. by M. Gonzalez. Albany, NY: State University of New York Press.
- Abdel-Malek, A. 1985. *Taghyir Al'alam* (Changing the world). Kuwait: 'Alam Alma'rifa.
- Abu-Lughod, J.L. 1989. *Before European Hegemony: The World System, AD 1250–1350*. New York: Oxford University Press.
- Acemoglu, Daron and James A. Robinson. 2010. 'Why Is Africa Poor?', *Economic History of Developing Regions* 25(1), 21–50. Available at [http://scholar.harvard.edu/files/jrobinson/files/jr\\_africanpoverty.pdf?m=1360039130](http://scholar.harvard.edu/files/jrobinson/files/jr_africanpoverty.pdf?m=1360039130).
- Acemoglu, D. and A. Robinson. 2012. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. London: Profile Books
- al-Alawi, H. 2009. *al-'Amal al-Kamila*. Damascus: Dar Almada.
- al-Attas, F. 2013. *Ibn Khaldun* (Makers of Islamic civilization). Oxford: Oxford University Press.
- al-Baghdadi, A. 1991. *al-Atalqin fi al-Fiqh al-Maliki*. Riad: Kotob Arabia.
- al-Duri, A.A., 1949. *Nizam al dara'ib fi Sadr Al-Islam, Majma' Alloughah*. Damascus.
- al-Duri, A.A. 1969. *Muqaddimah fi al-tarikh al-iqtisadi al-Arabi*. Beirut: Dar al-T'aliyah.
- al-Mouhrami, Z. 2004. *Tarikh wa Manhaj wa Mabadi*. al-Ibadia, Maktabat al-Ghoubayra' Ghoubayra' Library. Muscat: Ghoubayra.
- Amin, S. 1976. *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism*. New York, USA and London, UK: Monthly Review Press.
- Amin, S. 1977. *Imperialism and Unequal Development*. New York: Harvester Press
- Anderson, K.B. 2010. *Marx at the Margins: On Nationalism, Ethnicity, and Non-Western Societies*. Chicago, IL: University of Chicago Press.
- Aristotle. 2014. *Politics*. Transl. by B. Jowett. Adelaide: eBooks@Adelaide, University of Adelaide Library. Available at <https://ebooks.adelaide.edu.au/a/aristotle/a8po/>.
- Azmeh, A. 1995. *Muqadima fi Ousoul Sina'at al-Tarikh*. Beirut: Dar al-Tali'a.
- Baran, P.A. 1957. *The Political Economy of Growth*. New York: Modern Reader Paperbacks.
- Baran, P.A. 1961. 'The Commitment of the Intellectual', *Monthly Review* 13(1), 8–18.
- Bin Abi Talib, A. 1963. *Nahj al-Balagha*. Beirut: Dar al-Andalus lil-Tiba'ah wa-al-Nashr.
- Braudel, F. 1992. *Civilization and Capitalism, 15th–18th Century*. Berkeley, CA: University of California Press.
- Braudel, F. 1995. *A History of Civilisations*. Transl. by Richard Mayne. New York: Penguin Books.
- Brenner, R. 1977. 'The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism', *New Left Review* 104, 25–92.
- Cahen, C. 1982. *Introduction à l'histoire du monde musulman médiéval: VIIe–XVe siècle (Initiation à l'Islam)*. Paris: Librairie d'Amérique et d'Orient.
- Chapra, M.U. 2001. 'Islamic Economic Thought and the New Global Economy', *Islamic Economic Studies* 1, 1–16.
- Chapra, M.U. 2014. *Morality and Justice in Islamic Economics and Finance*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
- Davis, A.K. 1957. 'Social Theory and Social Problems', *Philosophy and Phenomenological Research* 18(2), 190–208.
- Dobb, M. 1946. *Studies in the Development of Capitalism*. London: George Routledge & Sons.
- Donner, F. 2011. 'How Islam Began', University of Chicago Alumni Weekend 2011 Lecture, Chicago, IL, 3 June.
- Edwards, J. and S. Ogilvie. 2008. 'Contract Environment, Institutions and Social Capital: The Maghribi Traders Reappraised', CESifo Working Paper Series 2254. Available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1107801](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1107801) (accessed 18 April 2015).
- El Kodsí, A. 1970. 'Nationalism and Class Struggles in the Arab World', *Monthly Review* 22(3), 1–66.
- Emmanuel, A. 1972. *Unequal Exchange: A Study of the Imperialism of Trade*. London, UK and New York, USA: Monthly Review Press.
- Engels, F. 1894. 'On the History of Early Christianity', *Die Neue Zeit*. Transl. Institute of Marxism-Leninism. Available at <http://www.marxists.org/archive/marx/works/1894/early-christianity/> (accessed 9 May 2015).

- Fine, B. and D. Milonakis. 2003. 'From Principle of Pricing to Pricing of Principle: Rationality and Irrationality in the Economic History of Douglass North', *Comparative Studies in Society and History* 45(3), 546–570.
- Frank, A.G. 1992. 'Centrality of Central Asia Amsterdam', *Comparative Asian Studies* 8(1), 43–97.
- Frank, A.G. 1998. *ReOrient: Global Economy in the Asian Age*. Berkeley, CA: University of California Press.
- Gelvin, J. 2004. *The Modern Middle East: A History*. New York: Oxford University Press.
- Godelier, M. 1964. *La notion de mode de production asiatique et les schémas marxistes d'évolution des sociétés*. Paris: Centre d'études et de recherches marxistes.
- Goody, J. 2007. *The Theft of History*. Cambridge: Cambridge University Press.
- Greif, A. 1993. 'Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition', *American Economic Review* 83(3), 525–548.
- Grollenberg, L. 1980. *Palestine Comes First*. Transl. J. Bowden. London: SCM-Canterbury Press.
- Hegel, G.W.F. 1831. *Shorter Logic*, §117n. Available at <http://www.marxists.org/reference/archive/hegel/works/sl/slsubjec.htm>.
- Hilou, A. 2004. *Sourya al-Qadima*. Beirut: Bissan Publishers.
- Hitti, P.K. 1970. *History of the Arabs: From the Earliest Times to the Present*. London: Palgrave Macmillan.
- Hobsbawm, E.J. (ed.). 1965. *Pre-capitalist Economic Formations*. London: Lawrence & Wishart.
- Hourani, A. 1962. *Arabic Thought in the Liberal Age, 1798–1939*. Cambridge: Cambridge University Press.
- Ilyenkov, E.V. 1974. *Dialectical Logic, Essays on its History and Theory*. Transl. H. Campbell Creighton. Moscow: Progress Publishers.
- Ilyenkov, E.V. 1977. 'The Concept of the Ideal', in Robert Daglish (ed.), *Philosophy in the USSR: Problems of Dialectical Materialism*, Moscow: Progress Publishers, 71–99.
- Khalil, F. 1996. *al-Iqta' al-Sharqi: Bayna 'Alaqaq al-Mulkiyah wa nizam al-Tawzi*. Beirut: Dar al-Muntakhab al-'Arabi.
- King, L.W. 1915. *Hammurabi's Code of Laws*. Evansville, IN: University of Evansville. Available at <http://eawc.evansville.edu/anthology/hammurabi.htm> (accessed 5 May 2015).
- Kivlicimli, H. 1987. *al-Tarikh al-Othmani: Rou'ya Madia*. Beirut: Dar al-Jalil.
- Kuran, T. 2011. *The Long Divergence: How Islamic Law Held Back the Middle East*. Princeton, NJ: Princeton University Press.
- Lambert, W.G., A.R. Millard and M. Civil. 1999. *Atra-Hasis: The Babylonian Story of the Flood*. Winona Lake, IN: Eisenbrauns.
- Lutsky, V.B. 1969. *Modern History of the Arab Countries*. Moscow: Progress Publishers.
- Makdisi, G. 1990. *History and Politics in Eleventh-Century Baghdad*. Aldershot: Variorum.
- Marx, K. 1867. *Capital, a Critique of Political Economy. Volume I, Book One: The Process of Production of Capital*. Moscow, USSR: Progress Publishers.
- Marx, K. 1877. *Marx-Engels Correspondence Letter from Marx to Editor of the Otecestvenniye Zapisky*. Available at <https://www.marxists.org/archive/marx/works/1877/11/russia.htm> (accessed 27 July 2015).
- Marx, K. 1894. *Capital, Vol. 3*. Ed. by F. Engels. New York: International Publishers. Available at <https://www.marxists.org/archive/marx/works/1894-c3/supp.htm> (accessed 27 July 2015).
- Mroueh, H. 2008 [1978]. *al-Naza'at al-Madya fi al-Falasafa al-Arabiya*. Beirut: Dar al-Farabi.
- Mundy, M. 1975. *Domestic Government, Kinship, Community and Polity in North Yemen*. London, UK and New York, USA: I.B. Tauris.
- Mundy, M. 2004. 'Ownership or Office? A Debate in Islamic Hanafite Jurisprudence over the Nature of the Military "Fief", from the Mamluks to the Ottomans', in A. Pottage and M. Mundy (eds), *Law, Anthropology and the Constitution of the Social: Making Persons and Things*. Cambridge: Cambridge University Press, pp. 142–165.
- Mundy, M. 2010. 'Islamic Law and the Order of State', in P. Sluglett with S. Weber (eds), *Syria and Bilad al-Sham under Ottoman Rule: Essays in Honour of Abdul Karim Rafeq*. Leiden: Brill, pp. 397–417.
- Mundy, M. and R.S. Smith. 2007. *Governing Property, Making the Modern State: Law, Administration and Production in Ottoman Syria*. London, UK and New York, USA: I.B. Tauris.
- Neumann, M. 2003. 'Has Islam Failed? Not by Western Standards', *Counter Punch*. Available at <http://www.counterpunch.org/2003/05/12/has-islam-failed-not-by-western-standards/> (accessed 29 June 2015).
- Noueihid, W. 2014. *Madkhal ila al-Iqtissad al-Syassi al-Islami*. Beirut: Dar al-Awdah.
- Owen, R. 2004. *State, Power and Politics in the Making of the Modern Middle East*. London: Routledge.
- Patnaik, P. 2012. 'The Perverse Transformation', 22nd Rajan Memorial Lecture, Institute of Rural Management Anand, Gujarat, India, 20 January.
- Real History World Wide. n.d. 'The Ur-Nammu Law Code'. Available at [http://realhistoryww.com/world\\_history/ancient/Misc/Sumer/ur\\_nammu\\_law.htm](http://realhistoryww.com/world_history/ancient/Misc/Sumer/ur_nammu_law.htm) (accessed 5 May 2015).
- Reinert, E.S. 2008. *How Rich Countries Got Rich and Why Poor Countries Stay Poor*. New York: Public Affairs.
- Reinert, E.S. 2013. 'Jacob Bielfeld's "On the Decline of States" (1760) and its Relevance for Today', Working Papers in Technology Governance and Economic Dynamics 47. Available at <http://technologygovernance.eu/files/main/2013010805010202.pdf> (accessed 29 May 2015).

- Rodinson, M. 1978 [1966]. *Islam and Capitalism*. Austin, TX: University of Texas Press.
- Russell, Bertrand. 2004 [1946]. *History of Western Philosophy*. London: Routledge.
- Samak, M. 2007. *Mahasin al-Shari'a fi fourou' al-Sahafi'ya*. Beirut: Dar al-Kotoub.
- Smith, A. 1976 [1776] *An Inquiry into the Nature and Causes of the Wealth of Nations*. Chicago, IL: University of Chicago Press.
- Srivastava, M. 2004. 'Moving Beyond "Institutions Matter": Some Reflections on How the "Rules of the Game" Evolve and Change', LSE Crisis State Discussion Paper, London. Available at <http://eprints.lse.ac.uk/28357/1/dp04.pdf> (accessed 25 April 2015).
- Sweezy, P. 1976. *The Transition from Feudalism to Capitalism*. London: New Left Books.
- Taqoush, S. 2002. *Al-Tarikh al-Islami*. Kuwait: Dar al-Nafa'is.
- Toye, J. 2012. 'Multi-Discipline Development Studies: Origins and Possibilities', presented at the 1st International Congress of Development Studies, Santander, Spain, 14–16 November.
- Turner, B.S. 1978. *Marx and the End of Orientalism*. London: George Allen & Unwin.
- Turner, B.S. 1993. *Max Weber: From History to Modernity*. London: Routledge.
- Turner, B.S. 2002. *Orientalism, Postmodernism and Globalism*. London: Taylor & Francis.
- Wilkinson, T.J. 2003. *Archaeological Landscapes of the Near East*. Tucson, AZ: University of Arizona Press.
- Wood, E.M. 2002. *The Origin of Capitalism: A Longer View*. London: Verso.
- Zaman, A. 2009. 'Islamic Economics: A Survey of the Literature', *Islamic Studies* 3, 395–424, 525–566.