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Ibne Khaldun is called the father of political economy. Discuss his views on political economy

1- INTRODUCTION

Ibne Khaldun is known as a great thinker in the history of muslim thought. He has presented distinctive views on political economy such as connecting economy and politics and labour theory of production. Moreover, he has presented the ideas of demand and supply regarding political economy. Therefore, he is known as father of political economy

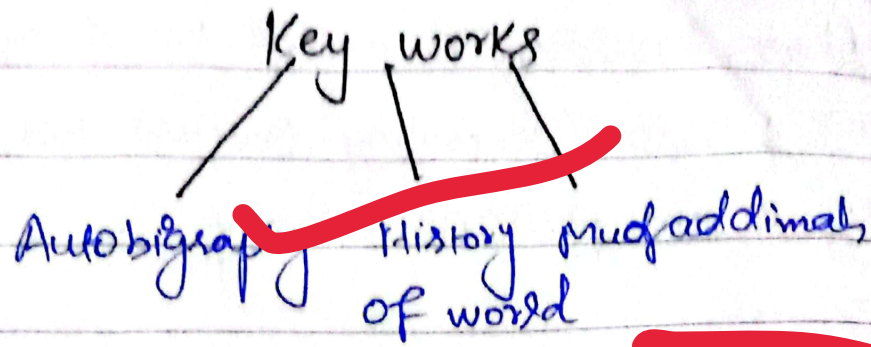
2- IBNE KHALDUN

Before

Al Farabi drew the concept of the virtuous city

After

Adam Smith connected politics and economy



3. Khaldun as a father of political philosophy

He described the fundamental ideas of politics and economy that are closely dependent on each other. His prediction was long before western philosophers such as Marx and Adam Smith. Rosenthal has said

“To my knowledge he was the only medieval thinker to realize the importance of economy for politics”

Therefore, his uniqueness of ideas on economy and politics has made him the father of political economy.

4- Khaldun's views on political economy

i) Connected politics and economy

Before Adam Smith, he was a sole thinker who argued that politics and economy are dependent on each other. Both can not stand with each other. A S Marx has said:

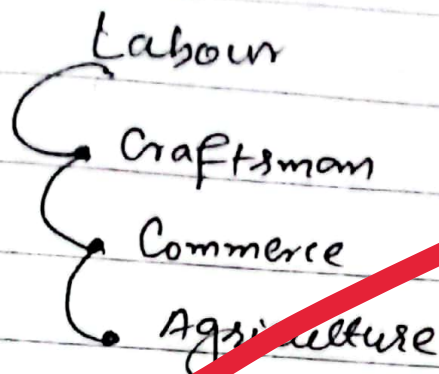
"If you are changing political system without changing economic system, you are tinkering with your bones"

This idea of Marx was very much influenced with the idea of Khaldun.

ii) Division of Labour

Like Plato, Ibn Khaldun was also divided the labour into three parts for defining them

Contribution



This division was presented in the society of Maldun as well.

iii) Production is linked to labour

Production can not be maximised without enough labour. For increasing production of any state, the maximum labour is also required.

Maximum production yield = More Labour
Minimum production yield = Less Labour

iv) Concept of demand and supply

Long before modern economists, Khaldun defined the concept of demand and supply. According to him, the supply was based on the demand by state.

v) Concept of Sustenance and Profit

Sustenance, according to him, was the sustenance of society by fulfilling their needs. As far as profit is concerned it was the profit that was obtained by individual through his work. This profit was also necessary for state economy

vi) Restricted Ruler to engage in Trade

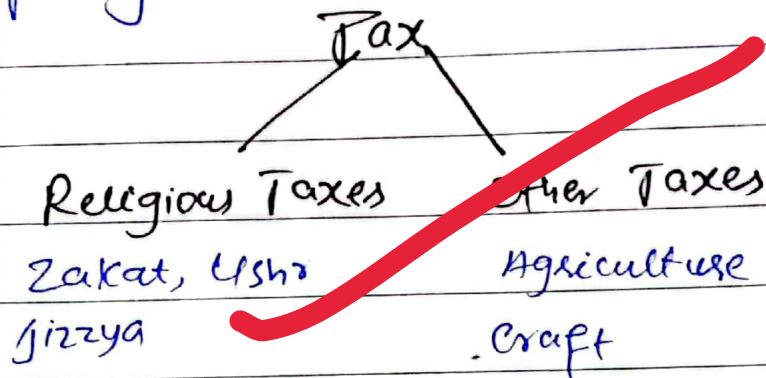
Ibne Khaldun said that if a ruler intervenes in trade, it will impact other traders. Because people would prefer to conduct trade with the ruler due to his prestige. As a result, other people would be deprived from their fair share

vii) Capital accumulation Concept of Khaldun

This concept was about enough and more profit. According to Khaldun, if a

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worker gets more capital more than his requirements, this additional capital would be known as capital accumulation.

viii) Taxation policy of Khaldun
He divided taxation policy as well



His taxation policy was primarily in accordance with Islamic principles.

ix) Foreign Trade among States as desired by Khaldun

He endorsed that the states should pursue trade among themselves. It will increase their economic potential and productivity. He asked Islamic rulers to conduct trade with

Christian rulers as well.

X) Adoption of Khaldun's ideas

Many renowned personalities have copied the ideas of Khaldun and got benefits

Marx, Adam Smith → were influenced
Ronald Reagan, Kennedy (US presidents)

↓
adopted the taxation related ideas of Khaldun during their period.

Discuss the critical analysis part in detail as well

5- Conclusion

Hence, it becomes abundantly clear that Khaldun was a true father of political economy. His ideas are still relevant in this period as well. Moreover his ideas have been adopted by many people as well. The fore, Paul Krugman said

"IBNE Khaldun invented what we would call now social sciences"