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# **A Feasibility Study of the Reconstruction of Islamic Economics Relying on the Place of Empiricism in Islamic Philosophy**

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## **Abstract**

Empiricism has had various effects on the essence, method, and outcome of economics. Adopting an empirical approach in economics has been under the influence of both social and rational backgrounds. This approach has also had its impact on theories in Islamic economics, the most important of which has been driving out the study of the Islamic economic system from academic studies. An investigation of empiricism from the viewpoint of Muslim thinkers reveals that their views are fundamentally different. This study aims to evaluate the data using critical analytic method, and to review the effects of Islamic philosophy on Islamic economics. The most significant finding of this article is that the Islamic principles related to empiricism can pave the way for the reconstruction of Islamic economics. Therefore, economics is regarded as a practical branch of knowledge and the prescriptive section will be included as a subcategory of Islamic economics. Some other results of using the principles of Muslim thinkers in this regard include: inner coherence in Islamic economics, having an appropriate theoretical framework before experiment, paying attention to the history of economic views, the insufficiency of induction in the cognitive process, using principles from other sciences, using practical philosophy in case of not achieving certainty, changing the approach towards the economic

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human, paying attention to the origin of preferences, and activation of the critical potential in the prescriptive aspect.

**Keywords:** Practical philosophy, Islamic economics, Empiricism.

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## Introduction

Economics, like other sciences, has its own ontological and epistemological foundations, which altogether construct the fundamental method of economics. According to the fundamental method of science, a practical method for developing theories is constructed (Parsania 1392 Sh). The first step to reconstruct Islamic economics is to reform its fundamental method and foundations. Empiricism is an epistemological principle and a part of the fundamental method of conventional economics. It has also influenced the content of economic theories through its effect on the practical method of theory-making.

Empiricism and positivism owe a great deal to the efforts of philosophers such as Bacon, Hobbes, Locke, Hume, and Kant. After the early empiricists and Kant, the situation was prepared for the emergence of Auguste Comte's positivism. He introduced the idea of theological, metaphysical, and positive stages in history, claiming that it was time to discard superstition, religion, and metaphysics to achieve the scientific stage. Positivism emerged with the claim of omitting metaphysics (Benton and Craib 1386 Sh, 55). Some years after Auguste Comte, logical positivism or empiricism appeared in the twentieth century, as a result of the discussions in the Vienna Circle by Schlick (1882-1936), Carnap (1891-1970), Neurath (1882-1945), Feigl (1902-1988), Frank (1884-1966), and Godel (1906-1978), and later it was followed up by philosophers like Ayer (1910-1989). This new empiricism was more concerned about the meaning of empirical propositions, rather than the source of knowledge. Logical empiricists

only acknowledged two types of propositions as meaningful: (1) empirical propositions verifiable by observation and (2) logical and mathematical propositions, which are a priori statements and merely repetitions of our former knowledge (Shanker 2004, 195-96).

In his criticism of logical positivists, Karl Popper (1902-1994), who was once a member of the Vienna Circle, clarified the point that empirical tests can never verify a scientific hypothesis. Thus, science cannot give us a decisive knowledge by any empirical test. According to Popper, the scientific method can falsify a scientific hypothesis, but it cannot prove it. With his approach to empirical falsifiability, he attempted to maintain the independence of scientific knowledge from other cognitive fields of knowledge (Parsania 1387 Sh, 24-25). Following the inductive-hypothetical method, empirical falsifiability sought to achieve this aim.

There are a number of studies on the evolution of empiricism in conventional economics. Investigating the movement of empiricism, Mark Blaug (1380 Sh) regards economists as the followers of a sort of falsifiability theory. Dadgar (1384 Sh) has focused on the economical ideas of Popper, who holds that the neoclassic view is also along with falsifiability theory (Dadgar 1384 Sh). Ghaninezhad (1376) relates the emergence of positivism in economics to Hutchison and mentions Friedman as the proponent of an incompatible combination of instrumentalism and positivism. Dow (1388 Sh) introduces positivism as involving an inductive approach, rather than a deductive hypothesis not relying on any theoretical premise. Nazeman (1375 Sh) also reviews developments in economics and points to the stage of empiricism and falsifiability. Jaber (1388 Sh) considers economics under the influence of

principles borrowed from other fields and surveys the impact of logical positivism on economics.

On the other hand, we also witness paying attention to humanities as part of practical philosophy in the works of classical and modern Muslim thinkers. Farabi (d. 950), for instance, regards practical wisdom as a force by which humans achieve a sort of knowledge that should be practiced (Farabi 1996, 24). Knowledge that is ought to be practiced is a sort of practical understanding, and knowing intentional acts also relies on the comprehension of its supporting preconceptions. Accordingly, practical philosophy is a sort of knowledge which studies the varieties of existence created by human beings' will and knowledge (Farabi 1405 AH, 51, 54). Shojā'i (1396 Sh) regards the emphasis on the approach of practical wisdom as a solution for the existing situation of humanities in Iran. Mo'arrefi-Mohammadi (1395 Sh) proposes that with regard to its ethical essence, Islamic economics should follow a concept of rationality (practical reason), which relies on practical philosophy. This perception of rationality in his view requires attention to ethical values and is not limited to instrumental reason. Farahani (1397 Sh) regards Islamic economics as a kind of practical wisdom and compares its approach to postmodern and meta-empirical approaches in economics.

The present study proposes that the ideas of Muslim philosophers should be used in revising the epistemological foundations of empiricism. Hence, the fundamental and practical methods of Islamic economics will be different from those of conventional economics. These differences and their logical and objective social outcomes are studied in this paper while Islamic economics is considered within the framework of practical philosophy. The distinctive point of this article is using the ideas of Muslim thinkers about empiricism in Islamic

economics and comparing their counterparts in conventional economics, as well as the effects of these ideas on Islamic economics. This paper has just focused on empiricism and its effects, so other epistemological principles such as rationalism and probability theory will not be discussed here.

## **1. Empirical Elements in Conventional and Islamic Economics**

Inclination toward empiricism and the separation of positive from prescriptive (normative) economics are influenced by social and logical factors. The social factor for this inclination is mostly the incentive to dispose of the hegemony of church and state. On the other hand, conventional economics, which was immensely under methodological criticism for not paying attention to the real world, became inclined to omit the prescriptive aspect in order to maintain its previous theories (Nazeman 1357 Sh, 31). From the logical point of view, empirical presuppositions, such as *tabula rasa* (blank slate), the restriction of cognitive tools in the five senses, making a distinction between synthetic and analytic propositions, and the acknowledgement of only mathematical propositions as a priori knowledge, paved the way for omitting ethics from economics (Pojman 1387 Sh, 436-37; Kant 1390 Sh; Quine 1374 Sh, 251).

The change in the rationality of objectives led to the change in the rational human, so the economic man could follow every goal and these goals were regarded rational according to the definition (Mini 1357 Sh, 181-82). Therefore, even the *utility theory*, which was once the basis of economic theories became non-important (Hausman and McPherson 2006, 43-68; Hausman 2012, 14), and the purpose of the market was defined as maximizing wealth (Elvey 1384 Sh, 165).

Ignoring the origin of preferences and changing the meaning of objectivity (Merriam-Webster, n.d.) in economics are among other outcomes of empiricism in conventional economics (Elvey 1384 Sh, 171-74).

On the other hand, presuppositions such as *tabula rasa*, the restriction of cognitive instruments in sensory experience, and regularity of nature prepared the ground for the inductive approach (Tale'i-Ardakani 1391 Sh, 11-30). However, empiricism has played a role only in fostering statistical studies and econometrics in economics, because, on the one hand, experiment per se does not create theory, so positivism in economics led to the reaffirmation of prior economic theories and movement from induction to positivism; and, on the other hand, since experiment cannot establish a theory among others, the falsifiability approach replaced it and consequently economic theories would be accepted only if they were not falsified. The falsification approach in economics is acknowledged as the deductive-hypothetical method.

The empirical trend did not end up in that point, and economists continued to justify past theories. This point indicates accepting a sort of slight falsificationism, which at most only gets close to the hard core of the theory in Lakatos' view (Blaug 1380 Sh, 165-67). Accordingly, economic theories have a hard core, and new studies only affect the theories that function as a protective belt for the core theory, which is not simply refuted or amended. Mainstream economics often reacted to classic and neoclassic theories in this way.

Empiricism has also had objective or social impacts on economics. For instance, political economy changed its name to economics and became an instrumental science for politicians, focusing on *explanation*, *prediction*, and *control*. Moreover, the history of

economic views, which displayed formation of theories and their association with ethical issues, lost its importance (Elvey 1384 Sh, 167-73), and all scientific papers adapted a uniform writing style (Bouland 1385 Sh, 72-83).

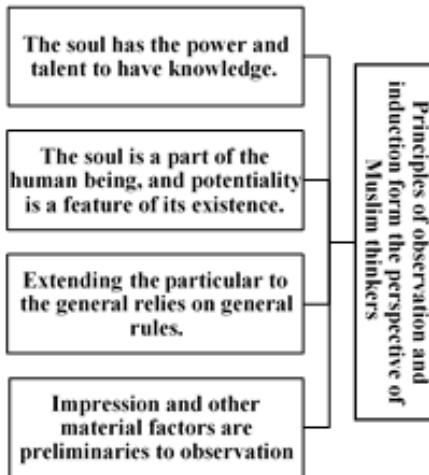
Islamic economics also came to suffer from disorder in defining economics (Sadr 1417, 317-19), inner incoherence in prescriptive aspects (Ansari et. al. 1378 Sh; Raja'i 1391 Sh; Ezzati 1394 Sh; Karami 1396 Sh; Mir-Mo'ezz, 1384 Sh), leaving the analysis of the current status to conventional economics, negligence in policy making, and providing incompatible economic models.

## **2. Empirical Knowledge in the View of Muslim Thinkers versus Western Empiricists**

Muslim thinkers were obviously not deprived of sensory experience and used it in its right place. In their view, some limited theories can be verified using experiment to achieve the main factor under investigation. However, there is not much commonality in this regard, and the differences between their view and that of Western empiricists include the following.

### **2.1 Presuppositions of Positivism and Principles of Muslim Thinkers**

Positivists regard all ontological and epistemological principles as suppositions or presuppositions that lack epistemological value. They have held this view following Kant and neo-Kantianism. Kant held that we have some prior fixed concepts (Kant's categories) as presumptions, but neo-Kantians considered them to be changeable too (Tale'i-Ardakani 1391 Sh, 11-30).



However, Muslim thinkers disagree with the term “assumption” or “presupposition” and believe in studying every principle in its own scientific field. They consider human beings capable of achieving axiomatic ideas and affirmative axioms and, contrary to positivists who believe in the theory of *tabula rasa*, maintain that the knower has an active role in the process of sensory knowledge. Furthermore, Muslim thinkers do not restrict knowledge to the realm of the five senses. They also consider causation a true secondary philosophical and contemplative principle, verifiable by rational reasoning. In addition to causation, its subsidiary theories, such as correspondence between cause and effect, demonstrate regularity in nature, which is not verifiable by experimental methods. This is why positivists have regarded regularity and similarity in nature as presuppositions, because they cannot be proved or refuted by experiment. The outcome of these Islamic foundations is two distinctive sensory knowledge, each of which has its own application. Thus, Muslim thinkers do not exclusively limit scientific method to induction but admit it as a part of the experimental method.

## **2.2 Methodological Difference over Observation, Induction, and Experiment**

Empiricists state that knowledge only comes from the five senses, while Muslim thinkers believe that even sensory knowledge relies on reason. As mentioned above, it is the soul that observes, and the impression stage in the sensory organ is a preliminary to observation, and observation is a preliminary to induction. Inductive reasoning is classified into two types: complete and incomplete. Complete inductive reasoning refers to when all cases and members in a dataset are investigated and then the generalization is applied to the whole data. This knowledge can be used in statistical sciences. However, the point is that in many cases we cannot observe and analyze all individuals in society; therefore, just by studying some cases, scientists make a broad generalization. This induction is called incomplete, the defect of which is noted by Hume as well.

Empiricists have considered experiment to be similar to induction, and relying on non-sensory presuppositions, have inferred general rules from it; however, Muslim thinkers have used verified rational principles in prior sciences and have referred to sensory experience by using inductive data. Therefore, incomplete induction does not lead to certainty in science; in order to be scientific, induction needs the help of rational arguments. Inductive propositions are considered as part of a deductive argument, which also includes a rational rule. The combination of these two compose an experimental deduction, which leads to scientific certainty by discovering the cause of an event (Mulla Sadra 1362 Sh, 32, 570).

Positivism, which considers the formation of an idea finished in the mind, is inclined to inductive reasoning in order to achieve generalized rules, because it does not value axiomatic principles.

However, Muslim thinkers believe that one can achieve science just by deductive arguments. Therefore, they do not take inductive reasoning as the main method in science but regard basic axioms as a necessary requirement for achieving certainty in experimental deduction.

However, on the other hand, it is not possible to find the real cause in many empirical cases, because firstly finding the most common element is arduous in practice (Tabataba'i 1385 Sh, 2:110). Secondly, empirical knowledge is not absolute but rather confined to the conditions under study and applicable only to similar conditions (Ibn Sina 1373 Sh, 93). Hence, humans are usually satisfied with generalized knowledge in their own environment to continue their daily life and meet their needs (Parsania 1383 Sh, 127). As a result, achieving valid and certain results is questionable in many empirical researches, though such studies are often useful and may result in a conjecture.

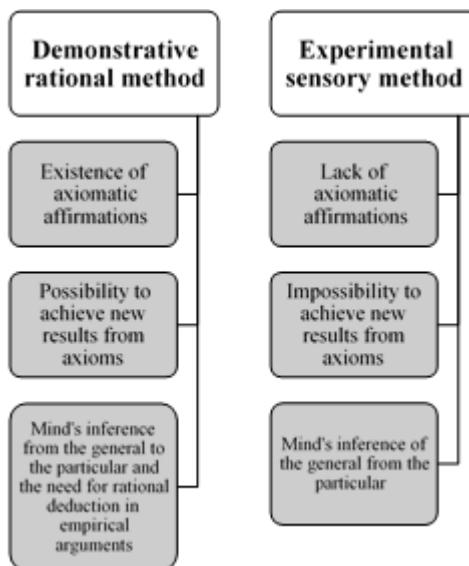
It should nevertheless be noted that if the above premises are not taken into account, observation would not even bring about informed conjecture and would just lead to psychological confirmation. Such an estimate is not confirmed by practical reason and just shows the psychological state of an individual. Thus, there are two problems in empirical studies: one is the lack of objectivity in scientific theories as observations are theory-laden; the other problem is the indeterminacy of knowledge as statistical data and empirical observations are compatible with various theories. The first problem can be solved with regard to the basis of theories and their axiomatic and theoretical nature. The same strategy can also solve a part of the second problem, since by exploring theories and proving knowledge through contemplation, a proper theoretical framework can be achieved, which

is beyond the capability of experiment. Then, we can refer to experiment in more specific aspects, and if we found the cause, certain knowledge would be achieved; otherwise, our incomplete knowledge may meet our current needs under specific conditions, and practical wisdom sees this knowledge useful.

### **2.3 The Role of Axiomatic Affirmation in the Practical Method**

As mentioned above, empiricists and positivists reject instinctive ideas and axiomatic affirmations and consider them achieved through experiment. Muslim thinkers agree with them in the case of ideas but in the case of axiomatic affirmations, such as the law of non-contradiction, they believe that humans have no choice but to accept some basic verifiable principles; otherwise, they cannot prove any propositions. The views of different philosophical schools on affirmation have led to forming experimental and demonstrative logic; the former only gives importance to inductive reasoning, observation, experiment, and practical analysis and synthesis, while the latter values the analysis and synthesis of affirmations. The demonstrative logic includes three parts: (1) as to the axioms, the formation of the idea in the mind is enough to issue a decisive rule, and some mental affirmations are basic axioms; (2) the mind may conclude new results from basic axiomatic affirmations; and (3) empirical affirmations form a general scientific law only when a sort of rational deduction consisting of basic axioms is provided. However, according to empirical logic, (1) there is no axiomatic affirmation; (2) new conclusions cannot be inferred from axioms, and the arguments obtained from them are in fact tautologies; (3) the mind infers in its reasoning process a general law from particular instances; and (4) axiomatic arguments are also achieved in a process of moving from

the specific to the general and as a result of experiment; thus, it is only an illusion that they are basic axioms with which humans have been familiar since the beginning of their lives (Tabataba'i 1385 Sh, 2:102, 105-6).



Since empiricists do not accept axiomatic affirmations; they do not see a difference between induction and experiment, so they are confronted with the problem of inductive reasoning. Later, logical positivists put inductive reason away and reconsidered the form of a scientific argument and believed in *deductive hypothetical logic*; however, they were trapped in Kant's categories, because they held that those affirmations were tautologies, which did not add any new knowledge.

Muslim thinkers take these perceptions as propositions which might be true or false. As mentioned above, experiment is dependent on some preliminaries which are provided by the power of reason. Therefore, Islamic philosophy creates a solid foundation for

experiment by providing those preliminaries. Nevertheless, considering practical problems in adapting some of these preliminaries, the empirical results are confined to particular cases.

#### **2.4 The State of Non-Sensory Knowledge**

The human mind has the ability to comprehend abstract concepts and verify external realities. Empiricists take the rational method as an abstract approach. In their view, this approach is mental and away from reality, and basically every abstract idea is subjective and thus unreal. Nonetheless, Muslim thinkers do not hold that every abstract idea is unreal. They believe that defects in the abstract method separated it from the reality, and of course every method is susceptible to error. When using demonstrative deductive method, they were not only aware of this issue but also distinguished between true and false conclusions by finding the contradictions.

#### **2.5 Rejection of Analytic/Synthetic Distinction**

In the view of Muslim thinkers and pioneers in philosophy, the positive part is distinguished from the prescriptive part, but neither of them is non-scientific; they have their own specific rules, and the study method is different in each of these two parts of science. Therefore, analytic/synthetic and *a priori/a posteriori* distinction in the view of Muslim philosophers is different from that in the view of empiricists, and this dichotomy is not approved by them. The analytic/synthetic distinction mentioned by the empiricists is faulty in three respects:

- 1) *Axiomatic affirmations.* With regard to accepting some fundamental axiomatic affirmations, Muslim thinkers take them as *a priori* propositions, which are true and corresponding to the reality.

These propositions are logically a priori but neither synthetic nor analytic. On the one hand, if the conceptual relation between the subject and predicate is the criterion for being analytic, these propositions are analytic, but since only having the subject and predicate is enough for the affirmation, then there is no analysis in them; on the other hand, although these propositions carry knowledge, but since they are axiomatic, they do not give any new knowledge about the world, so they are not synthetic. However, they can be synthetic at the same time, because they apply to the whole world. Thus, synthetic/analytic criterion does not apply to axiomatic affirmations.

2) *Analytic axiomatic criteria.* In Islamic philosophy, a knower could compile true arguments from propositions and real definitions from ideas and also analyzes them if it was needed to achieve the bases of the reasoning or the components of the definition. The obtained propositions, on the one hand, are a result of analysis, and, on the other hand, they are immediately affirmed, so they are self-evident. Hence, Islamic philosophy acknowledges the proposition which, in addition to being analytic, relates to the world too; that is, they can be affirmed and provide new knowledge about the world. These group of propositions also are both analytic and synthetic.

3) *Theoretic/analytic propositions.* Theoretical propositions may also be analytic and convey something about the world. Hence, experiment is not the only criterion, and such propositions may be both analytic and synthetic. Besides, although being a priori or posteriori can be applied to the above-mentioned proposition, they are not often taken into account, as experiment does not have a basic role in the reasoning method of Muslim philosophers.

### **3. Effects of Muslim Thinkers' Empirical Principles on Practical Wisdom in Islamic Economics**

In this section, Muslim thinkers' empirical principles and their epistemological corollaries are reviewed, and then their methodological, conceptual, and social outcomes for the theories in Islamic economics are discussed. In the table below, these principles and their results are mentioned in brief:

	<b>Principles</b>	<b>Effects</b>
<b>1</b>	Potential of the soul for perceiving ideas and affirmative perception	Active role of the soul in perception
<b>2</b>	Existence of self-evident affirmations in human perception	Classification of sciences on the basis of their subjects and paying attention to metaphysics in scientific classification
<b>3</b>	Not limiting cognitive tools in the five senses	Accepting demonstrative rational knowledge and possibility to achieve new results from self-evident perceptions
<b>4</b>	Relying on rational general affirmations to infer general laws from particular instances	1. Theory-laden-ness of observation and induction 2. Moving from the general to the particular in experiment
<b>5</b>	Observation by the soul and not ending that in the impression stage	Accepting inductive reasoning as a preliminary for experiment

#### **3.1 Logical Effects of Muslim Thinkers' Principles on the Experimental Proof Method**

From the methodological viewpoint, the empirical principles of Muslim scholars have the following effects on Islamic economics:

1. According to the epistemological principle of the soul's faculty of observation, human beings are not merely passive in the

world. Thus, when they have sensory perceptions, their axiomatic and non-axiomatic prior data are immensely effective in forming a theory in their mind. These prior perceptions and affirmations give form to how sensory data and their theoretical framework are used. As for sensory perceptions, foundationalism provides a theoretical framework for experiment, because when making a generalization in sensory data, we generalize, examine, and make a new theory with regard to our prior findings. Therefore, the economist can acquire a suitable theoretical framework for micro economic theories using knowledge about the human soul in Islamic philosophy. Besides, social ontological arguments mentioned by Farabi and philosophers like Allamah Tabataba'i can provide a theoretical framework for macroeconomics.

2. Considering axiomatic affirmations, the need to verify economics' subject matter in philosophy is revealed more than ever, and, in this way, science could flourish on the basis of Islamic philosophy. Classification of science will also be on the basis of the subject matter, which places Islamic economics as a type of practical philosophy in Islamic philosophy.

3. Another principle of epistemology is that cognitive tools are not restricted to the five senses, which results in accepting demonstrative rational knowledge and the possibility of achieving new results from axiomatic affirmations. Accordingly, sensory experiments are not the only means to relate to the world, but rather humans discover their surroundings by both sensory and rational knowledge, since not paying attention to self-evident affirmations may make fundamental theories in economics probable or turn them into mere ontological presuppositions or unverified hypotheses. With axiomatic affirmations, Islamic economics applies verified or self-evident and

valid ontological principles and finds an appropriate way based on its foundations and does not leave the theories baseless.

4. Based on some empirical principles mentioned in the table above, Islamic economics admits inductive reasoning and considers this method efficient in cases where statistical data are complete and there is a full grasp of the statistical population under study. However, induction is not enough by itself, and thus in order to achieve empirical knowledge, we also need to make use of rational premises; in other words, induction can be applied as a preliminary for the subsequent analyses. Therefore, taking account of its limitations, the empirical method can be used in Islamic economics in some cases. For example, proving the causation of a factor for a dependent variable needs observation and experiment to see whether that supposed variable is changing with the change of the factor. Besides, there is necessarily a need to find the direction of causation. Based on metaphysical principles, experiment cannot verify or reject anything. Nevertheless, the interpretative method is used to analyze economic activities as far as economic behavior is concerned, and so we can generalize in minor issues based on the experiment. In empirical cases, where no certain results can be achieved, practical reason orders us to follow our informed guess.

5. Since empirical and positivistic principles are not accepted in Islamic economics, objectivity therein conveys correspondence to reality in the positive aspect and achieving the goals in the prescriptive aspect.

6. Practical philosophy of Islamic economics is not merely a positive science; rather, it has prescriptive aspects too. Thus, “practical philosophy” seems to be a more suitable title than mere

Islamic economics. Having both descriptive and prescriptive parts, Islamic economics is included in the realm of practical sciences. Its positive aspect studies economic subjects, which are created through human will and knowledge as a result of the investigation of theoretical reason in the practical realm. Practical reason in the prescriptive part gives advice on economic policies, which form economic activities. The combination of positive and prescriptive parts in Islamic economics is called practical philosophy in Islamic economics. The prescriptive aspect applies the general rules of theoretical reason, as well as positive findings in its arguments. This leads to inseparable ties between prescriptive and positive parts in Islamic economics.

### **3.2 Conceptual Effects of Muslim Thinkers' Principles on the Theories in Islamic Economy**

Methodological principles of Muslim thinkers also have the following conceptual effects on Islamic economics:

1. Paying attention to the origin of preferences. When classifying branches of science, Islamic economics takes the origin of preferences as an endogenous variable compared to other economic factors and does not exclude it from the domain of economic studies. On the other hand, Islamic economic may achieve a new plan of economic decision-making factors in the light of its philosophical knowledge of the soul.
2. The economic man in Islamic economics does not neglect his goals but rather tries to achieve them. However, Islamic economics does not exclusively study rational human behavior but also studies other kinds of behavior with different motives and goals.
3. When sensory knowledge encounters metaphysical reason, it perceives its inherent limitations and does not reject the immaterial

world anymore. Thus, the ground will be prepared for using revelation and spiritual epistemology, taking prosperity in this world as a preliminary step for the sake of prosperity in the hereafter. In other words, there will be no contradiction between worldly and otherworldly prosperity, though worldly prosperity is not the ultimate goal of Islamic economics.

4. As mentioned in the section on methodology, the outline and content of theories in Islamic economics apply to inductive and experimental concepts, but these concepts do not form the main part of Islamic economics. In fact, the foundation of Islamic economics develops in the light of ontological knowledge, which is either metaphysical or spiritual, but not experimental. This foundation leads to experimental results, which are testable. If experimental results did not match the metaphysical principles, the metaphysical content will be reconsidered.

### **3.3 Objective and Social Effects of Muslim Thinkers' Principles in the Experimental Method**

These effects are considered from the perspective of actualization in the practical philosophy of Islamic economics and obtaining a second level view toward Islamic economics.

1. Practical philosophy of Islamic economics is not merely a positive science; rather, it has prescriptive aspects too. Thus, “practical philosophy” seems to be a more suitable title than mere Islamic economics. Having both descriptive and prescriptive parts, Islamic economics is included in the realm of practical sciences. Its positive aspect studies economic subjects, which are created through human will and knowledge as a result of the investigation of theoretical reason in the practical realm. Practical reason in the

prescriptive part gives advice on economic policies, which form economic activities. The combination of positive and prescriptive parts in Islamic economics is called practical philosophy in Islamic economics. The prescriptive aspect applies the general rules of theoretical reason, as well as positive findings in its arguments. This leads to inseparable ties between prescriptive and positive parts in Islamic economics.

2. The major problem in contemporary Islamic economics is incoherence, which is rooted in the inappropriate combination of the positive part of conventional economics and the prescriptive goals of Islamic economics. A problem of this inconsistency is the inefficiency to solve problems in Islamic society, as there is a sort of incompatibility between the goals and analysis of the reality. We can never pursue Islamic goals with inaccurate analysis, because we cannot achieve a suitable strategy to improve the current situation without having appropriate knowledge about realities in the present and future. Knowing the current situation and relying on its own principles, the practical philosophy of Islamic economics could achieve accurate understanding about the reality and then determine norms and give guidelines to achieve them. This way, incompatibility and incoherence in contemporary Islamic economics will be resolved. The practical philosophy of Islamic economics will not encounter problems which lead to normative-positive distinction in conventional economics if it sustains this internal coherence. Islamic economics owes this internal consistency to the acknowledgement of metaphysical reason. Furthermore, Islamic economics does not consider the study of ethical personal and irrelevant matter.

3. Although the practical philosophy of Islamic economics serves higher goals in Islamic philosophy, the goals are determined in

an endogenous way and not as a means for the owners of power and wealth.

4. Islamic economics as practical philosophy is not limited to instrumental aspects with positivist arguments only; it also includes arguments on understanding economic actions, prescribing economic goals, critical analysis of the status quo, and giving guidelines to achieve the optimal condition.

5. One of the requirements for achieving the practical wisdom of Islamic economics is to study the history of economic views and ethical concerns behind economic theories, which are usually neglected due to their long history before the emergence of the science of economics. This critical review is a sort of reverse engineering, which should be considered a preliminary step in studying Islamic economics.

6. With regard to the endogenous role of ethics and empirical materials in theories, it is needed to reconstruct the writing style and terminology in Islamic research papers. As for the writing style, using a hypothesis and then verifying it does not seem to have a place in non-experimental studies in humanities; rather, verified or self-evident tenets ought to be used to make a theory; that is to say, empirical materials do not play a role in accepting or rejecting fundamental tenets. “Presupposition” is also another inappropriate term that has entered scientific terminology in economic studies under the influence of positivism and should be avoided in Islamic economics.

#### **4. Conclusion**

According to what was mentioned above, the principles of Muslim thinkers paved the way for Islamic economics as part of practical

philosophy and provided a suitable theoretical framework in ontological learning about the soul for Islamic microeconomic theories and in social ontology for Islamic macroeconomic theories. The above discussion led to the following conclusions:

1. Inductive reasoning has just a marginal and not a main role in Islamic economics although its application is accepted.
2. Welfare in Islamic economics is categorized among intermediate goals, such as justice, which prepare the ground for ultimate goals, such as getting close to God.
3. The topic of economic man and his preferences is also part of economic studies.
4. Ethics is included in economic studies, and the prescriptive part along with the descriptive part composes the practical wisdom of Islamic economics.
5. Accordingly, the current inconsistency in contemporary Islamic economics is noted, and the descriptive aspect of practical philosophy has the responsibility to analyze the status quo so as to remove this inconsistency.
6. The practical wisdom of Islamic economics detaches itself from being instrumental and determines its endogenous objectives.
7. As a guideline to reconstruct Islamic economics, critical study of the history of economic views is necessary.
8. The writing style of research papers on Islamic economics should distance itself from hypotheses and presuppositions and instead shift to fundamental principles as well as descriptive, interpretive, explorative, and critical analyses, while using empirical materials as a complement.

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