

## **BOOK REVIEW**

### **Timur Kuran: The Long Divergence: How Islamic Law Held Back the Middle East**

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The long divergence by Timur Kuran explains the major causes of economic stagnation in the Middle East. It particularly gives attention to the countries of the Arab world including Turkey, Middle East and North Africa. Timur Kuran argues that Middle Eastern countries have been long underdeveloped and that leads into the declination of its economy in the modern era. What the author means by underdevelopment is that the Middle Eastern region has been relatively lagged behind compared to the western countries especially countries of the European continent.

As the author revealed, in the early period of Islam in the Middle East particularly during the 10 – 13 centuries, this region did not have an institutional disadvantage vis-à-vis Europe. In fact, Middle East was economically advanced than the West. Thus, question arises, how could this region then be held so far behind and succumbed to the western domination? This is the main question that led to the central thesis of this book which answer important reason of the Middle East underdevelopment. In general, the author argues that the economic underdevelopment in the Middle East was not due to colonisation, or the conservative and anti-scientific attitude of the people. The author meticulously argues that, Muslim's failure to reform and revive

the Islamic legal practices (Islamic law/shariah) is the main reason behind the Middle East underdevelopment. He notoriously argued that the lack of interpretation and re-interpretation of Islamic law that related to businesses and commerces somehow harmed Muslim economically. Islamic institutions that includes Islamic law of commercial partnerships, the Islamic inheritance system and the religious endowment system, according to him, had failed to progress. As stated in his previous articles (notably Kuran 2001, 2004a, 2004b), he is consistent in his finding of the root cause of Middle Eastern countries underdevelopment. However, in his recent book, he has critically analysed the cause of the Middle East region's underdevelopment back to pre modern era between the 15th and 19th centuries in particular during the Ottoman's period.

The book consisting of four parts, starts the discussion with an introduction, followed by a discussion on the organizational stagnation in the Middle East, then continues with the arguments on how the underdevelopment began. The final part is the author's conclusion. In his first part, Kuran briefly introduced the current economic situation in the Middle East countries and conveyed that the Middle Eastern countries are relatively declining and falling behind the world's richest countries. The failure of Muslims to respond to the major transformation of business organisations in 19<sup>th</sup> century leads into the declination. It is asserted that, the western mobilisation of mass saving to support the exploitation of new technologies and the emergence of new complex organizations in the west has vanquished the development of Muslim economy. The author has also attempted to analyse the role of Islamic teachings and how it has affected economic activities. .

The second part contains the most striking and controversial discussion, in which Kuran argued that the stagnation of Middle Eastern economy was due to the failure of Islamic institution. What he means by this is that the rigidity of Islamic law and the nature in which Islamic law responses to the societal and economic changes. The most obvious failure according to the author were Islamic partnerships system, inheritance system, law of capitulation and the failure to develop a large corporation among Muslim. Although cooperation is not unusual in Islamic tradition and in particular among Muslims in doing business, the ability to venture into large cooperations among the Muslim community was very low. In Islamic tradition, business was formed into small and ephemeral businesses, whereby, instruments such as *musyarakah* and *mudharabah* were widely used. Meanwhile, in the western society, the formation of corporation has long evolved. Western companies have managed to form large corporation and in consequence of such cooperations, they are able provide large capitals and credit with very low interest. The successfulness of western companies to establish large conglomerate have however, failed

to influence the Middle Eastern merchants to evolve. The rejection of such innovation, to Kuran, was due to the inheritance system that hindered the idea of large corporations to emerge in Middle Eastern societies.

The egalitarian approach in the Islamic inheritance system, to him, was believed to be a source of failure for the Islamic partnerships to evolve. Kuran then argued that the inheritance system itself promotes asset fragmentation. Although waqf, widely practiced waqf ahli, has become a tool to prevent asset fragmentation, the restricted use of waqf asset have instead hindered technological changes, capital pooling and organizational development. Another issue that has also been a concern in his writing is the durability of business cooperation in which he argues that, as compared to western society, the practice of primogeniture was a norm whereby the eldest son is most likely to take over the wealth upon the death of a paternal figure in the family. The primogeniture in the west is the key point of the emergence of conglomerates in which asset would be pooled into certain individuals or in this case, the eldest son of the family.

The author acknowledged the roles of waqf in providing basic necessities in societies and agreed that the essence of cooperation lies in the waqf instrument. However, it is claimed that the lack of innovation and over usage of waqf as a wealth shelter has diminished the definite role of waqf. The failure of waqf instrument to evolve has also leads to the de-utilization of waqf assets in Muslim community itself. By analysing the western practice of trust, the author has mentioned that, “in part of Europe, some universities were founded as trust but they quickly became self-governing and self-renewing”. It is agreed that the notion of self-governance of sub-communities was not adopted in the Middle East which was due to the presumed comprehensiveness of Islamic law.

Given all the above mentioned facts, Kuran then offers his views on the factors that lead into the institutional failure to reform. What is more important in Kuran’s argument is that the lack of demand from the societies for the institutional transformation. It could also be argued that the rigidity of Islamic law to respond to the institutional reform could also lead to the delay of economic modernisation. This was explicitly discussed in chapter 7.

Part III in his book provides detail arguments and compelling explanations of the Middle East’s stagnation in the period before the eighteenth century. In the following part, he delineates the ascent of western institutions in the nineteenth century. On that particular century onwards, western institutions such as civil legal institution, banks, capitulations system and corporations were imported into the Middle East. The establishment of those particular

institutions was believed to be due to the growing numbers of western merchants in the region. This would also create a western domination in the Middle Eastern commerce. As mentioned in page 269, “preceding the Ottoman – French capitulations, maritime cities of Italy dominated commerce between the Muslim- and Christian shores of Mediterranean”. Moreover, the entry of western powers in the Middle East disproportionately favoured the Christians and Jews over the Muslims. It led to the de-Islamisation of commerce and international trade and finance in the nineteenth and early twentieth century.

Despite of the fact that some of Kuran’s arguments are rather controversial, this groundbreaking study is a must read. It certainly opens up novel and important doors of enquiry. It would be suggested for the academics and postgraduate students who are doing historical studies on Middle East, Islamic Law or Islamic Economics read and critically analyse this book as it sheds light on the mechanism of Islamic legal institutions and their impact on the economic performances in the Middle East.

## REFERENCES

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