

**A Rejoinder by Masudul Alam Choudhury
to the comment on**

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Islamic Critique and Alternative to Financial Engineering Issues

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This is a very brief rejoinder to the above critique of my critique of financial engineering in Islamic epistemological perspective. The purpose of this rejoinder is to point out saliently some of the misgivings on the part of the commentator in his comment. The purpose is not to be elaborate on various points in which I find the commentator to be shallow in his examination of facts and understanding of the paper as presented. By this rejoinder I hope that the misgiving on the mind of the reader will be assuaged by the meaning of the arguments presented in the paper but not understood by the commentator.

Review of the literature

On the style of the paper the commentator says that the paper does not have a review of the literature on financial engineering. A review of the literature is redundant when an elaborate section has been presented on various aspects of conventional theme of financial engineering in the literature. Embedded in this section is the mention of those authors that are relevant to the theme of the paper. The commentator's remiss is inexcusable, for he ought to know the reason behind the redundancy of not overextending a paper by yet another review of the literature.

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It should also be mentioned that the epistemology of the Islamic constructed methodology on which every scientific investigation and worldview must rest, has not been the pursuit of contemporary Islamic authors. Hence there is no literature in this area that has been contributed by them that is worthy of notice. This remains a great remiss in the fold of a socio-scientific understanding of the financial universe. Indeed, the financial universe embedded in the socio-scientific entirety is not bereft of the epistemological moorings to make social and ethical sense in respect of the relational world-system of unity of knowledge that underlies epistemological investigation and explanation.

‘Methodology’ *qua* ‘method’

Not all scientific works except the revolutionary and paradigmatic ones are epistemologically *methodological*. Methodology for normal science may not hold up any trace of epistemology. Thus if one checks out the methodology of present-days’ Islamic economics and finance, there is no invoking of epistemology in them of any kind. If you inquire how an Islamic economist investigates the subject matter of poverty alleviation, in which area the commentator had sparsely published in his colleagues’ edited books, we find that he uses no trace of any methodology except certain well-received notions of poverty and its methods of alleviation with an outer cover of Islamic development approach. Thus a methodology is present in such an approach by way of using the usual tenets of mainstream arguments.

But an epistemological methodology based on *Tawhid* and the world-system, *i.e.* understanding poverty alleviation in such a case, has not occurred to the Islamic social scientists. Einstein (see Bohr, 1985) remarked in his scientific letters that there is no science without epistemology. Hence the derivation and basis of epistemology as methodology is the *epistemological methodology* that I refer to in my paper. This meaning of *methodology* is altogether different from the crass idea adopted by the epistemologically unmoved in Islamic socio-scientific knowledge.

Next consider the comment that the commentator makes regarding what he misunderstands regarding the author’s stand in the paper on *methodology* and *method*. Nowhere are these two concepts claimed to be the same. They cannot be. I have upheld this fact for a long time now. The chapter on *Postscript* in my book, *Comparative Economic Theory: Islam and the Occident* and my many published papers altogether testify to this fact of rejecting the equivalence of *method* with *methodology*. What has been testified to here is this: *Methods* arise from the kind of *epistemological methodology* that is invoked in scientific investigation. For instance, a neoclassical use of calculus to study optimization behavior is based on the epistemology of rationalism and the rational man who

is seen to optimize everything. Contrarily, in the epistemological learning open world of Islamic unity of knowledge, and the world-system so constructed, give rise to methods appropriate to this very epistemological context of unity of knowledge (*Tawhid*) and the unified world-system that the epistemology constructs.

Ontology and other terms

The commentator should be adequately qualified, or he should not venture into this area of functional ontology versus metaphysical ontology *qua* Heidegger and Kant. Incidentally, the commentator picked up this quibble from a mere footnote in my paper. These terms did not receive mention and detailed coverage in the main text of the paper anywhere. Even in the footnote, the term *functional ontology* has been briefly defined as formalism out of the epistemic meaning to formalize the idea being presented. In this sense as defined in the paper, functional ontology as formalism is a methodical delineation of the underlying methodology. I went through my paper again to find the use of the terms ‘methodology’ and ‘method’ in it. I found nowhere any confusion.

The use of the term ‘methodology’ is related to the argumentation and articulation of the idea, which is the epistemological one. The usage of the term ‘method’ is purely by way of a formal usage as artifacts, as in the form of selecting such artifacts as ways to explain the ‘methodological’ epistemic premise. In my case, this original epistemological premise is *Tawhid* and the unified world-system, which the *Tawhidi* epistemology studies and analyzes. The commentator has thus gone wrong by his misconstrued interpretation of the author’s usage and connotation of the substantive difference between the ideas underlying ‘methodology’ and ‘method’, ‘ontology’ and ‘formalism’.

Financial sector and real sector

I want to come to another misgiving by the commentator. This is his complaint that I have used the financial sector and the real sector as two independent ones in my analysis. Nothing can be farther away from the fact as presented in the paper. What is presented in the paper is the way that mainstream economics – financial engineering, views these two sectors as opposed, independent and competing ones with each other. In my Islamic (*Tawhidi*) explanation of organic unity between the financial and real sector the *Tawhidi* form of relationship unified together to generate the money, finance and real sector interconnection is explained. The commentator has failed to note this fundamental message of my paper. He has therefore not understood it.

Mathematics and Phenomenology of the Primal World-System

It is pity that the commentator does not recognize the logicalness of mathematics as opposed to its use as tool in understanding phenomenological facts. The paper has explained the use of mathematics as tool belonging to the area of ‘methods’. Contrarily, the logicalness of mathematical constructions in explaining the structure of learning processes (systems) does not belong to the area of ‘methods’. It constitutes the mind of the epistemological idea where language fails to articulate reality effectively. Samuelson (1970) commented in his *Foundations of Economic Analysis*, saying that ‘mathematics is language’.

The poverty of understanding philosophy of science extracted for the study of phenomenology is a great debility among Islamic social scientists today. This debility has found its mark in the commentator in his inability to understand the mathematical nature as opposed to the sheer mechanism, of the phenomenological truth of *Tawhid* and the learning world-system of unity. Islamic economics and finance in respect of its contrary understanding of financial engineering away from the mainstream genre belongs to the phenomenological logicalness of the mathematical structure. That is where the Godel and Tarski (Smullyan, 1992) logical mathematical methodology as opposed to the artifact of method, lays down rich intellectual grounds.

An Intellectual Challenge

Finally, I want to give a challenge to the commentator and to the Islamic economic and finance gurus. If you have another way of formalizing the essentially epistemological truth of the unity of the divine law, *Tawhid* in relation to the world of unity of knowledge that *Tawhid* builds, and then point out how such a formalism can be applied to the mathematical ‘everywhere’ as Barrow (1991) refers to it, then bring it forth. If you cannot do so, then honor the thoughts and the writings of those who endeavor in this blessed path referring foundationally to the *Qur’an*, the *Sunnah*, and the fellowship of discursive intellection.

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