

Islamization of Economics: Concept and Methods

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Translated by: Mansoor Zarra Nejad

Is it possible to have an economics with Islamic attributes? If yes, does it not negate the universal economic law and traditions containing different social systems? This paper attempts to provide the above two questions with profound answers as the following:

a. Although any field of science is generally distinguished by its descriptive issues, i.e. the rule it secures, every field, (and the social sciences including economics in particular) consists of certain aspects based on pre-determined values, inevitable for any researcher to ignore them.

b. Although Shariah texts are the source of values, much of these texts contain descriptive issues about economic life too.

Replacing the values cited by economics (as mentioned in a.) with Islamic values and the attributes stated in b. are added to descriptive issues of economics attained so far, Islamic economics may be generated.

This paper examines the relation between Islamic economics and *fiqh* as well, and proposes a practical model for Islamization of economics.

Keywords: *Islamic economics, value-bearing issues, economic issues Islamic economic method, fiqh.*

Iranian constitution and international standards in terms of quality and quantity

Keywords: *cooperation, cooperative companies, commercial companies, cooperative movement, cooperative (third way) economy*

Credit Cards in Light of Fiqh and Shariah

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Along with the progress of time, new and novel ways and mediums are devised to facilitate the cause of transaction. Some of these vehicles do not conform fully with Islamic *fiqh*. Therefore, it is the on Moslem jurists and lawyers to discover these cases, clarify Islam's position and guide Moslems society. One of the instruments, the use of which has grown rapidly, is the credit card. The cardholder can cash any time or charge for the services and goods. In transaction with this instrument, numerous elements (parties) such as the card issuer, cardholder and service or goods provider parties are involved. The legal relations among these parties and their revenues and benefits have been subject to *fiqhi* debates and controversies

Explaining the major theories with regard to the legal relations among the involved elements and the nature of revenues and benefits of each one of these parties, the paper argues for his favorite theory and points out the permissible and impressible transactions from contemporary Sunni jurists and lawyers' viewpoints.

Keywords: *credit cards, card issuers, cardholders, money order, loan*

The Responsibilities and Limitations of an Islamic State in Monetizing Budget Deficit

Mohammad Ismaeil Tawassoli

Budget deficit policy is one of development plan instruments, however, monetizing it may result in sever inflations which in turn, leads to unjust income distribution and disarrayed monetary function. Reviewing the verses and traditions the author shows that the state being responsible for the implementation of justice, will not adopt a policy that leads to an unjust income distribution in the society, let alone, that the verses and traditions forbids the violation and relaxation of common and conventional measure. Since money is one of the most important assets and as a measure of value, the price of all other assets are measured by money, disordering it will result in much worse and undesirable economic implications. In spite of this, and Islamic state may use this policy, for the sake of securing the main system an economic growth, provided that, it is done temporarily and after the policy of coordination of wage payments is introduced.

Keywords: budget deficit, monetary policy, monetization of budget deficit, Islamic state, policy of payment coordination

Ccooperative Economic in Islam

Gholamreza Sarabadani

Due to its effects on the realization of social justice and acceleration of growth trend, cooperative economy, as one of the major economic sectors in the Islamic republic of Iran, occupies a high status and importance. As far as examined in this paper, it seems that there is nothing wrong with activities of the cooperatives from fiqhi point of view. A more serious and precise planning in the cooperative sector can help it expand and develop to a satisfactory level, to meet the demands of

state and public choice schools, the paper sheds light on the objectives, functions, terms of reference, and resources of an Islamic state and its distinctions with other (secular) states.

The comparison carried out in certain aspects such as the ultimate objective of the state's activities, the resource ownership, the rational principle suggesting government's intervention, the relationship between the government policymaking, social security, the elimination of poverty and injustice, production of public goods, production of goods with natural monopoly, redistribution of income, social balance, and the way of decision making all indicate that, an Islamic state may have many things in common with a non Islamic state. However, it is a far cry from the mainstream perspectives. The theory of an Islamic state in the economic arena enjoys a full independence due to differences in objectives, methods, and instruments.

Keywords: State, Islamic economy, Economic Thinks, Public Fininc, Welfare state, public choice.

Economic Justice from Plato, Aristotle and Islam's Viewpoint

Hasan Aqa Nazari

Abnormal phenomena like unemployment, instable prices, currency depreciation etc. are the signs of economic injustice, in the area of economic relations; therefore, economic justice has always been and will be a concern for economic thinkers.

The paper is aimed to assess the nature of economic justice in Plato and Aristotle, ancient Greek social thinkers, and from Islam's viewpoint.

Keywords: Justice, Economic justice, Law, Seemliness

labor supply in Islamic economic

Syed Husain Mir Moezzi

Using the classical work- leisure model, this paper assesses the labor supply of a Moslem individual in *ijara* (hiring) and *musharakah* (participatory) labor markets and presents the labor supply function and labor supply curve and the aggregate supply of an Islamic economy.

The paper first explains the work-leisure model in conventional economics and shows how to use it for analyzing the labor supply. Modifying some concepts used in this model, the paper than, shows the capability of the conventional work-leisure model for assessing the labor supply of a Moslem individual. Having this adjusted model, it analyzes the labor supply in *ijara* and participatory markets from a microeconomic perspective and presents its function and curve. Summing the microeconomic functions horizontally and changing microeconomic variables to macroeconomic ones, the aggregate supply function and curve for labor in *ijara* and *musharakah* markets are derived. In conclusion, the criterion for selecting the type of market by labor force is introduced.

Keywords: *labor supply, ijara market, the labor participatory market, leisure-work model, Labormarket.*

The Role of State in the Economy

Majid Rezaei

The emergence of various theories on the role of state in the economy, in the contemporary era has necessitated the clarification, specification, and carrying out a comparative study on the place of the state in an Islamic economy. Pointing to the common features of an state in Mercantilist, Physiocrat, Classical, Neoclassical, Keynesian, Welfare