



المعهد الثقافي الإسلامي في إيران

Institute for Islamic Culture & Thought
A Quarterly Journal in
Islamic Economics



مركز البحوث الاقتصادية الإسلامية

EGHTESAD—E ISLAMII

Vol. 13 / No. 52/ Winter 2014

الاقتصاد الإسلامي
مجلة اقتصادية إسلامية فصلية

العدد: ٥٢ الشتاء ١٤٣٥

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EGHTESAD-E ISLAMII

Vol. 13 / No. 52 / Winter 2014

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Published Jointly by Islamic Culture and Thought institute & Islamic Economic Association of IRAN

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Ethical Foundations of Economic Security

Nasser Jahanian ^{*}

Economic security is based on a series of ethical principles and values without which this important economic goal of Islam won't be materialized. The existence of relatively abundant wrongdoings, crimes and sins regarding the ethical issues in the economic behaviors of individuals, private businesses, governmental, non-governmental and semi-governmental organizations and even charitable foundations makes studying the ethical foundations of economic security a necessary task.

The present study is of an exploratory nature and its main question is that what ethical principles and values directly affect economic security. The research method, here, is the analytical deductive one. The findings show that the stable, just and sympathetic economic security would be materialized if individuals' internal capacities and controls and Islamic ethical traditions come into operation in the society, markets, constitutions, public regulations and ethical inferred policies.

Keywords: *Ethics, Economic Security, Internal Capacities, Regulations, Policies.*

JEL classification: Z10, Z12, Z19.

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Legislative Gap regarding Non-Current Receivables in the Interest-Free Banking Law

Sayyed Abbas Musavian *

One of the serious gaps regarding the interest-free banking law is that it neglects the issue of non-current receivables and doesn't provide us with jurisprudential methods for its management, while one may suggest, on the basis of rich Islamic jurisprudence, several obligatory solutions for preventing and treating the problem of non-current receivables, as well as motivational and moral solutions.

In this paper, the author tries to investigate the issue of legislative gap regarding non-current receivables and, examining the status quo, offers some concrete suggestions for a new chapter being added to the interest-free banking law. It seems that introducing this paper's findings, as obligatory and persuasive legal articles and clauses, into the interest-free banking law may lead to, first, the law being reinforced, second, the legality of methods applied in the Iranian banking system regarding the issue of non-current receivables being augmented, third, the central bank's supervisory measures being improved, and forth, the interventions of non-specialist institutions in the banking activities being prevented, all of which eventually set the scene for the non-current receivables being reduced.

Keywords: *Interest-free Banking Law, Non-Current Receivables, Late Payment Penalty, Commitment Fee, Islamic Jurisprudence.*

JEL classification: : E52, D53.

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Examining Factors' Role in Oil-Free Economy in the Resistive Economy Paradigm

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Mohammadhasan Kamfirozee **

Seyyedeh Ashraf Mousavi-Loghman ***

The importance of broaching the issue of resistive economy and designing a dynamic economic system which can guide Iran through this sensitive historical period is clearly apparent in the words of the supreme leader of Islamic Republic of Iran. Given the necessity of adopting a systematic view to the topic of economy in the supreme leader's thoughts, this paper tries to establish a reasonable and systematic relation between different factors and their role in the resistive economy and oil-free economy.

In this paper, at first we review the literature of this research field and explain the resistive economy topic, and then, deal with the paper's main body which is its methodology. Thus, at first, using grounded theory method, we elicit the different topics of resistive economy from the supreme leader's words which are of a higher importance and relevance, and then, using Grey DEMATEL method, we investigate how each parameter makes an effect on and plays a role in the process of the factors' interaction, and finally a conceptual model is presented.

Keywords: *Oil-Free Economy, Resistive Economy, Grounded Theory Method, Grey System, DEMATEL Method.*

JEL classification: Q43, Q48, Q33, Q38.

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A Study of Balance of Foreign Payments in the Context of Islamic Economics

Saeed Farhani Fard *

Ayatollah Zangi Nezhad **

International economics is an essential part of economics and of a great importance in all economic systems, including the economic system of Islam. Not so many studies, however, have been done about this issue from the Islamic viewpoint. In this paper, investigating the economic relations between Muslim countries, we examine their balance of foreign payments and extract their balance of payments (BP) curve. Our hypothesis here is that "eliminating interest rate would not lead to recession in the Muslims' international transactions, and the expected turnover rate can be an efficient substitute for interest rate." On the basis of this hypothesis, and using a library approach, exploiting the ideas of Islamic economics experts, and utilizing the mathematical relations, we have found that economic relations between the countries making an Islamic system are definable, that eliminating the interest rate from Muslims' transactions does not have a negative effect on them, and that such substitutes as the expected turnover rate could be proper substitutes for interest rate. With some assumptions, the relations between Islamic and non-Islamic countries are arguable, with which we have not dealt in this paper.

Keywords: *Macroeconomics, International Economics, Islamic Economics, Balance of Foreign Payments, Interest, Foreign Investment, Balance of Payments Curve.*

JEL classification: F00, Z12, E40.

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Interpreting Riba Verses: a Cognitive Approach

Ali Asghar Hadawinia *

The status and importance of Riba's being interdicted in Islam is beyond question. The main question in the present study is that why Quran describes Riba as a banned and illegitimate economic behavior. The answers given to this question are sometimes called the philosophy or the wisdom of Riba's being interdicted. The course taken here in order to answer the question is based on the cognitive approach to economics. In fact, one can give it a novel answer through the cognitive analysis of Riba's nature. The hypothesis here is that on the basis of Quran verses, Riba's nature is related to a cognitive disorder. How we answer the aforementioned question has considerable motivational implications regarding the formation and prevention of this behavior.

Keywords: *Riba, Cognitive Approach to Economics, Riba in Quran, the Philosophy of Interdicting Riba, Cognitive Disorder.*

JEL classification: E43, E40, Z12.

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Interest Rate Swap Contracts; a Survey from the Imamiyyah Jurisprudential Viewpoint

Mohammad Javad Mohagheghnia *

Hossein Tamaloki **

Hadi Khajezadeh Dezfouli ***

Nowadays, as financial institutions have developed and the scope of trading has extended, risk management has become significantly important in the economic studies, and various approaches and instruments have been developed to manage and reduce the different types of risks. One of widely-used instruments in risk management is swap contract, in which a set of fixed cash flows is exchanged with a set of floating cash flows.

Interest rate swap contracts, as a type of swap contracts, play a critical role in managing and hedging the interest rate risk. This article, besides introducing this financial instrument, using a jurisprudential approach, tries to investigate the possibility of using this contract from the viewpoint of Imamiyyah jurisprudence and examines the possibility of its being adapted to the common Islamic contracts.

In this study, the possibility of interest rate swap contracts' being adapted to "Bai'al-dain bil dain", "Ba'i al-Kali bil Kali" and "Solh dain bil dain" has been examined and the practicability of their being used in the form of "Solh dain bil dain" has been confirmed. As to the interest rate swap contracts, due to the doubt of their being Gharar and Riba, we concluded that the common interest rate swap contracts in the west are not compatible with the principles of Islamic contracts and Shi'a jurisprudence, and that we may not use this instrument in the Iranian markets.

Keywords: *Financial Derivatives, Swap Contracts, Interest Rate Swap Contract, Risk Management.*

JEL classification: Z12, E44.

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