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Fiscal Policy in Moqawama Economy Strategies

Ali Khaleghian Meymand^{*}

Mohammad Vaez Barzani^{**}

Mohammad Reza heidari^{***}

Mahdi Toghyani^{****}

Abstract

The Government can use appropriate fiscal policy to address the Weaknesses and strengths of economy and take steps in order to achieve national production boom and eliminate poverty and unemployment. In this research by the aim of determining the priority of fiscal policy based on Moqawama Economy strategies fiscal policies were examined and also the economic intellectual pattern in Iran in order to determine their closeness to Moqawama Economy strategies were analyzed.

Descriptive method is the method of this research. In these area economic justice criteria, economic growth, economic stability, economic internalization, and resistance against threats are as Moqawama Economy indicators. Then by the Analytic hierarchy process (AHP) method selected policies that have the highest impact on implementation of Moqawama Economy strategies have been ranked and active intellectual patter in Iran economy based on closeness to Moqawama economy strategies were ranked too.

The results of the research showed that "the establishment of a comprehensive economic information system for improving the economic and tax structure in the country" has the most importance in a

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policy based on the Moqawama economy strategy, and the intellectual pattern of "Islamic economics" is the most closely aligned with the Moqawama economy strategy in fiscal policy environment.

Keywords: *Moqawama economy, Fiscal policy, Analytic hierarchy process (AHP), Economic justice.*

JEL Classification: P52 .P51 .H50.

Economic Corruption from the Viewpoint of Institutional Islam

Ali-asghar Hadaviniya *

Saeed Khadivee Rofougar **

Abstract

Without an unanimous concept in economic corruption that involves examples to measure and observe the status quo, any try to resolving it will be unfruitful. To reach this, any conceptualization should be done under intellectual and value systems. In this research, with a review of current definitions in economic corruption, it was cleared that most of these definitions in traditional economics, because of being affected from capitalist foundations, have been subjected to public section and have several insufficiencies. Based on this and with regard to institutional economics' approach, the best method for explaining the concept of corruption in any society is the use of norms and institutional and conventional values of that society. Regarding this and referring to institutional religion as a representative of cultural-conventional values in society, shows that in Shiite tradition, unlawful (haram) businesses, because of its' place in formal and informal institutions, is the most accurate and deepest conceptual equivalent for economic corruption from the viewpoint of Islam. An index was also designed with attention to some of most important examples that was measured in Radavi shrine surrounding structure. Results show that more than half of the economic activities of that part are alluded with corruption.

Keywords: *Economic corruption, Institutional economics, Unlawful (haram) businesses, Islamic economics.*

JEL Classification: D73 D79, Z12, Z19.

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Nature and scope of Murabaha contract from the perspective of law and Islamic jurisprudence

(With emphasis on usury-free banking operations)

Sayyed Mohammad Hadi Qabuli Dorafshan *

Sayyed Mohammad Mahdi Qabuli Dorafshan **

Abstract

A serious question about Murabaha is whether the nature of this contract is a sale or other barter can be concluded in the form of Murabaha. Another question is: are there any restrictions as to the subject of Murabaha? This paper, through a descriptive-analytic method, aims at explaining the nature and subject scope of Murabaha from the perspective of law and Islamic jurisprudence, and studying the issue from the perspective of regulations on usury-free banking operations and especially analyzing the nature of legal relations of granting facilities in the form of Murabaha cards. The outcomes of study show that Murabaha is not restricted to sale and physical properties (Ayan). The current banking regulations confirm this result. Performance of Murabaha by bank or institute following the issuance of Murabaha card, is justifiable through card holder's agency in buying on behalf of bank or the agency of card receiver's agency in transferring goods and services on behalf of bank. The following text has been suggested to be added to the Civil Code as article 341 bis: "Sale and other commutative contracts may be concluded in Murabaha method. Murabaha is a method in which the transferee of a financial right (including rights related to physical property, profits or services), while informing the right applicant of the capital and costs spent to acquire the right, transfers the right to the

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applicant by one of the commutative contracts with considering the rules of that contract after having added an additional amount or percentage as profit”.

Keywords: *Murabaha contract, Murabaha card, Banking operations, Usury, Sale contract.*

JEL Classification: K1, K2, P4.

“Rule” or “discretion” In Islamic central banking

Vahid Moghadam *

Ehsan Ali Akbari **

Mohammad Reza heidari ***

Mohammad Vaez Barzani ****

Abstract

The rule against discretion is a key issue in monetary policy research. There are many studies that each recommends the use of one or a combination of both Islamic Central Banking has not been the exception, now the question is about the Islamic central banking, which one under the ideal assumption and realistic condition is comply with the Islamic teaches, it needs research.

By a definition, the discretion has three completely arbitrary, optimistic, and re-optimal types between the time when the former and the second are not desirable, but the third one has advantages that it can verified against the rule.

This paper by descriptive-analytic method shows that within the framework of an Islamic state with an ideal assumption although re-optimization has the positive points of the rule and it has no weaknesses of that, it is preferable to prefer the rule, but given the institutional characteristics of the central bank, The money authority is not directly chosen by the Vali-e- Faghih and is not monitored by him. According to the existing empirical evidence, the existence of time incompatibility,

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political business cycles and financial domination in the Iranian economy, from the point of view of the Maslaha of the system, obliges the monetary authority to use an appropriate monetary rule is better in the context of a secondary verdict.

Keywords: *Islamic central banking, Iran central banking, Rule against discretion, Maslaha rule.*

JEL Classification: E58.

The rules of conditions in term of contract

Case study: penalty condition

*Sayyed Amrollah hosseini**

Abstract

One of the problems of the banking system is the delay in repaying debts. In order to solve this problem Islamic banks use penalty condition in term of contract. But this condition is questionable due to its similarity to Riba and disagreements among the researchers. Proponents believe that the title of the realization of this condition and giving excessive amount is offense and fault of the customer and not the extension of the deadline and therefore this condition is not consistent with the Riba and according to the proofs of the conditions is necessary. In this research by descriptive and analytical method stated that, firstly what are the terms and conditions of opposition of the Quran and Sunnah in the contractual terms? Secondly is penalty condition dose not have this rule and remains necessary? The result of this paper while solving a major jurisprudential issue will be an important step in solving the bank claims challenges.

Keywords: *Terms of contract, The condition against Quran and Sunnah, Riba, Penalty condition, Bank claims.*

JEL classification: Z19, Z12.

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Optimal Values of Fee and Share of Deposit in Islamic Banking

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Abstract

Reviewing the performance of the banking system in the form of precise and coherent mathematical models allow us to have a more accurate understanding about the function of banking system. The important question in this regard is about the possibility of using dynamic stochastic optimization models despite the technical and legal complexity in the Islamic model for raising money.

This research based on the given complexity of the Islamic model of banking try to bring the Islamic banking theory of funding in a dynamic stochastic optimization model framework for the first time and take a step towards the development of quantitative models in this regard.

Keywords: *Funding, fee, Hagh-Al-Veklah, Dynamic stochastic optimization.*

JEL classification: G34, G21, E42.

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Theoretical model for adverse selection problem in Islamic banking participation contracts

Sayyed Hasan ghavami *

Abstract

In this paper, we try to present a theoretical model for participatory contracts in the form of principal agent model in an asymmetric information conditions in game theory framework. Using the principal agent model, how can we solve the adverse selection problem in the Islamic banking contracts and provide a simpler and less costly model? There are two hypotheses to answer the research questions. One is the use of achievements of principal agent model in participatory contracts is more efficient. Another is the using principal agent model in an Islamic environment would minimize the adverse selection problem in this model. The results obtained from solving of the proposed model shows that by designing participatory contracts in a banking system the first hypothesis of the research is confirmed, also the results of the model confirms the cost of participation contracts in an adverse selection environment. The most important consequence of this research the possibility of the elimination asymmetric information condition between the bank and the client if the parties adhere to the religious and Islamic regulations, this will confirm the second hypothesis of the research. In addition it has been shown that the financial instruments in Islamic economics as new achievement of economics are usable.

Keywords: *Participation contracts, Islamic banking, Principal agent model, Asymmetric information, Adverse selection.*

JEL classification: C71, D82, D83, G21, G32.

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