

Islamic Economy: Its Ideological and Legal Foundations

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[Preface]

Every system, intending to achieve certain goals, must be designed in a realistic manner. Therefore, if the system is supposed to be implemented in order to serve human life, particularly in the long-run, it must serve man's goals and be consistent with his fitrah (primordial nature).

This is not possible unless the designer of the system has a command over the knowledge necessary for understanding social and individual aspects of man. Besides, the designer should have a thorough understanding of actual relations between those two aspects of man and the primordial nature of man as well.

In addition to those prerequisites, the designer should understand the historical trends of such a relationship, the needs for the development of such relationships and methods for pursuing those needs in order to realize an evolutionary, human approach toward actualizing the goals of the creation of man.

Indeed, the way the aforesaid satisfaction of needs is to be carried out should not overlap other systems which are meant for satisfying other needs of man. In other words, such a system should observe a wise balance and study the role and interrelationship of other systems which together comprise the whole system of life.

If we assume that the designer of the system possesses all those necessary prerequisites, we should assess subsequent stages in the process of achieving the desirable realism which is necessary for a system to be able to provide a proper context for itself.

By this we mean the extent to which this system is compatible with the norms and values of the society (where the system is to be implemented), the extent of consistence between those norms and values and the emotional values presented by the system, and finally the extent to which this system assures the realization of a desirable education to create social obedience for those ideological views and emotional values.

Although the system may be realistic, accurate, and rational in perceiving the reality and understanding its needs and their satisfaction, it will remain incapable if it is not preceded by an ideological impetus which supplies the society with bases for the stance that it should take toward the universe, the life, and the man itself.

Consequently, the ideological impetus will guarantee the system the element of iman [faith] rescue it from the most important civilizational maladies including ilhad [atheism], which is the opposite of iman, and shirk [polytheism], which signifies the excessive belief in false gods, and shakk [doubt], which is a manner resembling other destructive attitudes. Unless these requirements are realized, we cannot assure the provision of the first contextual element for the system's implementation.

Similarly, as long as the emotional motivations, which are the focus of education, are not perfectly compatible and harmonious with the ideological structure of the society, we cannot guarantee balance in man's personality when there is a wide gap between his beliefs and the internal and external values and motivations that the system provides in order to satisfy his needs.

Moreover, these emotional motivations cannot form human behavior and action unless they are strong and clearly defined.

So far, we have realized the necessity of two factors for every system intending to materialize its human goals: first, the planner's holistic approach towards human reality, including his relations and needs as well as their fulfillment concomitant with the rest of the system; second, facilitating its implementation through faith and compatible emotional motivations.

Realism, in turn, requires the following two fundamental factors: first, the system should contain legal guarantees binding all those who oppose the harmonious human nature or those few who have not chosen the complete iman or the full commitment to the requirements of iman; second, it has a perfect flexibility to accommodate the temporal and spatial variations in human life and provides fixed solutions for fixed elements of human life and flexible ones for the accommodation of its alterable elements.

We believe that Islam was correct in announcing its rule in the form of general rules. Thus, it did not ignore any one of those aspects, but observed them perfectly and completed the religion which provides appropriate answers to man's needs till the Day of Judgment.

Accordingly, it announces that the whole Islamic system is based on reality and nature and that it is the fixed truth aiming at serving human beings and accomplishing the purpose of his creation. Thus, it enjoins whatever is desirable and forbids whatever is refused by the nature.

God, the Exalted, says:

"Then set your face upright for religion in the right state, the nature made by Allah in which He has made men. There is no alteration in Allah's creation. That is the right religion but most people do not know." (30:30)

"Say: O people! Indeed there has come to you the truth from your Lord ..." (10:108)

"O you who believe! Answer (the call of) Allah and the Apostle when he calls you to that which gives you life, and know that Allah intervenes between man and his heart, and that to Him you shall be gathered." (8:24)

"Those who follow the Apostle Prophet, who was taught neither to read nor to write, whom they find written down with them in the Tawrah and the Injil [Old and New Testaments], (who) enjoins them to do good and forbids them from doing evil, and makes the pure and good things halal [lawful] for them and makes impure and harmful things haram [prohibited] for them, and remove from them their burden and the shackles which were upon them. So (as for) those who believe in him and support him and help him and follow the light which was sent down with him, they are indeed the saved." (7:157)

The proof of this argument is the same one that proves its attribution to the Great Creator as it proves for this Creator all attributes of knowledge about all facts and full, absolute control over the formation of shari`ah (the comprehensive body of Islamic rules), and perfect kindness to the servants and other attributes which are not imaginable for any body other than Him the Exalted.

We are not to present any reasoning for this but only point to the Holy Qur'an's emphasis on this fact in all occasions when it points to Allah's kindness and knowledge:
"Does He not know Who He created? He it is Who made the earth smooth for you, therefore go about in the spacious sides thereof, and eat of His sustenance, and to Him is the return after death." (67:14-15)

"Say: Allah suffices as a witness between me and you. Surely He is Aware of His servants, Seeing. And whomsoever Allah guides, is the follower of the right way, and whomsoever He causes to err, you shall not find for him guardians besides Him. And We will gather them together on the day of resurrection on their faces, blind and dumb and deaf. Their abode is hell, whenever it becomes allayed We will add to their burning." (17:96-97)

After this introduction, we try to discuss several points pertaining to the core of the discussion with emphasis on the following subjects:

- 1. Major attributes of the Islamic economy, their natural character, and Islam's emphasis on them.**
- 2. The proper grounds Islam prepares for its economic system.**
- 3. Relationship between this system and other systems.**
- .4. Flexibility of the Islamic economic system**

When we study the Islamic economy as a way which Islam prescribes for individual and social behavior in the economic field and examine Islam's rules in this area, we can conclude that its most important attribute is social justice. In this respect, the Islamic economy resembles all other systems that claim to be serving human being and realizing his social aspirations but it differs from them in the details of its conception of social justice.

Justice cannot emerge unless the following requirements are present: first, believing in the private and social property on an equal and advanced level in a way that the private property acts on the fulfillment of man's natural demands for possessing the result of his effort and obtaining the benefits of his business. While the public property aims at guaranteeing that social action enjoys a social product through which the provision of some needs and shortages would become possible.

Second, faith in individual economic freedom as a general, continuous, comprehensive principle which stems from the nature of the ownership along with the belief in the existence of some limits at which this freedom ends. This is for the purpose of either guaranteeing individual's interest as in the case of objects the use of which was outlawed because of the physical or moral damage that they could inflict upon the individual, or to secure others' rights and liberties which is also a natural guarantee admitted by all religions and human affiliations.

Third, faith in the principle of mutual responsibility. Islam guarantees, for every individual in the Islamic society, the subsistence level, i.e., provision of his natural needs. The government is obliged to provide this minimum for all and it is absolutely impermissible that even a single needy person is found in the Islamic society. Regarding how to make the society economically capable of doing this, the following factors may be mentioned:

- Obliging individuals to accomplish their responsibilities and duties with respect to the provision of the necessary needs of others. Since one of government's responsibilities is to compel individuals to perform their obligations, even those which are individual, it may bind individuals to carry out these duties as well.
- The legal power of waliy al-amr [head of the Islamic government] to determine the limits of public domain (saddu mantaqat al-mubahat) through legislation supplies the government with the desirable power.
- Public properties and anfal [properties with no particular owner/s] which are designated by the government as public properties which the government oversees and uses to achieve the above goal.
- Financial punishments and methods that are devised by Islam to transfer private properties to the public ownership as with respect to mawqufat [endowments] or the lands the inhabitants of

which perished or the dead without heirs and so forth.

- Nature of the Islamic legislation--as Shahid al-Sadr (r) put it--which aims at strengthening the social structure for the realization of this mutual responsibility.

Fourth, belief in the principle of social balance and refusal of the class system in the Islamic society. We came to know through the third point that the required minimum is to provide subsistence for all individuals. As far as the maximum is concerned, it may be assumed through the following factors:

1. The prohibition of tabdhir and israf [wasting and squandering] in all areas, therefore, an individual cannot possibly trespass to the line of israf.
2. The prohibition of every action that leads to misuse of particular properties, and of lahw [amusement] and mujun [impudence].
3. Rejection of all social and economic privileges which discriminate between different groups of people which, in turn, eliminates all the grounds for the emergence of the class system.

If we go back and scrutinize all of these features and expose them to human nature and conscience we will find them principles that may be admitted in a natural way. This explains the return of each of the two extremist systems of capitalism and socialism to a moderate position after its collision with opposing natural factors--as we believe.

The natural basis of these views is evidently emphasized by general regulatory and conceptual authoritative texts (nusus) that are numerous and to some of which we point here:

There are nusus that stress the inherence character of private and public property:

The Exalted says:

"And the man shall gain nothing but what he strives for." (53:39)

(naturally if we interpret it as including worldly possession).

Amir al-mu'minin (ʿa) says: "This property is indeed neither mine nor yours but it is a collective property of the Muslims ... what is earned by their hands does not belong to any mouths other than theirs."¹

There are some nusus that emphasize the economic freedom in a natural form the clearest of which is the rule on which all fuqaha' [Islamic scholars] rely, namely the rule (Al-nasu musallatuna `ala amwalihim [people are in control of their properties]). Naturally, there are some limits to this freedom which are mentioned by other nusus stressing that this restriction is only for the benefit of the individual and the society.

There are some nusus that emphasize the inherence of mutual responsibility and cooperation and further consider all kinds of negligence with respect to this principle as a general rejection of din [faith and religion]. The Exalted says:

“Have you seen the person who rejects the religion? He is the one who treats the orphan with harshness, and does not urge (others) to feed the poor.” (107:1-3)

Finally, there are some nusus that stress the necessity for the realization of balance in the society through their emphasis on the prohibition of israf and also the necessity of renouncing poverty and providing subsistence for every individual. The Imam (‘a) says, while speaking of the duties of the waliy al-amr [leader] toward the needy: “He keeps giving him from zakah till he”.makes him needless

The Proper Grounds Which Islam Prepares for Its Economic System

In this regard, the analyst can find in front of him a huge wealth of noble nusus that emphasize various concepts and numerous rules and fixed historical laws and that all serve the cause of Islamic economy and participate, in a natural way, in the realization of its far-reaching goals.

:We mention below a number of these issues

A. The Real ownership belongs to Allah, the Exalted

This principle is the most important tenet that forms man's image as it leaves its visible marks on the economic behavior of Muslim individual.

Ownership belongs only to the Unpaired, Almighty Allah and He the Exalted bestowed an assumed, legal ownership upon the human being so that it distributes the properties among its individuals and exercises this ownership according to the purposes that Allah chose for the benefit of humanity.

This notion has great influence on the exclusion of negative effects on ownership in its .absolute capitalistic form

B. The purpose is to reclaim the land through a joint, human effort and responsibility

In this way, the man believes that the human effort from the beginning to the end is one and that the important goal is to make the humanity subservient before God, establish the worshipping society and prepare the grounds for it through making the earth inhabitable, extract the greatest benefits from it to the advantage of all through performing the duties .arising from the joint responsibility. Diversion from this is diversion from the purpose

C. Ethical concepts in the service of economic cause

Islamic nusus are full of a magnificent ethical plan which leads to its contribution to this economic system and to the realization of its goals. Most of the riwayat [traditions], on one hand, encourage in the human being the spirit of cooperation, responsibility, Islamic fraternity, ithar [self-sacrifice], zuhd [piety], and compassion for the miseries and aspirations of others. On the other hand, they drive away from the human being such vices as stinginess, greed, exclusivism, transgressing the rights of others, opportunism, avarice, and envy. Imam Sadiq (‘a) counted all good manners as the troopers of ‘aql [wisdom] and all vicious attributes as the troopers of jahl [ignorance]. We can neither mention all of the riwayat in this regard nor touch on their educational details, therefore, only point to this particular fact that the Islamic ethics and educational system augment in human being the spirit of generosity before they emphasize the economic freedom and the possibility of using it to his own particular benefits.

The story of Qarun [Korah] is well-known for its focus on this ethical principle:
And seek by means of what Allah has given to you the otherworld's abode and do not neglect your share of this world ... (28:77)

This story and this principle is a multifaceted Islamic creed which, if prevails in the society, will
 .provide the greatest grounds for the implementation of the desirable economic system

D. Al-infaq al-mustahabb [commendable spending for a divine cause] and the extended life

Here, a wonderful aspect of the solution to the problem of conflict between the inherent motivations for serving one's self and the motivations for serving the society is manifested. According to this notion, one begins with the prolongation of his own life and ends up with a level of eternity in the hereafter. He finds out that self-interest and social interest are integrated; a notion that encourages him to make continuous infaq which does not ever run out of its driving forces according to the principle which says “whoever establishes a favorable habit he will be rewarded both for it and for the action of whoever follows it.” And here we would like to remind emphatically the extended effect of waqf since, as the result of these motivations, the private property is transferred to the public ownership and man's
 .permanent exploitation of his property is realized

E. Shukr al-ni`mah [gratitude for a blessing] means to make the best use of the wealth and avoiding its waste

The major problem in the global economic domain does not lie in the weakness of growth rates

of natural resources and their failure to keep up with the population growth rate but it lies in the failure to make ideal use of natural resources or, as the nusus put it, in kufran al-ni`mah [ingratitude for the blessing] and squandering the natural, mineral and animal resources and so forth:

And He gave you of whatever you asked Him for and if you count Allah's blessings you will not (possibly) obtain their number. Man is indeed very unjust, very ungrateful. ... (14:34)

And it is a kind of shukr al-ni`mah to make ideal use of the labor force and to avoid wasting it. For this reason, the nusus emphasize the continuous work and even declare it obligatory for those who are able

F. Relationship between moralities and material pursuits at the civilizational level

There is an amazing civilizational fact that nobody can perceive it except those who believe in the ghayb [the metaphysical world] and its various aspects. The Holy Qur`an stresses that zulm [injustice] leads to halak [annihilation] (Thus, because of their injustice We destroyed them) and that 'adl [justice] and du`a' [praying] and shukr [gratitude] leads, in a lawful way, to rakha' [comfort]

Ask for your Lord's forgiveness, surely He is the most Forgiving. He will send down the cloud upon you pouring down abundance of rain. And help you with properties and sons, and make for you gardens and make for you rivers. (71:10-12).

This fact arouses, in hearts, a great hope in the future, even the material future, and opens the way for a social and economic dynamism.

.Add to what was mentioned above other major factors that contribute to this background

Strong Connection with Other Systems

It is evident in all systems devised by Islam that they are put forward as parts of a larger system which includes, in general, the whole universe. These systems are in strong and close interconnection in such a manner that none of them can achieve its desired goal without the implementation of other systems (and naturally, we do not claim here that the obligation to set up the system hinges on the establishment of other systems but what we emphasize is the issue of system's achievement of all of its desired goals.)

In this regard the following points should be made:

A. Certain areas of the social system are reserved to be filled by the waliy al-amr (or by some one appointed by him) due to his ijtihad [ability to extract Islamic rule whenever needed] and

determination of the nature of the prevailing situations and ummah's interest. This is what we observe, for example, in economic, legal, and penal systems and in the institutions of waqf [endowment], mu`amalat [transactions], irth [inheritance], and so forth. This fact indicates the complete connection between these institutions and the ruling political system.

B. The economic system is strongly related to the system of `ibadat [worshippings]. This is the issue which is sometimes presented as the companionship of the prayers and zakah in tens of Qur'anic cases. Zakah and khums are two financial `ibadahs.

Financial kaffarat [expiations] are, in fact, also a huge economic participation by `ibadat system in the service of public economic interest. It should not be ignored that some `ibadahs like sawm [fasting] and hajj provide the elements of economic grounds, to which we clearly pointed. There are certain `ibadahs that strongly contribute to the public ownership such as waqf, if we require niyyat al-qurbah [proximity intention] in it.

C. The economic system and its goals and peculiarities naturally have a strong connection with the system of mu`amalat [transactions] which is designed in such a manner to provide the proper environment for the realization of mutual responsibility, balance, and dual ownership, emphasize the labor element, and prohibits riba [usury], 'akl al-mali bi al-batil [financial misappropriation], harmful acts, lahw [debauchery], and wasting of the wealth.

D. There is a considerable linkage between the economic system and the system of jihad [military defense] in Islam for the latter system involves, in addition to combative rules and methods, implications for ownership, war spoils, and so forth.

E. Undoubtedly, the economic system is also related to the social system including the form of society's principle cell, i.e. the family, and also the social relations among the families, and individual's relations with the society. All of these are predominated by social Islamic rules including mutual responsibility and balance, which form the most important characteristics in the economy as we mentioned frequently.

This argument also involves the rules regarding mahrs [dowries], nafaqahs [allowances], various methods of division of labor, and such issues as irth [inheritance], wasiiyyahs [bequests], and the rulings with regard to children, qada' [adjudication], financial ta`zirs [discretionary punishments] and other varieties of financial punishments, and others which may not be all discussed in this limited space.

G. Touching on these relations, the late Ayatullah al-Sadr points to another aspect of the issue, namely the relationship between government's economic doctrine and its financial policy which is, in fact, a part of government's planning for enforcement of the laws of Islamic economy, thus, it is a part of the economy itself.

H. We already pointed to the link between Islam's economic system and its ethical system which makes the latter one of the major preludes and the motivating element for the ummah in the way of implementing the economic system and realizing its goals to such an extent that it becomes hard to distinguish between the two systems.

Here I would like to point, as a diversion from the main course of discussion, to the fact that Islam addresses the whole life in general and devises for it the best system which guides toward the goal in a deliberate manner and based on principles of justice and equity. Whereas we find the positivist world today floundering in the establishment of a desirable system for the protection of human dignity, distribution of responsibilities, and realization of rights. Therefore, social systems collapse, one after another, and admit their defeat while Islam remains a straight religion without any deviation.

As an example for this argument, we focus on the slogan which the positivist world spouts through giving it a widespread global character and which has recently altered to a sweeping emotional wave, namely the slogan of equality of women and men in all situations, periods, and places, and with respect to all rights without any exceptions whatever it would be.

We have been finding this slogan tens of times in the documents presented in the conferences of Mexico City, Bucharest, Cairo, and recently in a strong and explicit form, in the Beijing Conference on Woman. We see the document produced by this conference concentrating, specifically, on the issues of inheritance, absolute material equality, judgeship, and the so called sexual freedom rights for all ages and so forth.

We consider this slogan as a blind assertion although it has an attractive appearance since equality is one of the principles favorable to the human taste concerning two individuals whose rights are equal in terms of their human dignity and affiliation, i.e. the man and the woman. But this principle is not too general to have exceptions.

This is due to the natural differences between man's and woman's physical and emotional structures, nature of the social responsibility which is to be carried out by each, and the extent of participation by each in the social construction including the establishment of social justice. Hence, we may not call out the slogan of quantitative equality without considering the desired balance otherwise we will commit, through this equality, injustice and unfairness.

When the principles of equality and social justice are in conflict, one may ask to which one the priority goes? Undoubtedly, the principle of justice is the one which common-sense testifies to its generality and insusceptibility to exception, therefore, social justice qualifies the principle of equality and even determines its socially desired form.

We feel great regret on the blind, sweeping, global wave that has been put forward

thoughtlessly and that criticizes against the Islamic inheritance system pretending to ignore that it is part of a whole and that there is a wonderful balance between this system and the .nafaqah [allowance] system and the duties of each of the man and the woman in the social life

The Flexibility of Islamic Economic System

This subject is, in general, related to the flexible character of Islamic rules but we will show it from the economic angle. Briefly, Islam supplied this system with all necessary elements which enable it to accommodate the vital changes which occur frequently and rapidly in the economic field. The reason is that economy is a field related to the complexities of man's social life as well as to nature's ability to provide, and the proper environmental conditions, and so on.

Therefore, with respect to land distribution and ownership, there is a great difference between the situation of land's perfect abundance and man's insufficient physical power and the situation of scarcity and increasing shortage resulted from human growth rates on one hand, and man's immense technological power to reclaim the land.

This difference may affect the issues of hiyazah [occupancy] -which is considered as an ownership factor-, social development, mines' ownership, vertical ownership -both in depth and in altitude-, energy's ownership, etc.

This difference may also influence the issue of alteration of the nature and effects of property relationship leading mujtahids [jurists] to keep aloof from the issue of absolute ownership of land and suggest the subject of haqq al-ikhtisas [exclusivity right] which results from the impact made by the individual on the land, thus when the impact ceases to exist the right will expire and returns to the public domain which can be used by the Islamic state according to the public interest.

Therefore, existence of the element of ijtiḥad and its constant openness represents one of flexibility elements without which one cannot know the developments' effects on the nature of the rule deduced from the nusus.

The fact that Islam put forward certain broad economic rules and related them to the `urf [prevailing standards of conduct] concept has a special connotation for notions like israf and tabdhir [wasting and squandering], faqr and ghina [poverty and needlessness], al-nafaqat al-muta`arifah [customary allowance], al-manfa`at al-muhallalah [lawful profit], ma`un [basic need], riba [usury], mithliyyah and qimiyyah [fungibility and being ad valorem], circulation and depression of cash currencies, daman [liability], individual and social damage, haraj [impediment], darurah [urgency], al-maslahat al-`ulya [the higher expediency], being asbaq [preceding] in waqf, being `aqdiy [contractual], being bay`iy [exchange], trade through taradi

[mutual agreement], being qimariy [gamble], lahwi, and even `adalah [justice], zulm [injustice], ta`addi [transgression], and akl al-mal bi al-batil [misappropriation of property]. Thus, `urf intervenes when these concepts change, often due to change in conditions, and consequently, as a result of change in the `urfi [commonplace] view of the subject the judgment also changes as we saw in the issue of shatranj [chess] for example.

However, the most important element on which the Islamic system concentrates is the element of intervention by the mujtahid, just waliy al-amr in the economic life. This intervention has its own criteria, rules, and what the late al-Sadr calls the penetrating beams that illuminate Islam's positions and give it the spirit of the system and its promising goals.²

In such a system, the waliy has the obligation to take advantage of his social power and true commitment to Islam and the Islamic expediency of the ummah and, through consultation with the masters of knowledge and expertise, carry out his duties which can be summarized as the following:

1. Identification of the best methods and executive arrangements for the enforcement of the fixed rules of Allah, e.g. looking for the best way to eliminate riba in the society while preserving the positive activities performed by the banks.
2. Filling the public domain with laws in accordance with the supreme Islamic expediency while preserving, as much as possible, the primary rule regarding the various cases.
3. Determining the extent to which the conditions are favorable for the enforcement of Islamic rules and institutions. Therefore, if the faqih finds the conditions and the rules in such a serious incompatibility that is called by the scholars of usul as tazahum [conflict], namely tazahum between the wujub [obligatoriness] of implementing the hukm [ruling] and the prohibition of resulting evil consequences, he must produce the best possible solution to facilitate the implementation of the hukm while compensating its mafsadahs [damaging results].

If this appears to be impossible he should shift to the area of tarjih bi al-ahammiyah [preference based on priority] which is a vast area that follows the opinions of experts and mujtahids. The situation may reach to a point that due to the priority of preventing the mafsadah caused by it, the implementation of a certain hukm is suspended. This area is an accurate and a delicate one which is not to be resorted to except in rare situations

Conclusions

Based on what was discussed above we can briefly highlight the following practical conclusions:

First, we repeatedly see or hear those who suggest the idea of cross-combination of ideology

and system which signifies the establishment of a socialist or a capitalist economic system in an Islamic environment or the implementation of Islamic institutions in secular social structures. When these combinationists do not achieve desirable results from their efforts they tend to ignore the contradiction between the system and its implementation context and place

the blame on the system itself. We may mention two experiences as examples here:

- 1) the experience of establishing socialist systems in our Islamic world and their quick failure as in Algeria -- during Houari Boumedienne's presidency -- and Libya.
- 2) the experiment of setting up al-qard al-hasan [interest-free loan] funds under secular systems where it was struck with unsatisfactory results that encouraged the opponents to attack the resulting situation as cacophony and accusing the planners of neglecting the absence of favorable conditions.

Second, If we wish to achieve good results in our Islamic community, we must provide the desirable grounds through deepening the faith in Allah and disseminating the elevated Islamic ethics, explicate the Islamic concepts related to economics and convey them to the public, and strive to mobilize the feelings and sensations and give them a desirable Islamic shape. As long as we do not accomplish this task we should not expect ideal results.

In this regard, I would like to draw your attention to some advertising tactics employed by the banks which concentrate on the profits generated by the money deposited in al-qard al-hasan funds and on prizes that it may bring for the depositors without ever referring to the great reward which ensues whenever they participate in the revitalization of the public economy and server the society through their bank activities and deposits and without mentioning the noble ayat and ahadith which call for such deeds.

Third, we propose that Islamic banks form a fiqhi committee consisting of prominent scholars, and further, that the mujtahids in al-hawzat al-`ilmiyyah (Islamic theological schools) undertake a study about the legitimacy and plausibility of the proposed economic, financial, and banking systems from the viewpoint of Islamic laws and constantly express their opinions concerning new forms for such systems.

Bay` al-salam [forward sale], and bay` al-salam al-mumathil [fungible forward sale], bay` al-istisna' [manufactural sale], tawrid [mutual forward] contracts, murabahah [resale with stated profit] contracts, and so on are examples of economic institutions that provide banks with more alternatives for economic activities.

This is what the late Shahid al-Sadr proposed a quarter of a century ago through his famous proposal known as riba-free banking and what I put forward as the draft law for the prohibition of riba in the Islamic Republic of Iran. Ijtihad is indeed a source of blessing and Islamic rules

are overflowing reserves that can undoubtedly help us to safeguard the Islamic character and spirit and overcome the difficulties caused by the developments of modern life

Notes

1. Nahj al-Balaghah, sermon 232

2. These goals include, for example, Qur'an's emphasis on avoidance from creating a situation that causes exclusive circulation of wealth only among the rich, and its emphasis on the necessity to prohibit the manipulation of the property which Allah made the sustenance of the ummah, or the emphasis by some nusus on the view that the purpose of trade is to extract benefits or on the prohibition of hajj if its opening results in evil consequences and so on