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IAFIE NEWS BULLETIN is published six times a year by the Indian Association For Islamic Economics. It aims to create awareness of the latest development in theory and practice of Islamic economics.

The Annual Membership Fee of the Association is Rs. 50/-

News Bulletin will be offered to the members free of charge. Others can have the Bulletin by paying the following amount through Cash or Money Order :

Single copy Rs. 3/-

One year Rs. 18/-

Two years Rs. 35/-

Three years Rs. 50/-

All correspondence should be addressed to :

The Editor,

Islamic Economics News Bulletin

4-1212, S. S. Nagar, Aligarh-202002

(INDIA)

Printed at : International Printing Press, 4, A. Q. Market, Aligarh

Indian Association for Islamic Economics AN INTRODUCTION

[Many of our readers have expressed their curiosity about Indian Association for Islamic Economics, its setup, aims and objectives, and functions. To cater their desire we present a brief introduction for our readers and hope those interested in Islamic economics would come forward and help this association expand.]

Setup : The Indian Association for Islamic Economics was formed on September 5, 1990, in a meeting held at Aligarh under the patronship and guidance of Prof. Mohammad Nejatullah Siddiqui and Dr. Fazlur Rahman Faridi, Dr. Abdul Azim Islahi, Dr. Javed Ahmao Khan and Mr. Valeed Ahmad Ansari were also present. All those present emphasised the need for an organisation for Islamic Economics. In deference to the views expressed in the meeting, it was decided to organise such an association under the name, "The Indian Association for Islamic Economics". All the participants agreed to be its founder Members. It was also decided that till formal selection, Dr. Faridi will work as its president and Dr. Islahi as its secretary.

The Association's present office is situated at 4/1212 Sir Syed Nagar, Aligarh 202002, and its area of operation is the whole India.

Aims & Objectives : The main aims and objectives of the association are :— (i) to promote research in Islamic economics (ii) to create awareness of the latest development in theory and practice of Islamic economics (iii) to disseminate the principle of Islamic business, finance and accounting with a view to promoting their practices (iv) to facilitate contact with association having the similar objectives in India and abroad (v) to establish a reference library on Islamic economics.

Functions : To achieve its objectives, the Association may resort to the following functions : (i) to provide, establish, maintain, control and manage educational centres, institutions, libraries, publications and information bureaus and engage in all such activities that may be necessary or conducive to the said objectives, (ii) to publish a newsletter on Islamic economics (iii) to publish research papers, monographs, books and magazines for propagating the aims and objectives of the Association. (iv) to organise seminars, symposia and conferences for regular contacts and frequent exchange of views. (v) to conduct short courses and summer classes on Islamic economics. (vi) to organise lectures and meetings for discussion on current issues of economic importance, from Islamic perspective. (vii) to seek cooperation and cooperate with individuals, organisations and institutions working for the same or similar aims at both national and international levels. (viii) to institute and award fellowships, scholarships and subsidies for furtherance of the objectives of the Association.

Membership : The membership of the Association is open to every Indian who agrees with its aims and objectives.

Dr. Ahmad al Najjar speaks on Islamic Banking

Dr. Ahmad al Najjar, secretary general of the Association of Islamic Banks emphasized that the system of fixed interest and financial trading is to be blamed to a great extent for the present monetary crisis facing the world at the top of which is continuous inflation which has, threatened the international monetary system. Talking to a press conference, during his recent visit of the United Arab Emirates he said, the Islamic bankers are yet to start. The existing ones are just preparation banks. Until now all these are individual efforts.

He added that the International Association of Islamic Banks is represented by Chairman of Islamic Banks and since its formation ten years ago its role has considerably been increased at international level comprising 52 establishments.

Dr. Najjar said that the appearance of such organizations in Europe, America and Japan rests on the same idea of cooperation on which Islamic banks are established and enjoy active support from the governments of those countries.

Forthcoming Books on Islamic Economics :

S. M. Hasanuzzaman

Economic Functions of an Islamic State (The Early Experiences)

Presents a thoroughly researched and systematic exposition on the institution of the Bayt al-Mal in early Islam and the role of the state in the economic field. The study draws upon the most authentic primary sources.

Ziauddin Ahmad

Islamic Approach to Eradication of Poverty and Reduction in Inequalities of Income and Wealth

Sets out the Islamic approach to eradication of poverty and reduction in inequalities of income and wealth in the perspective of Islam's overall scheme for the establishment of a just socio-economic order. The author brings out the distinctive features and broad contours of the Islamic approach.

Muhammad Akram Khan

Islamic Economics : Annotated Sources in English and Urdu (Volume 2)

A sequel to Volume 1 (1983), this comprehensive bibliography, culled from a variety of sources, provides a wealth of information for those interested in the growing discipline of Islamic Economics.

Islamic Development Bank Prizes for 1411 H/1991 G

The Islamic Development Bank has the pleasure to invite universities, academic, financial and Islamic institutions and individuals throughout the world, to nominate whoever they deem eligible to be awarded either one of the IDB's prizes for the year 1411H (1991G) in the fields of :

(a) Islamic Economic and (b) Islamic Banking

Each prize consists of a citation carrying the Bank's emblem and a cash award equivalent to 15,000 Islamic Dinars equivalent to US\$ 20,199 as on 01.01.1411H (2317,1990). The Prizes can be awarded to individuals and/or organizations. More than one laureate may share the same prize. Nominations are acceptable from individuals or organizations. Self-nomination and posthumous nomination are not acceptable. The IDB reserves the right to withhold awarding any prize.

The following conditions must be fulfilled in nominations :

1. A nominee should have made an academic or practical contribution of outstanding merit in the fields of the prize.
2. Research work, on the basis of which nomination for the Prize is made, should have been published and academically recognized.
3. The nomination letter, preferably written either in Arabic, English or French should give full justification for the nomination. It should be accompanied by
 - a) a full bio-data of the candidate;
 - b) three copies of each of the research work submitted in support of the nomination.
 - c) an abstract of each of the above research works in either Arabic, English or French.
4. Works which have already won any international or regional prizes shall not be considered for the IDB prizes.
5. Deadline for receiving nominations is 29 Dhul Hijja 1411H (July 11, 1991). Any nomination received after this date shall not be considered. All nomination and correspondence along with published work should be addressed.

IDB Prizes,

Islamic Research and Training Institute

P. O. Box No. 9201, Jeddah 21413,

Kingdom of Saudi Arabia

Telex Nos. 601407-601137, Fax. No. 6366871

NEW ARTICLES AND BOOKS ON ISLAMIC ECONOMICS

BOOKS :—

- Patel, Z. A. *Small Kindnesses : Islamic Viewpoint on the Cause and Solution of Global Poverty*. Nuneaton, U K : Muslim Venture Publications, 1990, 38 pp.
- Sadeq, A. H. M. *Economic Development in Islam*, Petaling Jaya, Malaysia : Pelanduk Publication, 1990. 153 pp.
- Simon, Robert, *Meccan Trade and Islam : Problems of Origin and Structure* (Tr. from Hungarian by F. Sos). Budapest : Akademiai Kiado, 1989, 206 pp.
- Wilson, Rodney ed. *Islamic Financial Markets*, London : Routledge 1990. 242 pp.
- Zafarul Islam, *Socio-Economic Dimension of Fiqh Literature in Medieval India*, Lahore, Dyal Singh Trust Libraray, 1990, 151 pp.
- ARTICLES :—**
- Ahmad, Khurshid, 'We Need a New Economic System to Deal with Financial Woes.' *The Message International* (Jamaica, NY) 14 : 4, 1990, pp 13-14
- Ahsan, A S M Fakhrul, 'Islamic Banking in Perspective', *Journal of Islamic Banking and Finance* (Karachi), 7 : 1, 1990, pp. 39-54.
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- Ali, Ausaf, 'In Defence of and a Plea for Islamic Economics', *The Universal Message*, (Karachi), 12 : 1, 1990, pp. 13-21.
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- Engineer Asghar Ali, "Islamic Approach to the Challenge of Poverty", Occasional papers No. 8, Vol. 6, August 1990, Institute of Islamic Studies, Bombay.
- Farooqhi, Suraiya, 'Towns, Agriculture and the State in Sixteenth — Century Ottoman Anatolia', *Journal of the Economic and Social History of the Orient* (Leiden), 33 : 2, 1990, pp. 125-56.
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- Huq, M. Azizul, 'Manpower Development for Islamic Banking and Establishment of a Regional Training and Research Institute in Dhaka', *Journal of Islamic Banking and Finance* (Karachi) 7 : 1, 1990, pp. 10-25.
- Khan, Muhammad Akram, "Elimination of Poverty in the Islamic Economy", *Islamic Studies*, Vol. 29, No. 2, 1990, pp. 143-162.
- Mohammad Bashir Abdel-Hameed, "Profit-sharing contracts with Moral Hazard And Adverse Selections", *The American Journal of Islamic Social Sciences*, Vol. 7, No. 3, 1990, pp. 37-383.
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- Yusof, Mohammad Fadzli, 'Takaful-Islamic Alternative to Insurance', *Journal of Islamic Banking and Finance* (Karachi), 7 : 1, 1990, pp. 39-54.
- Zaidi, Nawazish Ali, 'Riba : Its Economic Implication', *Journal of Islamic Banking and Finance* (Karachi), 7 : 2, 1990, pp. 7-14. ●

ISLAMIC BANKING AND FINANCE

A 16 percent rise in net profit was recorded in 1989 by Faisal Islamic Bank of Bahrain, the offshore Islamic bank based in Manama.

Faisal Islamic Bank of Bahrain Financial Highlights, 1988-89

Asset	1989	1988
	93.4	73.8
Short term Financing	69.5	48.9
Share Capital	30.0	30.0
Funds Under Management	999.2	946.5
Share holder's Equity	47.8	42.9
Total income	13.5	9.8
Net Profit	5.0	4.3

(After payment of profits to Investors.)

Profits rose to \$ 50.0 million from \$ 4.3 million in 1988. Asset increased by 27 per cent to \$ 93.4 million and funds undermanagement by 5.6 per cent to \$ 999.2 million.

Source : MEED, 13 April 1990.

BOOK REVIEW

Economic Concept of Ibn Taimiyah, by Abdul Azim Islahi. Leicester UK: The Islamic Foundation, 1988, 258 pages. £ 12.00

This volume is a historical study exploring the economic ideas and teachings of the great Hanbali jurist Ibn Taimiyah (1263-1328) whose career and activities in Mamluk Syria and Egypt have bequeathed to posterity a considerable legacy—both literary and symbolic. Until a decade or so ago, Ibn Taimiyah's renown was based largely on his prowess and prolific output as a doctor of Islamic religious law. In more recent years, however, his name and ideas have been frequently invoked by theoreticians of the Islamic fundamentalist movements in Egypt and elsewhere. Islahi's brief biographical sketch of Ibn Taimiyah's career (chapter 2), is useful, but partisan. Ibn Taimiyah's enemies are also the author's enemies, and he identifies completely with Ibn Taimiyah's energetic and often violent polemics against the use of Greek philosophy by some Muslim theologians, and against such popular religious practices as the veneration of local holy men.

As a background to Ibn Taimiyah's career and thought, the author provides a brief survey of Mamluk history and institutions. This survey's actual intellectual context, however, is not historical but contemporary. It is to quote Mohammad Siddiqui in his introduction to the volume, "our present endeavor to Islamize our economics", indeed, it is in light of this concern that the contents of this volume are to be read.

The author organizes Ibn Taimiyah's copious, but dispersed opinions on economic life according to major themes relevant to commerce, exchange, and economic institutions. One chapter is devoted to the notion of "just price" and the market mechanism. Here Islahi addresses issues such as price regulation and a fair

profit. He correctly points to Ibn Taimiyah's reticence—and that of Islamic law general—to countenance any interference, except in case of dire emergency, with the normal market mechanism. Another section is devoted to the extent as well as the limits of property rights in Islamic law.

The chapter on interest and monetary issues contains a useful survey of the legal and ethical considerations involved in the strict Islamic prohibition against *riba* (usury) and extends the discussion to such related issues as credit and the various mechanisms of banking and money transfer. Other sections treat such questions as economic organization, public finance and the role of the state in economic life.

One learns a great deal from this book about Ibn Taimiyah's views on economic problems. The ethical and religious context of his legal positions are prominently emphasized throughout, as are the communal and social implications of economic acts and policies.

This study is important on two levels. It constitutes a valuable guide to the economic ideas of one of the major, formative figures of an-Islamic religious law. It is equally valuable as a reflection of the major trends in the contemporary discussion of Islamic economics that is being so vigorously pursued in different parts of the Islamic world.

Reviewed by A.L. Udovitch
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Near Eastern Studies,
Princeton University

(Published in Middle East Journal, Vol. 44, No. 3,
Summer 1990)

Printed Matter

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