

# ISLAMIC ECONOMICS BULLETIN

INDIAN ASSOCIATION FOR ISLAMIC ECONOMICS

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**IAFIE** 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.

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## Editorial

### 5th YEAR OF IAFIE

The year 1995 would be the fifth year of the formation of Indian Association for Islamic Economics and also of its Bulletin. We are happy that there has been no stop over in the publication of this Bulletin. With the modest numbers of its member in the various part of this country, particularly in the universities and colleges, the association has also established the network of its various chapters that are working for the introduction of Islamic economic philosophy and are engaged to put its theory into practice. We can foresee the prospect of Islamic economics in India; not only that many young research students are devoting their energies into this field, but also, at practical level, a large section of Muslims are eager to run their "ordinary business of life" according to the teaching of Islam. More awareness has come among them to realize the maladies of interest-based transaction. They are tending more towards share business. Interest-free investment companies and welfare societies are being established in their localities. On theoretical level, various informations in this regard clearly indicate that our young researchers in the academic institutions are vigorously doing research to explore the knotty questions that are still in the way of a viable Islamic economic system. The main focus, however is on the current problems of the monetary and fiscal system of Islam. We are happy to know from the scholars that this bulletin provides them relevant information for which it has been started. It is just to mention that during the last four years this bulletin provided information about a total number of 138 articles, 52 new books and research monographs, 16 doctoral dissertations and some researches in progress on the contemporary issues. Islamic economics is not now in poverty - atleast in the areas of research and progress. There is versatile boom in the literature since the last two decade and the experiment of Islamic financial institutions are proving more and more feasible and practical.

From the IAFIE side, it would be good news for our members that the selected papers of the first all India conference on Islamic economics are to be published in near future. The president of this association, Dr. F.R. Faridi, despite of his busy schedule, has completed the editing work of this book.

We must pray Allah-the Almighty for the expansion of this association and we always need His Guidance and Strength so that the rationale of a just economic system can be developed.

Readers will see that from the previous two issues, the name of this bulletin is slightly changed; the word "News" is deleted for the sake of convenience.

It gives us pleasure to note that Mr. Sabahuddin Azmi, a research Scholar in the Department of Economics, Aligarh Muslim University, Aligarh, has joined us as the Joint Editor of the Bulletin. At the same time Mr. Valeed Ahmad Ansari has been included in our advisory council. We are thankful for their services in the noble cause of Islamic Economics and hope more so in the future.

We are always looking for the comments, suggestions from our readers for the improvement of this bulletin. *Wa Akhiru Dawana anil Hamdu Lillah-e-Rabbil Alamin.*



### Dr. Islahi Participates the 77th conference of the Indian Economic Association.

Dr. Abdul Azim Islahi, The Hon. Secretary of IAFIE participated the 77th annual conference of the Indian Economic Association held at Mysore University, during 27th - 29th December, 1994. Dr. Islahi's full paper, "Ethico - Economics, The Future System" has been published in the Conference Volume. At Bangalore he met the members of Karnataka Chapter of the Indian Association for Islamic Economics and handed them over the manuscript of the selected paper of the First All India Conference on Islamic Economics for publication purpose.

### K.M. Yaqoob Secretary of Bangalore - Chapter

Janab K.M. Yaqoob has been appointed on a Adhoc basis as Secretary of the Bangalore Chapter in place of Dr. Sadiq Sohail who has gone to Malaysia on an assignment.

The Bangalore Chapter has decided to publish a brochure on the objective of the Indian Association for Islamic Economics for the members and the general public.

### IDB's Welfare Expenditure

The Islamic Development Bank will finance the construction of a vocational training Centre in Ethiopia, according to Yamr Mohie Mohammad, founder and Director-General of the Yateem (Orphan) Welfare Organisation. The IDB will also supply the Centre with all the tools and equipment required for training. The organization will establish three flour mills, Islamic schools, dispensaries and other utilities for the welfare of Muslims in Ethiopia.

It should be noted that the Islamic Development Bank has since its establishment in 1975 financed more than 2,000 operations worth more than \$ 5 billion in favour of member countries and Muelim communities in Non-Muslim countries.

The bank provides funds for development projects in the fields of health, education, industry, agriculture, basic infrastructure and others.

### Islamic Banks Projected to Poll 50% savings in Islamic World

DUBAI: Islamic banks in 50 Islamic Countries now manage between \$ 60 to \$ 80 billion and are projected to pool up 50 percent of savings in the Islamic World within next 10 years.

These figures were provided by Mr. Adnan Al-Bahar, Chairman of the International Investor, Kuwait at the recently concluded conference of Islamic banks.

Mr. Bahar said the Islamic financial institutions were gaining market share and are not exposed to competition from global players in their home bases because of highly specialised market niche.

Some speakers at the Conference supported more co-operation between Islamic and Western Banks to achieve greater efficiency and more global and dynamic industry.

### Islamic Fund set up in London

LONDON: A new fund has been set up with the aim of investing in companies listed on the London Stock Exchange in accordance with the Islamic Shariah, the funds advisers announced recently.

The Al-Medina Fund maintains an onshore base in London and an offshore office on the Isle of Man, with each office expected to raise investment capital of about \$3 million (2 million pounds), said Hugh Hassard, of Faldo Hassard & Compnay.

"We have created a fund that conforms to the Shariah in a Western context. The fund is the first to be managed within Western institutions along the principles of Islamic Law", he said.

He said although the fund would target the Financial Times of 500 index companies on the London Stock Exchange, it would not invest in companies which promote or distribute alcohol or gambling or in companies whose core earnings are derived from interest on money.

Hassard estimated that about 120 companies out of the FT 500 companies would not qualify for investment by Al-Medina Fund.

Hassard said "the fund is non-denominational, and should not be seen as an Arab or Pakistani fund".

The fund, operating under Britains regulatory bodies, is run by a six-member committee headed by Said Darsh, an Egyptian expert on the Shariah Law.

The fund is managed by independent stock brokers Albert E. Sharp, a subsidiary of Metropolitan Life of New York, and advised by Faldo Hassard & Compnay.

### Ministry For Zakat Administration

A full-fledged Ministry of Zakat and Ushr has been created in Pakistan, with a view to manage this growing institution more efficiently and to stop large scale misappropriation. It also aims at reducing the budget deficit. Earliar, a wing of the Ministry of Finance was looking after its affairs. The new Ministry for Zakat and Ushr would work like the Income Tax Department but would also help the government to spend generously on poor and needy people. In Pakistan, the collection of Zakat by the nationalized banks was started on June 21, 1980 when it collected 800 million rupees. Today, its collection has reached over 2.5 billion rupees and its distribution, according to the Central Zakat Council, has also increased manifold.

### Muslim Women Permitted to Work Under Dire Needs

CAIRO: Work for women is permissible under Islamic Shariah but should be under the noble Islamic ethics, the grand Mufti of Egypt, Sheikh, Mohammed Syed Tantawi ruled, "Work is a cherished right for men and women on condition that women do their work with dignity, honour and respectability", he said.

Sheikh Tantawi, however, said work for women is allowed only when there is dire need for it and if it is compatible with her physiological nature.

"If the husband or the father of the woman died and there is dire need for income, the woman can work in jobs which are not against her physiology," he said.

The Mufti said if there are no reasons compelling the woman to get a job, she had better occupy her time raising her children which is the best job for her.





## NEW BOOKS AND ARTICLES

### BOOKS

1. Ali, S. Nazim and Ali Naseem N., *Information Sources on Islamic Banking and Economics, (1980) - 1990*. London: Kegan Paul International Limited, 1994, 352 pp (See The Review on this Book in the next issue of our Bulletin).

Constable, O. Remie, *Trade and Traders in Muslim Spain. The Commercial Relinquishment of the Iberian Peninsula, 900-1500*, Cambridge, UK: Caombridge University Press, 1994, 320 pp.

### ARTICLES

Ahmad, Imad A., "Islam, Liberty and Free Market". In M.M. Abul-Fadl(ed.), *New Directions*, Herndon, VA: International Institute of Islamic Thought, 1993 pp. 275-303.

Chiroma, Isa H., "Conflict between Islamic Law and Common Law on the Testamentary Powers (Wasiyyah): The Attitude of Nigerian Court", *Islamic Studies*, (Islamabad, Pakistan), Vol. 32, No.3, 1993, pp. 339-49.

Cizakca, Murat, "Relevance of the Ottoman Cash Waqfs to Modern Islamic Economics" *New Horizon*, (London) No. 20, October 1993, pp 7-9

Diabi, Ali, "The Concept of Zakat Evasion: An Economic Interpretation", *Review of Islamic Economics*, (Leicester, UK), Vol.2, No.2, 1993, pp. 17-28.

Gusau, Sule Ahmad, "The Prophet Muhammad (PBU) and the Problem of Poverty and Distress" *Hamdard Islamicus*, Vol. 15, No.1. 1993, pp.19-37.

Mansoor, Shahid, "The Islamic Chamber of Commerce, Industry and Commodity Exchange Strategies and Achievement", *New Horizon*. (London) No. 24, February 1994, pp.5-6.

Namazia, Sana, "Islamic Economics in the Black: Conference on Islamic Economics", (Leicester UK, 8-12 November 1993), *New Horizon*, (London) Vol.22, December 1993, pp.12-13.

Novossyolvo, D.8., "The Islamization of Welfare in Pakistan", In: D.F. Eickelman, ed., *Russian's Muslim Frontiers*, Bloomington, IN: Indiana University Press, 1993, pp. 160-75.

"Al-Rajhi: Islamic Banking's Flagship in Saudi Arabia", *New Horizon* (London) No. 23, January 1994, pp.7-8.

Sadeq, A.H.M., Al-Alwani, Taha T., "Fourth International Islamic

Economic Conference: Inaugural Address", *The American Journal of Islamic Social Sciences*, Vol.10, No.4, Winter, 1993, pp. 491-511.

Shirazi, Nasim Shah "Perception of poverty in Traditional and Islamic Framework", *Islamic Studies*, (Islamabad), Vol.32, No.3, 1993, pp.319-28.

Siddiqi, M.N. "An Overview of Public Borrowing in Early Islamic History", *Review of Islamic Economics*, Leicester, UK), Vol.2, No.2, 1993, pp.1-16.

"Venture Capital - an Islamic Concept"

*American Journal of Islamic Finance*, (Rancho Palos Verdes, CA., Vol.4, No.3, 1993, pp.1-16)

### INTEREST/USURY IN THE ANCIENT INDIAN SCRIPTURES

A RESEARCH PROPOSAL is invited from capable scholars to investigate and collect teachings regarding interest/usury in the Indian ancient scriptures. The proposal must indicate the following:

- a. Researcher's ability to carry the research.
- b. An account of Indian Ancient Scripture:- Their name, period, original language, language of translation if available, and the name of the religion to which they belong.
- c. Weekly time assigned and duration of completion.
- d. Amount demanded.

A researcher may choose to cover one scripture only or as many as he can easily do.

Kindly send your proposal, till 31st Jan. 1995, at the following address:

The Secretary,  
Indian Association for Islamic Economics,  
4/1212, Sir Syed Nagar,  
Aligarh-202 002 ,  
INDIA



### The Prize

The Islamic Development Bank (IDB) has established one Prize to be awarded on an annual basis alternating between Islamic Economics and Islamic Banking.

**The IDB Prize for the year 1415H (1995) is in the area of Islamic Economics.**

#### Invitation to Nomination

The Islamic Development Bank has the pleasure to invite individuals, universities, academic, financial and Islamic institutions throughout the world, to nominate whoever they deem eligible to be awarded the IDB Prize for the year 1415H(1995) in the field of: **Islamic Economics**

The IDB Prize consists of the following:

- a) A citation carrying the Bank's emblem.
- b) A cash award of 30,000 Islamic Dinars (equivalent to US\$ 43,378 on 01.03.1415H (8.8.1994).

#### Objectives

The objectives of the Prize are to recognize, reward and encourage creative efforts of outstanding merit in the field of Islamic Economics.

#### Awarding the Prize

The Prize is awarded annually in an official ceremony. However, the IDB reserves the right to withhold awarding the Prize if no appropriate candidate is identified. More than one laureate may share the same Prize. The Prize can be awarded to individuals or organizations.

#### Qualifications

1. A nominee should have conducted a research work or rendered a service of outstanding merit towards the fulfilment of the objectives of the Prize.
2. Works or services on the basis of which nominations are made may take any of the following forms:
  - a) Research work of outstanding merit in the field of Islamic Economics.
  - b) Mobilization of intellectual capabilities and/or creative efforts for the promotion of Islamic Economics.
  - c) Implementation of programs designed to achieve the objectives of the Prize.
3. The research works, on the basis of which nomination for the Prize is made, should have been published and received academic recognition.

## THE PRIZE OF THE ISLAMIC DEVELOPMENT BANK IN ISLAMIC ECONOMICS

4. Works which have already won any international prize shall not be considered for the Prize.

#### Selection Procedure

1. A **Screening Committee** shall examine nominations and make a short list of qualified candidates who

meet the general conditions of the Prize.

2. Short listed names and reports of the Screening Committee shall then be submitted to a Selection Committee which shall select the laureate(s).
3. The IDB President will then announce the name(s) of the Prize winner(s) and the date of the awarding ceremony.

#### Nomination Procedure

1. Candidates may be nominated by organizations or individuals. 2. Self-nominations and posthumous nominations are not acceptable.
3. The nomination letter, preferably written in either Arabic, English or French, should give full justification for the nomination. It should be accompanied by:
  - a) full bio-data/description of the candidate/institution;
  - b) three copies of each of the research works and/or a statement of services submitted in support of the nomination;
  - c) an abstract of each of the above research works/ statement of services in either Arabic, English or French.
4. The candidates who were nominated twice, but not received the prize, may be considered for the prize again only when they are nominated a new with additional works.
5. Deadline for receiving nominations is Tuesday, 15 Ramadan 1415H (15 February, 1995). Any nomination received after this date or incomplete nomination shall not be considered.
6. Nomination should be mailed to the address indicated below:

**Chairman,  
The IDB Prize Preparatory Committee,  
Islamic Research and Training Institute (IRTI)  
ISLAMIC DEVELOPMENT BANK (IDB)  
P.O. Box 9201,  
Jeddah 21413  
Kingdom of Saudi Arabia  
Phone (9662) 6361400, Ext. 6139, 6184  
Telex Nos. 601407 - 601137 ISDB SJ  
Fax Nos. (9662) 6378927 - 6366871.**

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