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Usury Effect on the Economy in Jurisprudence and Iranian Legal System

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Abstract

In Islamic economics, the subject of usury, as one of the pillars of the economy is crucial, which can affect, for direct and indirect economic performance of Islamic countries. This study was conducted with the aim of studying and analyzing the problem of usury, in jurisprudence, law, and economics. In this study, we examined the concept of usury, economics, law, and jurisprudence, and then according to importance, based on the destructive effects of usury, the economic health of the community, this issue has been dealt with. In addition, the study is usury, the legal landscape, and patterns of usury-free banking is also described. The research is theoretical and library research was used to collect information, library resources, articles, books, fundamental research, the authoritative publications, conferences and the internet. The findings of this study, suggestions are presented, with a focus on ways out of usury, and also implement banking without usury.

Keywords: Usury, Jurisprudence, Law, Islamic Law, Islamic Economy.

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Introduction

In Islamic economy discussions, usury has especial importance, because, it is considered as one of the main discussions, distinguishing capitalism economy, from Islamic economy, in one hand, and lack of usury and it's developing in economy and sustenance of present society has a determinant role, in codifying instructions, policies and finally, the economic performance of the country, on the other hand.

In accordance with Quran's verses, traditions, and performed researches by skilled people in religious jurisprudence and researches, usury is an undeniable problem, being resulted in more undesired individual and social consequences. On the basis of religious teachings, a society, organizing its economic activities, by usury, shall step in annihilation. This kind of society is in way of committing sin and ingratitude, failing to obtain real deliverance and all kinds of turbulences, injustice and corruption shall be common through it. So, people deprived of enjoyable gifts of brotherhood and expressing openly their sentiments, in society and life. In religious points of view, the worse and most dangerous way of earning revenue is increasing economic development, by usury; thereby, it is reminded believers of avoiding from usury, it's, culture and organizing economy of society, according to this concept. Also, they mostly tend to piety and sovereignty of religious values and not polluting their society and themselves, into this Latent enemy, by unreasonable rationalizations.

2. Theatrical background of study

2-1 Usury concept

Literally, usury means increased, increasing, added, adding (Arrabidi, 1973). Some define usury as a synonym of contractual interest, in Persian word. In legal approach, usury means receiving a determined interest or added money by the lender, from the borrower. In other words, usury is literally considered, as added money (interest), being made, among properties and wealth. Religious experts have defined usury, as followed: exchanging a property, into another one; so that, both are homogenous, firstly and being measured, by weight or gauge, secondly (usury in transaction). Lending money, on the condition of receiving added interest, is meant as loaning usury (Annajafi, 1983). In the above-mentioned sentence, exchanging a property if or another one includes all transactions and exchanges, and even, those cases, such as having an agreement, in the transaction. According to the definition of usury, it is divided into two parts:

2-2: Usury in transaction

The meaning of this usury is one exchange his property or commodity for another homogenous (similar) property. About reason of prohibiting usury in the transaction, Prof. Motahhari states: this kind of usury is prohibited, as a result of preventing from Loan usury. In fact, usury in the transaction is a place, for collecting Loan -usury. It means if usury in the transaction shall not be unlawful, but Loan-one shall be illegal, then, it is resulted in committing usury tricks.

Moreover, two conditions are necessary, for the purpose of realizing usury:

1. Having homogeneous (similar) genus. It means those commodities being exchanged and one is more than another, shall be homogeneous. Therefore, exchanging rice and wheat, having an added-amount, is not considered as usury.
2. Reliability of weight. It means those commodities, being exchanged, shall be measured, by gauge or weight.

Maximum numbers of religious experts have divided usury in transaction, into grace-based usury on-credit one. Grace-based usury means simultaneous exchanging two amounts of one commodity or equal amounts of two different kinds of one genus. But, on-credit usury means un-simultaneous exchanging two unequal amount of one genus, even, they have two different kinds.

2-3. Usury in Loan

Loan -usury means any added-amounts, being determined, in loaning. This added-amount may be both money/goods or performing any activity. Common usury in the present world is usury in loan; so that, added-amount of money, being called interest, shall be received, for loaning money, being loaned into another party. Of course, some people, considering developing west countries, as a result of collecting interest, have been faced with this problem that considering interest, as usury, shall be resulted in damaging rapid and prominent development of industries and trade. According to most religious experts, usury - based transaction is lawful, in several contracts; so that, two parties may collect added-amount, from each other. These cases are as followed: A) Father and child, B) wife and husband, c) master and slave, D) muslim and impious (Ibrahimi, 1994, page 184). As a result of being weakness of usury- exception traditions, Mohaghegh Ardebili believes these traditions are not competent, for allocating into all general meanings of Quran. Quran has absolutely rejected usury. According to the writer of this study, view of Mohaghegh Ardebili must be accepted,

because, there is no exception for damaging effects of usury in economy and neglecting morals and sentiments in this field.

3. Reasons of prohibiting usury

3-1- Usury, in Quran

The Exalted God blames usury, in different verses and prohibits it, extremely. The following table indicates the pace of forbidding usury, on the basis sequence of sending down Quran, in 4 steps:

-First step: Rejecting this belief that usury may be resulted in increasing properties and returning its interest.

-Second step: To pave way for introducing Law of prohibiting usury

- Third step: Conveying Law of prohibiting usury into all believers

-Fourth step: Focusing on prohibiting usury, by Quran (Qafoori, Charkhabi

Table 1: Pace of prohibiting usury, on the basis of the sequence of sending down Quran's verses.

Verse		Sura	Step
And whatever you give for interest to increase the wealth of people will not increase with Allah. But what you give in zakah, desiring the countenance of Allah - those are the multiplier.	39	Room	1
And [for] their taking of usury while they had been forbidden from it, and their consuming of the people's wealth unjustly. And we have prepared for the disbelievers among them a painful punishment.	161	Nesa	2
O you who have believed, do not consume usury, doubled and multiplied, but fear Allah that you may be successful. And fear the Fire, which has been prepared for the disbelievers. And obey Allah and the Messenger that you may obtain mercy.	130TO 132	Aale Imran	3
	275	Baghar e	4

Those who consume interest cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like interest." But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in interest or usury] - those are the companions of the Fire; they will abide eternally therein.			
Allah destroys interest and gives increase for charities. And Allah does not like every sinning disbeliever.	276		
O you who have believed, fear Allah and give up what remains [due to you] of interest, if you should be believers. And if you do not, then be informed of a war [against you] from Allah and His Messenger. But if you repent, you may have your principal - [thus] you do no wrong, nor are you wronged. And if someone is in hardship, then [let there be] postponement until [a time of] ease. But if you give [from your right as] charity, then it is better for you, if you only knew.	278TO 280		

In addition to Islam religion, all divine ones, including Judaism, Christian, and Hindu, consider usury, as an illegal crime; therefore, in Islam religion, this issue is determined, as a sin, because, all Islamic laws are, in accordance with wisdom, advice and reason. In, the most important reason of forbidding usury in Quran, traditions and valid legal and jurisprudence books have been presented. There are most traditions, about forbidding usury, being quoted Prophet and Imams (peace be upon them). These traditions indicate the importance of usury sin, before God and Islam religion.

In his will, prophet stated Imam Ali:

"O'Ali, usury has 70 kinds. Its lower limit is considered as if people commit sin, in Kaaba. O' Ali, one drachma usury is equal to committing most important sin, in Kaaba (Hor Aameli, 1989). In other part, he introduces usury, as a worse business (Hakimi 1984).

In another tradition from Imam Ali, it is quoted: "Whenever God wants to ruin a tribe, He emerges usury, among them (Tabarsi, 1972).

Imam Reza (peace be upon him) has stated following wisdoms, for the purpose of prohibiting usury:

- 1- Removing goodness, in society
2. Perishing wealthy of people
- 3- People shall seek to increase their interest
4. As a result of the prevalence of usury, nobody loan to another one, so, it is resulted in emerging oppression, throughout the society.

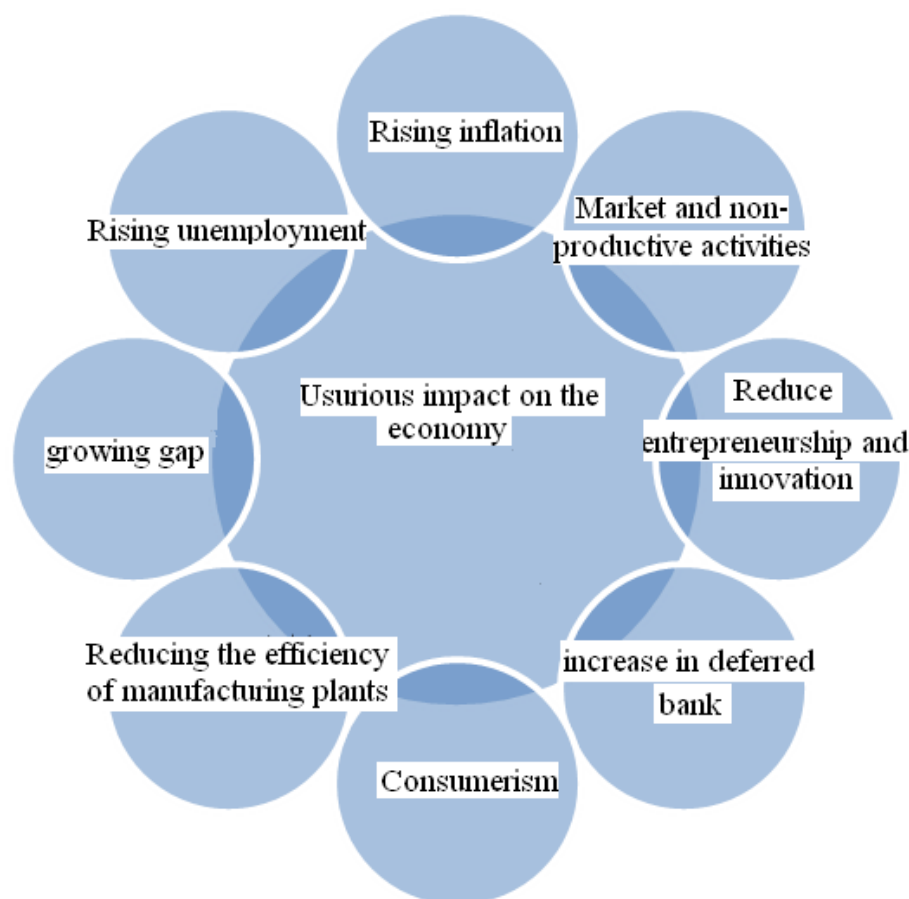
Also, Hesham, son of Hakan asked about reason of forbidding usury, from Imam Sadegh, and he stated: "If usury was lawful, people left their business, industries, and works; therefore, God prohibits usury, in order to people shall be busy into lawful business, trafficking and Loaning (Hor Aameli, 1989). So, it is concluded Islam religion is seeking to obtain following consequences, by forbidding usury:

- Developing all kinds of benevolently relations, such as spending money, alms s endowments and the money loaned without interest.
- Developing all kinds of exchanging contracts, such as sale, rent, Jualah, and short sale
- Developing all kinds of partnership, such as participation, limited partnership, farm-letting and Mozaraeh.
- Developing investments and direct economic activities
- Preventing from occurring oppression, because the borrower has to pay more interest. This issue shall be resulted in his unsatisfactory. So, it is considered as meaning of oppression.
- Preventing from suspending lawful trade, increasing illegal interest, and commerce
- Preventing from unfair distributing wealthy and making class cleavage
- Preventing from weakening human sentiments and aggravating social damages, like poverty, oppression, bad consequences moral damages and increasing anxiety and mental upset. In 2002 and in his essay, "wisdom of forbidding usury, Husseini considered controlling invests into desired activities and guiding human into mental balance, as the fundamental wisdom of prohibiting usury.

9. Effect of usury, on the economy of society

The growth of usury in society has more negative effects, on the economy of the country. Some of these effects are presented, in following figure

Figure 1: Effect of usury slow economy of society



-Increasing rate of inflation: one of the characteristics of healthy economy is relative stability of public costs level. In case of facing production process of country with problem of cash, it shall result in producers tend to usury-based financial resources for the purpose of supplying their trading capital; but, as a result of being high rate of interest for received facilities, they have to increase total cost of goods, services, and productive plans. Therefore, in long-time, this issue shall be resulted in increasing inflation and decreasing rate of economic growth and finally, intensifying inflation stagnancy.

The above-mentioned issue is approvable, by using one of the economic theories in macro-level, being named as the theory of money. In accordance with this theory, being written as $m \times v = P \times q$, it is indicated an equilibrium, including the value of producing goods, services or national production in right part and amount of money or its supplying, and coefficient of money turnover rate, in the left part. According to this theory, one of the reasons of increasing

inflation in society (p) is increasing amount of money (m) or increasing rate of money turnover (v). It means by fixing the quantity of production in long-term (Q), inflation emerges in that society, the amount of money and quantity of goods are not equal to each other, so that, economical activities shall be suspended. In the usury-based transaction, performed by usury in loan, money is exchanged, between both parties, in replace for trafficking goods and services: Therefore, left part of this equality is just changed (it means rate of money turnover). So, this kind of changing means increasing amount of money. In this condition, it is necessary to change one of the factors, in right part of this equality, for the purpose of maintaining the equilibrium of this theory. This factor is increasing " p " (price). Therefore, it is possible to say one of the ways of removing usury-based transactions and their prohibiting is making inflation, in the economy of society; also, facilities and resources deviate from their main way and they shall be used, very well. So, this condition is in contrast with the definition of economy.

It is worthy to say that some researchers consider the effect of inflation on distributing revenues, as one of the most important factors, being resulted in pervasive poverty and increasing class cleavage. Leftwich & Sharp discovered that inflation is in rank of tax, for some people, but, other consider it, as a subsidy.

Making activities and unproductive markets: Encouraging people -as a private part-in productive and economical activity is one of the best reasons of forbidding usury in Islam. The usury-based economy is the reason of tending private part into profiteering and neglecting benevolently helps others, so, it shall suit in available cash of society does not use in part of production and productive activities. Thereby, not only, economic flourishing is not obtained, throughout the country, but, unproductive activities are developed, in society.

In case of bartering usury-based loans, in one economy and using money for money in exchange-market, in replace for exchanging money for good, it is said, there is loan-market in this economy; but, in case of using this loan in productive parts and services and then, dividing it's obtained interest, among people, it is said there is capital market, in this economy. In case of governing capital market, whenever, families loan their money into institutions or producers, then, institutions use it, in process of producing goods and services. Also, by increasing amount of money, goods are increased. But, if this loan is on the basis of usury condition (it means there is no limitation, for the purpose of using investments, because, the criterion of receiving money is the rate of interest), investments are not used in productive ways. Also, by emerging speculating- market and exchanging money for money, there shall

not be any changes, in quantity of producing goods and services and productive institutions have no necessary investment, for working. As a result, these institutions shall be inactive and unemployment increases, throughout the society.

-Decreasing innovation: Existing high rate of interest in economy shall result in most people obtain high revenue, without needing into working. This condition may be resumed in decreasing incentive, for making innovation in human capitals and decreasing investing in part of teaching, researching and developing, by innovators. Also, innovation will be suspended in all projects, expecting to obtain high revenue, more than available rate of interest.

- Increasing outstanding debts of bank: Usually, as a result of collected high interest, by banks, people are not able to re-pay their debts; so, this condition shall be resulted in making social crisis and even committing suicide or killing another one. On the other hand, it makes problem, for the economy and banking system of country.

- Tending toward consumption: By increasing rate of unemployment in usury - based economy, obtaining loan is performed, for the purpose of covering common expenditure. However, in dynamic and usury-free economy, maximum part of these financial resources was collected, in order to cover prices of investing and saving,

-Decreasing productivity and yield of related plans:

One of the other problems of usury is the lack of attention of private part into productive part. As, increasing usury is resulted in caught capital tends into unproductive activities, so, infrastructure of productive plans and its yield are affected, by this condition. In usury- based economy productive prices may usually increase, by increasing paid interest, therefore, the curve of the final price and average one is transferred, into high part. As, producers are seeking into maximizing their interest, so, their production is continued, until, the price of good shall be equal to final price. As a rule, by increasing final price of production, this equality is realized in less level of production and amount of supplying good is decreased; so that, goods are supplied into market, by higher price.

On the other hand, in usury-free economy s depositors have direct partnership, in interest being obtained from production. This share has no fixed rate, in contrast to system usury and interest. It is directly related into factors, including correct management, speedy action and existing market, for considered commodity. There for, it is resulted in encouraging both

parties into performing high activity, for the purpose of realizing goals of partnership issue. Its result is higher efficiency, productivity and more benefits for producers and stock-holders.

Appearing Ever- increasing class cleavage:

Usury and rate interest shall be resulted in an unfair distribution of resources, among different classes of people. Usury produces an influence on attempts, being performed for earning lawful wage. Also, it is the reason of propagating trading culture. As a rule, interests being obtained from trading, in one hand and decreasing rate of unemployment, because of decreasing investing and therefore, decreasing national revenue, on the other hand, shall be resulted in deepening class cleavage, in society (minority, wealthier people, and majority, poor ones). This condition makes class tensions, throughout the society. So, economy shall be unequal and being far from stability.

In sermon 129 of Nahjolbalaqeh, Imam Ali (peace be upon him) states: “what a painful view and what a shameful society! In each direction, there is a poor man, being faced with the problem of poverty. On the other hand, there are wealthier people, consuming gifts of God, on the basis of their carnal desire. Or, a greedy jealous neglects divine laws, by usury or a rebel, not listening to divine advice!

Increasing rate of unemployment: Lessening rate of unemployment is considered as most important standards of economical growth of a country; so, making condition of employment is one of the macro-economical goal. Evidently, by increasing rate of interest, investing prices shall be increased and producers have less tendency, for producing goods, because, their production shall be on the basis of having higher yield, in comparison to paid interest. Thereby, decreasing capital shall be resulted in decreasing national revenue and production. This issue decreases demand, for work farces and makes unemployment; on the other hand, equality of saving and capital is necessary condition for complete employment. In usury-based economy amount of saving is more than investing -as a result of speculation-so that, this lack of equilibrium shall be resulted in unemployment.

5. Usury, from legal points of view

As above mentioned, although usury is jurisprudence issue and one of the credits of jurisprudence is its modernity, but, it shall not be neglected it's accompanying with consequences of time and place. Now, on the basic of importance of this subject, one of the main tasks of Islamic legislator is coordinating jurisprudence issue of usury, with legal-penalty standards and effective legal and penal executive guarantees, being issued for

punishing guiltier and those people, receiving usury. In continue, we study that laws-being about usury. Committing these laws has been necessary, in following Imamate jurisprudence, after the victory of Islamic revolution:

-In 5th article of principle 43 of the constitution, it is specified forbidding usury and being unlawful that money, being received from usury.

-In principle 49, collecting properties, by usury and returning it, into treasury is considered as tasks of Islamic Republic of Iran government

-In article 21 of usury- free banking laws, The Central Bank is forbidden to perform usury-based banking operation, against other banks. Of course, it needs deliberation and detailed dissection to know about how extent this law is performed in banking relations but is out of the scope of this study.

- Article 595 of Islamic punishment law considers usury as a crime. According to this law, usury means bartering weighable commodity for another homogenous one, in condition for receiving added- amounts or collecting added-money, being paid in process of settling loan. Also, this Low considers punishment for this crime: Perpetrator of this crime, whether usurer, a person who pays usury or dealer between them are condemned to 6 months to 3 years jailing and up to 74 lashes, in addition to returning collected added amount of money or commodity. Also, he is punished by being ordered to pay a sum of money, on the basis of committed usury case.

Note 1; In case of existing unclaimed property, usury -based commodity is considered as unclaimed property and leader of country shall be owner of it.

Note 2: Whenever it is approved that usurer did not pay added-amount of money or commodity, he shall not be exempted from above-mentioned punishment, being stated in this article.

Note 3: Whenever concluding a contract between father and child or wife and husband or Muslim and impious person, they do not be exempted from this article.

Thereby, it is indicated usury is legally forbidden, on the basis of Islamic punishment law of Iran and being considered, from criminal points of view.

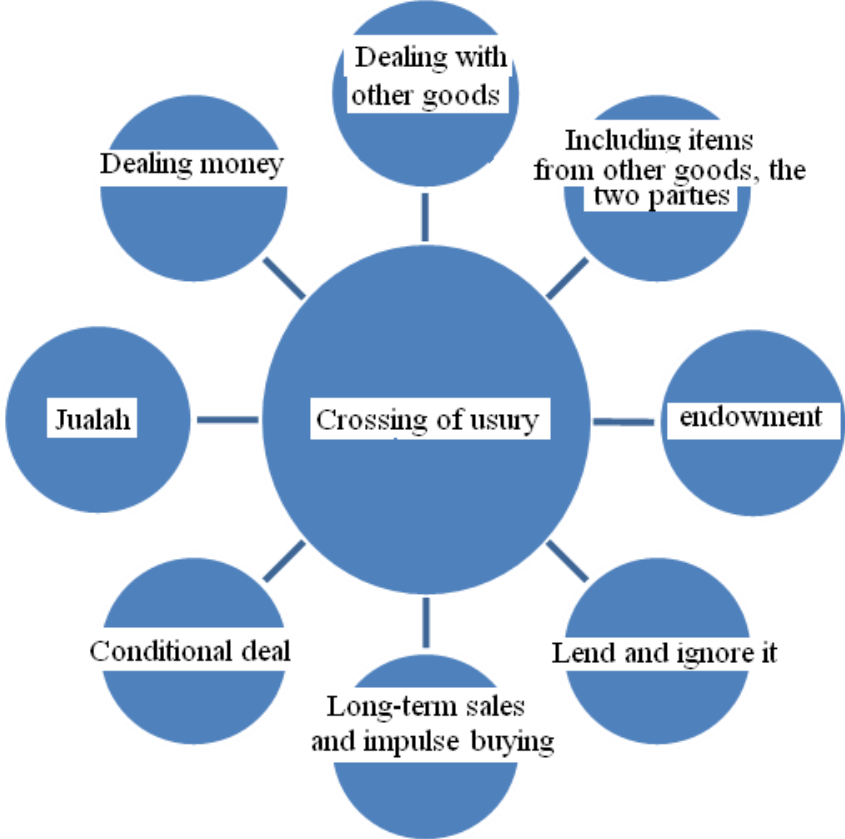
Usury crime is unpardonable, in accordance with article 727 and it's pursuing does not need to complain of plaintiff, so that, it is pursued, as soon as being informed, by legal authorities and government forces.

In Islamic Republic of Iran, legislator has charged government to collect those wealthy, being received from usury, outrage, bribery, defalcation, theft, gambling, abusing endowed donation, abusing contracts a governmental transaction, selling unutilized land and main religious acts that may not he performed, opening corruption centers and other illegal revenues and delivers it into treasury. This law should be committed by the government, after realizing its legal approving.

6- Ways for being far from usury, in Imamate jurisprudence

Usually, ways for passing from usury crime are ingenious and latent. These ways are used, for the purpose of changing undesired circumstances and obtaining considered goals. Evidently, some religious experts, by referring to valid traditions, believe that using directional ways is considered as unlawful usury and moving into the lawful transaction is accepted, by state, however, there is a diversity of opinions about kind and number of these ways (Tabatabaei Yazd-1994). Some religious experts extremely disagree not only with permitting usury, but also neglecting jurisprudence affairs. On the other hand, some religious experts have considered usury, lawful, when it is necessary to use it. In continue, we present the most important ways of escaping from usury, some religious experts are agreeable with them:

Figure 2: Different ways of escaping from usury (related tricks).



Trafficking for another commodity: According to this way, person A wants to sell 10kg rice, having good quality, against 20kg rice, having inferior quality, by similar price or exchanges them in case of other transaction. For the purpose of escaping from usury, at first, he sells his 10 kg price, having good quality, into person B, for the sum of 100,000 Rials (Tabatabaei Yards's 1994).

-Including different commodity into one or both parts of contract: In this way, person A, wants to sell 10kg price, having good quality, for 20kg rice, having inferior quality or exchanges it in case of other transaction; for the purpose of escaping from usury, person A agrees with person B to sell or exchange 10kg good rice, in addition to 1m textile, for 20Kg rice. Having inferior quality (Moosavi Golpaygani, 1985).

-Unilateral or bilateral gift: one of the other way, for escaping from usury is person A donate his commodity into person B and then, B donates his commodity into A; of course, this way is correct, when no parties consider their donations, in condition for gift of other parties. In this manner, this contract will not be unlawful, even if two donated goods are homogenous (Martyr Sani 2000)

-Loaning and renouncing it: Another way of escaping from usury is both persons of A and B, Loans their commodity into other parties, then, one renounces his claim. Of course, it is necessary to observe lack of condition of changing commodities (Bohrani 1989).

Long term sale & momentary buying: In this way, person B needs a loan, being equal to 100/00 rials, and its repayment shall be a year. On the other hand, person A has this amount of money. For solving problem of person B and lack of Lessing value of money, he uses this way. Therefore, person A sells his commodity-with real price of about 100/000 rials, into person B, in long-term for sum of 150/000 rials, so that, buyer, shall repay its money, after a year. Then, person A, buys his sold commodities from Person B, for sum of 100/000 rials. By using this way, Person A shall escape from usury, in contrast to receiving interest. This way is known irreplaceable selling.

-Conditioned trafficking (Selling & buying). In this way, seller makes a condition that he can terminate the agreement, if return money of goods into the buyer, in the determined time. In this condition, buyer should return commodity, into seller (Allameh Helli, 1993)

-Jualah: It means a person should pay determined wage, for performing lawful activity, whether it's perpetrator is defined or not. For example, a person should pay determined wage, for performing lawful activity, whether its perpetrator is defined or not.

For example, a person says if one finds my Lost animal or car, he shall give him 1/000/000 rials, as reward.

-Trafficking money: As above-mentioned, most religious experts consider two fundamental conditions for realizing usury, in bartering usury, in comparison to usury, in loaning:

A) Exchanged commodities shall be homogenous.

B) Exchanged commodities are those, being trafficked, on the basis of their weight or gauge.

Therefore, selling and buying a good, in less or more amounts of that good is allowable, if it is measured, by its weight. On the other hand, nature of money is measurable and never measured, by its weight or gauge. So, selling less money, for the sum of higher money is allowable. On the other hand, Ayatollah Makarem Shirazi considers selling and buying paper - money, as a reasonable activity, in two cases: Firstly, trafficking currency of two countries and secondly, selling loan, in installment, for the sum of less amount of that cash currency. On the other hand, in his book, 'Esteftaat" Mr. Makarem Shirazi has approved third factor: when exchanged paper-money is currency of a country; but, they have a little difference with each other, such as being new or old papers (Makarem shiraz is2001).

7. Usury-free banking

One of the most important steps, for the purpose of realizing public welfare and establishing economical justice, being considered among economic goals of Islamic government, is removing interest, from economical structure of banking system and making Islamic banking, having more efficiency and dynamic. Evidently, the exalted God considers some contracts, lawful, for the purpose of removing different needs of people and needed economical transaction, having benevolently goals, against people, being considered as risky and not risky ones (like bartering contracts) Also, some have various interest and higher risk (partnership contracts).

Performance of usury-free banking in different countries has had various consequences. This kind of differences are related into efficiency of banks, in the field of optimal equipping and allocating resources, lack of existing different Limitation in laws and being Less commission, between banks and people and other ones (Naderi&Sadeghi, 2004). Martyr Ayatollah Sayyed Mohammad Bagher Sadr, being considered as pioneer of usury-free banking thinking, has suggested method of usury-free banking, in his book. Although, this method is not performed, completely, but, having more effects, in other methods of usury-free banking (Moosavian,

2005). In main thought of Martyr Sadr, the role of bank is a financial intermediate, between investor and depositor, in Mudarabah contract.

In his method, bank collects surplus payments of depositors, then, it gives them into investors, on the basis of Muzarabah contract. Methods of equipping and allocating financial resources in his suggested method are presented in following table;

Table 2- ways of allocating financial resources, in suggested method of Martyr Sadr, in usury-free banking

Allocating resources			Equipping resources		
Interest	Legal relation	Subject of facilities	Interest	Legal relation	Subject of deposit
Variable	mudarabah	Mudarabah	zero	loan	Current deposit
commission	loan	Interest-free loan	variable	proxy	Saving deposit
commission	loan	Cashing commercial deeds	variable	proxy	Fixed deposit

In 2006, Moosavian has presented main problems and defects of usury-free banking methods in Iran, as followed:

- Plurality of concluding contracts,
- Becoming transactions, into sham ones
- Lack of coordination of some contracts with nature of banks
- High cost of correct performing several contracts, in Banks.
- lack of being comprehensive deposited, for goals and tasks of investors
- Lack of coordination some contracts, with goals of facilities applicant.

He suggests 3 kinds of bank, including commercials investing (special) and general banks, by using desired ways, in allocating resources, in modern method of usury-free banking. Among pre- hypothesis in new method, it is possible to suggest concluded contract, in usury-free banking. In this new method, contracts are divided into 3 groups, including money loaned, without interest, exchanging contracts (sale by installments, giving possession in rent, Jualah,

purchase in debt) and partnership one (Legal, civil partnership, limited, partnership, contract for farm- Letting and Muzarah). They have different characteristics, and their correct performing needs accounting ways and special solutions. Evidently, each commercial, special and general banks shall be coordinated with some above-mentioned contracts.

Commercial banks are actives in all economic fields, in one hand, they have no necessary tool and experts (specialist), for the purpose of supervising and special controlling contracts, on the other hand, they have their special customers (investors and facilities applicants). These customers prefer to conclude risk-free contracts, having determined rate. So, the best choice for these banks is focusing on exchanging contract. In one hand, special banks are active in one field of economical parts and control their economic plans, by using specialists; on the other hand, they have their special customers, including both investors and facilities applicants. They risk, for the purpose of obtaining high interest; so that, they are ready to accept determined levels of risk. The best choice for these banks is using partnership contracts.

General banks mean great (very big) banks acting in different economical fields of special banks, in addition to performing benevolently activities and those, being related to commercial banks.

Desired effects of this new method are as followed:

- Decreasing plurality of contracts (rational level)
- Coordinating contracts, with nature of banks
- Becoming contracts, more objective
- Proceeding accounting operations
- Decreasing operational costs of banks
- Comprehensive banking system, about usury, goals and tastes of investors
- Comprehensive banking system, about usury, goals and tastes of facilities applicants.

Activities of each bank have been separated, in following table.

Table 3- Activities of commercial, especial and general banks, in new method

Trade banks						
Allocating resources			Equipping resources			
Interest	Legal relation	Subject of facilities	Interest	Legal relation	Subject of deposit	
Specified	Sale in installment	Sale in installment	zero	Interest-free loan	Current deposit loan	
Specified	rent	Giving possession based rent	specified	General proxy	Short-term investment deposit	
Specified	jualah	Jualah	specified	General proxy	Long-term investment deposit	
Specified	Short sale	Short sale				
specified	Sale in debt	Purchase in debt				
Especial banks						
Allocating resources			Equipping resources			
interest	Legal relation	Subject of facilities	interest	Legal relation	Subject of deposit	
variable	company	Civil partnership	variable	General proxy	Certificate of general deposits	
variable	company	Legal partnership legal	variable	Special proxy	Certificate of special deposits	
specified	Sale in installment	Sale in installment	different	Different figures	Resources of government	
specified	rent	Giving possession based rent	different	Different figures	Bank facilities	
specified	Short sale	Short sale				
variable	—	Direct investing				
General banks						

Allocating resources			Equipping resources		
Interest	Legal relation	Subject of facilities	Interest	Legal relation	Subject of facilities
Commission	Interest-free loan	Deposit loan	Zero	Interest-free loan	Deposit-saving loan
Specified	Sale in installment	Sale in installment	Zero	Interest-free loan	Current deposit loan
Specified	rent	Giving possession based rent	specified	General proxy	Saving deposit
Specified	Short sale	Short sale	specified	General proxy	Investing deposit
Specified	Sale in debt	Purchase in debt			
Specified	jualah	Jualaj			
Variable	Company	Civil partnership	Variable	General proxy	Certificate of current deposit
Variable	Company	Legal partnership	Variable	Special proxy	Certificate of special deposit
Variable	—	Direct investing	different	Different figure	Resources of government

On the other hand, Naderi & Sadeghi (2004) point out most important problems of usury-free banks, both in micro and macroeconomic parts, as followed:

A) Small problems of usury-free banking

1. Lack of experts' presence, in usury-free banks
2. Lack of accounting standards, being related into usury-free banking
- 3-lack of similar standards, for credit analyzes.
4. Potential disparity, with central banks.
5. Increasing cost of information
6. Lack of responsibility, against financial needs of governments.
- 7- Insufficient budgets, for performing researches and development.

8. Lack of coordinated lawful instructions.

B) Problems, being related to main performance of usury-free banking

1- Sovereignty of banks

2. Lack of capital market and tools for providing financial needs, in usury-free banking

3- Insufficient lawful supports

4. Lack of lawful rules, being similar in different countries.

5. Lack of mutual relationship, with usury-free banks.

6-Lack of any familiarity with international financial and non-financial parts.

7- Lack of financial culture, among borrowers of usury-free banking.

8- Competition, in financial part.

9- Lack of financial market in Islamic banking

10. Cash and asset.

11. Economic inflation and political condition of countries.

12. Lack of infrastructures, for financial, commercial and Islamic supply, in international level.

13. Lack of especial usury -free banking

14. Lack of syndicate, for usury-free banking

8. Conclusion

According to above-mentioned, usury is considered as one of the most important sins, in the religion of Islam. In addition to legal respect, it shall be resulted in undesired consequences, in economical relations of Islamic society. Also, it creates troubles in financial relation of people, therefore, it is necessary to perform a comprehensive study, about effective role of usury, both directly and indirectly, on macro economic, social, cultural and political parts of society. On the other hand, legislator should punish this crime, for the purpose of preventing from occurring, making current and repeating usury, in society. In continue, we point out several solutions, for preventing from usury.

-Increasing public knowledge, about laws of Islam, in area of usury and it's usage in nature of new economic contrasts, and observing law of usury-free banking.

-Developing and making current Islamic lawful contracts, in usury-free banking. These contracts are divided into three groups of bartering, partnership and money loaned, without interest.

- Making social justice, by providing fair opportunities, for all people of society and social assets, in using resources, facilities, same accessing into desired economic information and making same opportunities, in economic activities.

-Performing maximum attempts, for the purpose of fair distributing opportunities, facilities, wealth and revenue, between people, having same rights, on the basis of law, and observing justice, in economic relations of society.

-Omitting field of polarization in society, for the purpose of lack of existing two classes of wealthy and poor, as a result of differences, in amount of revenues.

-Improving condition of business, developing privatizing, participation and increasing abilities of private parts, by encouraging policies, for the purpose of improving incentive, in order to participate in economic activities and investing, for controlling caught cash of society, into effective parts.

-In Islamic economy, money and loaning market has been removed, by prohibiting usury, so that, there is no space, for usury and speculation. The only way for those people, being going to earn revenue, from their savings, is partnering with producers, in investing activities. Otherwise, they shall not earn added- interest, for their savings. Moreover, they may pay less-rate, as proscribed by Islam, for their savings, as a result of Islam's disagreement, with saving money and it's omitting, from production part. Generally, when there is no usury, the relation between capital and economic activities is drawn, correctly; so that, economical growth and development shall be obtained, as a result of this relation.

- Suggesting a comprehensive method of usury-free banking for world of Islam; so that, all bank of Islamic countries shall perform their activities, similarly.

-Correcting structure of macro- economy and their coordination, with goals of Islamic economy, in order to increasing effectiveness of producing parts, by performing new method of usury-free banking.

-Complete performing all issued rules and policies, in different parts of usury-free economy, by comprehensive observing laws and economical considerations, in various parts of trade and production.

-Instituting rules, order and financial security in all economic activities and making infrastructure, for preventing from neglecting law.

-Observing justice, professional behavior, loyalty, truth and trust, in business.

-Making system of measuring scientific changes on technologies, being related to Islamic economy and modern banking, throughout region and world of Islam

-Holding seminars and sessions of liberalism, between religious scientists, Islamic experts and economy thinkers, for the purpose of delivering laws and established religious and scientific methods for solving all economic and changing problems, in present time.

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