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EXAMINING THE FUNCTIONING OF LENDING AND FACILITIES PROVIDED BY THE INTERNATIONAL MONETARY FUND BASED ON IMAMIA JURISPRUDENCE

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ABSTRACT

This study aims to examine the functioning of lending and facilities provided by the International Monetary Fund based on Imamia jurisprudence. In this study, a methodological approach based on the jurisprudence and independent reasoning of contemporary Shia scholars and jurists, drawing upon the principled jurisprudential method of Sheikh Murtadha Ansari, is employed. This method involves first conducting terminological and lexical conceptualization of the intended religious ruling, followed by presenting the jurisprudential evidence and drawing conclusions. The examinations have shown that two principles among the important jurisprudential principles in the area of monitoring the Fund are of particular interest. The first principle is the principle of negation of harm, which encompasses the sovereignty and comprehensive political and financial authority of Muslims and Islam. The pure Muhammadan Islam should manifest this sovereignty and authority in all its aspects. On the other hand, the areas of this monitoring, which have been identified, must adhere to the principle of non-harm, ensuring that the principle of non-injury is observed in these monitoring and policy-making activities of the Fund. On the other hand, based on the foundations, evidence, and jurisprudential principles, seeking scientific knowledge from non-Muslim scholars and referring to an expert is permissible. However, other objectives such as granting large loans and imposing mandatory policies on governments are inconsistent with the evidence and jurisprudential principles. Ultimately, by summarizing the jurisprudential evidence and presenting alternative solutions to economic problems, despite all the criticisms, it is concluded that interaction and membership in this Fund, from a jurisprudential perspective, is permissible and even obligatory for Muslim governments.

Keywords: International Monetary Fund, Imami jurisprudence, granting loans and facilities, acquiring knowledge from non-Muslims, granting loans

INTRODUCTION

One of the important functions of the International Monetary Fund is the close financial monitoring of member countries, especially after providing financial facilities and sometimes imposing different conditions on those countries. Due to the significance of the Fund, its secular nature, and the fact that its decision-makers are often from non-Islamic countries, examining this aspect of the Fund's application is highly important, necessary, and vital. The issue of IMF surveillance first emerged in the 1970s when major industrialized countries declared that supporting fixed exchange rates was no longer feasible. However, there was still hope that in the economic conditions of that time, the countries would be able to fulfill their commitments regarding exchange rate stability. But this required significant financial resources, and without

the financial support of the Fund, many countries, even advanced industrialized ones, did not have sufficient means to effectively fulfill their obligations. Therefore, during this period, IMF surveillance was crucial to ensure the establishment and sustainability of the exchange rate system, as a significant portion of the Fund's resources were allocated to support reserves, which made such a system possible. However, gradually, with the shift away from the fixed exchange rate system, surveillance took on a different meaning and expanded its scope.

The communications and advisory services of the International Monetary Fund should be designed in a way that keeps those countries alongside it, as in this situation, the Fund can propose policies that prevent potential crises in those countries. For example, in the crisis that began in 2008, the prevention and mitigation of potential crises within the framework of early warning systems were discussed worldwide. Exiting these crises afterward incurred billions of dollars in costs for various countries, from the United States to European countries, which led to significant criticism of the International Monetary Fund.

On the other hand, active countries are always connected to the Fund and regularly utilize its various facilities. The Fund's recommendations for these countries should be aimed at economic adjustment and reform programs. Otherwise, their problems, including deficits and other economic issues, persist, and only their debt increases.

Another point is that the industrialized smaller countries and developing countries have a weak impact on the economies of other countries due to the policies adopted in those countries. Some of these countries are financially powerful, such as countries that export oil. Regarding these countries, the Fund's recommendation is mainly focused on formulating appropriate economic policies to promote their development and economic growth. Furthermore, the promotion of global and regional education and the utilization of countries' experiences in a way that enhances effective surveillance were targeted. In this regard, conferences and regional meetings in Central America, Panama, the Dominican Republic, and similar locations were effective steps towards surveillance.

Two important principles in the field of surveillance by the Fund are noteworthy. The first principle is the principle of encompassing the sovereignty and comprehensive political and financial authority of Muslims and Islam. True Islam, as represented by the teachings of Prophet Muhammad, should embody this characteristic of sovereignty and authority in all its aspects. On the other hand, we should apply the principle of non-harm, ensuring that the principle of non-detriment is observed in these surveillance activities and the Fund's policymaking. Therefore, the aim of this research is to examine the functioning of loans and facilities provided by the International Monetary Fund based on Imamite jurisprudence.

Explanation and clarification of the principle of negation of superiority

The principle of negation of superiority is one of the important Islamic jurisprudential principles based on the noble verse: "And never will Allah grant to the disbelievers a way [to overcome] the believers" (Quran 4:141).

In this blessed verse, Allah states that in the realm of legislation, there is no ruling that would grant superiority, authority, and dominion to the disbelievers over the believers and Muslims. Such rulings have not been legislated or ordained. This ruling applies to acts of worship, transactions, and policies. Therefore, any ruling that results in the superiority and dominion of



disbelievers over Muslims is contrary to the essence of this noble verse and is rejected in terms of legislation¹.

The Prophet (PBUH) said, "Islam will prevail, and nothing will prevail over it. The disbelievers are like the dead, they do not hide anything nor do they inherit."²

In summary, the principle of negation of superiority emphasizes that Islamic legislation does not permit any ruling that grants superiority and authority to the disbelievers over the believers. Islam is destined to prevail, and the disbelievers, despite their temporary power and influence, are like lifeless beings who cannot conceal the truth or inherit it.

This narration is popular among the scholars, but according to the science of hadith, the evidence for the authority of a single report is not sufficient unless we know that the subject of the authority is attributed to a reliable chain of narration, ultimately leading to an infallible Imam or the noble Prophet.

Now, if it is stated that "Islam will prevail, and nothing will prevail over it," it means that Islam is superior and no other religion can surpass or excel it. This statement is not related to the principle of negation of the superiority of disbelievers over Muslims. The purpose is to emphasize that Islam itself is superior to other religions.

The answer to this is that Islam consists of a collection of laws and regulations. When it is said that Islam has superiority and excellence, it means that those very laws and regulations, including criminal law, civil law, and others, make Muslims superior to non-believers. In all matters, whether contracts, agreements, governance, treaties, marriages, and others, in all these issues, non-believers cannot have superiority and authority over Muslims, both in personal and social relationships. Therefore, in the religion of Islam, no legislation has been ordained by the Almighty that would result in the superiority and dominion of non-believers over Muslims. Such matters are null and void and have no legal validity.

For example, if a treaty is made between an Islamic country and a non-Islamic country, and the result of that treaty is the domination of non-believers over Muslims, that treaty has no religious or legal validity³.

Based on the same principle, the 152 principles of the Constitution of the Islamic Republic of Iran have been formulated. "Principle 152" states...

The foreign policy of the Islamic Republic of Iran is based on the rejection of any form of dominance and submission, preserving comprehensive independence and territorial integrity, defending the rights of all Muslims, and non-alignment with oppressive powers and mutually peaceful relations with non-belligerent countries.

"Principle 153" states that any agreement that leads to foreign dominance over natural resources, economic, cultural, military, and other affairs of the country is prohibited.

Therefore, considering that the Prophet Muhammad (PBUH) holds the position of legislation, he intends to establish a general law and state that it is an essential requirement of Islam that anyone who adheres to this Shari'ah has superiority over non-Muslims, and Islamic rulings should not result in the superiority of non-believers over Muslims and believers.

¹ Quran, Surah An-Nisa, Verse 141.

² Sheikh Saduq, Man La Yahduruhu al-Faqih, Dar al-Kotob al-Islamiyyah, Qom 2017 AH.

³ Martyr Awal, Muhammad, "Al-Lama'at al-Damashqiyyah", Vol. 1, published by Dar al-Fikr, Qom, 1411 AH (2013).



It is clear and evident that the principle, its jurisprudential foundation, and its application in the policies of the Islamic Republic are in a way that the supervision of the government must...

Firstly, it should be voluntary and not coercive. However, if it is obligatory and accompanied by initial acceptance and initial consent, it is not problematic, similar to conditions that the institution sets for granting its loans, which do not violate the condition of being voluntary. This coercion, without prior knowledge and agreement, is considered a form of humiliation for Muslims, contradicting the principle of this rule, and it entails significant economic damages, sometimes irreparable. It undermines the sovereignty and dignity of Muslims and is considered a form of economic servitude. In some cases, it may lead to colonization and the dissolution of member countries due to the exploitation of their economic situation and the imposition of arbitrary policies to put them under pressure.

2. In confidential economic matters of Islamic countries, this supervision should not be involved, meaning that matters that should not be known to others, especially opposing countries, particularly colonial powers that have historically dominated other countries, such as the United States and Britain and France, which means the United States and the European Council, each independently benefit from the fund regardless of your rights and interests. This is due to their significant assets, which provide a basis for the implementation of their hostile policies, including unjust sanctions that were always imposed on independent and freedom-seeking countries. This also includes the arbitrary policies of delay and non-payment of the requested loan by the Iranian government for combating COVID-19, which is equivalent to Iran's full quota of membership and the requested capacity of the government in 2019. Such arbitrary actions should further motivate Islamic countries to safeguard and preserve their confidential economic information because placing such information at the disposal of the fund, like other international organizations, despite claiming independence, is often related to the policies of industrialized and advanced countries and provides the necessary grounds for economic subjugation and colonization, which is the most vital aspect of a country's existence. Therefore, according to the principle of negation of dominance, this information should not be made available to them.

3. Before granting access to any financial and economic information or accepting structural reform policies by the International Monetary Fund, all dimensions and implications of such actions should be thoroughly examined by the financial experts and decision-makers of Islamic countries. This is to prevent the provision of any information or action that would lead to economic domination by the IMF and other superpower countries.

Explanation and clarification of the legal principle of "no harm "

One of the most important principles that should be taken into consideration in the formulation and implementation of IMF policies is the principle of "La Darar" (no harm). It is prohibited to implement any policy that causes harm to the Islamic country.

The main reason for negating harm and injury is the fourth source of jurisprudence, which is reason (Aql). In fact, it can be said that the content of this principle is part of the "intellectual necessities" which are matters that reason concludes without relying on religious rulings. In addition to reason, which, along with other evidence, testifies to the authority and validity of the principle of no harm, the Quran and narrations that have been mentioned in this regard



emphasize the applicability of the principle of no harm to relationships and interactions among people.⁴

The most famous hadith in this regard is related to the story of Samurah bin Jundub, in which the phrase "La Darar wa La Dirar" (no harm and no reciprocal harm) is mentioned. This story has been narrated in various ways, and the three prominent scholars who are the compilers of the Four Books of Shia hadith have also narrated it. These three great scholars, known as Muhammad bin Ya'qub al-Kulayni, Muhammad bin Ali bin Babawayh Qummi, and Sheikh Saduq, have slightly different versions of the story in their books. Sheikh Kulayni, in his book "Al-Kafi," narrates it from Ibn Muskan, who narrates it from Zurarah, who quotes Imam Baqir (PBUH) as saying:

During the time of the Prophet Muhammad (PBUH), Samurah bin Jundub had a date palm tree near the house of a man from the Ansar (helpers of the Prophet). The path to reach that tree passed through the property of the Ansari man. Samurah would repeatedly enter the property of the Ansari man to tend to the tree and carry out its affairs, causing inconvenience to his family. Eventually, the space became cramped for the homeowner, who said to Samurah, "You enter my house without notifying or seeking permission, while my family members may be in a situation where they should not be seen by you. Therefore, from now on, when you pass through, announce your presence and seek permission so that my family members are aware." Samurah replied, "I am passing through your house towards my own garden, and since I have the right to pass, I do not see the need to announce or seek permission." The Ansari man was compelled to complain to the Noble Messenger (PBUH). The Prophet advised Samurah, "After this, when you pass by, announce your presence." Samurah refused to comply. The Prophet then said, "Withdraw your hand from this tree, and in return, I will give you another tree with similar characteristics." Samurah did not accept. The Prophet then instructed, "Remove your hand from the tree, and in its place, I will give you a date palm tree in Paradise." Still, Samurah did not accept, until the Prophet Muhammad (PBUH) said, "Verily, you are a man who causes harm, and there should be no harm or reciprocal harm to a believer." After that, the order was given to cut down the tree and it was thrown towards Samurah⁵.

The application of the principle of "avoiding harm takes precedence over acquiring benefits" in the case of monitoring and policymaking for the fund

"Harm" includes all damages and losses inflicted upon others, but "reciprocal harm" refers to cases where a person causes harm to another using a legitimate right or permission, which in modern terms is referred to as "abuse of rights."

The supervision of the fund, given that its nature is constituted by two legal entities named the United States of America and the Council of Europe, and the currency of these two countries, namely the US dollar and the euro, which is the unit of currency for 16 European countries, has the largest share in the Special Drawing Rights (SDR) or the designated monetary unit of the International Monetary Fund. As mentioned before, according to the rules of valid evidence, it is useful and sometimes necessary to consider the perspectives of the fund. However, caution must be exercised in implementing these opinions due to the non-enforcement of the policies of influential countries in the fund and the formation of specialized committees to examine the

⁴ Sheikh Saduq, Al-Khisal, Volume 2, published by Masjid Jamekran, 2013

⁵ Sufficient, Vol. 5, Book of Livelihood, Chapter of Harm, Hadith, Published by Masjid Jom'eh Kookheran, 2013.



fund's opinions, making it essential. This negation of harm also applies to the use of scientific and expert opinions of the fund. After careful and scientific examination by financial opinion holders and economic advisors of the fund, it is necessary to consider the specific circumstances and even the need for utilizing these consultations regarding crisis-affected countries such as Turkmenistan, which have experienced an economic leap and advancement, becomes more apparent. Here, neither harm is inflicted upon the legal entity being the Islamic country nor harm and reciprocal harm are inflicted upon either party, whether it be the rightful owner, which is the Islamic country in this case, or the International Monetary Fund as the opposing party.

However, in terms of providing confidential economic and vital information of countries, if we assume the fund as the rightful owner, in this case, by conditional lending from the fund, conditions are imposed for accessing vital financial information and determining macroeconomic policies and structural reforms that have sometimes resulted in harm to member countries. This assumption verifies the occurrence of harm in the initial assumption, and such information should not be accessible to this global institution under any circumstances. It is possible and necessary to create similar solutions to mitigate harm in this scenario.

However, accepting structural reform policies leads to harm in the sense that we mentioned the meaning of harm is when the rightful owner, relying on their right, causes harm to another. In this case, the fund provides significant loans and offers policies to guarantee the improvement of countries' situations in the direction of balancing payments and macroeconomic conditions. Accepting these conditions, according to our jurisprudential assumption in this matter, leads to harm because it applies these policies by using its payment guarantee right and obliges countries, which in some cases harm member countries. Therefore, accepting these policies is considered an instance of harm, and it is necessary to refrain from accepting loans in this regard, provided that it does not lead to the obligatory acceptance of these policies.⁶

Loans from the fund and various types of facilities

Countries contribute to the fund's quota. To become a member of the fund, if a country's quota resources in the fund exceed its initial quota, that country can withdraw the excess as reserve tranche rights at any time, contrary to the initial rule of the fund, which required the country to repurchase it. The country can completely withdraw this reserve without interest, provided that it reflects its deficit in its balance of payments account. This part of the facilities itself does not conflict with any of the rules and evidences of jurisprudence. It is considered a reserve savings account, and no interest is applicable to it, including cases of interest and usury payments. Since it does not have a specific policy related to structural adjustment, etc., that would require obligations, it is not in conflict with the internal policies of countries and other jurisprudential rules, including the principle of economic and financial sovereignty in Islamic jurisprudence, and the rules of negation of illicit enrichment and harm. It serves as a reserve account to prevent economic difficulties and is not conflicting. It only includes the principle of disapproval of financial participation with non-Muslims, which does not give particular importance to the principle of commercial development and free global trade.

⁶ Dr. Leila Torabi and Dr. Houshang Shajari/International Monetary Fund and the Global Monetary System, 2016, Isfahan University, p. 232.



The ready-to-disburse loans of the SBA enable the fund to quickly solve countries' problems in times of crises without prior restrictions related to quota allocations. The objectives of these fund facilities are to provide financial support to countries and alleviate their severe balance of payment deficits. The repayment period of these loans is flexible, ranging from 12 to 24 months and, in some cases, up to 36 months. However, the repayment begins three and a quarter years after receiving these facilities.⁷

The amount of these facilities can be up to twice the quota of countries, subject to approval by the Executive Board of the fund. In all cases, when a country utilizes these facilities, it is obliged to implement adjustment policies in a way that addresses the country's financial difficulties and allows for structural adjustment policies in both the financial sector and the realm of economic reforms. The set of policies is not fixed and varies according to the conditions of each country. The interest and charges on these loans are divided into three parts. From October 2008, the interest rate on the fund's loans increased to 18%, which is the base interest rate. The additional part is only 1% interest when a country requests a loan equal to or less than twice its quota. A very small portion, 0.25%, is allocated to the portion exceeding twice the quota and up to three times the quota, proportionate to the total loan amount.

The extendable facilities of the fund began in 1974 and have continued until now, intended for countries facing medium-term balance of payment problems due to structural deficiencies. The repayment of these loans starts 4.5 years after receiving the loan⁸. The interest rate on these loans is similar to the previous case. Generally, these three aspects have specific characteristics: firstly, they involve interest, and the amount of this interest is significant, which needs to be examined from a jurisprudential perspective regarding the payment of loan interest. It should be studied within the framework of the rules and provisions related to loans.

Clarification of the rules regarding loans and lending to non-Muslims

According to the statement of Imam Khomeini (may his soul rest in peace) in "Tahrir al-Wasilah," excessive conditions in loans are not permissible. This includes lending money on the condition that the borrower pays back more than they borrowed, whether explicitly stated or intended internally, to the extent that the loan is based on this condition. This is the same as usury, which is strictly prohibited and heavily condemned in Islamic law. It doesn't matter whether the excess is in tangible form, such as lending ten units and expecting twelve units in return, or in the form of a service, such as stitching clothes for the borrower, or seeking benefits or advantages, such as using an item that belongs to the borrower as collateral. The type of excess doesn't make a difference. Furthermore, there is no distinction between whether the lent amount is usurious, measured and weighed, or non-usurious, and whether it is scarce and countable, such as walnuts or eggs.⁹

Taking such loans and paying them back is not permissible, even for Muslims. It is not lawful to engage in usury transactions with non-Muslims, and it is correct that the International Monetary Fund (IMF) is considered a legal entity like other countries. Legal entities are subject to the rules applicable to natural persons, and the rules that apply to natural persons are applicable to them. Therefore, the IMF is treated as a legal person. However, because non-Muslim legal entities, such

⁷ Sistani, Sayyid Ali, Minhaj al-Salihin, Ayatollah Sistani, vol. 2, Islamic Publications, Qom, 2006.

⁸ Dr. Leila Torabi and Dr. Houshang Shajari, International Monetary Fund and the global monetary system, 2016, Isfahan University, p. 207.

⁹ Khomeini, Ruhollah, Tahrir al-Wasilah - Translation, vol. 2, Dār al-Fikr Publishing, 1393 SH (2014 AD), p. 629.



as the United States, which hold 75% of the voting shares and have a significant influence in the IMF's decision-making processes, are the main and influential participants in the fund, the rules applicable to non-Muslim individuals are imposed on it.

So, regarding the International Monetary Fund, we treat it as a non-Muslim legal entity. Since borrowing from a non-Muslim is permissible, but paying interest is prohibited and forbidden, in this case, taking a loan is prohibited in and of itself.

However, there are legal solutions as Imam Khomeini (may his soul rest in peace) states in "Tahrir al-Wasilah." A loan that has been made with an excessive condition is valid, but the condition itself is void and prohibited. Therefore, borrowing from someone who does not lend except with an excess, such as a bank or others, without genuinely accepting the condition but only accepting the loan, is permissible. Declaring acceptance of the condition without having genuine intention towards it is not prohibited. Therefore, the loan is valid, and the condition is void without committing anything prohibited.¹⁰

Solutions for usurious transactions

One of the ways to escape from usury that has been proposed is the sale of banknotes. Since banknotes are considered as countable items rather than weighed or measured (they are not weighed or measured like gold or silver), and we know that usury transactions are not applicable to countable items. Therefore, selling banknotes for banknotes, even at a higher amount, does not pose any issues. In contrast, coins such as dirham and dinar have different forms when transacted with their own kind, as they are considered as weighed items (because gold and silver are weighed), not countable items.

Therefore, someone who intends to repay a usurious loan, in order to escape from usury, says: "I sell you 100,000 tomans in cash banknotes for 120,000 tomans in promissory banknotes, which I will deliver to you, for example, after one year!" This assumption is based on the fact that the primary resources of member countries in the International Monetary Fund are based on 70% gold and the remaining currency of that country, and loan disbursements are based on the reserve holdings of each country. Therefore, receiving a loan and paying a higher amount in a scenario where the transaction is based on an equal amount of banknotes received is free from usury, and as a result, receiving a loan by Islamic countries from the International Monetary Fund is permissible in and of itself and free from the prohibition of usury in this case. Can banknotes really be traded as commodities, or are banknotes merely the price and value of goods? This also requires contemplation.

Another way to escape from usury is the concept of "Mudarabah" (profit-sharing). For example, a person who deposits money in a bank and wants to earn interest can benefit from profit-sharing and avoid the problem of engaging in usury. The explanation is that the depositor gives absolute agency to the bank to use their deposit in any way the bank deems appropriate. Then, they give another agency to the bank to settle a certain amount of profit that the bank considers for them, and the bank pays them that amount. The amount paid before the emergence of the profit will be considered as a loan.

The result is that with these three agencies, the issue is resolved:

1- Absolute agency in conducting any type of profit-sharing.

¹⁰ Sheikh Allama Helli, Hasan, Tadhkirat al-Fuqaha, vol. 2, Islamic Publications Qom, Qom, 1993.

2- Absolute agency in determining the amount of profit.

3- Agency in settling the amount of profit at a specific amount.¹¹

In this way, the depositor both benefits from the interest and profit on their money and avoids engaging in usury. However, in this assumption, since it is not possible to establish a contractual relationship with the International Monetary Fund as an independent financial legal system, this method and the concept of profit-sharing become futile. Therefore, in order to escape from usury, one should adhere to the first approach mentioned and engage in transactions involving banknotes.

Jurisprudential examination of the mandatory conditions of the International Monetary Fund

Since we engaged in transactions with the International Monetary Fund as a non-Muslim individual representing a legal entity, which is considered a non-Muslim natural person and includes the Group of Ten, especially the United States and the European Council, accepting the conditions and being obligated to accept financial commitments, which is perceived as a form of interference in the internal affairs of countries, is prohibited. It is not religiously binding to fulfill such obligations. Moreover, it contradicts the principle of Islamic economic and political sovereignty, as well as the famous Islamic principle of "La yadurru ma'arrar" (No harm should be inflicted or reciprocated). It is in line with the general principles that are consistent with rules such as non-damage.

This is because in this assumption, there is a possibility of economic recession due to sometimes malicious and interventionist policies of the Fund, in addition to the 1997 crisis in countries such as Indonesia, Malaysia, and Thailand, which adopted the Fund's compulsory policies aimed at contracting the capital market, resulting in significant unemployment in these countries. In 2001, Argentina also implemented this policy by reducing public expenditures, which dealt a major blow to the Fund's investments.

The principle of necessity, as it applies to emergency rulings and issues, also applies to situational and obligatory rulings because some of the evidence also applies to this principle, and it encompasses both situational and obligatory rulings. Since this matter is clear, it is unnecessary to go into detail. The principle, due to the comprehensive nature of its evidence, includes emergency issues as it includes emergency rulings. Firstly, some evidence, such as the first, second, and third verses, addresses emergency issues, and in the first hadith, the word "ma" is used, which includes both rulings and emergency issues. Additionally, the criterion in determining the ruling based on reason and rationality also includes emergency issues unless it becomes irrational to apply emergencies to meaningless issues.¹²

The juristic ruling regarding receiving facilities from the International Monetary Fund

The conditions of the fund are not necessarily beneficial to the countries and in cases where the conflict of these conditions is recognized as a violation of political and economic management, such as conditions that imply non-spending in military sectors, etc., these loans should not be accepted voluntarily, as it is considered a form of voluntary refusal. Therefore, it is not permissible to receive these facilities. Hence, the primary ruling is the permissibility of economic relations between Muslims and non-Muslims, as mentioned in jurisprudence and narrations. No specific case has been allocated as the primary ruling from this primary ruling. The principle of

¹¹ Sheikh Hur Ameli, *Wasa'il al-Shi'a*, Vol. 17, Nashr Dar al-Hadith, Qom, 2010

¹² Kho'i, Sayyid Abu al-Qasim, *Mu'jam Rijal al-Hadith*, Vol. 20, Beirut, Al-Wafa Institute, 2018.



Islamic sovereignty and independence is the observer and governor of this primary ruling. The application of these two principles varies depending on different time and place conditions. If a Muslim believes that a particular economic relationship is incompatible with these two principles, or if the Islamic ruler and government come to the conclusion regarding certain relationships, it should be abandoned and prohibited.¹³

According to the principle of necessity, there is no coercive ruling in Islamic law according to the viewpoint of the Ahl al-Bayt school. Even we have narrations where the Khawarij were harsh on themselves out of ignorance, while according to the text we have from the words of the noble Prophet of Islam, "I have been sent with an easy and moderate religion," and he says that I have been made victorious with ease and balance, and any hardship and difficulty have no valid religious basis. Therefore, the principle of necessity is also derived from the Holy Lawgiver in this regard.¹⁴

And one of the manifestations of ease, leniency, and balance is expressed in the non-difficulty of religious life for individuals. Considering the economic and vital identity linkages between countries in today's world, as well as the growth of various human and environmental needs in modern life based on these needs, it is evident that the failure to meet contemporary human needs in society, through economic interaction with countries around the world, leads to the disruption of their material, spiritual, and economic way of life due to diverse thoughts and beliefs.

Moreover, it is observed that the economy of every corner of the world is interconnected with others, and this connection becomes more apparent as a result of global events. One of these events is war. By carefully considering this matter, for example, we have witnessed the devastating effects of the 2022 war between Ukraine and Russia on the nations involved and people across the globe. The crisis of rising food prices through the paralysis of a country that is a major exporter of this commodity, coupled with energy shortages due to the disruption of communication in a vast country that is a major provider of this essential need in the world, each contributes to a small part of the destructive consequences of severing economic relations between one region and other parts of the world.

Another example is the policy of weakening national currency, which is also interpreted as impoverishing neighboring countries. When a country faces currency difficulties, it reduces the value of its currency to protect its industries and productions. Although this action may act as a short-term economic sedative, its effect leads to a decrease in the economic income of neighboring countries and, consequently, recession, unemployment, and the closure of industries and economies. In all economic matters, the entire global economic system is interconnected.

Furthermore, it is common for large industrialized countries to use economic sanctions as an economic warfare against politically dissimilar countries. This supports the notion of how crucial and significant economic relations are for the sustainability of countries' economies. Therefore, according to our ideology, there should be careful and compatible considerations from a jurisprudential and religious perspective regarding economic interactions with these

¹³ Dr. Lila Tarak and Dr. Houshang Shajari, International Monetary Fund and the World Monetary System, Isfahan University, 2016, p. 200.

¹⁴ Sheikh Saduq, Man La Yahduru al-Faqih, Vol. 4, Dar al-Kutub al-Islamiyyah, Qom, 2017.



countries and relevant institutions such as the International Monetary Fund or similar global and regional entities. However, considering the dynamism of Shia jurisprudence and the fact that, based on the aforementioned principles such as necessity, expediency, and the necessity of active participation and effective role-playing in the global economy, refraining from receiving financial facilities, which come with burdens, would lead to the distress and paralysis of Islamic countries and deal a fundamental blow to their economies. Since the identity of this institution is the last global refuge for resolving major financial crises during recessions, not receiving the corresponding facilities when needed, which amounts to a juridical necessity, should not be deemed permissible. Therefore, it is unlikely that the ruling on receiving such loans would be forbidden, as it contradicts the validity of the underlying principle and permission. The flow of this principle and permission that we are concerned about does not pertain to specific rulings, and the comprehensive rules recognize both emergency rulings and subjects. This includes both cases and the supervision of this application as a matter of obligation, such as the sanctity and obligation, and also in terms of the ruling's effectiveness and its applicability in all aspects of this matter, which includes the prohibition of taking interest-bearing loans.

Conclusion

One of the important principles that plays a significant role in deducing and deducing jurisprudential rulings is the principle of "Everything that is prohibited due to necessity becomes permissible." This principle, known as the principle of necessity, is considered one of the practical and fundamental principles of jurisprudence and its impact and effectiveness can be seen in various aspects of jurisprudence. It particularly plays a fundamental role in resolving problems and emerging issues. Due to its extensive and pervasive nature in all branches of jurisprudence or in a section of branches, this principle is considered one of the general principles. It is applicable in all branches of jurisprudence, acts of worship, general transactions, specific transactions, personal etiquettes, general etiquettes, political affairs, and criminal matters.

Among the most important evidences that indicate the validity of this principle are narrations, and the most significant of all narrations is the Hadith of Rafa'ah. "Muhammad ibn Ahmad ibn Yahya al-Atar (may Allah be pleased with him) narrated to us, he said: Sa'd ibn Abdullah narrated to us from Ya'qub Yazid from Hammad ibn 'Isa from Hariz ibn Abdullah from Abu 'Abdullah (PBUH) who said: The Messenger of Allah (PBUH) lifted nine things from my Ummah: mistakes, forgetfulness, what they are forced to do, what they do not know, what they cannot bear, what they are compelled to do, envy, suspicion, and contemplation of doubt in the creation as long as it is not uttered."

Imam Sadiq (PBUH) says: The Messenger of Allah (PBUH) said, "Nine things have been lifted from my Ummah: mistakes, forgetfulness, what is done under compulsion, what they do not know, what they cannot bear, what they are compelled to do, envy, suspicion, and contemplation of doubt in matters of creation as long as it is not uttered."¹⁵

In the section on the application of monitoring and policy-making in the fund, which includes mandatory reform policies for structures, it consists of two parts: acquiring knowledge and benefiting from the opinions of non-Muslim experts. This is justified by the analogy between knowledge and food and the necessity of seeking knowledge from its rightful sources, as well as



¹⁵ Sheikh Saduq, Al-Khisal, Vol. 2, Masjid Jumkaran Publishing, 2013, p. 417.

encouraging the acquisition of knowledge from hypocrites and lunatics and promoting intellectual enlightenment and welcoming different opinions. It permits the use of non-Muslim scientific opinions after careful examination.

The mandatory policy-making and structural reform section of the International Monetary Fund is divided into two parts. The first part includes the presentation of scientifically sound economic growth programs and financial matters that, after discussion and examination by relevant experts in the Islamic country, have the ruling of utilizing their knowledge. However, the acceptance of structural reforms that are a subject of dispute and weaken national sovereignty and can be considered interference in the internal affairs of the Islamic country is prohibited based on the verses "And never will Allah give the disbelievers over the believers a way [to overcome them]" (Quran 4:141) and "The Muslims will rise and will not be humiliated by others" (Prophetic narrations). We have provided other evidence and rational and relevant arguments to support this position. Therefore, accepting such conditions is prohibited, and refraining from receiving facilities that have these mandatory conditions is necessary. Otherwise, due to the principle that voluntary abstinence does not negate the prohibition, the prohibition of this matter remains valid.

Given the magnitude of these criticisms, accepting these policies, which are also considered interference in the national sovereignty of countries according to a wide range of critics, is problematic and unlikely. However, considering the necessity of economic development and the fact that this development is inevitably linked to global free trade, as well as the fact that a recession in one country leads to a global recession and the shutdown of capital markets, as seen in recent regional wars, recessions, and economic crises, which affect the whole world, and with the advancement of complex economic issues, it has been stated that the International Monetary Fund (IMF) is now the second line of defense in times of financial crises for countries worldwide. It is also stated that in order to overcome crises, resorting to this defense line becomes inevitable, and there is no other solution. Two important principles are found to be applicable in this matter: the principle of necessity and the principle of negation of harm. Both of these principles have strong legal justifications in many cases in jurisprudence, based on definitive and certain evidence.

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