

A Message from the Editor

Islamic economics is the latest branch of the discipline of economics. It does not take for granted the methodology of neoclassical economics. It aspires to build an analytical branch that keeps distance from extreme rationality, reductionism, and maximizing behavior. Furthermore, it aspires to make disequilibrium analysis the rule. Islamic economics has no quibbles about implying a set of moral values taken from Shariah. They include a balanced treatment of both equity and efficiency, with an explicit treatment of how they influence each other. The absence of a dependable mechanism through which equilibrium prices can be reached is recognized at the forefront.

This would require several challenging tasks. On top of the list, new theories of consumers' behavior, the behavior of the firm accompanied by a bold macroeconomic structure would be required. An important part of the Islamic economics moral values is that the economic system must be so structured to make some transactions disallowed, like debt and pure risk trading. Therefore, Islamic economics does not stop studying the world as it is but goes further to study how the world should be like.

Several basic components of market capitalism are set aside. First, debt-based money and its associated classical loan contract are dropped. Consequently, the rate of interest with its inefficiencies is removed and replaced with twenty investment and finance contracts. The strict application of these contracts and how they can be properly enforced, without ruses or loopholes, is something that justifiably upheld. Therefore, Islamic economics treats macroeconomics and monetary theory without debt money, replacing the borrowing-based processes with the investment-based processes.

Such a challenging field seeks challenging intellects to establish a new school of thought that rises in place of the textual Islamic economics and goes further to reform the discipline of economics itself. We invite all those who wish to rise to the challenge to come forward with their theoretical and empirical work to the Journal of Islamic Economics. The new discipline must be constructed with the joint efforts of such intellects. To be an Islamic economist in this journal is to be analytical, innovative, not traditional nor neoclassical.