

Electronic Commerce Position in Islamic Economy

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ABSTRACT

Electronic commerce is a revolution in the field of commerce and information which has subjected all various economic, social and cultural aspects to major alternations. Electronic commerce is a method of electronic information interactions as well as commercial exchanges and a bridge between sellers and purchasers. In this paper, after presenting the definitions electronic commerce, this conclusion is drawn that both electronic commerce as a new commercial structure can lead Islamic society's economy to the growth and development and also paying attention to Islamic economy and its moral values can obviate some limitations and jeopardies in the electronic commerce.

KEYWORDS: electronic commerce, electronic banking, Islamic economic system.

1. INTRODUCTION

There have been various methods and systems of commerce in the history of human being. First, there had been goods exchange method of commerce then gold or silver were used instead of goods exchanging. At last money shunted everything. Through starting the era of information, the various economic, social and cultural aspects of human life became subjected to major alternations and that was another revolution in the field of commercial exchanges. Next the internet showed up its capabilities in electronic banking. Since the role of internet became widespread, Information technology and electronic commerce have created changes in function, structure and institute's existence, regulations and laws, educational competitive samples, hygiene, industry, production, banking servicing as well as electronic commerce adjustability with economic system and societies' culture which are essentially regarded (Paryab, 1386, p. 1). Electronic banking and commerce are very fundamental and complex issues which their accordance with commercial policies and economy of various countries requires scheduling and vital programming such as providing communicative and technical infra-structures, assembling and enacting laws and regulations, information security, backup enterprise, practical banking system and appropriate cultural grounds.

2. DISCUSSION

2.1. Electronic commerce definition

Commerce means goods exchanging and service for gaining profit and interest. From the simplest to the most complex status of commerce, such issues like purchaser, seller, goods and services are subjected for it. EC is defined as performing all commercial activities through computer networks especially internet. EC is somehow commerce without using paper. Through EC, transaction information exchanging and vital data for transferring of the goods is done with much less effort and expenses and bank transactions with higher speed. Institutes will not have the traditional methods' limitations, while EC benefits from simpler, better and faster communications. On the other words, EC is a general name for an extension of softwares and systems which operate such services in internet like information searching, controlling the credit transferring, accreditation, Online payment, accounts checking and reporting. EC is a method of electronic information and commercial transactions as well as an electronic bridge among institutes, enterprise, sellers and purchasers (Mahdavi 2007).

2.2. EC from the Islamic Economy view point

EC has boosted up the communicative chance of various societies and affected not only the economic affairs, but also the social, cultural and traditional affairs of them. Hence, it is vital to harmonize the laws of countries commensurate with developments in the way of national and international communications. So for Islamic societies, determining the validity or invalidity of EC with Islamic rules is essentially regarded (Yousef 2002). Islam is a

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religion of God which has presented special economic, social and cultural systems for all the eras and areas. Islam's phrase "ما ينبغي ان يكون" -What should be done-, must be observed. Naturally our expectations from Islam are to discover economic school. There are some stages in order to do so. First is using Islam rules "Ahkam". It should be determined what economic school is at first. Islam has sanctioned some items which can be written as a principle. Second, is using Islamic insights which relates to moralities and philosophical infra-structures. Taking the rules, insights and concepts which are the basis of this school into the consideration, economic school is fetched. Third, once it is achieved, constitutional laws are to be enacted since the school states the general principles, though the constitutional law supervises a special area. Through considering the school, facts and experts' ideas under the supervision of the highness leader of that area, the constitutional law can be gained. Fourth is the stage of performing the law which requires thorough bylaws based on the constitutional law. Therefore, the first stage is related to the God, the second is the Islamic economic school which is gained through rules and conceptions, the third is Islamic economy along with enacting the constitutional law and the fourth one is assembling the side regulations (Taskhiri, 1386, p.60). In Quran's idea, whatever man needs, God has put in the nature. The term "سخر لكم" , also points so. In the verse 34, Ibrahim sora "ان تعدوا نعمت الله لا تحصوها ان الانسان لظلموماكفار" , also points out that God has given whatever you need. According to Quran, all the nature's sources must be properly utilized. If even a whit is ignored or neglected, it is infidelity towards the graces of God. Appreciation of graces means utilizing justly from all available sources and potentialities. Islam wants us to utilize all these to develop our society. Islam economy system is based on specific values and insights which aim at creating proper grounds to reach the felicity and welfare both in this life and afterlife. This economy is based on ownership, justice, a limited economic freedom, government's efficient task, cooperation and morality. Market which is an inseparable institution of every economic system possesses its own traits. According to Islam economy system, Market's traits are as following:

1. Freedom of entering and exiting the market: since in Islam economy system market is like mosque for Muslims, anyone who grabs the others for entering to market, has the priority. Therefore, Islam emphasizes a lot on the entering/exiting mechanism of market.
2. Freedom of information exchanging: there is a need of information for recognizing of dealers of goods and services and according to Islam, dealing blindly without knowledge and information is taboo.
3. Prohibition of shopping monopoly: in Islam, all markets activities should be in a healthy framework without being affected from monopolies in shopping from which government's control and supervision on producers, entrepreneurs and traders can help this importance.
4. Limitations in collusion and agreement: any kind of collusion which causes chaos and loss is failed according to Islam economy system (Mahjoob, 2007).
5. Limit interest: one of the main varieties in distribution of goods and services is the incentive of gaining interest. Accordingly, enterprises enter to market hoping so, however, in Islamic markets prices can't go up unprincipled, it should be based on the bylaws.
6. Moral market: the morality feature in market causes the activities to be intermingled with benefits, faith and worshipping soul and to be healthy as well (Zaranejad, haman, p. 11).
7. Cooperation and competition: Cooperation is the foundation of social life and the basis of Islam economy system. Individual's expedience passes from the public expedience, if the profit of one causes loss to the others, God will not be satisfied. "الخلق كلهم عيال الله احبهم اليه انفعهم العياله".

Regarding the traits of Islamic markets, morality and government are two of the main factors in controlling it which influences the markets' mechanism (Zaranejad, haman, p.13). God states in Quran, "when your prayers are done, spread on the earth and search God's graces and remember him a lot who will bliss you". This verse explicitly represent that God has authorized his man creatures to do the activities according to Islam's principles.

Islam believes in transaction but prohibits the usury (Raba) and eulogizes the true dealing which has advised doing so. Where the welfare of Muslims is a concern, Islam minds specific regard towards the commercial sections as the origin of wealth. Islam, not only, permits Muslims to trade but also convinces and encourages them to enter a sincere commerce from which both side benefits, and believes two principles for each trading to be formalized, to be permissible, and innocuous. As Islam emphasizes a commerce based on conditions and principles, EC, as a modern way of commerce, can be performed in Islamic societies if conditions and principles be defined. Islam defines a contract as an agreement between two groups to obey the items stipulated in it. As it is stated in Quran "faithful people, in every vow you make with people and God, abide your promise". Various sorts of contracts and agreement exist in Islam like bespoke sale, manufacturing sale and time sale, which relate to EC. Time sale is a kind of contract that all the expenses are pre-paid while the product will be delivered in the future. Manufacturing sale is a kind of contract which the purchaser orders to a seller to provide them or her in a specific time with specific payment. Time sale is a kind of contract in which both sides agree that the payment should be deferred. When a seller tries to sell through internet the payment is taken first and the goods are delivered in the future which is a kind of order sale

(bespoke). If the seller agrees on producing an already ordered product, the payment is taken once the delivery is received. This kind of commerce is manufacturing sale and if the enterprise agrees on sale the product on installments, it's a kind of time sale. The contract must be according to Islamic principles and the items such as deficiencies, arguments and the health of mind and soul be taken into consideration. So that the necessary rational decision can be taken which it will lessen the abuses. The features of the manufacturers and the purchasers are explicitly stated in Islam's economic system. The aim of the manufacturers in advance of gaining interest should be the god satisfaction, and he or she must be trustworthy. As Muhammad (pbuh) stated "a trustworthy trader will be among the prophets and martyrs in the heaven." In EC, it is vital in order to attract the costumer's confidence. Doing so tacitly, this confidence will be fetched. In Islam, the brotherhood in society should not be forgotten since through cooperation with each other, commerce and the way of cooperation can be divided in order to create a bigger commerce. Regarding to the vital role that the manufacturers have in provision and determination efficiency of EC, they should know legislative and righteous principles and should obey the justice. Since in transacting through internet, if these items are not observed carefully, some problems would rise. Likewise Islam, minds contracting and signing it very much, Qur'an states that "faithful people, if you deal through borrowing on credit, keep a written evidence until the due time and the writer should be trustworthy and should not eschew writing because God has taught him how to write, so he should write and should sign and should fear from God and should not add or deduct anything". Today's in EC, through the proper websites between the seller and the purchaser, a contract is signed which are some online forms that are designed and in the time of shopping is filled in by the purchaser and is signed digitally by both sides in the time of purchase though some softwares and hardwares, besides though E-mails, the deal can be discussed. Moreover in some electronic shops, there are some sections designed for online discussion. Now after surveying into the features of EC and Islam economic systems and Islamic markets and commerce, we realize that: First, God has created all the graces and put it into the nature and the man should utilize all the graces, amenities, tools and potentialities as well as capacities in order to develop its society and self. Because of Islam's emphasis on conditioned commerce, EC is also the modern way of commerce which through reducing the expenses and expediting the transactions, the societies welfare is boosted up. Islam's economic system aims at providing the proper grounds for man to reach the bliss of the life and afterlife. The welfare of the society is concerned, hence, EC, as a modern method of commerce, can cause the development of the society if regulations and principles of Islam are observed. Second, through utilizing technology and communication in commerce and economy, free and correct exchange of information can be achieved which is an important feature of Islamic markets. EC causes the clarity in transaction and products since in EC, the picture of the product and its features as well as the method of dispatching and payment are clearly stated. So EC helps to the clarity of the market. Third, geographical boundaries are omitted in EC, and it encompasses a large spectrum of customers, a better chance of entering into the international competitions and it shares the Islam's features of omitting monopolies as well as free enter/exit. Fourth: EC creates the possibility of interaction between purchasers and sellers which accordingly, provides the opportunity for the purchasers to compare the prices from which the collusion is omitted. Fifth: being moral is the prominent feature of Islam's economic system which obviates the lack of confidence in EC. EC is a modern commercial structure which influences all aspects of society, if it is run based on Islam's economic system. Since in Islamic markets, morality and government are two efficient factors in controlling the markets, even if in EC, the factors of morality and trustworthy is not observed, government can interfere and control every activity of the market. Overall, it could be stated that Islam can affect the market mechanism through exerting morality boundaries from inside and through enfranchising the government to act from outside.

3. Conclusion

Electronic payment is one of the principles of EC process and it is the infra-structure of online transaction. Determination of EC in Islamic economy is vital for Islamic societies due to economic, social and cultural traits of Islam for all eras and areas. Islam has introduced the commerce as a very beneficial and profitable activity and cherishes the sincere commerce which is based on satisfying God, since EC is a modern method of commerce with lower expenses and higher speed, improves the welfare of people in society, therefore, EC is not incompatible with Islamic economy, likewise, through utilizing information and communication technology, it resembles the principle feature of Islam economic system with its free and sincere information exchanging. It omits geographical boundaries, monopolies and brings about the free enter/exit into the markets. Islam controls the market through exerting morality codes from inside and through enfranchising the government from outside. Moreover, in EC, due to the direct contact of purchaser and seller the possibility of collusion is almost omitted.

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