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A NOTE ON THE ECONOMICS OF CERTAIN SHARIA TENETS

Abstract:

Were they to be viewed in economic lenses, God's invitation to non Moslems to convert is analogous to a two-part tariff and his relationship with those who do would pose a principal-agent problem. luckily, this is beyond the scope of this note, but would be briefly clarified in the introduction section. Sharia has been repeatedly condemned in the U.S. by public figures and others for its supposed anti-humane dictates. This note briefly defines sharia before presenting a qualitative analysis of the possible economic implications, direct or otherwise, of a select number of its prescribed practices. Among others, these include marriage contracts, inheritance laws, prayer, prohibition against interest, fasting, and the pilgrimage. An internet search produced a number of research projects on the economics of sharia. However, these tended to deal mostly with the rules on inheritance and with the role of prohibition on interest. One paper did analyze the effect of fasting on economic growth and found a negative effect but it recognized the possibility of a positive emotional utility.

Keywords:

Economics of Sharia; Two-part tariff; Principal-agent problem; Economic growth; Interest; Sharia laws; Pilgrimage; Marriage contract

JEL Classification: A12, A13, A10