Inflation and Amends of Purchase Power Reduction in Jurisprudence

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Abstract

One of the phenomenon that causes concern between people is inflation and amends of purchase power reduction. That’s why this article have investigated inflation problem as the main cause of purchase power reduction and necessity reasons of amend and jurisprudent’s ideas that some of them disagree with amends, some of them agree with accord and the others agree with details of amends.

Keywords: reduction amends, purchase power, inflation.

Introduction

One of the obvious and effective features of economy in this century, especially in extending countries and backward countries is inflation rate with two numbers. This inflation causes purchase power reduction and emerges economic problems and salary problems in Islamic countries and after that it causes juridical problems in long time deals, and causes postpone owes. For example: when a person have borrowed 100000 toman from the another one three years ago at this time lender don't have former purchase power and this purchase power reduction must be amend or not while gavel is taboo in Islam?

Inflation and amends of purchase power reduction in jurisprudence. However it's not possible to obtain and offer extract and logical definition of inflation but at least it’s so difficult, because scientists and several clear sights of economy offer tens different definitions and maybe complement or perhaps conflict definitions for inflation (Ahmad ketabie 1994). In total definition, inflation is a situation that prices rises permanently and it causes continuous reduction of purchase power (Tabibnia, 1994).
Kinds Of Inflation

Inflation has different kinds such as light inflation, severe inflation and over tough inflation. In the third kind, prices increases and causes reduction of purchase power of society (Ahmadvand, 2003).

Reasons Of Inflation

Causes of inflation are always various and complex, that's why this ingredients sometimes mix with each other and sometimes social situations causes worse position. And some problems that can play a role in inflation condition are stated as follows (Batenie Mohammad, 1998).

Accidental Causes

The aim of accidental causes or historical inflation is that inflation haven't accomplished in natural mechanism of countries economy; rather accidents like war, revolution, flood, drought, etc, can causes increasing the prices and inflation, out of economy mechanism (Ketabie Ahmad, 1994).

Economical Causes

Economical causes of inflation divided to two parts, because everything that causes reduction of total offer or increase total demand in economy is inflation builder. The inflation that caused by the mean of total demand increment, is inflation of demand, and the inflation that caused by the mean of total offer reduction, is inflation of through cost (Yoosefie, 2001).

Structural Inflation

Structural inflation actually is a kind of inflation that engendered because of economic discordant structure of a country, like: unfit distribution network for goods and services and don't exist reliable statistic about offer and demand of goods and services and their feature changes and finally, it's impossible to forecast future evolution of bazaar (Ketabie Ahmad, Azimie Gorganie, 2009).

Reasons For Amend Of Purchase Power Reduction

Most of jurisprudents and Moslem clear sights as regards to condition believes that pay of surplus money to creditors, is not gavel, rather receipts interest rate must not be more than inflation rate and they have reasons for their ideas.

First Reason: Custom

Dept discharge is conventional. while money value decreases in inflation atmosphere, we must know what debt discharge is in custom point of view (Makarem Shirazie 2006).
Hereon, custom don't suffice the repayment of same money that has less value (Mosavie, 2006).

The first martyr wrote about it: Commandment changes are allowable while habits changes, so that it follows the custom money, custom weights and spous's alimony of the time process (Alamelie Mohammad Ebn Makie, 1983).

**Second Reason: Don't Impairs Rule**

This rule is documentary for jurisprudents as a criteria in economic relationships. By this rule, those acts are legal that don’t impair others. Profit said:"it is not allowable to impair others in Islam (Alhor Alamelie, Mohammad Ebn Hossein , 1994).

Don't impairs rule, is one of the fundamental rules for jurisprudence, it's the source of secondary commandments. In inflation atmosphere that money value reduces during the time if guarantor just supports the nominal value, it causes harm in jurisprudence point of view. This kind of harm is forbidden in Islam by mean of several reasons such as” don't impairs rule “; So for impair prevention, guarantor must repay the actual value of money that have received (Beheshtie, Mohammad Hossein 1953).

**Third Reason: Justice Rule**

Justice rule is one of the important and fundamental rules in Islam and there are a lot of verses and narratives about it. To repay the purchase power as much as purchase power you have received, is justice, and less than it, is not justice (Abedinie, 2009).

Jurisprudents ideas about amends of purchase power reduction : if money value increase or reduce by mean of inflation or other reasons, lender must receive the same money that have paid, and more than this amount is gavel and taboo. (Mosavi khomeinie, 2001 ).

It is not allowable to get inflation rate in loan ; because criteria is just money value, so productivity of it, is taboo by mean of custom (Geramie, 2005) amends of money value reduction by mean of inflation is not allowable (Fazel Lankaranie, 1997).

**Detail Theories For Amends Of Purchase Power Reduction**

There are differences in amends of purchase power reduction between dowry and loan. In dowry, value reduction is necessary but in loan, it’s not necessary. Custom agree with it too. This is a conversation between a master and his pupil that derived from Ahle beit jurisprudence magazine:

It sounds that custom knows differences between loan and dowry in this problem. Custom’s idea about dowry is to support the reduction ; we can say custom’s idea about a dowry that determined 20 toman 50 years ago, is not to pay it know while its value have fallen, so that 20
toman is very valueless at this time. We can’t say you must pay the same money as dowry. But it is not about loan. When you borrow money from a person you must pay the same money to his / her and custom doesn’t know you as a debtor (Ahle beit jurisprudence magazine, 1995).

**Detail Idea About Severe Inflation And Little Inflation**

If inflation occurs in short time, we can’t account it; because always there are a lot of little changes in prices and goods. But if inflation be severe and money value fall severely, too. You must account the new value and pay it, and there is no difference between dowry and loan in this problem. So, severe reduction or increment, causes warranty. If you owe money to another person and after 20 or 30 years, want to pay it, surely, payment the same money is not dept discharge, and must pay nowadays money value, but it’s not about little changes, in this condition you can pay the same money (Makarem shirazie, 1995). While difference is small, it is venial absolutely and don’t cause the difference for money value, to change price. But when difference is high and it doesn’t be venial, it causes severe financial difference and in jurisprudence point of view, it is different from while changes are small.

**Discussion**

Inflation and reduction of money value is one of problems that molest mankind. Negative effects of inflation in economical, political and cultural areas have concerned people, and in this situation the most loss is for whom that have low salary and it causes the increment difference between income level of poor and rich, That’s why in this article have tried to mention reasons to amends purchase power reduction.

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