

2002 International Conference on

**STABLE AND
JUST GLOBAL
MONETARY
SYSTEM**

PROCEEDINGS

**Viability
Of The
Islamic
Dinar**

**August 19 & 20, 2002
Putra World Trade Centre,
Kuala Lumpur, Malaysia**



INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

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Preface

This volume contains a collection of papers presented at the *2002 International Conference on Stable and Just Global Monetary System* held in Kuala Lumpur, Malaysia on August 19 & 20, 2002. The conference is probably among the pioneering international conferences to address the current and pertinent issue of monetary stability and justice. The theme of the conference is *The Viability of the Islamic Dinar*. About 20 papers were presented that reflect the title and theme of the conference.

This conference is timely and warranted looking at the current global economic and monetary scenario where major economies of the world are showing simultaneous economic distress. In this region, the 1997 East Asian economic crises have asserted the importance of checking the monetary sector. The interest-based, fiat money system has been criticized for amplifying the economic cycle or even as a cause of it. It is also noted as being unjust and a cause for global monetary instability. Through such system for example, currency speculators were able to attack the Ringgit in August 1997 to such an extent that they almost devastate the economy. Recently, the Prime Minister of Malaysia, Dr. Mahathir Mohamad called for countries to develop a gold payment system – the gold dinar - to settle their bilateral and multilateral trades among them and thereby introduce some stability and protection against such attacks. These observations were the reasons behind the organizing of this important conference.

While the dinar, is claimed by some to be capable of providing a just and stable monetary alternative, other economists, intellectuals and even societies have other ideas to deal with the current monetary shortcomings. Examples include complementary currencies like the LETS and TERRA. This conference aims at bringing these ideas together so that they can be systematically studied, evaluated, researched and implemented if viable; and thereby promote a stable, just, cooperative and caring future global economic and monetary system.

We would like to thank the sponsors of this conference and all parties concerned who directly or indirectly contributed to the success of this conference. Also my thanks go to the members of the Department of Business Administration who worked diligently to make this conference a reality with the assistance from the Public Relations Office.

With that I would like to wish the participants of the conference a beneficial, pleasant and enjoyable time.



Assoc. Prof. Dr. Mohd. Azmi Omar
Conference Chairman and Dean
Kulliyah of Economics and Management Sciences
International Islamic University Malaysia

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