

**In April, 2006, Rodney Shakespeare presented a major paper at the Harvard University 7th Forum on Islamic Finance.** The paper is of significance because it identified eleven fundamental requirements of modern Islam (which requirements are also essential for any truly modern economy and the environment) and observed that prevailing 'free market' finance capitalism is deficient in all of the requirements even though many of them are extolled in 'free market' rhetoric and propaganda.

However, all of the requirements can be properly accommodated, over time, if use is made of a supply of Islamic endogenous loans i.e., central bank-issued interest-free loans directed at forms of productive capacity and generally administered by the banking system on private property, wide ownership and market principles.

The productive capacity would come into being at half, or less, of present cost and be counter-inflationary. Crucially, while interest-bearing money is at the heart of the problem of global warming, interest-free loans for various forms of productive capacity (which also found basic income for individuals) are the solution for making viable the many alternative ways of generating clean electricity. In sum, central bank-issued interest-free loans for various forms of productive capacity are the only way forward.

Doha round nearly deadlocked.

Realism always in tension with our hopes

'? The language of the 'developed and growing economies' as the model!

Case for a universal paradigm

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## **RE Times Focus report ap 23 06**

Present Islamic banking is only conventional banking (and conventional economics and conventional politics) in disguise. Furthermore, although there are good intentions, there is little or nothing in present Islamic banking which is genuinely about economic and social justice.

Islamic banking is part of the present paradigm whether it likes it or not and so any criticism should only be made in the context of a clear, coherent alternative -- and that is not easy to do in a letter without having the alternative completely misconstrued.

Generally, it is pointless (and confusing) to make a critique of Islamic banking unless, at the same time, there is offered a clear, coherent, alternative not only to the banking but to the economics and the banking on which it is based.

The immediate need is to develop and promote the alternative.

**Rodney Shakespeare - 6/5/2006**