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Book Reviews

Melih Oktay, *İktisatçıların Tutarsızlığı: Faiz Hilesi* ["The Inconsistency of Economists: The Deception of Interest"] İstanbul: Ketebe Yayınları, 2024, 175 p.

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"İktisatçıların Tutarsızlığı: Faiz Hilesi" is written by Melih Oktay, a third-generation Islamic economist when we consider Asad Zaman's classification approach (Zaman, 2016). He holds a BA in Business, Organizations & Society from Franklin & Marshall College and an MA in International Economics and Finance from Brandeis University. Currently, he teaches economics-based certificate programs at various public and private institutions.

The book consists of seven chapters. It begins by exploring the nature of interest (Chapter 1), then examines how interest was gradually accepted in Judaism (Chapter 2) and Christianity (Chapter 3) throughout history. It continues by analyzing the inconsistent theories of modern economists on interest (Chapter 4) and how interest drives economies into crises (Chapter 5). The necessity of a partnership-based approach, as opposed to credit-centered financing, is discussed in Chapter 6. Finally, Chapter 7 addresses the abolition of interest and introduces the concept of the "whole idea," which embraces Islam's economic, social, and political dimensions in their entirety.

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In Chapter 1, *The Nature of Interest*, the author directly addresses what interest is, developing his arguments through analogies and contrasts. In addition, the author does not address contract (aqid) theory (Karaman, 1989) from a fiqh perspective but instead compares interest with qarḍ (Apaydın, 2001) (a consumption debt) alongside legitimate contracts and transactions, emphasizing that interest does not align with these. According to the author, interest arising from loan contracts is a form of ill-gotten gain, just as Graeber recognizes in the 5000-year history of debt (Graeber, 2015). However, while other forms of unjust gain—such as usury, theft, extortion, and gambling—are criminalized, lending money at interest is not considered problematic today. In Islam, a loan is referred to as *karz-ı hasen* and is considered an act of charity, not a means of making money or accumulating wealth. Therefore, money cannot be made from money. The author compares making money from the same asset type, i.e., money from money to incest. He refers to a hadith, which states, *'Interest has seventy-three kinds. The least severe is like committing adultery with one's mother* (Hakim, *Müstedrak*, 2/43). The author draws this analogy to highlight the moral repugnance of interest (Oktay, 2024, p. 22). The author also employs various analogies to describe interest, including the Oedipus complex, Judaization, and homosexual intercourse. In this chapter, the analogies for interest are so carefully selected that it appears the author aims to emphasize that interest is something to be abhorred.

In Chapter 2, *Judaism as the Origin of the Logic of the Interest Ruse*, as in Kahraman (2021) study, the author explains how the Jews sought to legitimize interest through various ruses. They used a form of deception by equating interest with buying and selling—specifically likening it to contracts of sale, lease, and partnership—ultimately legitimizing the earnings from interest. The author refers to Deuteronomy 23:21, which states that Jews are prohibited from earning money through interest, though this prohibition was largely ignored. Throughout this chapter, the author consistently cites sacred Jewish texts to demonstrate that interest is not permitted, yet it has been legitimized through various tricks and deceptions.

In Conceptual Revolution in Interest: The Birth of Interest in the Christian World, Chapter 3, the author discusses how the Christian world came to legitimize interest. According to him, the Church inherited and legitimized the Jewish understanding of interest through the concept of "interest." Interest was accepted because it was attributed to extrinsic titles—meaning that earnings were not seen as profits from credit but as compensation for external or exceptional factors. According to this view, interest is not considered profit but rather compensation for a loss. Initially, in the 12th to 14th centuries, the permission to charge interest was justified as compensation for the loss caused by delayed debt repayment. However, over time, this permission was extended to apply even in cases where no actual loss was incurred by the creditor (muqriz) due to the delay. Later, after the 15th and 16th centuries, this understanding evolved, and interest, which was initially valid only in exceptional cases, became the general rule for all credit transactions. In this way, interest was fully legitimized in the Christian world.

In Chapter 4, The New Era of Interest Fraud: The Birth of the Inconsistent Economists, the author discusses the theories of mainstream economics that emerged in Western Europe and the United States, emphasizing how economists theorized the interest legitimized by the Jews and the Church in deceptive ways. Starting with Adam Smith, the author examines the views of classical, neoclassical, and marginalist economists, exposing their inconsistencies. He claims that conventional interest theories follow the Judeo-Christian tradition and critiques economists for fabricating definitions such as the price of capital, the exchange rate of today's goods for tomorrow's goods, the price of intertemporal money, the price of expectations, and the supply price of savings. According to the author, these arguments are weak and deceptive. He further argues that conventional economists try to equate interest theories with a contract of sale. In Islamic jurisprudence (fiqh), bey (contract of sale) is broadly defined as 1- absolute bey (the sale of a commodity either in cash or on credit), 2- rent (ijarah), 3- service contract (ijarah), and 4- consumable contract (foreign exchange). The author asserts that interest theories have no legitimate connection to these contracts and have been deceitfully likened to them.

Chapter 5, *Interest Crises*, explains how interest bubbles create economic bubbles and how these bubbles lead to crises. It emphasizes that in economies where interest is perceived as a return, production, and investment decline while debt rises sharply. Excessive debt and the greed for returns contribute to these crises. As a result of such crises, the purchasing power of wage earners decreases, while those who profit from interest are bailed out by the state, exacerbating wealth inequalities.

In Chapter 6, The Future of Finance: From Credit-Centered Finance to Partnership-Based Finance, the author proposes shifting from an interest-based system, which generates debt and crises, to a partnership-based model. This solution supports actual production and aims to eliminate interest entirely. A pertinent question arises: Can an interest-free model be implemented within a conventional economy? The author advocates for a holistic approach, arguing that an interest-free system cannot be fully realized without departing from the conventional capitalist system. Such a system can only be achieved through one entirely aligned with Islamic principles.

In Chapter 7, *Interest, Zakat, and the Necessity of the Whole Idea*, the author argues that interest must be abolished and zakat must be practiced. However, this is only possible in a system where Islam is fully implemented—in other words, where the *Whole Idea* or *Absolute Idea* is realized. The author refers to the *Whole Idea* as the *Absolute Idea*, meaning a system in which Islamic principles are practiced across all institutions, by the people who create them, and within their social environment. The credit mechanism would be completely abolished and replaced with a partnership-based model aligned with Islamic principles in such a system. The author compares and contrasts the perceptions of death by the interest taker and the zakat giver. According to him, the interest taker or lender fears death, the uncertainty of the future, and the potential loss of wealth. To soothe this fear, he adds interest to the debt he lends. In contrast, the zakat giver is at peace with death. This is why he is accustomed to giving from his wealth through zakat, charity, and *karz* (benevolent loan). When death arrives, the one who has made a habit of 'giving' from his wealth will find it easier to give up his life.

The author also explores how interest might be eliminated from the economic system, by the existence of a virtuous society that opposes interest and declaring a total war on interest and the interest-bearing system—both in abstract and concrete terms. However, these solutions are more optimistic and emotional expressions than academic responses to the question of how. Thus, the proposed answer to eliminating an interest-based system relies on the vision of an ideal Islamic society, which, as Akram Khan describes, aligns with a form of 'romanticism of an ideal Islamic society (Khan, 2017, p. 84).

This book is a must-read for those interested in the logical and Islamic arguments against interest, as well as for those curious about how Christianity and Judaism have historically justified it. In addition, the author's fluent writing, style, and use of analogies make the book easy and stimulating to read.

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