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# Foreign Exchange Transactions in the Perspective of Islamic Economics

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**ABSTRACT**

Judging from its history, the currency has undergone many changes in meaning. Starting from its existence during the barter period to the modern era of money consisting of fiat money and demand deposits. At this time a new term has appeared virtual money. History records that money has developed its meaning, function and value of money. This change automatically has an impact on changes in the law that applies to it. This article uses a qualitative method with a literature study approach. The data presented in this article are sourced from statutory documents, journals, records, and books related to this research. The legal buying and selling of foreign exchange (forex) are permissible, with the following conditions; There is Ijab accompanied by Qabul (there is an agreement to give or receive). As stated in the MUI fatwa that foreign exchange transactions (al-Sharf) are only permitted if there is a need, for example as a precaution and not for speculation (chance) with conditions that have no legal basis.



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## 1. INTRODUCTION

All forms of *mu'amalah* are permissible if the terms and contract of *muamalah* are justified by the Shari'a, and there are no *mawa'ni'* (obstacles of permissibility) in the transaction. The prohibition of *mu'amalah* occurs when there is an *illat* prohibition of *syara'* which is affected, among others: because of usury, gambling (*maisir*), speculation, fraud (*gharar*), hiding defects (*ghabn*), and harming other parties (*dlarar*) [1]. That is why, in questioning all the laws of buying and selling *muamalah*, then some of these *illat* must be used as a means to examine whether a contract is valid or not [2].

Buying and selling (bay') is permissible (permissible) in Islam. Islam explains that buying and selling activities are permitted as long as there is no element of tyranny in the transaction. The development of social dynamics in society has brought about many changes both in the world of education, culture and information technology so that the current development of transactions is not only limited to individuals with individuals in a certain area but also penetrates trade between countries where two individuals transacting come from different countries to buy commodities or services that will be transferred to the country [3].

Forex transactions can be carried out by a company or an individual. Every time you make a foreign exchange transaction, the exchange rate is used, but this exchange rate can change at any time. Changes in exchange rates can result from various factors, namely economic growth, the inflation rate, export-import developments, and socio-political developments, and can also be caused by the psychology of market players. Forex transactions carried out in international trade are not delivered directly at the time of the transaction, due to the relatively long distance [4].

A distinctive feature of forex trading is the lack of uniformity in the foreign exchange market rates. Therefore, the term exchange rate applies as a means of weighing foreign exchange. After all, foreign exchange is a *ribawi* item that is likened to gold and silver [5]. And because gold and silver are *ribawi* items that are *mauzunat* (must be weighed), a mechanism is needed in exchange for them that can be harmonized with *illat wazni* (weighed) [1].

The volatility of the forex market is caused by ongoing transactions outside the traditional forex market (stock market). And this movement in turn forms the value of the foreign exchange rate, which is constantly moving, from second to second. This movement is also directly proportional to the economic condition of a country. The current situation in a country also greatly influences the stability of the country's currency exchange rate, especially when compared to the strength of its exchange rate against other currencies [6].

Price fluctuations caused by conditions are often used by brokers to seek profits through buying and selling foreign exchange transactions. What is famous is the trade in the traditional market and this foreign currency exchange agreement is known as the *sharf* contract (usury exchange of goods). However, in today's modern situation, forex trading has begun to penetrate the derivative market (trading) with media in the form of media [7].

For this reason, because the media used as warehousing is related to system response, it is necessary to pay attention to the click price when deciding to buy and the click price when the system response is in progress. Price incomprehension (*ghairu ma'lum*) and understanding are also important considerations for the validity of this foreign currency buying and selling contract [8].

Foreign trade causes commodity exchange activities with different currencies. In supporting every transaction activity between countries, a currency exchange rate is needed to balance the value of a commodity being traded as a result of differences in currency values between countries. Each country has the right to determine the value of its exchange rate with other countries which will change from time to time according to its economic conditions. Under these conditions, the sale and purchase of foreign exchange were born as a form of current economic development [9].

This article is motivated by an indication that the current phenomenon of foreign exchange market transactions does not comply with sharia principles, such as speculative motives (*gharar* and *maysir*).

## 2. LITERATURE REVIEW

Foreign exchange transactions (sharf) in the fiqh *mu'amalah* conception [9]. The results of the research show that the practice of buying and selling foreign exchange (*Al-sharf*) according to fiqh *mu'amalah* is permissible if it is done based on mutual consent between the two parties and in cash (spot), and there is no addition of a similar item (gold with gold or silver with silver) [10].

Shari'ah Bank Involvement in Foreign Exchange Trading Applications [8]. The results of the study show that banks are essentially intermediary institutions between savers and investors, including Islamic banks. However, Islamic banks must obey and comply with sharia provisions based on the Al-Qur'an and As-Sunnah. Islamic banks are expected to continue to make innovations in their products, especially in the field of services, such as foreign exchange trading, because these foreign exchange services have not received much attention from elements of Islamic banks in creating product innovations [11].

Buying and selling according to Islam, in language buying and selling consists of two words, namely 'selling' and 'buying'. These two words in Arabic are the same as al-bai' and al-syira'. Both are a series of mutual meanings. In the Qur'an, the two terms are mentioned separately but have the same meaning. Sometimes the Qur'an only mentions al-bai' and in other places, it mentions al-syira' only [12]. But calling each of them has both meanings. Because there are sellers, there must be buyers and vice versa. In terminology, buying and selling have a broad meaning. All forms related to the process of transferring ownership of goods or assets to other people are included in the scope of the definition of buying and selling. Buying and selling can be in the form of exchanging goods for goods or bartering (*muqoyyadah*), money for money (Al-Sharf) or goods for money [2].

Al-Sharf is the sale or purchase of certain foreign currencies with other currencies. If the currency being traded is the same, the currency value must be the same as the delivery at the same time. In principle, buying and selling foreign exchange is in line with the Al-Sharf principle. Buying and selling currencies that are not of this kind, delivery must be done at the same time (spot) [4]. Al-Sharf (buying and selling foreign currency), in principle, buying and selling foreign exchange in line with the principles of Al-Sharf. Buying and selling currencies that are not of this kind, the delivery must be submitted at the same time and the bank takes advantage of buying and selling foreign currencies [13]. Al-Sharf is a currency buying and selling contract with other currencies. Foreign exchange transactions at Islamic banks (excluding the sale of bank notes) can only be made for hedging purposes and are not justified for speculative purposes. Foreign currency is foreign currency such as US Dollars, pounds, ringgit, Malaysia and so on. Al-Sharf (buying and selling foreign exchange) etymologically Al-Sharf means addition or excess (*az-ziyadah*), while in terminology Al-Sharf is buying and selling money with money, both of the same or different types or buying and selling gold with gold, silver with silver, gold with silver, both in coins and coins [10].

Every country has the same right to print and circulate its currency as legal tender for every citizen. The Indonesian government issues Rupiah (Rp) as its currency unit, the United States prints Dollars ($) as its country's currency, Japan

prints a currency called Yen (¥) as a unit of currency, England publishes Pounds Sterling (£) as a unit of currency, and so do other countries. The existence of a currency is a necessity for every country as a unit of account for a country's goods and services.

Economic and technological advances have brought about rapid developments in the globalization of the economic system. At present, trade transaction activities have developed rapidly, not only limited to domestic trade but have become international trade which carries out buying and selling activities (exports and imports) with each other. The formation of the foreign exchange market (forex) was due to significant developments in international markets and international capital markets as a result of ongoing international trading activities (exports and imports) and foreign investment continuing around the world [14]. The transaction causes an exchange of a country's foreign currency against another country's currency. In the export and import trading activities, two possibilities will occur, namely [15]:

a. Indonesia will exchange Rupiah (Rp) against US Dollars ($) which will then be used by Indonesia to make payments to the United States.
b. Americans will be paid using Rupiah (Rp), then later the American country itself will exchange the rupiah (Rp) it gets against Dollars ($).

Transactions in the first and second points above can occur on the foreign exchange market. Foreign exchange market (foreign exchange market). The foreign exchange market (foreign exchange market) or better known as the forex market is a market that organizes foreign currency trading from various countries, where the currency of a country certain countries will be traded with currencies from other countries [16].

With the foreign exchange (forex) market, people can buy foreign currencies such as USD ($) while simultaneously selling their Rupiah (Rp), which can be abbreviated as USD/IDR. Bank Indonesia stated that the volume of foreign exchange transactions in Indonesia could reach US$6-7 billion and even reach US$9 billion per day [17].

## 3. METHODS

The methodology used in this study is a qualitative method with a library study approach [18]. This study aims to describe the situation that occurs regarding the foreign exchange transaction system, the data presented in this journal are in the form of explanations, writings, words, or sentences originating from statutory documents, journals, notes, and books to explain the situation that occurred [19].

## 4. RESULTS AND DISCUSSION

Almost every investment has uncertainty (risk) for every activity carried out by investors (financiers). Investors will try to project how much profit they will get from each of their investment activities and measure the possible risk of loss they will face when the expected results/profits do not match the planned projections. In investment, the rule of high-risk high return applies where the higher the level of expected profit, the higher the risk that will be faced by investors. In minimizing risk when trading foreign exchange, there are three calculation methods for minimizing risk, namely:

***Technical Analysis***

Technical analysis is an attempt to estimate changes in currency units based on historical data such as information from currency exchange rates. Adherents of technical analysis argue that in reality prices (currency values) move in a certain trend and occur repeatedly.

Later price movements can be described as a series of waves heading for the beach that occur all the time. The art of technical analysis seeks to identify trend changes at an early stage and hold on to an investment or trade form until there is sufficient evidence to show the trend is reversed. In technical analysis, evidence is presented through various indicators and basic principles including patterns, trendlines, moving averages and price momentum.

Technical analysis is an attempt to determine when to buy (enter the forex market) or sell (exit the market), by utilizing technical indicators or using graphical analysis.

***Fundamental Analysis***

Fundamental analysis attempts to project currency price movements in the future by estimating the fundamental factors that affect currency movements in the future. In simple terms, fundamental analysis places more emphasis on the pros and cons of a country's economy.

Suad Husnan explained that there is a correlation between the amount of money and economic activity in the future. The correlation will depend on whether a change in the money supply causes a change in the money supply or money demand. An increase in money supply will tend to increase economic activity, while an increase in money demand will reduce economic activity.

In addition, fundamental analysis will force investors to understand more about economic problems and various global issues, both related to economic, political and social issues that can affect money supply and money demand. The fundamental analysis presents its difficulties.

Investors are required to be observant in observing and reading global economic data that affect foreign exchange market movements. For example, investors will exchange Rupiah (IDR) for Euros. In these pairs (currency transaction pairs), the base currency is IDR, so it is this money that will determine the action (buy and sell). If investors obtain information indicating that the euro exchange rate is falling, the action that investors will take is to buy IDR/EUR. Conversely, if the Rupiah gives indicators that it will strengthen, then the order that must be placed by investors is to sell IDR/EUR.

***Market Sentiment Analysis***

Characteristics of currency value movements in foreign exchange transactions can change suddenly. Investors cannot rely solely on market information and news releases, this could be because the foreign exchange market can sometimes provide news or information that can mislead investors, considering that each country sometimes releases its news simultaneously and causes movements in currency values to be erratic. stable.

Market sentiment analysis places more emphasis on investors' instincts to know and observe market trends, whether the foreign exchange market is experiencing bullish or bearish, based on current and future economic projections by looking at events and exchange rate developments in the foreign exchange market.

***Legal Basis of Foreign Exchange Transactions in the Perspective of Syari'ah***

The practice of foreign exchange only occurs in a sale and purchase contract. The sale and purchase transaction is a *muammalah* practice that is justified by Islamic sharia. Allah SWT in Surah Al Baqarah verse 275 says:

اَلَّذِيْنَ يَأْكُلُوْنَ الرِّبٰوا لَا يَقُوْمُوْنَ اِلَّا كَمَا يَقُوْمُ الَّذِيْ يَتَخَبَّطُهُ الشَّيْطٰنُ مِنَ الْمَسِّۗ ذٰلِكَ بِاَنَّهُمْ قَالُوْٓا اِنَّمَا الْبَيْعُ مِثْلُ الرِّبٰواۘ وَاَحَلَّ اللّٰهُ الْبَيْعَ وَحَرَّمَ الرِّبٰواۗ فَمَنْ جَاۤءَهٗ مَوْعِظَةٌ مِّنْ رَّبِّهٖ فَانْتَهٰى فَلَهٗ مَا سَلَفَۗ وَاَمْرُهٗٓ اِلَى اللّٰهِۗ وَمَنْ عَادَ فَاُولٰۤىِٕكَ اَصْحٰبُ النَّارِ ۚ هُمْ فِيْهَا خٰلِدُوْنَ

*Those who eat usury cannot stand up but are like the standing of a person who has been possessed by a demon because he is mad. That is because they say that buying and selling are the same as usury. Whereas Allah has justified buying and selling and forbidding usury. Whoever gets a warning from his Lord, then he stops, and then what he has earned before becomes his and his business is (up to) Allah. Whoever repeats, then are residents of hell, they are eternal in it.*

On the other hand, Allah SWT also emphasized the limits for Muslims not to carry out trading activities in a vanity manner as stated in Surat An Nisa' verse 29 Allah SWT said.

يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْا لَا تَأْكُلُوْٓا اَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ اِلَّآ اَنْ تَكُوْنَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ ۗ وَلَا تَقْتُلُوْٓا اَنْفُسَكُمْ ۗ اِنَّ اللّٰهَ كَانَ بِكُمْ رَحِيْمًا

*"O people who believe! Do not consume your neighbour's property in a false (untrue) way, except in a trade that takes place based on mutual consent between you. And don't kill yourself. Truly, God is Merciful to you."*

In addition, the basis of the ability to exchange (buy and sell) is also explained by the hadith of the Prophet SAW narrated by Muslim, Abu Dawood, Tirmizi, Nasa'i and Ibnu Majah with the Muslim text from Abu Ubaidah bin Shamit, the Prophet SAW said, "(sell) gold with gold, silver with silver, wheat with wheat, barley with barley, dates with dates, salt with salt (provided that it must be the same and similar) and in cash. If the type is different, sell as much as you want.

In addition, the hadith of the Prophet Muhammad SAW narrated by Abu Sa'id al Khudri also mentions that the Prophet SAW said: "*Do not sell gold with gold, except for the same (value) and do not add one part to another, do not sell silver with other silver except for the same (value) and do not add one part to another and do not sell the gold and silver that is not cashable with cashable*".

As for the prohibition of buying and selling that is not a harvest, it is also confirmed by the hadith of the Prophet SAW narrated by Muslim, Tirmidhi, Nasa'i, Abu Daud, Ibnu Majah and Ahmad, from Umar ibn Khattab, the Prophet SAW said, "(Buy and sell) gold with silver is riba unless (done) in cash."

Based on the above hadith, it can be made a law that foreign currency trading transactions (foreign exchange market) can be allowed in Islamic Sharia. The hadith explains the exchange of goods if the goods are of the same type (gold and silver, silver and silver), then the exchange must be done in a balanced way because the advantage of exchanging goods of the same kind will fall into *riba fadl* which is forbidden by Muslims. As for goods of different types, the Prophet SAW explained when payment should be made in cash. This is intended to avoid *riba nasi'ah* that arises due to the time of payment.

Based on these rules, it can be concluded that currency exchange/purchase transactions (foreign currency) are permissible, if the money is of the same type, then it is done in cash and the value between one currency and the currency to be exchanged is not overestimated. As for the exchange of different types of currency (foreign exchange), then the law is also mubah if they are of the same value where there is no requirement to ask for an advantage in the exchange, but it is only required that there be a cash payment followed by handing over the goods (foreign exchange).

As explained at the beginning that there are four types of transactions in foreign exchange trading namely spot, forward, swap and option. With the increasing variety of transaction purposes along with the development of the Muslim economy, Islam as a righteous religion needs to accommodate the needs of Muslims by presenting a means of buying and selling foreign currency that is following the principles of Islamic Sharia.

Based on the purposes of the transaction permitted by the Qur'an and hadith as well as the Fatwa of the National Syariah Council regarding the sale and purchase of foreign currency (al Sharf), the author needs to formulate an analysis related to the types of foreign currency trading market that are following the principles of Sharia based on the literature study that the researcher did.

***Spot Transactions***

A spot transaction is the sale and purchase of foreign currency where the delivery and payment can be completed at the time the contract is executed. When the transaction is done between countries, then the settlement of the transaction usually takes about two days to complete the process.

In practice, spot transactions often occur when Indonesian workers (TKI) arrive in Indonesia and exchange their wages in the form of foreign currency to foreign currency banks, that is banking that collects and distributes funds in the form of currencies other than rupiah. For example, in a spot transaction suppose Hendra is a migrant worker in Japan who has just landed at Adi Sucipto Yogyakarta Airport. He then went to a bank in the area to exchange his Japanese ¥1000 salary for rupiah. On the announcement board (announcement board) the bank informs the exchange rate of the rupiah currency (Rp) against the Japanese yen (¥) the number 7000/¥ is listed, which means that every ¥1 is equivalent to Rp.7000. Hendra agreed on ¥1=Rp.7000, and the currency exchange of yen (¥) against rupiah (Rp) took place. The bank received Y1,000 from Hendra, and in return, the bank handed over Rp 7,000,000 to Herman, this transaction is called a spot transaction because the money was delivered in less than two days.

The Majelis Ulama Indonesia (MUI) allows a grace period of two days in foreign exchange transactions when using the spot method. According to MUI "the process of submitting foreign exchange in the spot transaski mechanism is done at that time (over the counter) or the settlement is at the latest within two days, the law is permissible because it is considered cash. The two days are considered an unavoidable settlement process and are an international transaction".

***Forward Transactions***

Forward transactions are foreign exchange buying and selling transactions whose value is determined at present and is enforced for the future, which is more than two days according to the time limit specified in the forward contract. There are only two ordering contracts in *muamalah* transactions, namely the salam contract and the *istishna* contract.

The forward contract mechanism is very different from the salam and *istishna'* contracts. This can be seen from the characteristics of the forward payment mechanism which is made on the day the delivery is agreed upon, while the salam contract requires the Muslim (the person ordering) to pay the money at the beginning of the transaction. As for the difference between the forward contract and the istishna contract, in the istisna contract the work and goods must come from the ash-shoni' (seller) and only for goods that can be produced by ash-shoni', while payment of money will be paid according to the terms of the work. agreed. Meanwhile, money is a medium of exchange produced by a country and no one is allowed to print their own money.

Forward transactions arise due to uncertainty and fluctuations in foreign exchange rates which originated from the enactment of the floating exchange rate system in 1971. Since the implementation of floating exchange rates, many companies and banks have wanted to protect their international transactions from fluctuations in exchange rates and speculators in the market.

Forward transactions in foreign exchange transactions can be illustrated as follows. On this day (11 March 2015) assume that PT. Sido Muncul requires a herbal processing machine to be imported from England which will be purchased on 20 June 2015 for £2,500. The money must be paid on 20 June 2015. For example, the current £11 price (on 11 March 2015) is IDR 11,000 per unit £, so the amount of IDR needed to get £2,500 is IDR 27,500,000 (from 11,000 x 2,500 ). The problem that arises is whether PT. Sido Muncul will buy dollars at this time or will buy pounds sterling when purchasing the machine (20 June 2015), because foreign currency prices will fluctuate up and down. By using a forward transaction PT. Sido Muncul can place an order for £2,500 now, at the exchange rate of Rp 9,000/£, which will be handed over on 20 June 2015.

Price fixing at the time of the forward contract agreement and not at the time of delivery of foreign currency is a speculative practice that contains an element of uncertainty between profit and loss. If the futures rate is lower than the prevailing spot rate, the related foreign currency is said to be experiencing a forward discount against the domestic currency. That is, futures transactions are more profitable than spot transactions. Conversely, if the futures rate is higher than the prevailing spot rate, the foreign currency experiences a forward premium. That is, spot transactions are more profitable. An investor will get a big profit if the forecast about the future price is right. If his estimate misses, he will not make a profit and will even suffer a loss.

The Indonesian Ulema Council forbids forward contracts because "the price used is the agreed price (*muwa'adah*) and the delivery is carried out at a later date, even though the price at the time of delivery is not necessarily the same as the agreed value unless it is carried out in the form of a forward agreement for specific needs. unavoidable (*lil hajah*)".

The definition of *hajah*, according to Al Suyuti, is "*Humans fulfill their needs, which if they are not fulfilled or violate the prohibitions, then they will experience difficulties and hardships, but not harmful*". The need for transactions is part of the desire itself, if humans do not carry out transactions, humans will experience difficulties and difficulties because the benefits that are not contrary to the Shari'a are passed.

Forward agreement contracts in economic activities are more often used as hedging. Hedging is an action taken by a company to avoid or reduce the risk of loss as a result of fluctuations in foreign exchange rates. Hedging aims to protect asset values from market risks that are always changing. In the context of asset-liabilities management, hedging is a framework that can bridge the imbalance between the assets and liabilities of a company.

***Swap Transactions***

Swap transaction, namely a contract to buy or sell foreign currency at a spot price combined with purchases between sales of the same foreign currency at a forward price. This practice is one of buying and selling that requires an exchange back at an agreed time. In Islam, buying and selling are categorized as *ba'i bis-syarti*. The existence of conditions in this transaction causes swap contracts to be prohibited.

When examined from a legal dimension, this swap transaction is included in the sale and purchase of *al-'ajl* which contains usury which causes this transaction to be unjustifiable according to sharia. For a sale and purchase to be valid, a foreign exchange transaction must meet four conditions: namely (1) the handover is carried out before the two separate, (2) has the same quality, (3) there must be no conditional eligibility, (4) there must be no time limit certain (*al'ajl*).

***Option Transactions***

An option is a contract that gives the owner/holder the right to buy (call option) or sell (put option) an asset at a certain price for a specified period. Options are formed only through buying and selling transactions, thus for each option, there must be a seller and a buyer. There are four parties involved in an options transaction, namely:

a. Purchase option buyers have the right to buy certain goods at a certain price and for a certain period.
b. The seller of the call option accepts payment and promises to deliver a specified item at a specified price and within a specified time.
c. A put-option buyer has the right to sell certain items, at a specified price and for a specified period.
d. The put-option seller, accepts payment and undertakes to purchase a specified item, at a specified price within a specified time.

Options transactions in forex trading do not provide certainty in making transactions, where there is no obligation to buy or sell. For example, on July 20, 1993, the value of the USD currency was IDR 1,500. Let's assume that we are going to exercise a USD call option with Bank Maju Jaya for Rp. 1,300 until September 20, 1993. For example, the call option price is Rp. 150. in this example the buyer has to submit an option premium of Rp. 150, and in return the buyer obtained the right to purchase USD from Bank Maju Jaya until September 20, 1993, for Rp 1,300 per dollar. Value Rp. 1,300 per dollar is also known as the delivery price or exercise price.

The National Sharia Council of the Indonesian Ulema Council forbids option transactions in buying and selling foreign currencies because they contain elements of *maysir* (speculation). This option practice contains the characteristics of *maysir* (speculation) because there is no certainty whether to buy or sell foreign currency by giving the right to choose (option) at the time of the contract. If the future spot price is higher than the futures price, he will make a transaction. Conversely, if the future spot price is less than the futures price, he will choose not to make a transaction.

Islam strictly prohibits transactions that contain elements of gambling because it will cause the effect of injustice and create volatility and price volatility like what happened in the option contract. This transaction is prohibited due to an element of ignorance (gharar) in the price so that both the seller and the buyer do not know what the foreign exchange price will be in effect when the option expires. According to *Mihajat*, one of the wisdom behind prohibiting the sale of *gharar* is that it contains elements of gambling and causes hostility towards the aggrieved party.

## 5. CONCLUSION

Transactions of buying and selling foreign exchange (forex) are a phenomenon that cannot be avoided along with the development of global economic activities, exports and imports between countries. In essence, Islam has never prohibited a person from dealing with buying and selling on condition that they comply with sharia principles. Spot transactions are transactions that are permissible in Islamic economics because they can minimize the elements of *gharar* and *maysir*, where transactions are carried out in cash at the same time so that speculation is avoided. As for forward, swap and options transactions, it is prohibited through *the ijtihad* of scholars because it will result in speculation (*maysir*) which is contrary to Islamic religious norms. Some scholars allow forward transactions to hedge receivables or payables against the risk of fluctuations in foreign exchange, not for speculation (*maysir*).

Hedging aims to protect asset values from market risks that are always changing. From the description above, it can be concluded that foreign currency buying and selling transactions are permitted in Islamic economics as a community economic activity with conditions to meet needs and not to make money a commodity for speculation which can later lead to economic bubbles which are common in derivative markets which can harm the economy a country.

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