

INTERNATIONAL JOURNAL OF AFRICAN CULTURE AND IDEAS

Vol. 17, No. 1&2, April & November, 2017

Cover: Nok Head, Nigeria

Vol. 17, No.1&2

IJACI, International Journal of African Culture and Ideas, is published twice annually in April and November. IJACI is a multi-disciplinary journal with the aim of promoting scholarship in African Studies with emphasis on intensive local research.

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Textual Analysis of Dimensions to *Ribā* in Islam

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Abstract

The paper examines *ribā* from the viewpoint of Islamic scholars who opine that it is synonymous with interest on financial transactions. Due to commission or omission, the phenomenon of *ribā* has become prevalent among Muslims in the contemporary period just as it was wide spread among the Arabs before the reform of Islam. Since the tool of reformation was the primary sources of the *sharī'ah*, one wonders whether such reforming tools have lost their quality of reformation. Considering this, the paper sets out to investigate the interpretation of the Qur'ān regarding passages on *ribā*. Hence, passages of the Qur'ān mentioning *ribā* were studied and put into perspective. The paper identifies Indian givers and primitive accusation of wealth as forms of *ribā*. The last of the forms of *ribā* identified is interest on financial transactions, whether simple or compound. There is a strong message of discontent and terrible material and spiritual implications for those dealing in *ribā* of the last category. Therefore, the question of some forms of *ribā* being lawful as advocated in some quarters does not exist.

Introduction

The prohibition of *ribā* is a major distinguishing feature between Islamic and conventional economies. There are four different places in the Qur'an (Q30:39, Q4:161, Q3:13-130, and Q2:275-278) that are associated with *ribā*. The first place (Q30:39:) states that *ribā* earnings are unblessed by Allah, the second (Q4:161) exposed *ribā* as unlawful for the Jew even though they indulged in it. The last two places (Q3:130 and Q2:2:76-278) contain outright ban of *ribā*. It is important to state that there is no difference of opinion among orthodox and heterodox Muslims on the prohibition of *ribā*. However, there are differences on what constitutes *ribā* which must be eschewed to ensure conformity with Islamic financial and economic principle.

There have been myths and confusion among Muslims on the true meaning of *ribā*. While a good number of scholars consider all forms of *ribā* absolutely forbidden in Islam, some others feel otherwise. The latter scholars, based on the view by some that the ban on *ribā* was to prevent enslavement of some people by others, make a distinction between it and interest on financial transaction. In the opinion of the Egyptian modernist, Muhammad Rashid Rida (1865-1935), some specific forms of *ribā* even existed during the prophetic era. Some other scholars have justified *ribā* using different variables. It is important to state that these scholars have met with strong opposition from many other scholars who insist that *ribā* is prohibited in all its forms (Viesser, 2009). This paper is not aimed at considering the arguments for and against *ribā*. Rather, it views the *āyāt* of the Qur'ān on *ribā* from the lens of works of commentators (*mufasssirūn*) of the Qur'ān with a view of ascertaining the true position of Islam on the issue.

Several works have been written on some aspects of *ribā*, some of which are examined in this paper. For instance, Muhammad Billah (2014) studies the conception of *ribā* according to the majority and minority views of Islamic scholars. He then evaluates the Islamic validity of the strategies (*ḥiyal*) regarding the financial products of Islamic financial institutions. In his conclusion, he opines that the adherents of the majority view have little regard for the underlining cause of legislation (*'illah*) of the prohibition of interest. This is because they are under liberty to charge profits that could be more exploitative than charging *ribā* on financial transactions. He also believes that the minority view on *ribā* is baseless. Additionally, differentiating between interest and usury may sometimes be problematic. Billah opines that although *ḥiyal* is justifiable and beneficial in avoiding *ribā*, adopting the minority opinion by Islamic financial institutions is a more straightforward approach that would reduce transaction costs of Islamic financial institutions and prevent their standing alone as a separate entity in the financial industry.

Hamid Harasani (2013) examines the ban on *ribā* in the light of Islamic law and discusses the ban in the light of substance and form. It also presents an objective test towards determining the compliance of certain financial transactions regarding the laid down legal standard. He concluded that since Islamic finance could serve as a one stop shop for financial transactions, it could contribute to Western financial

industry. Hence, there is the need for Western authorities and financial institutions to encourage more research on Islamic-compliant finance schemes.

Muhammad Farooq (2005) examines the merits and relevance of traditional polemics of Islamic financial institutions with emphasis on its claims and conduct with regards to *ribā*. The contributions of Yusuf Qaradawi and Sayyid Abdul Ala Mawdudi were the focus of the work, although the works of Umer Chapra and Nezatullah Siddiqi were reviewed. Farooq concluded that scholars of Islamic economics and finance needed to look beyond what he terms 'reductionist obsession with freedom from interest' and concentrate on crucial and utilitarian dialogue.

Siqqieq Noorzoy (1982) studies the effect of *ribā* controversy on contemporary economic transactions within a Muslim state. He concluded that abiding by the laws of *ribā* will necessitate that the Muslim community and its members initiate portfolios that will complement their incomes and capital gains as against keeping idle balances. Moreover, viewing *ribā* as a nominal interest rate requires that the consumption pattern of the Muslim community and its members be studied.

The paper is divided into six sections, this section introduces the paper, the second examines the meaning and concept of *ribā* while the third and the fourth sections discuss the issues of the Indian giver and primitive accumulation of wealth, and lessons derivable by Muslims from the prohibition of *ribā* to the Jews respectively. The following two sections address the prohibition of *ribā* albeit the latter emphasises and clarifies it.

Meaning and Concept of *Ribā*

Ribā is an Arabic word which in the literal sense means increase or growth. A hill is thus called *rabwah* which is a derivative of *ribā* because of its height over and above the ground level. *Ribā* could either mean an increase in itself or it could result from comparison of differences between two things (Homoud, 1985). Allāh mentions these two types of interpretations of *ribā* in the Qur'ān. The case of it being an increase in itself is mentioned as follows:

O mankind, if you have a doubt about the Resurrection, (consider) that we created you out of dust, then out of sperm, then out of sperm then out of a leech-like clot, then out of a morsel of flesh, partly formed and partly unformed. That We may manifest (our power) to you and We cause whom We will to rest in the wombs for an appointment term, then do We bring you out as babies, then (foster you) that you may reach your age of full strength, and some of you are called to die and some are sent back to the feeblest old age, so that they know nothing after having known (much). And (further), you see the earth barren and lifeless, but when We pour down rain on it, it is stirred (to life) and it swells (*rabat*) and it puts forth every kind of beautiful growth in pairs (Q22:5)

In this passage above, land is described as what is stirred, swells and grows other things by itself. The second interpretation of *ribā* in the Qur'ān states:

And be not like a woman who breaks into untwisted strand the yarn which she has spun after it has become strong. Nor take your oaths to practise deception among yourselves lest one party should be more numerous (*arbā*) than another For Allah will test you by this; and on the Day of Judgement, He will certainly make clear to you (the truth of) that wherein you disagree. (Q 16: 92)

The word *arbā* in the last *āyah* is a derivative of *ribā* called *Ism at-tafdīl* (comparative or superlative noun). It is used here as a comparative noun. Thus, *ribā* here is a growth as a result of a cause from another entity. Apart from the linguistic meaning, *ribā* also has a customary connotation which is somehow akin to the linguistic meaning. This customary meaning connotes an increase over and above the principal amount of legal tender lent to a borrower over a definite period. There were three kinds of this customary interpretation in the *jāhiliyyah* (ignorance period) and early prophetic era. They are as follows:

When the time to settle a debt comes, (the creditor would say to the debtor) “either pay now or the loan will incur *ribā*. If the debtor requests for extension of time, the creditor would require *ribā* and this would occur year in year out until the little capital becomes multiplied many times (Ibn Kathīr, 1997, Al-Rāzi, n.d.).

In the first case, *ribā* can be noticed when the debtor on requesting for a grace period to defray their debt, witness the creditor adding an excess amount for extra period given the debtor to pay back. The irony of it is that more burden is added to the neck of the poor debtor. On the second customary meaning of *ribā*, the following explanation of its practice will suffice:

During the *jāhiliyyah* they (Arabs) used to give loan on the condition that the creditor will receive each month a certain sum leaving the principal sum intact. When the debt matured, they claimed the principal sum from the debtor. However, if it was not possible for the debtor to pay, they used to increase the principal sum and extend the term (Ibn Kathīr, 1997).

The second case shares some features with the first type. However, a monthly interest on the principal is included in the repayment schedule of the latter. The customary interpretation is demonstrated in the incident that occurred during the reconstruction of the *Ka'bah* and before Prophet Muhammad's (S) call to prophetic mission:

‘Ā'id the son of ‘Imran the son of Mukhzūm – took a stone from *Ka'bah* and it fell from his hand until it gotto its (former) position. He then said: O you (community of the) Quraysh, do not invest (your money) into its building except what is good. Do not invest prostitution fees nor (gains made from) transactions based on *ribā* nor (property accrued) through oppression of (fellow) men (Ibn al-Hishām, 1987).

The call made by 'Ā'id shows that *ribā* was considered an illegitimate appropriation or better still, an unwholesome means of appropriating wealth. *Ribā* is not a compensation for labour or price of commodity but for the period for which the principal is borrowed. It comprises three characteristics. The characters include excess or surplus over and above the loan capital, hinging the transaction on the payment of predetermined excess and determination of the surplus over and above the principal in relation to time (Rahman, 1992).

Ribā is interpreted to mean both interest and usury according to the opinion of majority of the scholars. However, a minority of them view it as usury which is the charging an illegal rate of interest on the advancement of financial loan (Norton & Esposito, 1994). On the other hand, interest is defined as the rental payment for the utilisation of loan capital by borrowers in return for parting with liquidity by lenders (CBN, 1992). This paper addresses the customary Arabian connotation of *ribā* in the light of the opinion of majority of Islamic scholars and economists who view it as interest.

Indian Giver and Primitive Accumulation

The phrase "Indian giver" is commonly used in describing ungenerous personalities who often take back their gifts soon after they are presented or even immediately demand a present in return. The concept of the Indian giver was a social problem during the *jāhiliyyah* period and at the dawn of the Prophet's (S) mission. According to Al-Qur'ān abī (n.d), there were some groups of people who had the practice of giving material or non-material things to their fellow ones in anticipation of receiving a greater gesture from the beneficiary at a later period. Hence, the following *āyah* was revealed to address the phenomenon.

That which you lay out for increase through the property of (other) people, will have no increase with Allah but that which you lay out for charity, seeking the countenance of Allah (will increase). It is these, who will get a recompense multiplied (Q.30:39).

The *ribā* addressed in the above stated *āyah* of the Qur'ān connotes the Indian giver regarding family members and others (Al-Ābarī, n.d.). The practice which was prevalent among the Thaḳīf tribe was also observed by the Quraysh tribe of Makkah (Al-Qur'ān abī, n.d.). The crux

of the matter is that the *āyah* points out to increase in wealth from the wealth of others in monetary terms. (Ibn Arabi, 2008). This type of *ribā* is permitted (□*alāl*) for the generality of the people but specifically forbidden for the Prophet (S) (Al-Qur□*abī*, n.d.) as Allah says thus: “Nor expect in giving any increase (for thyself)” (Q.74:6). Hence this kind of *ribā* is called permitted *ribā* (*ribāmajāz*) (Alusī, 1985).

Furthermore, it is on record that a delegation from Thaḳīf tribe visited the Prophet (S) and with them was a present. It was there and then that the Prophet (S) asked them whether the present was a gift or a charity. He further said that if the present was a gift, it would be to seek the pleasure of the Prophet (S) of Allah and to satisfy a need. On the contrary, if it was a charity (□*adaqah*), it would be given to seek the pleasure of Allah. Upon that, they said that it was a gift. Thereafter, the Prophet (S) sat with them and they exchanged questions (Qur□*abī*, n.d.).

The *āyah* in question has three interpretations. First, giving out a gift with the intention of receiving a better gift from the beneficiary. Second, rewarding a loyal, dedicated and serviceable companion during a journey upon return. The last entails enriching relatives with a view to keeping the ties of kinship (Ibn ‘Arabī, 2008). As for the one maintaining the ties of kinship through enriching relatives, the intention could come in manifolds. It would be difficult to determine it let alone comment on it except they declare their intention that it has to do with worldly gains, and not for Allah’s sake. Otherwise, maintaining the bonds of kinship is meritorious. Therefore, it would be assumed that the gesture was done in keeping the bond of kinship. With regards to the one assisting during a journey, if they did it to receive monetary gains, then, it is not for Allah’s sake. This is however not increasing their wealth from people’s wealth but the fostering their wealth by themselves. (Ibn Arabi, 2008).

Ali, the fourth *Khalīfah* is of the view that a giver is of three categories: the one who gives with the intention of seeking Allah’s pleasure, the second is the one who does it to please human beings, and the third is one who gives to get greater recompense. Given the three categories mentioned, the one giving for the sake of men will neither get reward in this life nor the next (Al-Qur□*abī*, n.d.). There are divergence of opinion among scholars on the person who gives hoping for reward. Imam Malik is of the notion that the giver could have their

recompense if the incentive expected from the beneficiary is akin to the gift in terms of quality and quantity. Imam Shāfi' and Imam AbūHanīfah believe that the reward can only be given by the beneficiary if there had been a condition to that effect. (Al-Qur'ān, n.d.). Moreover, scholars are also divided on what should happen if a giver asks for a monetary recompense on their gift. On this, there are four opinions. If the gift is immovable, the giver can take what they like as recompense from the beneficiary, otherwise their initial gift could be returned. It is the opinion of some that value may be attached to the gift. For instance, marriage (*nikāh*) could be stipulated as an exchange for a gift (Ibn Arabi, 2008). The Indian giver does not receive the blessing of Allah. This contrasts with *adaqah* which is often given not for pecuniary gain or show-off but totally for seeking the pleasure of Allah (Al-Zamakhsharī, 1977).

Generally, the *āyah* in question addresses all means of wealth accumulation and assures that wealth can only be sustained and increased through giving and receiving and not anticipating a return or exchange from individuals as Allah restrains wealth and enlarges same. He multiplies wealth for those who give for His sake only. He equally decreases the wealth of those who give for the sake of men. Aside from the above account which is applicable in life, there is also that of the hereafter wherein deeds done for His sake are rewarded in multitudes. Giving for Allah's sake only can be described as the kind of trade where shortage is not recorded in both the world and the hereafter (Qur'ān, 1980).

There is the opinion that the *'āyah* of the Qur'ān in question is meant to awaken to life, souls of the Muslims in eventual preparation for the ban on *ribā* just as with the case with *khamr* (intoxicants) (Homoud, 1985). The similar *'āyahto ribā* is as follows:

And from the fruits of date-pails and grapes, you derive wholesome drink (*sakar*) and food. Behold, in this also, is a sign for those who are wise (Q16:67).

A critical look at this *'āyah* of the Qur'ān reveals that wholesome drink (*sakar*) mentioned here can be interpreted to mean two things. It will be regarded as wholesome if non-alcoholic drinks such as molasses, vinegar and wine of grapes and dates are extracted without allowing them to get fermented thereby producing alcohol before they are consumed. The second aspect is when they are extracted and fermented

to become alcohol. Then in this case, Allah permitted Muslims to consume it before *ijrah*, (migration to Madinah). Alcohol (*khamr*) was eventually discouraged and then prohibited (Homoud, 1985). A point to be noted here is that if it means the second interpretation above, then it is to call the attention of Muslims to it before its eventual prohibition. However, this is not like the case with *ribā* as its ban was not in stages but came at once.

Lessons from Jewish Iniquities

This second section of the Qur'ān on *ribā* gives an information of the attitude of Allah towards *ribā* with specific example of the punishment of the Jews for engaging in such a practice. Allah here, has changed the language used in addressing *ribā* from "giving" to "consuming". The *āyah* states that:

For the iniquity of the Jews we made unlawful for them certain (foods) good and wholesome which had been lawful for them in that they hindered many from Allah's way. That they took *ribā* though they were forbidden and that they devoured men's sustenance wrongfully. We have prepared for those among them who reject faith a grievous punishment. (Q.4: 160-161).

Allah mentions here that some wholesome things were forbidden for the Jews as punishment due to the iniquities that they engaged themselves in. The iniquities include: preventing themselves and others from following the guidance from Allah, unlawful consumption of the property of others and the collection of *ribā* which had been forbidden for them (Al-Qur'ānī, n.d.). In fact, anytime they committed sins whether major or minor, a kind of wholesome food is forbidden for them. As part of the food items forbidden to them are nail bearing animals and all kinds of milk (Al-Zamakhsharī, 1977). However, instead of them to repent, they wrongfully claim that the wholesome things forbidden to them was not new as they had equally been forbidden for nations before them and their prophets such as Ibrāhīm and Nūh. The lesson in the *āyah* in question is that it demonstrates that *ribā* was prohibited for the past nations, the Jews inclusive. (Al-Alūsī, 1985).

On the increase of wealth through *ribā* as stated in the *āyah*, Al-Sha'rāwī (1991) gives an analogy of one who engages in such the practice. The analogy is about a man in the olden days, who stayed in the desert and had a mountain of gold but whose food and drink has been exhausted. It is obvious that the mountain of gold could not benefit such a person. On the contrary, a loaf of bread and a cup of water would be more precious to such a person in that circumstance. He then concluded that wealth acquired through *ribā* would not be of value to the owner nor to the society because it has been deprived of Allah's blessings (Al-Sha'rāwī, 1991).

Prohibition of Dealing in *Ribā*

The third place in the Qur'ān on *ribā* indicates an announcement of the prohibition of it. Again, the language used has changed from "taking" to "eating" of *ribā*. The *āyah* states:

O you who believe: Devour not *ribā* doubled and multiplied but fear Allah that you may (really) prosper. (Q3: 130).

The *āyah* above which mentions modern economic terms: *ad'afan* (doubled) otherwise known as simple interest and *mu'ā'afah* (multiplied) otherwise known as compound interest (Al-Sha'rāwī, 1991) is linked to an event that occurred shortly before the revelation of it. The fact was that much of the wealth of the polytheists (*Mushrikūn*) were gotten from *ribā*. The wealth was spent on attracting and equipping soldiers for war against the Muslims. In a bid to form a formidable force that would match the polytheists, some of the Muslims also thought of raising fund for defensive war against the polytheists by dealing in *ribā* (Al-Alūsī, 1985).

Many of the commentators of the Qur'ān see the call to fear of Allah and fire in the *āyah* as a warning to those who view *ribā* as permissible. *Ribā* is one of the sins that entitles its practitioner to the "removal of faith" (*naz'al-īmān*). The sins mentioned in this category are: disobedience to parents, cutting of blood relations, breaking of trust and the consumptions of *ribā* (Al-Qur'ābī, n.d.). There is the view that the *āyah* indicates that though Allah may punish or forgive whoever He pleases, those who deal in *ribā* are bound to face His punishment (Al-Alūsī, 1985). Imam Shāfi' is of the opinion that the *āyah* in question is the most feared *āyah* in the Qur'ān wherein Allah

threatens the believers with fire prepared for the disbelievers if they fail to fear Him by staying clear of *ribā* (Al-Zamakhsarī, 1977).

Muhammad ‘Ali Al-‘Abūnī (1977) believes that the *āyah* is an intimation and unannounced prohibition of *ribā* in general but an announced prohibition of an aspect of it: usury, like the *āyah* prohibiting alcohol at the time *Salāh* (compulsory prayer) only. The *āyah* states that:

O you who believe, approach not prayers with a mind befogged until you can understand all that you say. Nor in a state of ceremonial impurity (except when travelling on the road) until after washing your whole body. If you are ill, or on a journey, or you have been in contact with women and you find no water, then take for yourselves clean sand or earth, and rub therewith your faces and hands. For Allah does blot out sins and forgive again and again (Q4:43).

The above assertion of Al-‘Abūnī seems to be erroneous as the above *āyah* only bans alcohol at the time of *alāh* by making Muslims to keep away from it, especially, when the time for *alāh* draws near. They also had to reduce their alcohol intake so that they would have recovered from its intoxicating effect before they go in for *alāh* that are strategically placed in time. In contrast, the *āyah* on *ribā* is a total ban that is not restricted to time and place.

Emphasis and Clarification of the Prohibition of Ribā

The fourth passage on *ribā* in the Qur’ān re-emphasises the ban on it as contained in the previous passage (Q.3:130). Here, punishment has been attached to dealing in *ribā*. The set of *āyāt* in question prohibits all forms of *ribā* and clarifies the confusion that may have been in the minds of people. The *āyāt* state as follows:

Those who devour *ribā* will not stand except as stands one whom Satan by his touch has driven to madness. That is because they say: “Trade is like *ribā*, but Allah has permitted trade and forbidden *ribā*. Those who after receiving direction from their Lord, desist, shall be pardoned for the past, their case is for Allah (to judge). But those who repeat

(the offence) are companions of the fire. They will abide therein (for-ever). Allah will deprive *ribā* of all blessings but will give increase for deeds of charity. For He loves not creatures ungrateful and wicked. Those who believe and do deeds of righteousness, and establish regular prayers and regular charity, will have their reward with their Lord, on them shall be no fear nor shall they grieve. O you who believe, fear Allah and give up what remains of your demand for *ribā*, if you are indeed believers. If you do it not, take notice of war from Allah and His messenger but if you turn back, you shall have your capital sums: deal not unjustly so that you shall not be dealt with unjustly. If the debtor is in difficulty, grant him time till it is easy for him to repay, but if you remit it by way of charity, that is best for you if you only knew. And fear the Day when you shall be brought back to Allah. Then shall every soul be paid what it earned, and none shall be dealt with unjustly (Q.2: 275-278).

The cause of revelation of the first part of the *āyah* is regarding two Arabian clans: *Banū ‘Amru bin ‘Umayr* from Thaqīf tribe and *Banū al-Mughīrah* from the Makhzūm tribe. The two clans entered into a *ribā*-based transaction during the *jāhiliyyah* period. After the domination of Islam in their domain and their acceptance of it, the *Banū ‘Amru bin ‘Umayr* demanded for the *ribā* accumulated from the *ribā*-based transactions they had engaged in before their acceptance of Islam from *Banū al-Mughīrah*. Perhaps they thought that the prohibition would not be applied retrospectively. However, the *Banū al-Mughīrah*, after due consultations, refused to pay the *ribā*. The seemingly uncertainty on the issue made the authorised representative in Makkah ‘Itāb bin Usayd to correspond with the Prophet (S) at Madinah. Then, the *āyahin* question was revealed (Al-Zamakhsharī, 1977).

Eating *ribā* in the *āyah* signifies taking it.⁶ It also carries a general meaning of all kinds of benefits accruable from *ribā*. The use of the word “eating *ribā*” in the *āyah* demonstrates the greatest objective of collecting *ribā* (Al-Alūsī, 1985). The words in the *āyah* denote the greed, strong desire and great love for wealth by the

practitioners of *ribā* to the extent that even in life, they are always agitated leading to their awkward movements. In addition, those who practice *ribā* will rise from their graves on the Day of Judgement like mentally deranged individuals. This is to serve as punishment and a sign of hatred for them from among the creatures of Allah. Since the greatest objective of earning *ribā* is to feed self, the consumers and dealers in *ribā* are keeping the consumed *ribā* in their stomachs. This consumption will grow in their bellies and inflate their stomachs in such a way that they will rise and fall continuously due to loss of balance (Al-Qur'ān, n.d.).

The question of *ribā* is a difficult subject for a few scholars. It is important to state that Umar bin Khattab, the second *Khalīfah* of the Prophet (S) was reported to have said that "I wish that the Messenger (of Allah) had made three matters clearer to us so that we could refer to his decision: the grandfather (regarding inheriting from his grandchildren), the *Kalālah* (those who leave neither descendants nor ascendants as heirs) and some types of *ribā*. Here, Umar was referring to the uncertainty involving a few transactions regarding *ribā*. There is also a juristic principle which states that for any unlawful matter, the means to it are also unlawful because whatever ensues in an unlawful act is also unlawful (Mubarakpuri, 2000). In addition, it is on record that Umar disclosed that one of the last *āyah* to be revealed was the one on *ribā*, hence the Messenger of Allah died before explaining it to the Muslims. In view of that, he commanded that "leave that which you doubt for that which you do not doubt" (Mubarakpuri, 2000). Furthermore, Ali Al-Sabuni (1977) believes that the saying that *ribā* is like trade is a wrong comparism (*tashbihmaqlūb*). Furthermore, *adaqah* and *ribā* are diametrically opposed to each other. (Al-Abūnī, 1977).

Ribā is a social ill that ensues in egoism and selfishness. The spirit of immolation and sacrifice is bound to disappear from the minds of practitioners of *ribā*, thus the love for goodness to the state and the society is weak in them. There is the destruction of the bonds of brotherhood and generosity so that man becomes wild with the only concern to pile up wealth. They can best be described as wolves in a gentle man's body. In addition, *ribā* leads to hatred and enmity among individuals in the society. It also unties the bond of human and community brotherhood and kills all manifestations of kindness, goodness and mutual help in man. *Ribā* engenders envy in individuals.

This is because there is a high tendency that one who is denied love and brotherhood will eventually lose all sympathy and respect for other people in the society. The society sees the beneficiaries of *ribā* with disdain and contempt as they not only suck the blood of the masses and exploit them but are also viewed as enemies of the state, community and humanity in general (Al-*abūnī*, 1977).

Ribā provokes the classification of men into two groups: The wealthy class and the poor class living out the middle class. The wealthy class then lives on the labour of the poor class who live in deprivation, want and hunger. Also, wealth and market forces are usually concentrated in the hands of a few people. Therefore, both the rich and the poor maintain a vicious circle wherein the rich continues to be rich while the poor continues to be poor. This uncomplimentary situation could lead to crimes and social disorder in such *ribā* ridden communities. Additionally, the system of *ribā* has been criticised by some scholars of Economics. Among them was Hjalmar Schacht, a German and the former Director of Reichsbank Bank of Germany. In his 1953 lecture in Damascus, using mathematical technique, Schacht pointed out that it is quite clear that the money on Earth will reduce substantially due to the engaging in *ribā* leading to continuous deficits on the part of borrowers on *ribā* (Qu[□]b, 1980).

Ribā is also a major cause of inflation and economic recession. This according to Qu[□]b (1980) occurs in the cause of the *ribā*-based financial institutions action as intermediaries between the depositors and the borrowers, the latter majorly traders and captains of industries. In a bid for the financial institution to maximize profit, it hoards money and releases same only when the demand for loanable fund is high, thereby raising interest rates. The rise in interest rate would take its toll on trading and production, forcing them to reduce their activities while some would liquidate. This situation leads to the laying-off of workers, hence, purchasing power will reduce while the price of goods and commodities will rise due to rise in interest rate. It is when this happens that the *ribā*-based financial institution lower their interest rate as the demand for loanable fund drops. Then the economy picks up again. Therefore, *ribā* leads to seasonal inflation and economic recessions (Qu[□]b, 1980).

Furthermore, the masses who form the consumers are those indirectly defraying the interest on loans borrowed by either the private sector or the government. As for the private sector, such as traders and

industrial firms, what they do is to build the extra-cost of interest into their production and running costs. It is the end user who pays this back from their pocket. As for the government that borrows for infrastructure and other things, to be able to defray the loan with interest, it increases its taxes in percentages and kinds. Therefore, it is the masses that pay back the loan. If the masses then live unbearable lives, they may view those in government, industries, financial institutions and traders as their enemies. They may therefore engage in violence or even war due to frustration (Quḡb, 1980).

Conclusion

In conclusion, the paper identified three forms of *ribā*. The first being the Indian gift which is expected to generate a gift of equal or greater magnitude to its giver while the second is the acquisition of wealth through unlawful means. The third is the dealing in usury and interest on financial transactions. There are two areas of the Qur'an where Allah prohibits the dealing in the last aspect of *ribā*. The first of the two injunctions address *ribā* with regards to simple and compound interest. Therefore, the opinion that *ribā* should be confined to usury alone becomes problematic. The second injunction reaffirms the prohibition and states its negative implications some of which are replete in *ribā* infested communities. The majority opinion of scholars is also affirmed in the works of the *mufassirūn*.

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