



Is the ‘Riba’ Identical to Bank Interest? Towards Understanding the Quranic Term ‘Ar- Riba’

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Abstract

The Quranic term ‘ar-Riba’ is not explicitly defined in the Holy Quran or the Sunnah but has distinct characteristics in Quranic verses. It originates from the Arabic term ‘Raba,’ meaning ‘to grow’ or ‘to increase.’ Traditionalists and revivalists, adhering strictly to this literal meaning, equate ‘ar-Riba’ with contemporary bank interest, arguing that it is prohibited. This study challenges such interpretations by analyzing English translations of the Holy Quran from 1649 to 2023 using a quantitative approach with SAS. The findings indicate that the most accurate English equivalent of ‘ar-Riba’ is ‘usury,’ which inherently implies exploitation. Without this exploitative nature, equating ‘ar-Riba’ with bank interest is misleading. To reinforce these findings, the study examines Quranic commentaries, which align with this interpretation. Despite this, traditionalists, revivalists, and certain academic scholars strongly advocate for Islamic Banking and Finance (IBF), even though IBF institutions can be more costly than conventional banks. The \$4 trillion IBF industry is largely based on the assumption that ‘ar-Riba’ equates to bank interest. This paper critically evaluates the exploitative elements of ‘ar-Riba’ through the lens of social justice theory and scrutinizes IBF institutions using legitimacy theory. In conclusion, the study urges scholars to avoid literal translations of ‘ar-Riba,’ as Quranic verses have historically been interpreted within their contextual framework.

Keywords: Bank-interest; Usury; Prohibition; Traditionalist; Revivalist; Islamic-bank; Religious-rulings.

1. Introduction

‘Ar-Riba’ or the ‘Riba’ is a Quranic term which refers to the lending system in practice during the period of jahiliya (the period preceding the revelation of the Holy Qur’an). Many traditionalists and revivalists interpret the term ‘ar-Riba’ as interest (e.g., Maududi, 2019; Usmani, 2002). It is noteworthy that certain academic scholars have also interpreted ‘ar-Riba’ as ‘bank interest’, perhaps due to a lack of attention. For instance, in a recent article, while the authors were elucidating the significance of the Quranic verse (2:275), they assert that “*Conventional banks primarily profit from Ribaa, and when you*



deposit your money in a conventional bank, you indirectly contribute to their earnings. Moreover, if you receive interest on your savings, it constitutes Riba, which is strictly prohibited in Islam” (Zaidi, Calandra, & Tarek, 2024, p.19).

Hence, as per the stance of certain traditionalists, revivalists, and academic scholars, if a financial institution extended a loan of one hundred thousand dollars to an individual to acquire a residence for their family, and subsequently, after a period of thirty years, the institution demanded an additional sum beyond the principal amount for which both parties initially agreed; this additional sum would be deemed ‘ar-Riba’, and consequently, it would be prohibited. It is against the divine principle that any party in the lending and borrowing process becomes a loser (Al Qur’an 2:279). It is a widely acknowledged fact that in the present era, gold coins or silver coins are no longer utilized as a form of currency; instead, fiat currency is prevalent worldwide, and its value diminishes over time due to inflation and other economic factors.

This paper argues that the English term ‘interest’ or ‘bank interest’ is an incorrect translation because many Islamic scholars translate ‘ar-Riba’ as ‘usury’ (e.g., Farooq, 2009; Nomani, 2002). There was disagreement among early Islamic scholars about the scope of the Quranic term ‘ar-Riba’ and whether all interest rates should be under the ambit of ‘ar-Riba’ or only exorbitant interest rates, but later most early Islamic scholars agreed to prohibit all interest rates (Martin, 2004). Recent research identified it as a legacy of Al-Jassas (died, 981 CE), an early Hanafi Islamic scholar, who is credited for attributing ‘ar-Riba’ to any interest, regardless of the rate. Zaman (2011, p. 223) states that *“those who equate riba with interest seek support from al-Jassas, who claimed that pre-Islamic Arabia practised a form of riba where money was lent at a predetermined sum over the principal amount”*. However, there is no substantial evidence that supports the arguments of certain traditionalists, revivalists, and academic scholars equating ‘ar-Riba’ with conventional bank interest. As per Farooq (2007), it has been posited that the term ‘ar-Riba’ was not associated with excess loan repayments in the discourse of Islamic scholars prior to Al-Jassas. Furthermore, he asserts that Al-Jassas altered the definition of ‘ar-Riba’ which is in contradiction to the textual evidence cited. For centuries, certain traditionalists have imposed some strict restrictions through their ruling among Muslims, in dealing with lending and borrowing involving interest. Certain revivalists and academic scholars continue to endorse those rulings, disregarding the call from modernists to conduct a critical and objective examination of the matter.

Islamic history is proud to have numerous highly esteemed traditionalists and revivalist intellectuals who have contributed immensely to explaining many aspects of Islam. Nonetheless, as has been observed in numerous other religions in the past, it has been observed in Islam as well that certain rulings of the traditionalists in various matters have been deemed controversial due to the human being’s vulnerability to errors. These errors incurred significant negative impacts on Muslims in terms of education and scientific advancement and subsequently led to a socio-economic-political and cultural downturn.

Despite extensive research into the topic of ‘ar-Riba’, a large body of research is aligned with traditionalist and revivalist interpretations. A critical analysis challenging the status quo regarding the prohibition of bank interest within Islam is under-explored. This study contributes to the body of knowledge by examining this under-explored topic from an unconventional perspective to find answers using a different lens. To the best of the author’s knowledge, the analysis of 374 years of data to determine the most appropriate translation of the Quranic term ‘ar-Riba’ and providing lucid evidence to demonstrate how the English term ‘usury’ differs from the term ‘interest’ or ‘bank-interest’ is an unprecedented undertaking. Despite publicly available evidence indicating that a substantial majority of the authors who have translated the Holy Qur’an into English regard the Quranic term ‘ar-Riba’ as usury, it remains challenging to comprehend the rationale behind equating ‘ar-Riba’ with bank interest. The term ‘usury’ is associated with exploitation, whereas ‘bank-interest’ is not. Therefore, certain traditionalists, revivalists, and academic scholars may express disagreement with the findings; however, this paper cannot be regarded as a corner-case anomaly.

The rest of paper proceeds as follow. Section 2 will provide an overview of the academic literature related to the Quranic term ‘ar-Riba’, dealing with the failures of certain traditionalists on some occasions resulting in the backwardness of Muslim Ummah (community). Section 3 outlines the theoretical framework. In section 4, the research methodology, data collection process, purpose of the study, and scope of the study have been discussed. In section 5, four analyses have been conducted, and the results of these analyses are briefly discussed. Section 6 is the reflection section that provides further elaboration on the findings of the analyses. In section 7, issues related to the IBF system have been deliberated upon, and section 8 presents the conclusion. Finally, section 9 briefly discusses the implications, limitations, contributions, and future research directions. The subsequent section of this paper presents a literature review that scrutinizes recent research conducted on the subject matter, presenting a comparable perspective to this study. Additionally, it provides examples of how human interpretation errors can adversely impact advancement.



2. Literature review

Among Islamic scholars, there is a divergence in perspectives on this topic. It is noteworthy that a significant number of Islamic scholars do not consider the interest of conventional banks to be 'ar-Riba' or 'haram'. For instance, Dr. Muhammad Sayyid Tantawy, who was the Grand Mufti of Egypt, the Grand Imam of Al-Azhar University, and a former Professor of the Islamic University of Madinah, considered conventional bank interests to be 'halal'. Tantawy holds the belief that there is nothing in the Holy Qur'an or the 'Traditions of the Prophet' that prohibits the pre-fixing of the rate of return, if it is carried out with mutual consent and in a 'halal' investment (Khan, 2013; Khalil & Thomas 2006). Tantawy further clarified that interest-bearing bank deposits are perfectly Islamic and better than IBF accounts, which impose a disadvantageous term on the customer (Vogel & Hayes, 1998). Tantawy's opinion was echoed in the 2002 ruling issued by the Al-Azhar Institute of Islamic Jurisprudence (El-Gamal, 2000 & 2006). Moreover, Khan (2013, p.175) cites the comment of the Grand Mufti of Egypt, Dr Nasr Farid Wasil, "*So long as the investment is 'halal', there is no such thing as an Islamic or non-Islamic bank; so, let us stop this controversy about bank interest*".

In a TV show, Dr Ali Gomaa, a Grand Mufti of Egypt, states that the four Imams (i.e., al-Shafii, Ibn Hanbal, Malik and Abu Hanifah) believe that usury is restricted to gold and silver, while banks deal with money (fiat money). According to him, bank interest is different from usury, and the relationship between individuals and banks is not based on loans but on financing and investment (Hussein, 2015). The Chief Justice of Egypt, Said al-Ashmawi, asserts that interest charges imposed by the contemporary banking system do not fall within the purview of 'ar-Riba' (Khan, 2013; Visser, 2009). Abd al-Razzaq al-Sanhuri, a prominent law expert in the Arab world and author of the constitutions of Egypt, Iraq, Kuwait, Libya and Syria, contends that prohibition of 'ar-Riba' on simple interest rates could be lifted, but not for the compound interest rate (Badawi, 2000, Khan, 2013; Khalil & Thomas, 2006).

Khan (2013) asserts that in addition to scholars of Arab origin, a significant number of prominent Islamic scholars of Asian origin do not associate the term 'ar-Riba' with contemporary conventional banking interests, as elucidated in their academic writings. Among them some prominent names are in the following: Ja'far Shah Phulwari (1959), Tamanna Imadi (1965), Rafiullah Shihab (1966), Yaqub Shah (1967), Abdul Ghafur Muslim (1974), Syed Ahmed (1977), Aqdas Ali Kazmi (1992), and Abdullah Sayeed (1995 & 1996). Abdullah Yusuf Ali, a renowned English translator of the Holy Qur'an, defines 'ar-Riba' as undue profiteering of all kinds, excluding the economic credit from the modern-day banking system (Khan, 2013). Another prominent Islamic scholar, Fazlur Rahman (1911-1988), defines 'ar-Riba' as "*an exorbitant increment whereby the capital sum is doubled several-fold, against a fixed extension of the term of payment of the debt*" (Rahman, 1964, p.40). Visser (2009) asserts that the leading Muslim organization of Indonesia (Nahdatul Ulema), in their ruling in 1938, states that bank interests are permissible as they are beneficial to society. The 'Fatwa' (religious ruling) Committee in Britain (2017), which is affiliated with the European Council for Fatwa and Research, issued a 'Fatwa' number (6/5) titled 'buying a house through banks. The 'Fatwa' states that under certain conditions, owning a house through banks is considered a general need (In Arabic: 'Hajah') and should be treated as a necessity (In Arabic: 'Darurah').

Balala (2011) contends that the Holy Qur'an has prohibited inequity and inefficiency in commercial transactions. In the event of a commercial transaction involving inequity, it would come under the purview of prohibited 'ar-Riba'. Balala (2011, p. 87) defines 'ar-Riba' as, "*if there is an inequitable and inefficient gain then it would be called 'ar-Riba'*". She also provides a definition of an inequitable and insufficient gain. According to her, a regulated and competitive market defines it, and the rate offered in a regulated and competitive market is equitable and efficient. Anything above the market rate would be inequitable and inefficient; hence based upon her analysis, in the modern-day banking system, interests are not 'ar-Riba' because it is competitive and regulated by the market, thus equitable and efficient. On the contrary, certain instances of 'ar-Riba' in contemporary times can be cited, including but not limited to unregulated financial transactions at the personal level, where any gain would be deemed as 'ar-Riba'. The interest rates imposed by microfinance organizations, such as Grameen Bank, which, in some cases, charge up to 80% of the interest rate, thus falling under the purview of 'ar-Riba' (Khan, 2013). Moreover, certain credit card companies that charge an annual interest rate of 20% - 30% are guilty of usury. Based upon the argument, Khan (2013, p.177) opines that "*A logical conclusion of this line of argument is that there is no need for anything known as 'Islamic finance'*".

It is imperative for every individual and society to learn from their past mistakes. The novel invention of the printing press in 1436 CE was comparable to the invention of the internet today, which rapidly spread throughout Europe and even reached regions such as Mexico, Tahiti, and Hawaii. During that period, the Islamic world was ruled by the Ottoman Empire. In 1508 CE, the highest religious authority of the Ottoman Empire issued a religious ruling (fatwa), prohibiting the use of printing



press for Muslims. Later based upon this ruling, in 1515 CE, Sultan Selim I issued a decree in favour of this ban. This ban remained effective for more than three centuries. Due to the inaccessibility of printed books for more than three centuries, Muslims have gradually developed a significant knowledge gap in comparison to other Abrahamic religions. The effect of this unfortunate ruling is still haunting the Muslim Ummah all over the world. Rubin (2017) examines in his book why the Middle East, which was far ahead of Europe for centuries following the spread of Islam in terms of socioeconomic and cultural development, was left far behind. Based on the historical records, his assessment is that due to the political bargaining power of religious authorities, traditionalists' rulings prohibiting bank interest and prohibiting the use of the printing press caused immense damage in terms of socioeconomic and cultural development.

Juma (2016), in his book, explores why people resist new technologies. According to his findings, it appears that in 1485 CE, Sultan Bayezid II issued an edict prohibiting the printing of books in Arabic. Moreover, he even prohibited the import of books printed in Europe into the Ottoman lands. Ghitreef (2022) criticized the religious authorities in the Ottoman Empire for preventing the importation of printing presses from Europe for nearly three centuries, implying Muslims' disinclination toward education. Qadhi (2012) asserts that one of the primary reasons for the stagnation of the Muslim world during Europe's ascent was the prohibition of the printing press. He further adds that there was a time when the Ottoman Sultan issued a decree that anyone caught with a printing press would be executed for heresy, and anyone who owned a printed book would be effectively imprisoned. So, for a period of 350 years, during which Europe printed the works of Descartes, Galileo, and Newton, the sole means by which an individual could obtain a copy of any book in the Muslim world was through the process of handwriting it themselves. Qadhi (2012) even suggests that it is likely that the printing book ban was linked to the loss of traditionalists' influence, as everyone will have a printed book in their household. Consequently, the monopolistic authority to possess a handwritten book and impart knowledge to a multitude of students will be forfeited. Similarly, Mian (2017) argues that some rulings (fatwa) in the past by traditionalists suggest that the use of loudspeakers invalidates the ritual prayer of the congregant. In the following section, the theoretical framework will be established.

3. Theoretical framework

This paper will employ the lenses of two theories, specifically social justice theory and legitimacy theory. The prohibition of 'ar-Riba' will be examined through the prism of social justice theory, while the IBF institutions will be scrutinized through the lens of legitimacy theory.

3.1 Social Justice Theory

Social justice theory advocates for the establishment of a just and equitable allocation of resources, opportunities, and privileges, within society. It argues for fairness in society and equitable allocation of resources and considers social justice to be a moral obligation for people within a society to work for the common good. For a significant portion of its history, social justice has been a religious concept that found its root in all Abrahamic religions. The term 'social justice' was initially coined in academic discourse in the 1840s by Luigi Taparelli, an Italian scholar, in his essay, "*Theoretical Treatise on Natural Right Based on Fact*". Taparelli contends that individuals ought to adhere to moral principles derived from natural theology and religion (Behr, 2019).

Social justice in Islam holds such great significance that the second caliph of Islam, Umar al-Khattab, in contravention of the verse of the Holy Qur'an (5:38), refrained from cutting off the hands of thieves, believing that the punishment was unjust and violated the principle of social justice in the context of a famine (Ishaq & Ridwan, 2023; Abd al-Razzaq, Musannaf n° 18371). The verses of the Holy Qur'an provide guidance towards attaining human bliss, and its ethical and social admonitions necessitate meticulous consideration when inferring them, considering the surrounding environment. It would be unwise to impose the Islam of the sixth century in the contemporary setting. The Islamic faith places great emphasis on a profound commitment to social justice by holding that humanity is entrusted with the responsibility to consistently stand up against exploitation without fear of being intimidated by the powerful elements in society

In Islam, one important aspect of social justice is the elimination of economic exploitation of the weak by the strong. The Holy Qur'an discusses the term 'ar-Riba' in a total of four chapters, and in two chapters (4:161 & 3:130), it depicts the exploitation of the weak, which is one of the primary reasons why 'ar-Riba' is prohibited. In addition, Islamic social justice guarantees the fundamental necessities of life to the impoverished and advocates for a just and equitable distribution of wealth. Islam prescribes the basic principles of social justice and establishes the claim of poor to the wealthy rich, an example



of which is given in the verses of the Holy Qur'an (73:20), "*And establish regular prayer and give regular charity (zakat); and loan to Allah a beautiful loan*".

Scholars frequently derive the significance of a Quranic term, even if it is not explicitly defined, by scrutinizing its context. For instance, in the Quranic verse (30:39), the term 'ar-Riba' has been employed in opposition to the term 'zakat' or 'mandatory almsgiving' and similarly, in the Quranic verse (2:276), the term 'ar-Riba' has been employed in opposition to the term 'sadaqah' or voluntary almsgiving'. The doctrine of 'ar-Riba attempts to prevent the oppression of the impoverished and the exploitation of the needy, and it is rooted in social justice, as exemplified by the assertion of Khan (2024, p.109) that, "*The Qur'an describes riba as a vehicle of injustice and makes dealing in riba as unlawful*". The Holy Qur'an complements the emphasis placed on helping the impoverished prescribed by the doctrine of almsgiving through both sadaqah and zakat. Pejman (2019, p 17) argues that "*Implications of the doctrines of 'ar-Riba' and almsgiving need to be revisited by paying sufficient attention to the features of the contemporary world and the fact that they are inextricably linked*". Rahman (1964) inquires about the juxtaposition of 'ar-Riba' with 'trade' in lieu of 'sadaqah' and zakat by certain traditionalists and revivalists and contends that this confusion resulted in the substitution of '*juristic hair-splitting*' for the moral significance associated with the prohibition of 'ar-Riba'.

In the following Quranic verse (9:60), the term 'sadaqah' or 'voluntary almsgiving' has been employed to establish social justice, including freeing the debtors. "*The alms (sadaqah) are only for the poor and the needy, and those who collect them, and those whose hearts are to be reconciled and to free the captives and the debtors, and for the cause of Allah, and (for) the wayfarers; a duty imposed by Allah. Allah is Knower, Wise*". Therefore, the opposite of 'sadaqah' or voluntary almsgiving is the true essence of the term 'ar-Riba', which can also be referred to as un-freeing or entrapping debtors through exploitation. Following this analogy, it can be contended that in any commercial, social, or personal transaction, the association of exploitation could be deemed to be a violation of the fundamental principles of social justice in Islam.

This theoretical inference is shared and supported by numerous scholars. For instance, Faridah, El-Wafa, and Rizali (2024, p. 313) assert that, "*Furthermore, modern scholars use the maqashid al-shariah (objectives of Islamic law) approach to examine whether a financial transaction involves riba. They emphasize the importance of considering sharia objectives, such as social justice, welfare, and preventing exploitation. Therefore, if a transaction meets these principles, it cannot be immediately classified as riba. Thus, modern scholars define riba not merely as an increase in value but more as a principle of justice and balance in transactions*". The primary objectives behind the prohibition of 'ar-Riba' are to eradicate injustice or exploitation, inequality, and poverty, thereby establishing social justice (Al-Mubarak & Osmani, 2010). Suzuki (2019, p. 177) asserts that "*Because the Qur'an does not provide a specific reason for prohibiting interest or riba, the only rationale that can be derived from the Qur'an are verses related to 'exploitation' or 'injustice'*". He further argues that "*The principle of prohibiting riba should be argued not only from the perspective of shariah-compliance but also from the benchmark of raf alharaj, which in this context means prohibiting 'exploitation' for the purpose of benefiting the public and realising social justice*" (p. 186).

Furthermore, Islam safeguards the weak against economic exploitation by the powerful, as exemplified by the verses of the Holy Qur'an (70:24-25), "*And in whose wealth there is a right acknowledged...For the beggar and the destitute*". Qutb (1956) asserts that to understand the concept of social justice in Islam, it is imperative to first examine the Islamic theory of the universe, life and humanity; "*For social justice is only a branch of that great science to which all Islamic studies must refer*" (Qutb 1956, p.17).

3.2 Legitimacy theory

In the 21st century, organizations are expected to be an integral component of society. In addition to generating profits and expanding its business, it is imperative that it devises a strategy to aid the communities in which it has established and earning revenues. In this context, the legitimacy of an organization is directly linked to community expectations. Suchman (1995, p. 574) contends that "*legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*." Banks certainly make a significant contribution by providing financing for both private and public development projects. This is the reason why banks have become an integral component of society and have gained legitimacy. Dowling and Pfeffer assert that (1975, p. 122) organizational legitimacy is "*a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part*". However, if an organization deviates from the expectations of its social partner with which it has an unwritten 'social contract', the organization is subject to severe

sanctions from society, which may ultimately result in its demise. “*When a disparity, actual or potential, exists between the two value systems, there will exist a threat to organizational legitimacy*” (Dowling & Pfeffer, 1975, p. 1). This paper presents some strategies employed by IBF institutions in Section 7 to ascertain whether they have been successful or unsuccessful in gaining legitimacy among their social partners.

4. Methodology

This study employs a quantitative and descriptive statistical approach using SAS to analyze and comprehend univariate data. The primary objective is to collect, process, and analyze a single type of variable, in this case, the Quranic term ‘ar-Riba’. Moreover, measures of frequency distribution are employed to delineate the occurrence of data within the data set, which is depicted through graphical representations. By adopting this approach, one can gain valuable insights into the data. The process consisted of four itineraries, namely data collection, data preparation or filtering of the data, descriptive analysis, and interpretation of results. This research relies on a combination of primary and secondary data gleaned from multiple sources. In the following Figure 1, a brief description provides further information about the data collection process, purpose, and scope of the study.

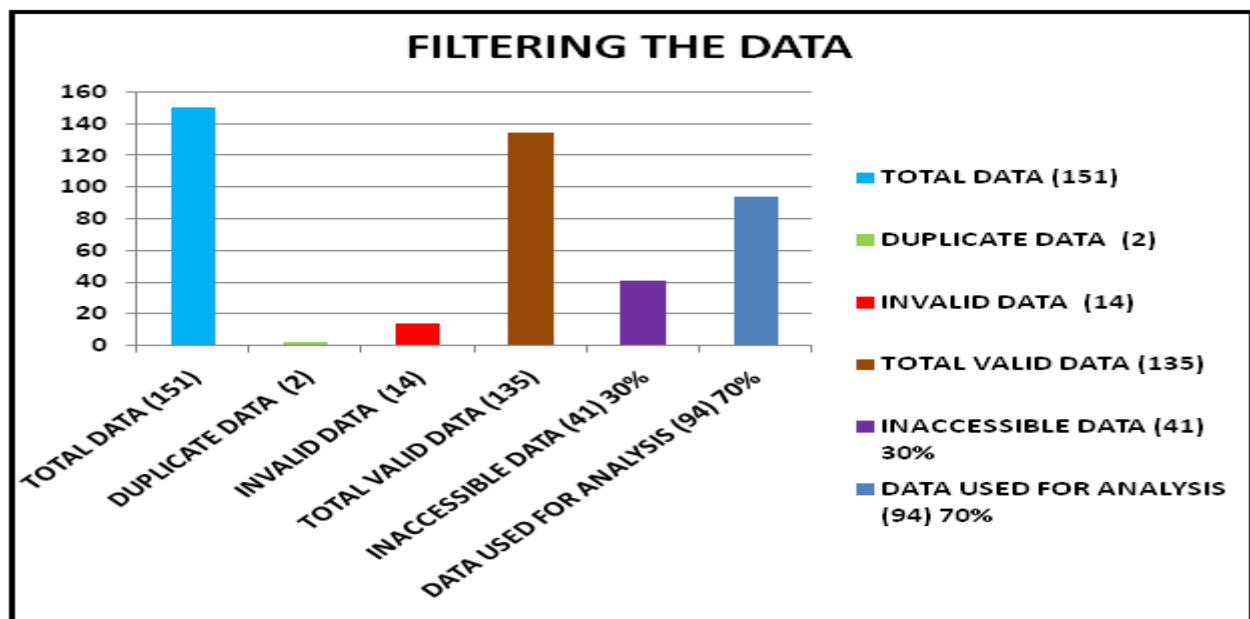


Figure 1. The data filtering procedure is illustrated. Source: Authors' elaboration

4.1 Online desk research

The online desk research method is adopted to save time and cost. Initially, an extensive literature review has been conducted to comprehend current arguments and counterarguments regarding the Quranic term ‘ar-Riba’ in the literature. Then, online searches using various search engines have been conducted to find freely accessible English language translations of the Holy Qur’an. Multiple websites have provided a total of 151 versions of English language translations from different authors from the period of 1649 until 2023. The entire random dataset was utilized in this research as it was presented on those websites, except avoiding data duplication. An online search has also been conducted to find English language dictionaries to comprehend the differences between the term’s ‘usury’ and ‘bank interest’. Finally, the online and freely accessible English translation of the Holy Qur’an by Pickthall (1930) is utilized to scrutinize the divine texts pertaining to the Quranic term ‘ar-Riba’. The utilization of English translation is attributed to the fact that approximately 78% of the world’s Muslims reside in non-Arab speaking nations, and approximately one-third of Muslims hail from South Asia, where English is the predominant language (Pew, 2015).



4.2 Data collection process

All the data utilized in this study was obtained from publicly accessible sources. The data for the list of English language translations of the Holy Qur'an are collected from the website of the "Toronto Quran Exhibition March 2024" (academyofislam.com). There exists a list of approximately 151 English translations of the Holy Qur'an. Nonetheless, it is imperative to implement a filtering procedure to extract useful data. For instance, figure 1 illustrates the data filtering process adopted for this study. In the dataset, two of the entries are by the same authors, albeit with distinct editions (duplicate data), and 14 of them are not translated directly from Arabic. Therefore, 16 entries are discarded or considered as invalid. Moreover, out of the remaining 135 entries, 41 are not freely accessible, resulting in a loss of 30% of the valid data. In contrast, 94 entries represent 70% of the total valid data utilized in this study. An effort has been made to find some additional data free of charge, but it was not possible to find any new data from other websites. As the results obtained from the present dataset are unequivocal, the marginal utility of enhancing the size of the dataset is insignificant as it cannot substantially alter the outcome. It is noteworthy that the data collected from websites are random, as the author did not select the data based on predetermined criteria, thus avoiding any cherry-picking. Moreover, the topic of 'ar-Riba' appears to be impartial for both sectarian and non-Muslim translators. Therefore, all translations that are freely accessible are deemed valid.

5. Results

In the following, four analyses have been conducted to understand the true essence of the Quranic term 'ar-Riba'. The Quranic term 'ar-Riba' appears eight times in the Holy Qur'an, including five instances in Surah (chapter) Baqarah (from 2:275 to 2:280), and once each in Surah Ar-Rum (30:39), Surah An-Nisa (4:161), and Surah Al-Imran (3:130). In the first analysis (Table 1), 94 English translations of the holy Qur'an from different authors from the period of 1649 until 2023 were analyzed. In the second analysis, ten English language dictionaries were used to analyze and comprehend the meaning of the terms 'usury' and 'bank interest'. The third analysis presents an opportunity to examine the Quranic verses pertaining to the term 'ar-Riba', with the aim of comprehending the broader significance and contextual meaning of it. Finally, the fourth analysis is intended to obtain validation or confirmation from the 'tafsirs' or commentaries of the Holy Qur'an. The commentaries are selected based on specific criteria to ensure that they are representative of all-encompassing perspectives. Therefore, an analysis has been conducted on two classical tafsirs by Arab authors with distinct perspectives, as well as one contemporary tafsir by non-Arab authors.

5.1 Analysis 1

The aim of the first analysis is to determine how authors have translated the Quranic term 'ar-Riba' into English. Following the data filtering process, the outcomes obtained from the analysis of the translations of the Holy Qur'an, spanning from the period of 1649 until 2023, are presented in Table 1. The first column indicates the number of entries, and the second column lists the authors' names. The third column denotes the year of publication, and the designations 'M', 'NM', 'RM', 'SM', and 'AH' denote the respective designations of Muslim, non-Muslim, revert-Muslim, Shia-Muslim, and Ahmadiyya Muslim Jama'at. The sectarian distribution of the authors who have translated the Holy Qur'an into the English language is illustrated in Figure 3. The information regarding the author of entry n° 80 is unknown; therefore, the '??' has been utilized. The fourth column illustrates the English terms used for the Quranic term 'ar-Riba'. It is noteworthy to mention that the topic of 'ar-Riba' appears to be impartial for both sectarian and non-Muslim translators. Therefore, all translations that are freely accessible are deemed valid.

5.1.1 Results of Analysis 1

The results depicted in Figure 2 represent a total of 94 translations, out of which 65 translations explicitly translate the Quranic term 'ar-Riba' as 'usury'. The entries n° 29 and n° 55 translate 'ar-Riba' as 'unlawful interest' and 'usurious interest', respectively, which is how the term 'usury' is defined in the Oxford dictionary. Therefore, these two entries are also considered to be 'usury', making the total count for usury to be 67. The results presented in Figure 2 unambiguously and unequivocally illustrate that 71% (Fraction avoided) of the authors consider 'usury' as the most appropriate English term for the Quranic term 'ar-Riba'. In contrast, out of 94 translations, only 13 entries or 14% of the authors used the term 'interest'.



In total, 12 authors used both terms 'usury' and 'interest', and even some authors added some additional terms (i.e., entries n° 36 and 37).

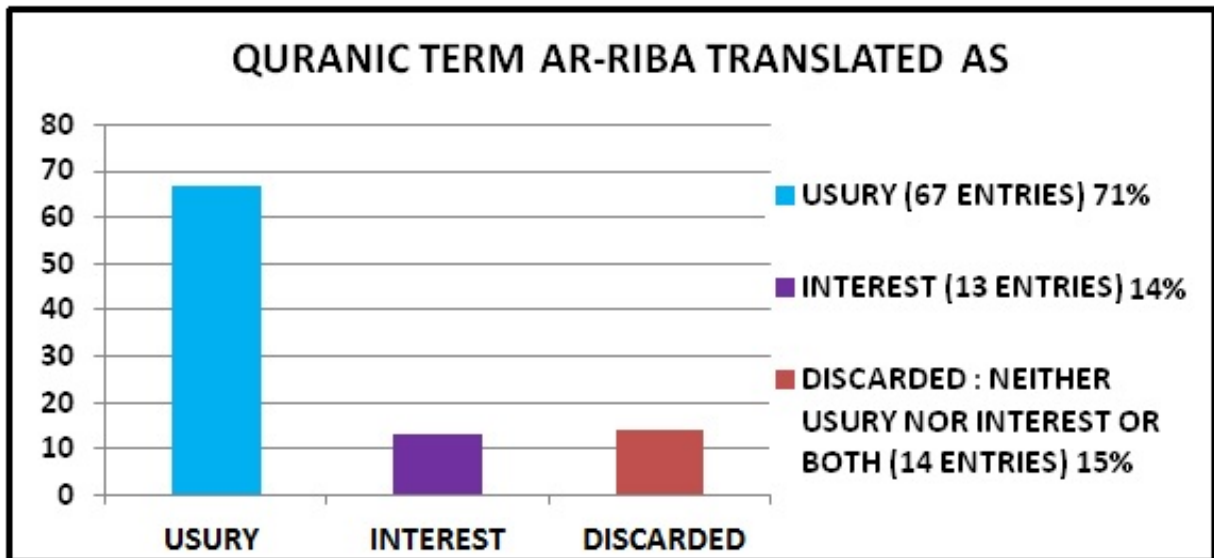


Figure 2. *The results of the analysis illustrate how the Quranic term 'ar-Riba is translated into English. Source: Authors' elaboration*



N°	NAME OF THE AUTHOR	YEAR	TERM USED	N°	NAME OF THE AUTHOR	YEAR	TERM USED	N°	NAME OF THE AUTHOR	YEAR	TERM USED
1	A. Ross	1649NM	Usury	33	S. A. Usmani	1991M	Usury, interest	65	Shaikh & Khatri	2007M	Usury
2	G. Sale	1734NM	Usury	34	M. Aneesuddin	1993M	Usury	66	W. Khan	2009M	Usury
3	J. M. Rodwell	1861NM	Usury	35	A. K. Himmat	1993M	Usury	67	U. K. Dakdok	2009NM	Interest
4	E. H. Palmer	1880NM	Usury	36	Ahmed & Ahmed	1994M	Usury, growth, interest	68	Y. Emerick	2010RM	Interest
5	M.A.H. Khan	1905M	Usury	37	G. A. Parvez	1996M	Riba, usury, interest	69	M. M. Khan	2010M	Usury
6	M. A. Fazl	1912M	Usury	38	M. M. Al-Ghali	1997M	Usury, interest	70	I. Ahmed	2010M	Usury
7	H. Dihalwi	1916M	Usury	39	M. F. A. Malik	1997M	Usury	71	N. Ahmed	2011M	Usury
8	M. Ali	1917AH	Usury	40	M. Fakhry	1997M	Usury	72	T. Al-Qadri	2011M	Usury
9	G. Sarwar	1929M	Usury	41	S. A. S. Ameli	1997SM	Usury	73	T. Itani	2012M	Usury
10	M. M. Pickthall	1930RM	Usury	42	S. International	1997RM	Interest	74	F. Drame	2014M	Usury
11	A. Y. Ali	1934M	Usury	43	S. V. Ahmed	1999M	Usury, interest	75	S. M. Bleher	2015M	Interest
12	R. Bell	1939NM	Usury	44	Bewley & Bewley	1999RM	Usury	76	S. Kakkas	2015M	Usury
13	A. M. F. Chinoy	1954SM	Usury	45	Z. Hoque	2000M	Usury	77	Mubarakpuri	2015M	Riba
14	M. S. Ali	1955AH	Interest	46	T. Winter et al.	2000RM	Usury	78	S. H. Nasr et al.	2015M	Usury
15	A. Arberry	1955RM	Usury	47	H. S. Aziz	2000M	Usury	79	M. Khattab	2015M	Interest
16	N. J. Dawood	1956NM	Usury	48	F. Nikayin	2000SM	Usury	80	S. Gerrans	2016??	Usury
17	A. M. Daryabadi	1957M	Usury	49	A. G. Parekh	2000M	Usury, interest	81	M. Munshey	2016M	Usury, interest
18	S. V. M. A. Ali	1964SM	Interest	50	Qaribullah & Darwish	2001M	Usury	82	J. D. McAuliffe	2017NM	Usury
19	M. A. H. Shakir	1974M	Usury	51	K. Omar	2002M	Usury	83	Muhammad et al.	2018M	Usury
20	P. Salahuddin	1969M	Usury	52	M. M. Ali	2003M	Usury	84	M. Hussain	2018M	Usury
21	M. G. Farid	1969AM	Interest	53	A. Q. Qarai	2003SM	Usury	85	A. Salahi	2019M	Usury
22	S. A. Latif	1969	Usury, Interest	54	S. Ahmed	2003M	Usury	86	L. I. Barte	2020RM	Usury
23	M. Z. Khan	1971AH	Interest	55	T. Cleary	2004NM	Usurious interest	87	Rowwad Center	2020M	Usury
24	M. H. Shakir	1989M	Usury	56	M. A. Haleem	2004M	Usury	88	W. B. Al-Amri	2020M	Usury
25	H. A. Ali	1974M	Usury	57	B. Moeinian	2005SM	Interest	89	A. Hulusi	2020M	Usury
26	Khan & Hilali	1977M	Usury	58	A. Hye	2006M	Usury, interest	90	Soliman et al.	2020M	Usury
27	M. Asad	1980RM	Usury	59	A. Unal	2006M	Interest	91	Irving & Hegab	2021M	Interest
28	R. Khalifa	1981M	Usury	60	T. Usmani	2007M	Riba	92	S. Mahdy	2022M	Usury
29	M. T. Sarwar	1982SM	Unlawful interest	61	L. M. Bakhtiar	2007RM	Usury	93	M. Mezyed	2023M	Usury
30	Ahmed Ali	1984SM	Usury	62	E. Yuksel et al.	2007M	Usury, interest	94	Monotheist group	2023M	Usury
31	T. B. Irving	1985RM	Usury, Interest	63	A. Z. Hammad	2007M	Usury				
32	Omar & Omar	1991AH	Usury, interest	64	A. H. Elias	2007M	interest				

Table 1. English translations of the Quranic term 'ar-Riba' mentioned in Surah 'Al-Baqarah'.
Source: Quran.com, Tanzil.net, QuranEnc.com, Qurano.com, Islamawakened.com, Al-quran.info, Archive.org

Two authors (i.e., entries n° 60 and 77) did not translate the Quranic term ‘ar-Riba’ into English, even though one of them is an ardent advocate for equating ‘ar-Riba with bank interest (i.e., entry n° 60). Therefore these 14 entries (15%) are discarded and deemed invalid to attain clarity in the data. To understand what really the term ‘usury’ means in the English language and to further explore the true meaning of the term ‘interest’ or ‘bank-interest’, the following section will illustrate how ‘usury’ and ‘bank-interest’ terms are defined in reputed English language dictionaries (Table 2).

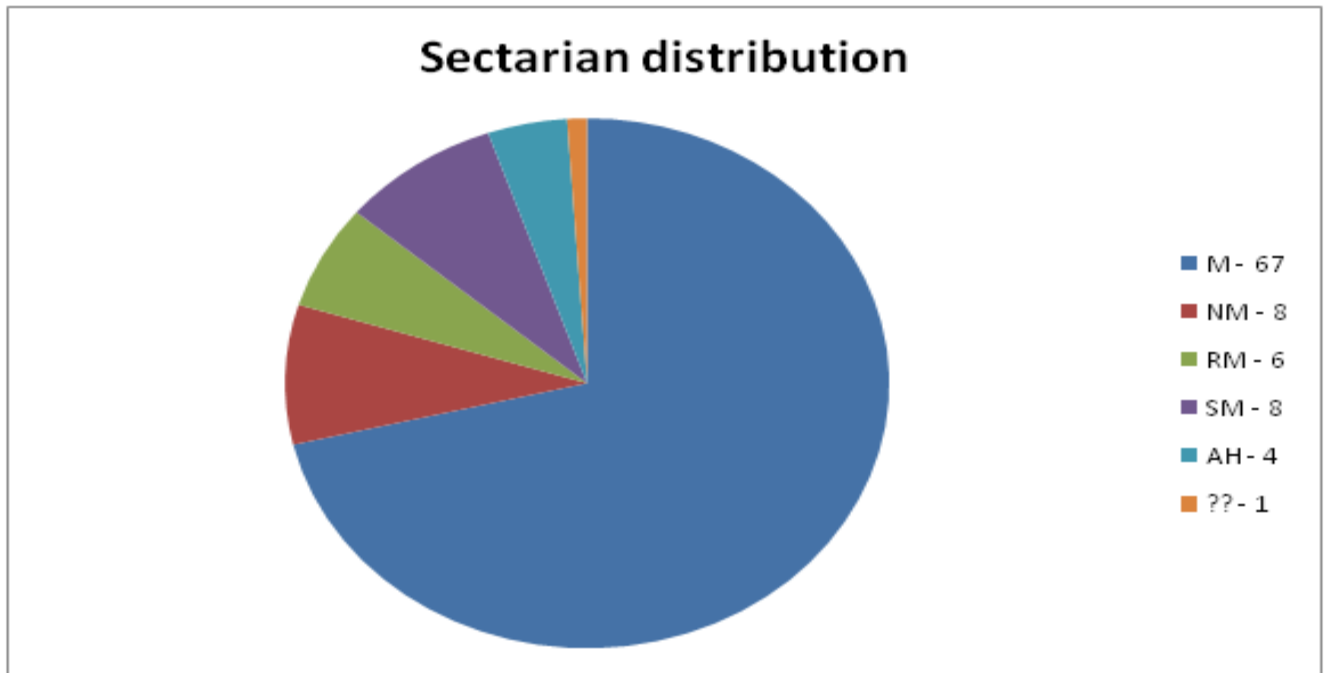


Figure 3. The sectarian distribution of the authors who have translated the Holy Qur'an into English is illustrated. The designations ‘M’, ‘NM’, ‘RM’, ‘SM’, ‘AH’, and ‘??’ denote the respective designations of Muslim, non-Muslim, revert-Muslim, Shia-Muslim, Ahmadiyya Muslim Jama'at, and unknown. Source: Authors' elaboration

5.2 Analysis 2

Initially, the primary objective of the second analysis is to comprehend the significance of the terms ‘usury’ and ‘bank interest’ and, subsequently, to examine the distinctions between these two terms. In order to accomplish this objective, the definitions of the terms ‘usury’ and ‘bank interest’ are extracted from ten reputable dictionaries. In Table 2, the first column contains the names of the dictionary used, the second column shows the definition of the term ‘usury’, and the third column shows the definition of the term ‘bank interest’. The definitions of the term ‘usury’ are associated with certain adjectives in the second column, which are underlined.

5.2.1 Results of Analysis 2

After analyzing Table 2, it becomes evident that the ten dictionaries associated the term ‘usury’ with the following adjectives, i.e., ‘excessive’, ‘illegal’, ‘exorbitant’, ‘larger-amount’, ‘high-rate’, ‘high-amount’, ‘unfair’, and ‘unreasonable’. The adjectives found in this analysis fall within the ambit of the word exploitation. Now compiling some of the main adjectives from analyzing Table 2, the English translation of the Quranic term ‘ar-Riba’ may be defined as, “*usury is a kind of practice of lending money which is unfair, unregulated, and where the interest rate is unreasonably high*”.

DICTIONARIES	USURY	BANK INTEREST
1. OXFORD ENGLISH	<i>The fact or practice of lending money at interest; esp. in later use, the practice of charging, taking, or contracting to receive, <u>excessive or illegal</u> rates of interest for money on loan.</i>	<i>The extra money that you pay back when you borrow money or that you receive when you invest money.</i>
2. CAMBRIDGE ENGLISH	<i>The activity of lending someone money with the agreement that they will pay back <u>a very much larger amount</u> of money later.</i>	<i>Money that is charged by a bank or other financial organization for borrowing money.</i>
3. MERRIAM-WEBSTER	<i>The lending of money with an interest charge for its use, especially: the lending of money at <u>exorbitant interest rates</u>.</i>	<i>A charge for borrowed money generally a percentage of the amount borrowed.</i>
4. COLLINS ENGLISH	<i>Usury is the practice of lending money at a <u>high rate of interest</u>.</i>	<i>Interest is extra money that you receive if you have invested a sum of money. Interest is also the extra money that you pay if you have borrowed money or are buying something on credit.</i>
5. THE BRITANNICA	<i>The practice of lending money and requiring the borrower to pay a <u>high amount of interest</u>.</i>	<i>The money paid by a borrower for the use of borrowed money.</i>
6. THE AMERICAN HERITAGE	<i>The practice of lending money and charging the borrower interest, <u>especially at an exorbitant or illegally rate</u>.</i>	<i>A charge for a loan, usually a percentage of the amount loaned.</i>
7. LONGMAN BUSINESS	<i>When someone lends people money and makes them pay an <u>unfairly high rate of interest</u>.</i>	<i>An amount paid by a borrower to a lender, for example to a bank by someone borrowing money for a loan or by a bank to a depositor.</i>
8. WORD REFERENCE .COM	<i>The practice of lending money at an <u>unfairly high interest rate</u>.</i>	<i>Money paid or charged for a loan (often expressed as a percent).</i>
9. DICTIONARY .COM	<i>The lending or practice of lending money at an <u>exorbitant interest</u>.</i>	<i>A sum paid or charged for the use of money or for borrowing money.</i>
10. GOOGLE TRANSLATION	<i>The action or practice of lending money at <u>unreasonably high rates interest</u>.</i>	<i>Money paid regularly at a particular rate for the use of money lent, or for delaying the repayment of a debt.</i>

Table 2. The definitions of the terms ‘usury’ and ‘bank interest’ are extracted from ten dictionaries. Source: Authors’ elaboration

It is noteworthy that the emerging definition of ‘ar-Riba’ derived from analysis 2 indicates that only unregulated and exploitative types of lending systems can be ‘haram’ or prohibited. This emerging definition is significantly distinct from those provided by certain academic scholars who adhere to traditionalist and revivalist interpretations. For instance, reiterating the assertion made by Zaidi, Calandra, and Tarek (2024, p. 19), “Conventional banks primarily profit from Ribaa, and when you deposit your money in a conventional bank, you indirectly contribute to their earnings. Moreover, if you receive interest on your savings, it constitutes Ribaa, which is strictly prohibited in Islam”. It is evident that the exploitative nature and characteristics of the English word ‘usury’ are absent from their definition.

In relation to the term ‘usury’, in the following, the term ‘usurer’ will be used hence it is pertinent to define it here. In the context of this paper, usurers are those people who are lending money at an exorbitant interest rate. Usurers still exist in many parts of the world. Even half a century earlier, it was a common practice in rural areas of the Indian subcontinent, China, Malaysia, etc. In the ordinary English language, ‘usurers’ are called ‘loan sharks’ (Usurer-Loan Shark, 2024). The loan shark is defined as, “a person or an entity that loans money at extremely high interest rates and often uses threats of violence to collect debts. The interest rates are generally well above an established legal rate, and often loan sharks are members of organized crime groups” (Kagan, 2023, p.1; Simon, n.d.). If new generation university graduates have not heard of ‘loan sharking’ or ‘usury’ then they should read John Seidl (1971). He has written a doctoral dissertation on this topic at Harvard University. Seidl (1971, p.1) describes the situation of loan sharking in the U.S. as follows, “The street corner loan-shark racket of the 1920s and 1930s was known as the ‘six for five’ racket. ‘Six for five’ means that the interest on a \$5 loan for one week is \$1. Thus, if the borrower repays the principal and interest in one week, he hands back \$6. If he does not desire to repay the principal, he pays weekly interest, which is \$1 or 20% per week. That rate continues to be widely accepted for small loans. It is equivalent to 1040% per year”. If the situation in the U.S. in the 1920’s and 1930’s was like this then it is conceivable how bad it was in Arabia during the period of jahiliya. Moreover, Seidl (1971, p.1) describes the loan collection process, “A loan-shark organization’s reputation for violence and ruthlessness is the most important factor inducing borrowers to repay their loans”. In the following section, an analysis of the Quranic verses may help to reassess the proposed definition of the term ‘usury’.

5.3 Analysis 3

By examining the verses pertaining to ‘ar-Riba’ in the Holy Qur’an, one can gain a comprehensive understanding of its true significance and decipher the true essence of the divine message regarding this topic. Since the divine message about ‘ar-Riba’ has appeared eight times in four different Surahs (chapters), in the following the original Quranic verses with English translations are illustrated. The English translation provided by Pickthall (1930) is utilized in this analysis.

وَمَا آتَيْتُمْ مِّن رَّبًّا لِّيَرْبُو فِي أَمْوَالِ النَّاسِ فَلَا يَرْبُو عِنْدَ اللَّهِ ۖ وَمَا آتَيْتُمْ مِّن زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ الْمُضْعِفُونَ

Figure 4. Surah Ar-Rum, verse 39 (30:39). Source: Holy Qur’an

English translation: “That which ye give in usury in order that it may increase on (other) people’s property hath no increase with Allah; but that which ye give in charity, seeking Allah’s countenance, hath increase manifold”.

The verse holds less significance in relation to the above definition of the term ‘usury’, despite providing some indications that ‘ar-Riba’ is disapproved of by the Almighty Allah. Maulana Wahiduddin Khan (2012), a renowned Islamic scholar, gave a brief description of this verse in his book ‘Tazkirul Qur’an’, in the following paragraph, “one sign of a believer is that he spends his wealth for the pleasure of Allah. So, he shares his wealth with other needy persons who may or may not be his relatives. He spends his wealth to reap the benefits of the Hereafter and not to earn profits in this world like a usurer”. Scholars frequently derive the significance of a Quranic term, even if it is not explicitly defined, by scrutinizing its context. For instance, in this verse, the term ‘ar-Riba’ has been employed in opposition to the term ‘mandatory almsgiving’ or ‘zakat’. Therefore, the opposite of ‘mandatory almsgiving’ or ‘zakat’ is the true essence of the term ‘ar-Riba’. Moreover, in another verse, the term ‘voluntary almsgiving’ or ‘sadaqah’ has been employed in the Holy Quran to establish social justice, including freeing the debtors (Al-Qur’an 9:60). These two verses indicate that the act of almsgiving is being utilized to counteract the adverse effects of ‘ar-Riba’, which may include trapping debtors through acts of exploitation.

‘Voluntary almsgiving’ or ‘sadaqah’ means giving something to someone without seeking a substitute in return, and with the intention of pleasing Almighty Allah. ‘Sadaqah’ refers to ‘voluntary almsgiving’, while ‘zakat’ refers to ‘mandatory almsgiving’. Some contemporary scholars hold the belief that the origin of the term ‘Sadaqah’ derives from the Hebrew term “Tzedakah”, which signifies almsgiving (e.g., Azim, 2016). Therefore, from the analysis of this verse (30:39), it can be gleaned that the Quranic term ‘ar-Riba’ has the essence of the following adjectives: ‘immoral’, ‘inhuman’, and ‘uncompassionate’. These adjectives possess the essence of exploitation, which is contrary to the fundamental principles of social justice in Islam.

وَأَخْذِهِمُ الرِّبَا وَقَدْ نُهُوا عَنْهُ وَأَكْلِهِمْ أَمْوَالَ النَّاسِ بِالْبَاطِلِ وَأَعْتَدْنَا لِلْكَافِرِينَ مِنْهُمْ عَذَابًا أَلِيمًا

Figure 5. Surah An-Nisa, verse 161 (4:161). Source: Holy Qur'an

English translation: "And of their taking usury when they have forbidden it, and of their devouring people's wealth by false pretences. We have prepared for those of them who disbelieve a painful doom".

The verse provides a more precise indication regarding the meaning of the Quranic term 'ar-Riba'. Initially, it is evident that the prohibition of 'ar-Riba' existed prior to the revelation of the Holy Qur'an. In fact, it was prohibited in all Abrahamic religions. Secondly, it provides an indication of the way the Quranic term 'ar-Riba' may be construed. Thirdly, it also elucidates the rationale behind the prohibition imposed by divine directives. During the period of jahiliya, lending money was unregulated and non-institutionalized. The lenders or the usurers consistently possessed the upper hand and imposed any conditions, often exploitative in nature, and whatever they deemed necessary on the debtors. In many cases, the usurers, through deceitful acts, try to devour vulnerable people's wealth and livelihood. In the event of a default by the debtor, the usurers used to have extortionate claims over the property of the debtor. The verse (4:161) characterizes such extortion as consuming people's property unjustly. Hence, from the analysis of the verse (4:161), it can be discerned that the Quranic term 'ar-Riba' possesses the essence of the following adjectives: 'deceitful', 'unfair', 'unjust', 'illegal', 'misleading', 'extortive'. These adjectives convey a sense of exploitation, which is contrary to the fundamental principles of social justice in Islam. Thus, it is evident that the definition of the Quranic term 'ar-Riba' is akin to those adjectives found in ten dictionaries.

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا الرِّبَا أَضْعَافًا مُضَاعَفَةً وَاتَّقُوا اللَّهَ لَعَلَّكُمْ تُفْلِحُونَ

Figure 6. Surah Al-Imran, verse 130 (3:130). Source: Holy Qur'an

English translation: "O ye who believe! Devour not usury, doubling and quadrupling (the sum lent). Observe your duty to Allah, that ye may be successful".

The verse (3:130) exhibits the distinct characteristics of the Quranic term 'ar-Riba' while reiterating the notions derived from the preceding verse (4:161). During the period of jahiliya, credit agreements were not formally documented. The usurer had the discretion to impose any penalty, often exploitative in nature, in the event of default by the debtor. In certain instances, in the event of initial default, the debtor was required to reimburse twice the amount he borrowed at a subsequent date. If the bad times of the debtor persisted and if he defaulted again for the second time, the debtor had to pay quadruple the amount he borrowed later. During the period of jahiliya, the system of 'ar-Riba' inflicted misery on debtors through cruel and unjust acts of exploitation, oppression, and extortion. Based on the analysis of the verse (3:130), it is evident that the Quranic term 'ar-Riba' possesses the essence of the following adjectives: 'unfair', 'unjust', 'illegal', 'cruel', 'extortive', 'exploitative', 'oppressive'. These adjectives convey a sense of exploitation, which is contrary to the fundamental principles of social justice in Islam. Therefore, the definition of the Quranic term 'ar-Riba' is comparable to the adjectives cited in ten dictionaries.

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَى فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ

Figure 7. Surah Al-Baqarah, verse 275 (2:275). Source: Holy Qur'an

English translation: "Those who swallow usury cannot rise save as he ariseth whom the devil hath prostrated by (his) touch. That is because they say that trade is just like usury, whereas Allah permitteth trading and forbiddeth usury. He unto whom an admonition from his Lord cometh, and (he) refraineth (in obedience thereto), he shall keep (the profits of) that which is

past, and his affair (henceforth) is with Allah. As for him who returneth (to usury) - Such are rightful owners of the Fire. They will abide therein”.

In the case of ‘ar-Riba’, the Holy Qur’an adhered to a gradual approach to conveying its messages. The messages were gradually revealed and elaborated upon; for instance, verse (30:39), provided a hint about the term ‘ar-Riba’ by merely indicating that Almighty Allah disapproves of it, and the term ‘ar-Riba’ has been employed in opposition to the term ‘mandatory almsgiving’ or ‘zakat’. In the subsequent two verses (4:161 & 3:130), the Holy Qur’an elaborates on the concept of ‘ar-Riba’ in greater detail. Firstly, it explicitly states that the practice of ‘ar-Riba’ is prohibited, and secondly, it indicates certain distinct characteristics of the term ‘ar-Riba’ by portraying it as a cruel, unjust, deceitful, and illegal act. In the subsequent six verses of ‘Surah al-Baqarah’ (2:275 to 2:280), every effort has been made to dissuade the usurers from adhering to the system of ‘ar-Riba’ by providing them with a means of escape and subsequently announcing the repercussions for disobeying the divine directives. For instance, in this verse (2:275), the term ‘ar-Riba’ is employed in opposition to the term ‘trade’. This is because in trade, both the buyer and the seller are on an equal footing, and the practice of trading is typically free from any form of cruelty, exploitation, and extortion. Despite the absence of novel adjectives for the term ‘ar-Riba’ in this verse (2:275), the distinction between trading and ‘ar-Riba’ has become evident. The practice of trading is not considered unfair, unjust, illegal, cruel, extortive, exploitative, or oppressive. Therefore, it is permissible and encouraged.

يَمْحَقُ اللَّهُ الرِّبَا وَيُرْبِي الصَّدَقَاتِ ۗ وَاللَّهُ لَا يُحِبُّ كُلَّ كَفَّارٍ أَثِيمٍ

Figure 8. Surah Al-Baqarah, verse 276 (2:276). Source: Holy Qur’an

English translation: “Allah hath blighted usury and made almsgiving fruitful. Allah loveth not the impious and guilty”.

The verse (2:276) bears resemblance to the verse (4:161). However, it is presented in a more concise manner. In this verse again, the term ‘ar-Riba’ is employed in opposition to the term ‘almsgiving’, but more specifically, ‘voluntary almsgiving’ or ‘sadaqah’. However, it is clarified that usurers are individuals who commit sins, and any gains obtained from usury will be destroyed. The tone conveyed in this verse is somewhat stern, akin to a veiled warning attributed to the usurers. In this verse, it has become evident that voluntary almsgiving is a fruitful, gainful, enriching, nourishing, and beneficial act, while ‘ar-Riba’ is a disgraceful, destructive, accursed and bedevilled act. Furthermore, in another verse, the term ‘voluntary almsgiving’ or ‘sadaqah’ has been employed in the Holy Quran to establish social justice including freeing the debtors (Al-Qur’an 9:60). Therefore, from the analysis of this verse (2:276), it can be gleaned that the Quranic term ‘ar-Riba’ has the essence of the following adjectives: ‘immoral’, ‘inhuman’, and ‘uncompassionate’. These adjectives possess the essence of exploitation, which is contrary to the fundamental principles of social justice in Islam.

إِنَّ الَّذِينَ ءَامَنُوا وَعَمِلُوا الصَّالِحَاتِ وَأَقَامُوا الصَّلَاةَ وَءَاتَوْا الزَّكَاةَ لَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ

Figure 9. Surah Al-Baqarah, verse 277 (2:277). Source: Holy Qur’an

English translation: “Lo! Those who believe and do good works and establish worship and pay the poor-due, their reward is with their Lord, and there shall no fear come upon them neither shall they grieve”.

In this verse (2:277), there is no mention of ‘ar-Riba’, but the verse speaks about the identical subject matter. The message is directed towards those who are at the other end of the spectrum. Blessed is those who believe in divine directives and give up the wrong deeds (i.e., ‘ar-Riba’). Those who stay away from defying divine directives will be rewarded. This verse does not contain any new adjectives for the term ‘ar-Riba’.

يَا أَيُّهَا الَّذِينَ ءَامَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ

Figure 10. Surah Al-Baqarah, verse 278 (2:278). Source: Holy Qur’an

English translation: “O ye who believe! Observe your duty to Allah, and give up what remaineth from usury, if ye are (in truth) believers”.

This verse (2:278) appeals to the usurers in a polite and persuasive manner. They have been urged to give up the practice of ‘ar-Riba’ and, as a way out, it is recommended to keep the past earnings from ‘ar-Riba’ and forgive any anticipated earnings from the debtors. For the first time, an indirect reference regarding the debtors within the context of ‘ar-Riba’ has been observed. This verse suggests that the debtors should be forgiven. A sense of sympathy toward the debtors is emanating from this verse. A new adjective can’t be generated from the term ‘ar-Riba’ from this verse.

فَإِنْ لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ وَإِنْ تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ

Figure 11. *Surah Al-Baqarah, verse 279 (2:279). Source: Holy Qur’an*

English translation: “And if ye do not, then be warned of war (against you) from Allah and His messenger. And if ye repent, then ye have your principal (without interest). Wrong not, and ye shall not be wronged”.

The verse (2:279) is a continuation of the preceding verses of ‘Surah Al-Baqarah’. After employing various methods such as appeals, persuasiveness, and warnings, the divine message is ultimately directed towards those who persist in disobeying. In this verse, a stern warning has been issued to those who persist in the practice of ‘ar-Riba’. If they continue to do so, a war will be launched upon them by Almighty Allah and His messenger. This war may not be a physical war, but rather a spiritual war (a divine curse), and Almighty Allah is the ultimate judge. However, interestingly, here again, the doors of mercy have been kept open. The divine message is urging the usurers to further clarification that they are allowed to take back their capital without interest. Thus, they may get clemency from Almighty Allah. In the end, a very important message has been delivered: Almighty Allah neither wants to see the usurers as losers (if they repent) nor the debtors. This is a vivid illustration of a well-balanced approach. No novel adjective has emerged from this verse.

وَإِنْ كَانَ ذُو عُسْرَةٍ فَنَظِرَةٌ إِلَىٰ مَيْسَرَةٍ وَأَنْ تَصَدَّقُوا خَيْرٌ لَّكُمْ إِنْ كُنْتُمْ تَعْلَمُونَ

Figure 12. *Surah Al-Baqarah, verse 280 (2:280). Source: Holy Qur’an*

English translation: “And if the debtor is in straitened circumstances, then (let there be) postponement to (the time of) ease; and that ye remit the debt as almsgiving would be better for you if ye did but know”.

This is the first verse within the context of ‘ar-Riba’ wherein the issues of debtors are directly addressed. It has been observed that there is a distinct indication of sympathy and compassion towards the debtors. This verse firstly urges the usurers to allow some additional time to repay the capital if the debtor is in financial difficulty, and secondly, it urges the usurers to forgive the entire debt as an act of ‘voluntary almsgiving’ or ‘sadaqah’. Both divine directives in this verse serve as a kind favour to debtors since the system of ‘ar-Riba’ during the period of jahiliya victimized numerous impoverished families through the cruel, deceitful, and unjust actions of the usurers. It is discernible from the above-cited Quranic verses that the divine messages refer to matters relating to the debtors with sympathy and compassion, but nowhere does the divine message condemn the debtors or censure them. Intuitively, it is logical to comprehend how a victim of cruelty and deception can be held accountable, given that the debtors during the period of jahiliya were primarily borrowing for their necessities (e.g., basic needs of the family, cost of cultivation, cost for children’s weddings, etc.). No new adjective has emerged from this verse about ‘ar-Riba’.

5.3.1 Results of Analysis 3

The verses (4:161 & 3:130) depict the term ‘ar-Riba’, which was a cruel, unjust, deceitful and exploitative lending system prevalent during the period of jahiliya. It is now apparent why usury is prohibited in all Abrahamic religions. For instance, certain books of ancient testaments have also explicitly prohibited the practice of usury (i.e., Deutonomy 23:20; Exodus



22:25; Ezekiel 18:8,13,17,22:12; Leviticus 25:35-36; Proverbs 23:8; Nehemiah 5:7; and Psalms 15:5). Analyzing the Quranic verses, it warrants now to discern the true essence of the term 'ar-Riba' since some distinct characteristics of the term 'ar-Riba' has been unambiguously explained in the two verses (4:161 & 3:130). It has emerged that verse 4:161 possesses the essence of the following adjectives: 'deceitful', 'unfair', 'unjust', 'illegal', 'misleading', and 'extortive'. Whereas verse 3:130 exhibits the essence of the following adjectives: 'unfair', 'unjust', 'illegal', 'cruel', 'extortive', 'exploitative', 'oppressive'. The definition of the English term 'usury' and the examination of the Quranic verses point to the practice of exploitation as the source of these adjectives. It is imperative to mention that upon a thorough analysis of the two verses (4:161 & 3:130), it becomes evident that the distinct characteristics of the Quranic term 'ar-Riba' are closely associated with the term 'usury'; thus, the proposed definition of 'usury' appears to be valid. But to derive the true essence of the term 'ar-Riba' from the Holy Qur'an, a fine-tuning of the definition of the term 'usury' is required. Therefore, adding two more adjectives ('unjust' and 'deceitful') to the proposed definition will offer a balanced perspective. The modified definition of the term 'ar-Riba' or 'usury' is as follows, "*usury can be defined as a kind of practice of lending money which is unfair, unjust, deceitful, illegal, unregulated, and having unreasonably high interest rate*".

Delving into the analyzed Quranic verses and the definitions of the term 'usury', it becomes now comprehensible that the distinct characteristics of 'ar-Riba' or 'usury' are associated with the word exploitation. Therefore, 'ar-Riba' can be equated only with exploitative kinds of bank-interests. Exploitation is absent from bank interests in a market that is regulated and competitive. The findings derived from the analyses prompt inquiries regarding the reliability of employing the term 'interest' or 'bank interest' in the English translations of the Quranic term 'ar-Riba'.

In this section, 'ar-Riba' related to all original Quranic verses in Arabic and their English translations are illustrated. The context in which the verses were revealed is further elaborated upon through a concise discussion of each verse. In the forthcoming section, it is imperative to examine the 'tafsirs' or commentaries of the Holy Qur'an on the pertinent Quranic verses to obtain validation or confirmation of the findings.

5.4 Analysis 4

In this section, commentaries will be examined to better understand the true characteristics of the Quranic term 'ar-Riba'. The commentaries of the Holy Qur'an constitute a vast body of knowledge. Therefore, in this section, the commentary of three authors, derived from both classical and modern sources, shall concentrate on two crucial verses (3:130 & 4:161), wherein certain indications are provided regarding the characteristics of the Quranic term 'ar-Riba'.

5.4.1 Criteria for selecting sources

The commentaries are selected based on specific criteria to ensure that they are representative of all-encompassing perspectives. For instance, the first criterion is to select both contemporary and classical commentaries. The second criterion is to select at least one reputable commentary. It is widely acknowledged that the commentary by Ibn Kathir is highly esteemed, and he is regarded as a leading authority in Islam. The third criterion is to include at least one commentary from a non-Arab origin and an apolitical author. In the non-Arabic Islamic world, the Indian sub-continent constitutes a third of the global Muslim population (Top 10 Countries with the Largest Number of Muslims, 2021). Therefore, the selection of an author hailing from the Indian sub-continent is a legitimate criterion, and Maulana Wahiduddin Khan is undeniably a highly esteemed and undisputed apolitical Islamic scholar. The third criterion was to select a commentary by an author who was distinct from mainstream Islam. The commentary by Al-Qushayri was selected due to his propensity towards Sufism. Initially, the commentaries will be quoted, followed by a brief analysis of commentaries.

5.4.2 Commentaries on the Quranic verse (3:130)

Al-Qushayri (986-1072) (Lataif al-Isharat: Subtle Allusions, p. 331)

O you who believe do not exact usury doubled and redoubled. And fear God so that you may prosper. And fear the fire that has been prepared for the disbelievers. [God] has prohibited usury for His servants; this includes loaning one amount and asking twice as much in return. But He has asked you for a loan which He will repay seven hundredfold, even up to an infinite repayment. This alludes to the magnanimity karam that is not inherent in humans but rather is an attribute of the Real سبحانه. And fear the fire that has been prepared for the disbelievers: These words indicate that the believer will not be chastised by [the fire]. If he is chastised by it for a time, he will not abide in it.



Ibn Kathir (1300-1373) (Tafsir Ibn Kathir, vol. 1-10 Abridged, p.266-267)

“O you who believe! Do not consume Riba doubled and multiplied, but fear Allah that you may be successful”. Allah prohibits His believing servants from dealing in Riba and from requiring interest on their capital, just as they used to do during the time of jahiliya. For instance, when the time to pay a loan comes, the creditor would say to the debtor, *“Either pay now or the loan will incur interest”*. If the debtor asks for deferment of the loan, the creditor will require interest and this would occur year after year until the little capital becomes multiplied many times. Allah also commands His servants to have Taqwa of Him so that they may achieve success in this life and the Hereafter. Allah also threatens them with the Fire and warns them against it.

Maulana Wahiduddin Khan (1925-2021) (Tazkirul Quran p.169)

“Believers do not devour usury multiplied many times over. Fear God, so that you may prosper – guard yourself against the Fire prepared for those who deny the truth”. Engaging in usury is the ultimate in money worship. A usurer thinks day in and day out as to how to double and quadruple his money. But what he ought to pursue relentlessly is not the acquisition of material things but his entry into Paradise in the Hereafter. He ought to be ever eager to attain God’s mercy and blessing, but not by increasing his worldly wealth to guarantee himself a life of grandeur in this world. Honor and success are of no importance when compared to Paradise, the pleasure and enjoyment of which are immeasurable. Wise is the one who pursues God’s Paradise. Hastening towards it means giving away more and more of one’s wealth for the cause of God. The way to worldly success is to *increase* one’s riches, while the way to success in the Hereafter is to *decrease* one’s riches. If the inspiration to tread the former path is the love of money, the inspiration towards the latter is the love of God and His Messenger. If the ‘wealth’ of the former is worldly profit, the ‘wealth’ of the latter is the profit of the Hereafter. Where those desirous of riches have a fear of worldly loss, those of a spiritual bent of mind fear a loss in the Hereafter.

5.4.3 Commentaries on the Quranic verse (4:161)

Al-Qushayri (986-1072) (Lataif al-Isharat: Subtle Allusions, p. 467)

“And because of their taking usury when they had been forbidden it and their consuming people’s wealth through falsehood and We have prepared for the disbelievers among them a painful chastisement”. It is said that committing prohibited acts leads to the forbidding of what had been permitted. Whoever commits a prohibited act with his outward self is forbidden that which he used to find in his permitted states and the subtle kindnesses received in his innermost self.

Ibn Kathir (1300-1373) (Tafsir Ibn Kathir, vol. 1-10 Abridged, p. 45-46)

“And their taking Riba’ though they were forbidden from taking it”. Allah prohibited them from taking Riba’, yet they did so using various kinds of tricks, ploys, and cons, thus devouring people’s property unjustly. And we have prepared for the disbelievers among them a painful torment. Allah then said, *“But those who are among them are well-grounded in knowledge”*.... firm in the religion and full of beneficial knowledge.

Maulana Wahiduddin Khan (1925-2021) (Tazkirul Quran p.265)

“For taking usury, when they have been forbidden to do so. And because of their devouring people’s wealth wrongfully. We have prepared a painful punishment for those of them who [continue to] deny the truth”. When a group opts for a self-styled religion instead of the divine religion, it decides upon certain self-styled signs to show its religious status. According to the temperament and circumstances of its members, it formulates new rules about what is lawful and what is unlawful, and by sedulously observing them, it shows that it adheres to religion more than others do. The religion of such people is based on excessive care for certain outward forms, as opposed to paying proper attention to the spirit of the religion’s rules. By fully observing the form they are completely satisfied that they have been following their religion to the letter. Such so-called adherents of religion are not afraid of deriving worldly benefits from the ways forbidden by God, and they are not afraid of putting obstacles in the path of the divine caller. Such people will be bracketed with the patently irreligious, far from being grouped along with truly religious people. There were certain people among the Jews, like ‘Abdullah ibn Salam, who believed in the Prophet Muhammad and fully supported him. Those who are not caught up in human interpolations in their religion, who have discovered the original divine religion, who have risen above the mentality of prejudice, blind imitation of their community’s ways and opportunism, find no obstacle to their recognizing the truth and surrendering themselves to it.



They can see the truth despite all kinds of mental blocks. These are the people who will be ushered into the Paradise God has prepared for them.

5.4.4 Results of analysis 4

The relevant parts of the commentaries of the Quranic verses are underlined. Upon examining the commentary on verse 3:130, it can be discerned that Al Qushayri elucidates the true essence of 'ar-Riba' by stating that it "... includes loaning one amount and asking twice as much in return", which is in agreement with the findings of this study. Ibn Kathir provides significant information that the 'ar-Riba' that is prohibited is the type of 'ar-Riba' that was in use during the period of jahiliya. The following words of Ibn Kathir concur with the arguments presented in this study, "... just as they used to do during the time of jahiliya". The commentary of Maulana Wahiduddin Khan supports the argument presented in this study, which states that the prohibited 'ar-Riba' was usually a bilateral, unregulated, and non-institutionalized transaction. For instance, the following sentence depicts that kind of scenario, "A usurer thinks day in and day out as to how to double and quadruple his money". Therefore, it has no resemblance to the interest charged by contemporary conventional banks.

Upon examining the commentary on verse 4:161, it becomes evident from the following words of Al-Qushayri that the practice of 'ar-Riba' during the period of jahiliya was a deceitful act "...consuming people's wealth through falsehood....". Moreover, the commentary of Ibn Kathir further substantiates this assertion by the following words, "...yet they did so using various kinds of tricks, ploys, and cons, thus devouring people's property unjustly....". The commentary of Maulana Wahiduddin Khan on this verse (4:161) does not indicate anything specific about the topic of 'ar-Riba'. However, it is imperative to note that prior to commencing his commentary on 'ar-Riba' for verses (275 - 280) in Surah Al-Baqarah, Maulana Wahiduddin Khan defines 'ar-Riba' as follows: "The word 'riba' in the original is translated here as 'usury', which means the practice of lending money to people at unfairly high rates of interest" (Khan, 2012, p.119). The definition of the Quranic term 'ar-Riba' provided by Maulana Wahiduddin Khan bears resemblance to that provided in this study in terms of essence, meaning, and characteristics. Ultimately, by analyzing the commentaries of three distinguished classical and contemporary authors, it can be asserted with confidence that the commentaries validate the findings derived from the analyses conducted in this study. In the subsequent section, this study will attempt to reflect on the findings by looking further into certain significant points to reinforce the topics that have already been discussed.

6. Reflection derived from the analyses

The Federal Deposit Insurance Corporation (FDIC) in the United States identifies usury rates as a form of predatory lending, which it defines as the practice of imposing unfair or abusive loan terms on borrowers (Fernando, 2022). Certain traditionalists, revivalists, and academic scholars equate 'ar-Riba' with contemporary bank interest (e.g., Maududi, 2019; Usmani, 2002; Zaidi, Calandra, & Tarek, 2024). Their argument is weak because the verses of the Holy Qur'an (4:161 & 3:130) conspicuously describe the distinct characteristics of 'ar-Riba' and associate this term with exploitation. According to the analysis of the commentaries, an exploitative type of lending system used during the period of jahiliya is prohibited. It is noteworthy that none of the three commentaries posited a divergent perspective. It can be argued with confidence that the exploitative type of lending system is referred to as 'ar-Riba' in the verses of the Holy Qur'an.

Moreover, during the period of Jahiliya, no other lending system was in place except the system of 'ar-Riba', and certainly not the financial system in use today. Despite the existence of an unfair, unjust, cruel, and exploitative lending system, individuals in need during that period had no other options. However, the institutionalized and regulated lending system of today is very different from the system of 'ar-Riba'. El-Gemal (2006, p.10) cites the following statement to explain why it was necessary to prohibit 'ar-Riba' during the period of jahiliya, "ancient usury laws, which forbade all interest on loans, was intended to be a form of a priori social insurance. In societies with pervasive poverty, the cooperative charitable lending rule provides transfers from fortunate individuals born with wealth to those less fortunate" (Glaeser & Scheinkman, 1998). In the analysis section, four cycles of analysis have been carried out. The objective of first analysis is to investigate how authors have translated the Quranic term 'ar-Riba' into English from the period of 1649 until 2023. In the second analysis, the definitions of the terms 'usury' and 'bank interest' are gleaned from ten reputable ten dictionaries. The third analysis scrutinizes all verses pertaining to 'ar-Riba' within the Holy Qur'an to understand the true nature and meaning of the Quranic term 'ar-Riba'. Finally, in the fourth analysis, classical and contemporary 'tafsirs' or commentaries of the Holy Qur'an on the pertinent Quranic verses are analyzed to obtain validation or confirmation of the findings. The findings suggest that the true



essence of the Quranic term 'ar-Riba' is akin to the contemporary English language term 'usury', rather than 'interest' or 'bank-interest'. Therefore, it is imperative to posit that the word usury is the most appropriate translation of the Quranic term 'ar-Riba'. Both the Quranic term 'ar-Riba' and the English term 'usury' have one thing in common, and that is, they are associated with exploitation, which is contrary to the fundamental principles of social justice in Islam. Additionally, the analysis provides that the words 'usury' and 'bank interest' are distinct. The Quranic term 'ar-Riba' and the English word 'usury' are associated with exploitation, while the English word 'interest' or 'bank-interest' is not. The reason is that conventional banks operate as institutions within a regulated and competitive financial ecosystem. Therefore, it is incorrect to equate 'ar-Riba' with contemporary bank interest.

In the following, an attempt has been made to reveal the true nature and distinct characteristics of the term 'ar-Riba'. During the period of jahiliya, 'ar-Riba' is also coined as 'Riba al-jahiliya'. In addition to the Quranic source, the following section will attempt to explain how other sources have contemplated the true nature and distinct characteristics of 'Riba al-jahiliya'.

6.1 Is 'ar-Riba' identical to 'Riba al-jahiliya'?

The term 'Riba al-jahiliya' refers to the lending system that existed in medieval times. According to the Britannica dictionary the term 'jahiliya' refers to, "*the period preceding the revelation of the Qur'an to the Prophet Muhammad. In Arabic the word means 'ignorance' or 'barbarism' and indicates a negative Muslim evaluation of pre-Islamic life and culture in Arabia as compared to the teachings and practices of Islam*". Many contemporary Islamic scholars agree that the term 'ar-Riba' mentioned in the Holy Qur'an is meant to 'Riba al-jahiliya' (e.g., Farooq, 2009; Zaman, 2011; and Kahf n.d.). According to Kahf (n.d. p.1), "*'Riba Al-Jahiliya' is the Riba in loans. It could be when a loan contract is made or when a previous debt is rescheduled. Many people say the second form was more common among the Arab people of Jahiliya, or the pre-Islamic period. All scholars agree that the reference to Riba in the Qur'an is to this one. It takes place only in debts created via lending or extended to a new maturity via rescheduling*". The system of 'ar-Riba' or 'Riba al-jahiliya' possesses a distinct characteristic, wherein the debt is doubled in the event of default and redoubled in the event of a repeat default (Eposito, 2003). During the period of jahiliya, the borrowers were mainly people who were struggling to meet their basic needs. The Quranic verses (2:78, 2:280, 3:130 & 4:161) provide explicit indications of their unfortunate fate, indicating that they were impoverished individuals. In the event of default, certain borrowers were even enslaved by the lenders (Martin, 2004). Some scholars posit that the widespread practice of enslaving loan defaulters and shipping them to foreign lands in ancient times is the root cause of religious condemnation of interest on loans (e.g., Khan, 2015). To establish a simple and effective risk management mechanism for small borrowers who cannot afford the negative consequences of financial transactions, all Abrahamic religions, along with Hinduism, Buddhism, and numerous other ancient religions, prohibited interest on loans (Kuran, 2011).

Therefore, given the distinct characteristics of 'Riba al-jahiliya', no analogy can be drawn with the contemporary regulated and institutionalized lending system. The revelation of the Holy Qur'an not only guides humanity towards faith, but it is also a book that sets principles for our socioeconomic and cultural life based on sound reasoning. If not substantiated with evidence, it is implausible that any alternative lending system other than 'ar-Riba' or 'usury' existed at the time of the revelation of the verses of the Holy Qur'an. In the following, this study will further examine the reasons behind certain individuals' errors in their judgment to comprehend the true essence of the Quranic term 'ar-Riba'.

6.2 The generic 'Riba' and the distinct 'Riba' (ar-Riba)

Kahf (2006, p.3) states that "*Riba is an Arabic word that means increment or increase. But the Qur'an did not mean any increase. It refers to a specific sort of transaction, 'the riba', that was practised and known among the Arabs and other nations at the time of revelation. For this reason, the reference in the Qur'an came with the article 'the.'* 'The' riba means a specific transaction known to the audience". The Quranic verses (e.g., 4:161 & 3:130) unequivocally described some distinct characteristics of 'ar-Riba'. The verse (4:161) describes that the usurers used to have an unjust and extortionate claim over the property of the debtor in case of default. The verse (3:130) describes that the usurers had a predetermined extortionist attitude, as in case of default, they increased the amount of capital to double or even quadruple. This type of malicious attitude not only contravenes the teaching of Islam but also offends humanity. It is imperative for a human being, particularly a Muslim, to exhibit kindness and compassion towards a needy and impoverished individual who is facing disparate difficulties. Farooq (2009, p.108) asserts that "*at the time of the revelation of the verses about riba, the only type*



of 'Riba' known was 'Riba al-jahiliya' (which doubled and redoubled late loan payments). However, later, the scope of the definition of riba was broadened based on hadith". If the science of 'hadith' is error-free, it would make sense to prohibit something based only on 'hadith. It is incorrect to declare something as 'haram' without providing explicit evidence in the divine text, as human interpretations are susceptible to errors. Moreover, there is no historical evidence to suggest that 'Riba al-jahiliya' was like the financial system in use today (Zaman, 2011).

The Holy Qur'an consistently employed the term 'ar-Riba' accompanied by a distinct article, namely 'the' (in English) or 'al' (in Arabic). This is because the Holy Qur'an utilized the term 'the Riba' or 'ar-Riba' to denote a specific lending system that possesses distinct characteristics, as elucidated in Quranic verses (e.g., 4:161 & 3:130). Regrettably, certain traditionalists, revivalists, and academic scholars are interpreting the term 'ar-Riba' without a distinct article 'the' or 'al', thereby encompassing its meaning as 'any increment' and equating it with 'interest' or 'bank interest'. This interpretation is contrary to the divine message and its true essence. Shanavas (2018, p.6) contends that "based on the Quranic criteria, every kind of increase or interest on capital cannot be prescribed as 'ar-Riba'". Lamentably, certain traditionalists, revivalists, and academic scholars fail to consider the distinct characteristics of 'ar-Riba', which embodies the essence of exploitation, as mentioned in the Holy Qur'an. Furthermore, they fail to consider the context in which 'ar-Riba' is prohibited not only in Islam but also in all Abrahamic faiths.

The Quranic verses (e.g., 2:78 & 2:80) clearly indicate that the text pertains to impoverished and needy individuals, but it does not pertain to commercial or investment loans, as one might imagine successful farmers borrowing to expand their herds. The scenario implies that a neighbouring farmer's harvest has failed, necessitating borrowing to provide sustenance for his family or planting for the next season. Similarly, if a working horse or camel has passed away, borrow to purchase a replacement. Kuran (2011, p. 146) echoes the same arguments, "In the overwhelmingly agrarian economies of antiquity, loans for production or commerce were uncommon, and governments rarely borrowed. The main purpose for borrowing was to meet personal subsistence needs". It implies that the motivation and emphasis of the Quranic verses are directed towards the predicament of the needy and that lending is a means of providing support for the needy through 'voluntary almsgiving' or 'sadaqah' rather than exploiting and behaving opportunistically to increase earnings unjustly as a usurer.

6.3 'Ar-Riba' or 'Riba al-jahiliya' in hadith

Ibn Hajar al-Asqalani (d. 1449 CE), in his book (Fathul Bari, vol. iv, p.264), refers to the following hadith from 'Muwatta' of Imam Malik (d. 795 CE), where 'ar-Riba' has been identified as 'Riba al-jahiliya'. "Malik related to me that Zayd ibn Aslam said, Riba in the Jahiliyya was that a man would give a loan to a man for a set term. When the term was due, he would say, Will you pay it off or increase me? If the man paid, he took it. If not, he increased him in his debt and lengthened the term for him" (Muwatta' Imam Malik Book 31, Hadith 84). The statement made by Zayd ibn Aslam, which is documented not only by Imam Malik but also by Imam Al-Bayhaqi and Imam Al-Razi, indicates that the initial interest was not usury-based and, therefore, not considered 'ar-Riba' (Rahman, 1964). Farooq (2012, p.295) asserts that "the exploitation and injustice of such 'Riba-based' transactions are obvious and hardly require any further explanation or clarification. This type of 'Riba' is known as 'Riba al-jahiliya', and according to some Islamic scholars, such as Imam Ahmad Ibn Hanbal (d. 855 CE), only such 'Riba' is unlawful without doubt from the Islamic viewpoint". Numerous 'Sahaba' (e.g., Ibn Abbas, Abdullah Ibn Masud, Usama Ibn Zayd, Urwah ibn Zubayr, Zayd Ibn Arqam) and many earliest Islamic jurists believed that the only unlawful 'ar-Riba' was 'Riba al-jahiliya' (Saleh, 1986).

It is imperative to briefly discuss the debate based on 'hadiths' that the individual who pays 'ar-Riba' is equally guilty as the individual who consumes 'ar-Riba' (Sahih Muslim 1598). It is noteworthy that the Holy Qur'an does not explicitly state that the individual responsible for paying 'ar-Riba' is liable or guilty. Rather, when the topic of payers or debtors was brought up (e.g., 2:278 & 2:280), the tone can be characterized as kind, sympathetic, and compassionate, thereby rendering the payers or debtors as victims. It appears to be irrational why a victim would be subjected to further victimization. As regards to 'hadiths', as per Javed Ahmed Ghamidi, there exists only one reliable anecdote wherein the Prophet (Blessings and peace be upon him) discussed the matter of payers or debtors in front of multiple 'Sahaba', and it is subsequently recounted by multiple narrators in multiple 'hadiths', including 'Sahih Muslim', (hadith n° 1598). Ghamidi (2020) argues that the message of the Prophet (Blessings and peace be upon him) has been misinterpreted by the narrators because the Prophet (Blessings and peace be upon him) mainly cursed individuals who are associated with the 'ar-Riba' business. However, Ibn Ashur (2006) questioned the legal significance of an isolated hadith when formulating legislation.



For instance, as per the hadith, the consumer is the individual who owns the business of lending money on interest or, in other words, who consumes the profit from 'ar-Riba'. Additionally, it mentions three distinct groups of individuals who are directly associated with and facilitate this business. The first group of individuals, referred to as 'the payers', are those who collect money from the debtors and pay it to the owner. The Arabic term '*Mu'kil*' has been used to express this group of people. According to Ghamidi (2020), the term '*Mu'kil*' is misconstrued and is incorrectly attributed to the debtors, as they are neither associated with nor facilitating this business. The debtor simply sought help to meet his/her basic needs. It becomes evident by examining the other two groups of individuals, namely the witnesses and those who record the transaction. Individuals from both groups are associated with and facilitate the business. Therefore, the meaning of '*Mu'kil*' cannot be that of the debtor but rather that of the individuals who collect the money and pay it to the owner. Nonetheless, the interpretation and explanation of Javed Ahmed Ghamidi is undoubtedly a matter of contention among Islamic scholars as it lacks sound judgment and necessitates further investigation.

Perhaps the final 'hadith' (e.g., figure 13) regarding the prohibition of 'ar-Riba' was derived from the farewell sermon of the Prophet (Blessings and peace be upon him), delivered in front of approximately one hundred thousand 'Sahaba' on Friday, the 6th of March, 632 CE in the Uranah valley of Mount Arafat. The subsequent 'hadith' cited by the 'Sahih Muslim' further supports the thesis presented in this study, namely that the prohibited 'ar-Riba' is actually 'Riba al-jahiliya' as the Prophet (Blessings and peace be upon him) explicitly mentioned it in his sermon. The subsequent 'hadith' is also in accordance with the Quranic verses (e.g., 4:161 & 3:130). Thus, there can be little uncertainty regarding its veracity. In the subsequent section, a succinct discourse will center on the inadequacy of IBF institutions in gaining legitimacy among their social partners, and the imperative for enhancing them to establish social justice as mandated by the Islamic faith.

وَرِبَا الْجَاهِلِيَّةِ مَوْضُوعٌ وَأَوَّلُ رَبًّا أَضْعُ رَبَانَا رَبًّا عَبَّاسِ بْنِ عَبْدِ الْمُطَّلِبِ فَإِنَّهُ مَوْضُوعٌ كُلُّهُ

Figure 13. In the last sermon of the Prophet (Blessings and peace be upon him), 'Riba al-jahiliya' was quoted.

Source: Sahih Muslim 1218a; In-book reference: Book 15, hadith 159; US-MSA web (English) reference: Book 7, hadith 2803.

English translation (Extracted from Sunnah.com): "The riba of the Jahiliya is abolished, and the first riba that I abolish is that of 'Abbas ibn Abd al-Muttalib; it is all abolished".

7. Discussion pertaining to the Islamic Banking and Finance (IBF) system

When this paper is delving into the terms usury and bank interest and their significance in the context of Islamic theology, it is imperative to briefly discuss the IBF system, as nearly \$ 4 trillion of the global IBF industry is based on the prohibition of contemporary bank interest.

7.1 Usury, interest, and the Islamic banking and finance (IBF) system

To prevent the Muslim Ummah from engaging with the bank interests of conventional banks, a novel business initiative was initiated in the late 20th century, primarily by affluent Arab entrepreneurs. The initiative has been referred to as Islamic Banking and Finance, which not only covers Muslim-majority countries but also has a notable presence in some Western countries. Globally, there are over 300 banks, estimated to be worth nearly \$4 trillion and accounting for approximately 1% of the global assets. The label bears the designation of Islamic and is deemed 'Sharia-compliant' or 'halal' (permissible). However, it is imperative to ascertain to what extent it is successful in gaining legitimacy among their social partners and where further improvements are necessary to establish social justice as mandated by the Islamic faith.

Pejman (2019, p. 18) argues that "Indeed, failing in its utopian ambitions, Islamic finance has contented itself with seeking the same objective as their conventional counterparts". Kingdom of Saudi Arabia does not officially recognize the concept of IBF and, therefore, does not allow any bank to use the term 'Islamic bank' with its name (Warde, 2010). Moreover, in Indonesia, the world's most populous Muslim country, the market share of IBF is less than 5%, and surprisingly, in the Gulf States, where IBF initially started and has a strong foothold, its share is accounted for only about one-third of the market



(Yueh, 2014). The low market penetration rate of IBF institutions, even in countries with a Muslim majority, indicates some shortcomings on the part of IBF institutions to serve the Muslim community.

Kahf (2004, p.2) states that *“Islamic banks are not different from other financial institutions in terms of their legal modalities, constitutive structures, objectives and means of achieving those objectives. The only difference lies in their description as Islamic”*. The fundamental principle behind prohibiting ‘ar-Riba’ in all Abrahamic faiths is to establish a balanced society that is free from unjust, extortive, exploitative and oppressive usurers. Furthermore, there will be an equitable distribution of wealth through kindness and compassion (i.e., Sadaqah & zakat). On the one hand, numerous scholars acknowledge that the premise of prohibition of ‘ar-Riba’ as articulated in the Holy Qur’an is based on injustice, exploitation, and hardship (e.g., Ahmad & Hassan, 2007; Farooq, 2009, 2012; Suzuki, 2019). This notion is bolstered by Quranic verses and in the writings of some early Islamic scholars, such as Imam Al-Razi (d. 1210) and Ibn Al-Qayyim (d. 1350), who posit that the prohibition of ‘ar-Riba’ pertains to the exploitation of the impoverished, rather than the pursuit of profit. On the other hand, numerous revivalists are strong proponents of IBF and want to create an interest-free society (e.g., Maududi, 2019; Usmani, 2002).

The divine messages and traditions of the Prophet do not suggest that creating an interest-free society is a part of religion. Let us contemplate the fact that the interest-free (0% interest rate) society has been successfully established. However, what implication will it have for an individual who seeks to borrow from an IBF institution that is deemed ‘Shariah compliant’ to acquire a property to live with his family? IBF institutions do not charge interest, but they charge a portion of the rent for the property from the debtor. The IBF institutions charge their clients a 9% interest rate to be ‘Sharia compliant’, while conventional banks charge a 6% interest rate (Akram, 2023). This means that the debtor is exploited and must pay 50% higher than what is available in a regulated and competitive market. If the interest rate were to become zero, would the IBF institutions charge less to their clients? The answer is no, *ceteris paribus* because the IBF institutions do not charge interest. Instead, they charge a portion of the rent for the property. The debtors of IBF institutions will pay nine times more than the conventional banks, who will charge a 0% interest rate if the instalments of IBF institutions are not linked to the ‘London Interbank offered rate’ (LIBOR) and if the rental cost stays the same.

After a decade of trials now in 2024, Japan has decided to reverse its zero-interest rate policy. The interest rate in Japan was zero for a long period of time, but the residential rental cost did not decrease. In the scenario, if the interest rate was zero, the borrowing clients of the IBF institutions would be significantly less fortunate than in the present circumstance. Certain traditionalists and revivalists may be on the wrong side of a just system as they are not opposed to exploitative bank interest rates but rather to an equitable interest rate that is offered in a regulated and competitive market. The present inquiry pertains to whether the policies of Islamic banks are in accordance with divine guidance, which may prevent Muslim Ummah from dealing with conventional banks. In the findings of the study, Farooq (2012, p. 292) concludes that *“On the basis of the behaviour of the Islamic finance industry, it seems that the industry’s current practices are either neutral to the issue of injustice/exploitation or mirrors the tendencies of the conventional finance. Furthermore, when comparing the exploitative role of interest and profit, the latter seems to be more consequential than generally understood and acknowledged”*.

In Western nations, a significant number of Muslim families are experiencing difficulties in paying their ever-increasing house rent. Due to the interpretation of certain traditionalists and revivalists equating ‘ar-Riba’ with bank interest, a minority of Muslim families are hesitant to engage in dealings with conventional banks. An example from the UK can be regarded as a representative in the context of Western nations, as the IBF in the UK holds a market share of 85% in the European market. An article published in the British newspaper (The Guardian, written by Akram, 2023) regarding the dilemma faced by British Muslim home buyers seeking a ‘Sharia-compliant’ loan. Not only is a 50% higher interest rate exploitative but further, *“the costs of such arrangements are high and Muslim buyers who take out one of these agreements need a large deposit”* (Akram, 2023, p. 1). It has been reported that customers of IBF institutions are required to make a deposit of a minimum of 25% of the property’s value, whereas the minimum deposit requirement for conventional banks is only 5%. Furthermore, it is very difficult to obtain a loan from IBF institutions, as reflected in the following quotes, *“criteria are incredibly strict; not only does the buyer have to pass affordability tests, but the property has to be approved, too”* (Akram, 2023, p. 1). Another comparison illustrates that the UK-based Islamic bank’s (e.g., Al Rayan) fixed rate is 89% higher than the conventional bank (Amin, 2019). There exist numerous instances that demonstrate IBF institutions have not been effective partners in attaining social justice, as enshrined in Islamic theology. As a result, they are not in a superior ethical position compared to conventional banks. Based on the examples cited above regarding the UK-based IBF institutions, it is evident that the IBF institutions failed to grasp the wisdom of prohibiting ‘ar-Riba’. Khan (2024, p. 109) states that *“Islamic financial institutions have adopted such operational procedures that closely resemble interest on loans, while they claim to be operating on a riba-*



free basis”. Al-Mubarak and Osmani (2010, p. 6) state that “*With a meticulous analysis, it can be visible that the current practices of the Islamic banks are, in many cases, not in conformity with the Shari’ah required standards*”. They further argue that “*the Islamic banks are simply imitating the conventional banking system*” (p. 7).

Muhammad Taqi Usmani, a prominent revivalist and ardent advocate of the IBF system, serves on the ‘Shariah’ expert board all over the world. He has authored numerous books that criticize the conventional banking system and advocate for the IBF system. However, based on the aforementioned facts, the following arguments of revivalists are simply a hollow theoretical concept that cannot be applied to a real-world scenario, “*the philosophy of Islamic bank aimed at establishing distributive justice free from all sorts of exploitation*” (Usmani, 2002, p. 113); and, “*Unlike the conventional financial institutions who strive for nothing but making enormous profits, the Islamic banks should have taken the fulfilment of the needs of the society...*” (Usmani, 2002, p. 115). The ethical shortcomings of IBF institutions also manifest in their acts of hypocrisy and misinformation. Reputed revivalists who frequently serve on the IBF’s ‘Shariah’ expert board equate ‘ar-Riba’ with bank interest and declare it ‘haram’ (prohibited), whereas IBF institutions themselves earn interest by depositing their excess funds abroad. Farooq (2012, p. 297) asserts that “*Many Islamic banks have been explicitly and openly earning interest on their excess funds, often invested in safer, debt or debt-like instruments overseas. Even the Islamic Development Bank (IDB), a multilateral development financing institution established to foster social and economic development in its 55 member countries, follows this practice*”. Many revivalists, who are members of the ‘Shariah’ expert board, endorse the interest-earning of the IBF institutions through their ruling, citing the ‘necessity clause’ (In Arabic: ‘Darurah’). However, regrettably, many revivalists do not endorse the same ruling for a person experiencing financial hardships due to the increasing cost of rent to purchase a house through affordable conventional banks. The rules are relaxed for the affluent, citing the ‘necessity clause’. Nonetheless, a Muslim layperson is advised to obtain loans from so called interest-free IBF institutions, despite their higher cost and more challenging borrowing process compared to conventional banks. Vogel and Hayes (1998, p. 38-39) expressed their frustration in the following excerpts, “*Scholars in Islamic finance and banking have invoked necessity to permit exceptional relaxations of rules. They have issued ‘fatwas’ allowing Islamic banks to deposit funds in interest-bearing accounts, particularly in foreign countries because these banks have no alternative investments at the necessary maturities*”.

SHAYKH HAITHAM AL - HADDAD	SHAYKH AKRAM NADWI	SHAYKH SUHAIB HASAN
<i>The Al Rayan HPP is not Islamic; it is too much like a debt instrument. (i.e., the buyer is locked into purchasing the entire finance amount back from Al Rayan from day one).</i>	<i>Get a conventional mortgage if necessary, as Islamic finance is just like conventional finance dressed up in a religious garb.</i>	<i>(At least in particular cases) : get a conventional mortgage if necessary.</i>

Table 3. Comments of UK-based Islamic scholars about the ‘Sharia-compliant’ home purchase plan (HPP) offered by the Al Rayan Bank (Sharia-compliant financial services). *Source: Patel (2023).*

Due to the facts, that contradict the fundamental principles of legitimacy theory, perhaps the IBF institutions have been unsuccessful in gaining legitimacy among their social partners, as exemplified by the low market penetration rate, even in countries with a Muslim majority. In keeping with the true spirit of Islamic solidarity and brotherhood, this study exhorts IBF institutions to be more generous toward their clients than conventional banks. The current section concludes by citing some comments from UK-based Islamic scholars (Table 3) about the ‘Sharia-compliant’ home purchase plan (HPP) offered by Al Rayan Bank (UK). In the subsequent section, this study concludes its argument by summarizing certain significant points to reinforce the topics that have already been discussed.

8. Conclusion

In section 4.3, this paper affirms unequivocally that the practice of ‘ar-Riba’ is prohibited by divine decree, as it is explicitly mentioned in the Holy Qur’an. The divergence begins now when traditionalists, revivalists, and academic scholars endeavour to define the boundary of ‘ar-Riba’. For certain, the bank interest is within the ambit of ‘ar-Riba’, while this study



posits that it is incorrect to equate 'ar-Riba' with bank interest. This is the reason why this study begins to look into the matter by posing the following question, "*What 'ar-Riba actually entails'?*" Upon completion of all analyses and discussions, the conclusions have begun to emerge. After the data collection and data analysis process of the last 374 years of English translations of the Holy Qur'an, the results of the first analysis unequivocally demonstrate that the English word 'usury' is the most appropriate translation of the Quranic term 'ar-Riba'. It is unquestionable that a large majority of scholars who have translated the Holy Quran into English have a very good command of both Arabic and English and are intelligent enough to understand the contextual aspects of the Quranic verses. The author delved further to understand how the English words 'usury' and 'bank interest' differ. The findings of the second analysis suggest that the word 'usury' is associated with exploitation, whereas the word 'bank interest' is not. Based on the findings of these two analyses, it is evident that the Quranic term 'ar-Riba' is associated with exploitative types of interest. Most of us encounter institutionalized and regulated contemporary conventional banks daily, and it is widely acknowledged that the interests of contemporary conventional banks are not exploitative. Balala (2011) presented a good argument to clarify what constitutes exploitation and what does not. Balala (2011, p.87) asserts that "*if there is an inequitable and inefficient gain, then it would be called 'ar-Riba'*". She also provides a definition of inequitable and insufficient gain, and according to her, a regulated and competitive market defines it, and the rate offered in a regulated and competitive market is equitable and efficient. Anything above the market rate would be inequitable and inefficient. Based on her analysis and the findings of the first and second analyses of this study, it is possible to conclude with certainty that the bank interest of contemporary conventional banks is not exploitative and cannot be associated with 'ar-Riba' as it operates in a regulated and competitive ecosystem, thereby being equitable and efficient. Finally, in the absence of exploitation, the contemporary conventional banks do not contravene the fundamental principles of social justice in Islam.

To attain further certainty regarding the findings, the author conducted a third analysis by scrutinizing all verses of the Holy Qur'an where the term 'ar-Riba' has been employed. It is noteworthy that two verses of the Holy Qur'an (i.e., 4:161 & 3:130) indicate that 'ar-Riba' is associated with exploitation. At this juncture, it becomes imperative to scrutinize these two pertinent verses in both the classical and contemporary commentaries of the Holy Qur'an. Finally, in the fourth analysis, classical and contemporary 'tafsirs' or commentaries of the Holy Qur'an on the pertinent Quranic verses are analyzed to obtain validation or confirmation of the findings. After examining the commentaries of three distinguished classical and contemporary authors, it can be asserted with confidence that the commentaries validate the findings derived from the analyses conducted in this study. Both Ibn Kathir and Al-Qushayri, in their respective commentaries, attributed the term 'ar-Riba' to an act of exploitation and deception. Moreover, it is noteworthy that the term 'ar-Riba' is referred to as 'Riba al-jahiliya', as evidenced by the last sermon of the Prophet (Blessings and peace be upon him) and substantiated by the commentary of Ibn Kathir. 'Riba al-jahiliya' refers to the exploitative types of lending systems in use during the period of jahiliya. It is imperative to note that prior to commencing his commentary on 'ar-Riba' for the verses (i.e., from 275 until 280) in Surah Al-Baqarah, Maulana Wahiduddin Khan defines the term 'ar-Riba' as follows, "*The word 'riba' in the original is translated here as 'usury', which means the practice of lending money to people at unfairly high rates of interest*" (Khan, 2012, p.119).

The Holy Qur'an describes a specific type of 'ar-Riba', which was known in a society where it was revealed. Due to this reason the term 'Riba' is used with a definite article 'al' (pronounced 'ar'). Regrettably, some traditionalists, revivalists, and academic scholars are neglecting this crucial aspect, which has led to the generalization of the term 'ar-Riba', which refers to any increment. '*Any increment*' is not appropriate in the present circumstances, as gold coins or silver coins are no longer utilized as a form of currency. Instead, fiat currency is prevalent worldwide, and its value diminishes over time due to inflation and other economic factors. The divine messages do not indicate that the establishment of an interest-free society is a fundamental aspect of the Islamic religion; rather, it is a human interpretation disseminated by certain traditionalists and revivalists. The true essence of prohibiting 'ar-Riba' pertains to the fundamental principle of being a good human being or a good Muslim. This includes aiding friends, neighbours, and family members in need through 'sadaqah' and 'zakat'; and refraining from exploiting individuals who are vulnerable and in difficult circumstances.

The historical origins of the contemporary banking system can be traced back to 1400 CE in Florence, Italy (Hoggson, 1926). How could the Islamic jurists of 900 CE, or even earlier, prohibit the interests of the contemporary banking system without possessing a thorough knowledge and understanding of its true nature and characteristics? Therefore, the interpretation proposed by certain traditionalists, revivalists, and academic scholars, which equates 'ar-Riba' with the bank interest utilized in the contemporary banking system, is utterly unfair, as these institutions are offering their services in a competitive market that is governed by national and international regulations. In contemporary times, banks are not solely



concerned with interest. Rather, they are largely service-oriented entities. Undoubtedly, interest constitutes a significant component of the business, primarily for covering operational expenses and adjusting for inflation and devaluation. This study aims to emphasize the distinct characteristics of the Quranic term 'ar-Riba', which are associated with exploitation, and to demonstrate that these characteristics are not present in the interest charged by contemporary conventional banks. The findings derived from the analyses prompt inquiries regarding the reliability of employing the term 'interest' or 'bank-interest' in the English translations of the Quranic term 'ar-Riba'.

Finally, this study encourages certain revivalists and academic scholars to engage in a fresh examination of the prevailing conventional doctrines of certain traditionalists regarding 'ar-Riba'. It is imperative, as evidenced by the literature review that certain religious rulings have been proven incorrect after several decades in the past. Therefore, the current religious rulings may prove to be incorrect in the future. Since religious rulings are based on human interpretations, they are susceptible to errors. Moreover, Islamic law is dependent on the environment, circumstances and place since the purpose of the law is to be beneficial to humans (Ishaq & Ridwan, 2023). Ibn Ashur argues that the foundation of shari'ah must be rational, and he strongly advocates for 'Ijtihad'. According to him, "*Ijtihad is a collective obligation (fard al-kifayah) on the community in accordance with the degree of need in the community's countries and circumstances*" (Ibn Ashur, 2006, p.17). It is essential to implement 'Ijtihad' by making the optimal utilization of the human mind, the most precious gift of Almighty Allah, to deal with contemporary and dynamic social issues (Abdad, 2014). 'Ijtihad' is used to address problems that arise within a community whose legal status is not well defined in the Holy Qur'an or in the traditions of the Prophet (Blessings and peace be upon him). With the optimal utilization of the human mind, Umar ibn al-Khattab executed 'Ijtihad' within the context of reforming Islamic law. Taking into consideration the environment and the circumstances, he courageously modified laws that were not in accordance with the literal interpretation of the verses of the Holy Qur'an or the traditions of the Prophet (Blessings and peace be upon him). For instance, denying the entitlement to 'zakat' for converts despite the disapproval of the Holy Qur'an (verse 9:60) and in contravention of the Holy Qur'an (5:38), refraining from cutting off the hands of thieves (Ishaq & Ridwan, 2023). Therefore, if the second caliph of Islam, Umar al-Khattab, was capable of suspending a 'Sharia' punishment due to social justice concerns (i.e. believing that the punishment was unjust in the context of a famine), the revivalists ought to reassess this matter, taking into account the fact that the Quranic term 'ar-Riba' and the English term 'usury' are both associated with exploitation, which is contrary to the fundamental principles of social justice in Islam.

9. Implications, limitations, contributions and future research directions

The findings of this study have numerous implications. Firstly, in the field of academic research, it opens a new window for scholars to revisit the prevailing conventional doctrine to understand that in academic discourse, it is incorrect to utilize the English word 'interest or bank interest when referring to the Quranic term 'ar-Riba'. Secondly, because of this incorrect interpretation, the social implication is that the Muslim Ummah is lagging in financial investments, resulting in economic hardship. Thirdly, it is a well-known fact that in a significant portion of the world, IBF institutions are not operational. Even in instances where they are operational, as evidence suggests, accessing financing can be challenging, and it is more expensive than conventional banks for borrowing clients.

Currently, there are three main limitations present in this study. The first limitation pertains to the total number of existing English translations of the Holy Qur'an that are not included in the data list. Due to time and budget constraints, it appears unfeasible to obtain all the existing translations. Nevertheless, most translations are in the data list, which may indicate a tendency towards the outcome. The second limitation is that numerous hadiths and literature from 'fiqh' pertaining to the topic of 'ar-Riba' were not discussed in this context, primarily due to space limitations and secondarily, due to doubts regarding their authenticity. However, the author believes that the verses of the Holy Qur'an constitute the most authentic and primary source and that deviating from or bypassing the Holy Qur'an would mean navigating in uncharted waters with some uncertainty. The third limitation concerns the use of English translations for certain original works written in the Arabic language. Nonetheless, to present this study in an international journal such as the European Journal of Islamic Finance, it is imperative that the manuscript be written in English to enhance its accessibility to academics, scholars, and researchers.

This study contributes to the body of knowledge in many ways. First, this study collects and analyzes data from 1649 until 2023 and reveals that a large majority of the authors deemed the English term 'usury' to be the most appropriate translation of the Quranic term 'ar-Riba', contrary to the arguments of certain traditionalist, revivalist, and academic scholars who equate the Quranic term 'ar-Riba' with contemporary bank interest. Second, this study demonstrates that the English word 'usury' is associated with exploitation, while the word 'bank-interest is not. Third, this study further contributes by furnishing a



definition of the Quranic term ‘ar-Riba’ based on the definition of the English word ‘usury’ and examination of the Quranic verses. Fourth, this study demonstrates through hadith and ‘tafsirs’ or commentaries of the Holy Qur’an that ‘ar-Riba’ is identical to ‘Riba-al-jahiliya’. Finally, this study highlights the shortcomings of the IBF institutions in the UK. In keeping with the true spirit of Islamic solidarity and brotherhood, this study exhorts IBF institutions to be more generous toward their clients than conventional banks.

Since the author disagrees with the interpretation of certain traditionalist, revivalist, and academic scholars that equate ‘ar-Riba’ with contemporary bank interest, the author suggests conducting future research to provide additional evidence based on the divine messages to elaborate on the true meaning of the Quranic term ‘ar-Riba’. Finally, the author believes that it is time to settle all the contentious and controversial issues through meaningful debates, dialogues, and academic research, of course, in the light of the Holy Qur’an.

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