

INTEREST AND ITS ROLE IN ECONOMY AND LIFE (PART 1 OF 7): AN INTRODUCTION

Rating: 3.7

Description: An Islamic view of the role of interest in society today, with a historical and contemporary study. Part One: Why Muslims have implemented the prohibition of Interest in the face of Christian and Jewish secularists' call for its legalization.

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Published on: 02 Apr 2007

Last modified on: 01 Nov 2009

Introduction

Interest is defined in the *Oxford English Dictionary* as, "Money paid for the use of money lent (the principal), or for forbearance of a debt, according to a fixed ratio."¹

Actually, individuals and the world as a whole probably know too well the burden of interest, such that no one truly needs the above definition. Interest is something that is known to anyone living in a capitalist country. It has become so completely institutionalized and accepted in modern economies that it is almost impossible to conceive that there are some who completely oppose it and refuse any transactions that involve interest. But there are devout Muslims who refuse to deal in interest.

The actual reason why such Muslims do not deal with interest is that interest has been forbidden by the Islamic religion, as shall be detailed shortly. At the same time, though, Muslims believe that God's guidance is based on His knowledge, wisdom and justice. In other words, God does not forbid something from humans for no reason whatsoever. Hence, there are definitely sound reasons—some of which we may be able to clearly recognize—why God has forbidden this practice.

In today's world, Muslims are constantly being bombarded with arguments in support of dealing with interest. Many Muslims have succumbed to such pressure and supposedly rational arguments, leading them to accept the concept of interest.

Therefore, this short article is intended to discuss the Islamic stance on interest as based on the basic texts of the faith as well as enter into a rational discussion of interest to determine if the arguments given in favor of interest are truly valid.

God's Guidance for Mankind

Islam teaches that God has mercifully given guidance to humankind for all aspects of life. This guidance covers not just acts of worship but everything from economics and business ethics to marital relations, international relations, ethics of warfare and so forth. It is one of the distinguishing traits of Muslims today that they still believe in such guidance from God while so many among humankind have discarded or preempted their religious teachings when it comes to “secular” issues.

There are a number of reasons why many Muslims have not followed the same path that, for example, numerous secular Jews and Christians have followed. One of the most important reasons is that the Muslim can be confident that the revelation which forms the basis of the Islamic religion has not been tampered with or distorted since the time of its revelation. In other words, there has been no human interference or distortion in the revelation. Hence, there is no need for humans to come along now and fix the mistakes of earlier humans, as secular Jews or Christians would argue. Indeed, the only result for Muslims would be humans, by their interference, damaging the revelation that has come from God.

Second, many Muslims believe that they have not been shown any strong or convincing evidence that somehow their religion is out of touch with reality or impractical in modern times. In Islam, for example, there has never been a conflict between religion and science, leading to a breakdown of trust in the church and a virtual revolt against the authority of religion as experienced in the West.^[2] Many people, even some Muslims, have called for many changes within Islam but, in reality, the arguments that they have presented have been faulty and flimsy, to say the least. The case of interest, this article’s topic, can be taken as an excellent example of this nature.

Interestingly, although Islam has been in the media quite often lately, it has been this author’s experience that many non-Muslims are not aware of Islam’s stance on interest. Hence, this article also sheds light on this important topic—a topic which is not a dead “medieval” topic but one which has extreme relevance for the world today.

Footnotes:

[1] *Oxford English Dictionary Software* (Oxford, England: Oxford University Press, 2002), entry, “interest.”

[2] A classic work on the history of the Christian/European experience concerning the conflict between religion and science is John William Draper, *History of the Conflict between Religion and Science* (Order of Thelemic Knights, 2005). Note that his title should actually be corrected, since it is the history of the conflict between science and Christianity in Europe. In his work, *A History of the Intellectual Development of Europe* (Honolulu, Hawaii: University Press of the Pacific, 2002), the same John William Draper divides the history of Europe into the age of faith followed by the age of reason, highlighting once again the conflict that exists in Christianity in particular (but also in Judaism) but “reason” and “science” vis-à-vis “faith.” Again, Islam has never experienced such a crisis. In fact, Islam’s consistency with modern science is something that has actually drawn many converts into Islam. For example, a non-Muslim professor, Prof. Tejatat Tejasen of Chiang Mai University in Thailand, studied the relationship between Islam and modern science and finally stated the following:

"During the last three years, I became interested in the Quran... From my study... I believe that everything that has been recorded in the Quran fourteen hundred years ago must be the truth, that can be proved by scientific means. Since Prophet Muhammad could neither read nor write, Muhammad must be a messenger who relayed this truth, which was revealed to him as an enlightenment by the one who is eligible [as the] creator... Therefore, I think this is the time to say...[at this point, Prof. Tejasen makes a declaration of Islamic faith]." [Quoted from I. A. Ibrahim, *A Brief Illustrated Guide to Understanding Islam* (Houston: Darussalam, 1997), p. 31.

www.islam-guide.com

This work, in its entirety, is available at www.islam-guide.com. Ibrahim reviews and summarizes the conclusions of many contemporary scientists.]

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