**Topic: Describing the sanctity of usury in Islam, Discuss the concept of an usury-free Islamic economy and its possibilities.**

**Introduction:**

In Islam, economic principles are deeply rooted with fairness, justice and well-being of society. One of the most strongly condemned economic practice in Islam is Usury (Riba), which undermines these principles and causes exploitation. To ensure justice Islam promotes an interest-free economy that is ethical, cooperative and based on real economic activity.

Riba refers to any guaranteed interest or increase on loaned money whether small or large. Islam categorically prohibits it because it leads to injustice and exploitation. An Islamic interest-free economy is a financial system that operates according to the principles of Shariah (Islamic law), where riba is strictly prohibited.

⇒ Usury in the pre-Islamic Era and early Islamic period

Before the advent of Islam, usury was ~~pr~~ widely practiced in pre-Islamic ~~era~~ Arabia, especially in Yathrib. Wealthy Jewish lenders would offer high interest loans to Arab tribal leaders. These loans were taken not for purposeful meaning but for extravagant spending. When borrowers failed to repay the loans, fertile agricultural lands that ~~was~~ were given as a collateral seized by the lenders.

⇒ Islamic perspectives and Prophetic reforms:

Islam condemned this practice in strongest term, associating riba with injustice, opression, and social currruption. One of the clearest Islamic reference is from Quran, which holy not only forbids riba but also linked it with destruction and explocitation.

"O you who believe! Do not consume riba, doubled and multiplied, but fear Allah that you may be succesful."
(Al-Quran)

i) Riba is clearly Prohibited in the Quran

The Quran explicitly forbids riba and distinguish it from lawful trade, and openly demonstrate that those who deal in riba are clearly at war with Allah and His Messenger.

"O you who believe! Fear Allah and give up what remains of riba, if you are believers. And if you are not, then be informed of a war from Allah and His Messenger."

(Al-Quran)

ii) The Prophet (SAW) cursed all participants in ~~P~~ Usury.

The severity of usury is emphasized by the Prophet (SAW), who did not only condemn the one who takes usury but also who facilitate it.

"The Messenger of Allah cursed the one who consumes riba, the one who pays it, the one who records it and the one witnesses to it. And he said: "They are all equal [in sin]."

(Al-Hadith)

iii) Riba leads to exploitation and injustice :

Riba allows the wealthy to exploit the financial struggles of the poor by charging them interest, often trapping them in a cycle of depth.

"Allah has permitted trade and forbidden riba."

(Al-Quran)

By this Quran permotes the productive economic activity.

iv) Riba hinders social welfare and circulation of wealth

Islam ensures the equality among rich and poors while usury ~~causes~~ hinders charity, generosity and social upliftment.

~~"So~~

"So that wealth may not circulate solely among the rich among you."

(Al-Quran)

⇒ Concept of a Usury-free Islamic Economy :-

An Islamic economic system is based on justice, fairness and ethical responsibilities. Unlike conventional economic system is based on interest. Islamic models prohibits usury and encourage trade, risk-sharing and social welfare.

(i) Risk-sharing

Islam promotes a financial system where profits and losses are ~~f~~ shared.

"Allah has permitted trade and forbidden riba."

(Al-Quran)

(ii) Ethical Investment

Islamic finance mandates that money must be invested in halal (permissible) and morally responsible sectors.

"Help one another in righteousness and piety, but do not help one another in sin and transgression."

(Al-Quran)

(iii) Fairness and transparency

Islam emphasizes on fair and honest contracts and contradict the uncertainty, deception and fraud.

The prophet (SAW) said:

"Whoever cheats is not one of us."

(Al-Hadith)

(iv) Social welfare

An Islamic economy aims not only for individual profit but for the well-being of entire society, especially the poor and vulnerable.

"So that wealth may not circulate only among the rich among you."

(Al-Quran)

⇒ Islamic Modes of Financing

(i) Murabaha

Murabaha is a cost-plus profit sale. A sale contract where the seller discloses the cost of the asset and adds a fixed profit margin.

Based on the Hadith:

"The sale is valid if both the seller and buyer are clear about the price."

(Al-Hadith)

Commonly used in Islamic banking as a Shariah-compliant alternative to interest-bearing loans.

(ii) Mudarabah

A contract where one party provides capital while other provides labour. Profits are

Shared according to the agreement.
This model was practiced by Prophet Muhammad (SAW) in his bussiness partnership with Khadijah (RA) where he manged trade with her capital.

(iii) Musharakah

A joint agreement where all partners contribute capital and share profits and losses proportionally.

- Business partnerships, real estate developement.

⇒ Possibilities and Practical Implementation

(i) Global expansion of Islamic banking

Islamic banking has moved beyond Muslim-majority nation and now expanding in non-Muslim state.

- Malaysia: A global leader in Islamic finance with a fully developed dual banking system
- UAE: Dubai Islamic Bank.

(ii) Economic justice and stability

The Islamic economic system provides long term stability and real financing activities, avoiding interest-based debt bubbles.

- During 2008 global financing crisis, Islamic banks were more resilient because they avoided sub-prime lending.

(iii) Financial inclusion

Islamic finance, particularly through microfinance models can help lift the poor and unbanked out of poverty by offering ethical shariah-compliance financial services.

- Qard al-Hasan (interest-free loans) for small businessen and enterpreneurs.

⇒ **Conclusion:**

Islamic prohibition of usury necessary for a just, fair and exploitation free society. The concept of an interest-free economy is not only religious aspiration but also practical and more ethical alternative to the conventional economic system. With the encouragement of Islamic banking, risk-sharing, ~~and~~ partnership, and public awareness, an usury free-economy can be realized. This give us not only shariah-compliant model but also causes a sustainable just economic developement.