

people bred in the pre-Islaamic ways generally raised against the prohibition of interest was this:

Trade is exactly like interest.

(2:275)

The Holy Qura'aan refutes this argument in a concise phrase:

And Allah has permitted trade, and forbidden interest.

(2:275)

It is worth noticing here that, in refuting this objection, Allah the Exalted has not enunciated any principle or purpose of the prohibition of interest, but has, so to say simply indicated that since Allah has declared trade lawful and interest unlawful, one shall have to abide by this commandment, whether one understands its *raison d'être* or not. Instead of elucidating the justifying principles in this place, the Holy Qur'aan has adopted the mode of authority, which cuts off the very root of all objection to the prohibition of interest.

In short, the prohibition of interest by Islaam is the wisest solution of the problem which, on the one hand, eliminates many evils of the Capitalist economy, and, on the other leaves no need for the adoption of the tyrannical and unnatural economic system of Socialism. This is the middle way which alone can save the modern world from the two extremes of license and servitude, and lead it towards a balanced and equitable economic system. The French orientalist Louis Massignon has said something very pertinent on this point:

"In this conflict between Capitalism and Socialism, only that culture can be assured of a secure and bright future which not only prohibits interest but also makes people abide by this prohibition."

Even a little reflection would easily solve this problem. A slight acquaintance with the Islamic way of life should be sufficient to bring out the principle that, according to Islaam, the mutual consent of two parties does not always justify a certain transaction. If a man is willing to get murdered by another man, this fact would not absolve the murderer of his crime. Even in the case of fornication which the West in its short-sightedness considers to be a private affair of the individual, mutual consent of the two parties cannot absolve the criminals. The question of the distribution of wealth and economic welfare goes much beyond this. Wealth is, in principle, the property of Allah Himself, and that the ownership He has bestowed upon man is, far from being unconditional and unbridled, subject to certain principles laid down by Allah Himself. That is the reason why Islaam does not allow the mutual consent of the parties concerned to be treated as a justification for a transaction which Islaam regards as intrinsically unjust or which can prove to be detrimental to the collective welfare of society. This is the *raison d'être* behind the strong prohibition, in the tradition of the Holy Prophet *sallallau alayhi wasallam* of *tallaqqil al jalab* (buying grain from the Caravans coming from the country-side before they reach town), of *bay'ul haadhirilil baadi* (buying goods from the country - side through a middle - man in the days of famine), of *muhaaqalah* (exchanging grain that is yet in the ear of or grain that has been harvested) of *muzaabanah* (exchanging fruits on a tree for plucked fruits), and of *mukhaabarah* (taking a fixed amount of grain from the harvest of a land given on lease etc.) in spite of their being based on mutual agreements of the parties involved. Hence, the mere fact that the parties involved have agreed upon it, cannot serve as a valid justification for a transaction based on interest.

In the early days of Islaam, the objection which

investment, if there is a loss, it has to be borne by both parties, and if there is a profit, both have a proportionate share in it. This mode of investment to a great extent serves as an effective check on the concentration of wealth, which is the greatest evil of the Capitalist economy. Wealth, instead of becoming accumulated in the hands of a few is so distributed over a large number of individuals in the society that no injustice is done to anyone. Under the Capitalist system, economy being based on interest, Capitalists come not only to won the greater part of national wealth, but also to control the whole market and run it in their own selfish interest. As a result of this, the system of "the supply of commodities" and that of "prices" can no longer function in a natural manner, but becomes artificial in so nefarious a way that no sphere of life, form economy, manner and morals to politics, can escape its evil influences.

By prohibiting interest, Islaam has struck at the very root of these evils. Under the Islamic system, every one who invests his money has a share in the enterprise and its policy, bears the responsibility of profit and loss both, and thus he is no longer allowed to have his own way in business.

A Doubt and its Clarification

It is necessary to clarify a doubt that may arise here. In discussing the evils of the economy based on interest, we have said that it produces an imbalance in the distribution of wealth, and that one of the two parties in a business enterprise is necessarily affected by it. Some people are quite likely to raise the objection that the man who suffers the loss in a transaction based on interest, suffers it through its own choice - if he deliberately exposes himself to such a risk, why should the law of the sharee'ah interfere with the right to do so?

the problem too — what are the consequences that follow the interdiction placed upon interest?

In fact the prohibition of interest has very far-reaching, beneficial and profound effects on the whole system of "wealth" itself. But the discussion would lead us far beyond the subject of this article. So, for the moment, we shall only summarily indicate the effect which Islamic injunctions do have on the system of distribution of wealth. A very simple consequence of the prohibition of interest is that it produces a balance of uniformity in the distribution of wealth. The necessary characteristic of the economy based on interest is that the profit of one of the parties (i.e. capital) is assured in a fixed form under all circumstances, but, contrarily, the profit of the other party (i.e., labour) remains uncertain and doubtful. Big commercial enterprises, no matter how profitable they become, can never be considered immune from risk. In fact, while the "risks" of big business have been decreased because the means of production are available in an adequate measure, they have at the same time been increased by certain external factors. The bigger the enterprise, the greater the risks are. So, under the Capitalist economy, the balance of distribution of wealth becomes very unsteady. Sometimes the debtor has to bear severe loss, while the creditor goes on minting money. Sometimes, on the other hand, the entrepreneur earns a huge profit, while the man who has provided the capital gets only an insignificant share from it.

Contrary to it, since Islaam prohibits interest, it would in practice allow only two forms of investing capital in the modern world- shirkat (partnership) and mudharabat (copoperation). Both these forms are completely free from injustice and imbalance in the distribution of wealth. Under these two forms of

that was why they prayed that Allah might join him with the martyred brother in Heaven. But the Prophet sallallahu alayhi wasallam told them that it was just the opposite of it and the brother who had died a natural death had gained a much more elevated position owing to the prayers he had offered, the fasts he had kept and the other good deeds he had performed after the martyrdom of his brother.

To lay down one's life in the path of Allah is, doubtlessly, an act of a very high order, but the advance and improvement affected through salaah, fasting and other virtuous deeds, provided that these are endured with earnestness, is also unlimited.

Besides, since the brother who died later was also a soldier of Allah, everwilling to sacrifice his life in His path, he too had, because of the purity of his intention and eagerness for martyrdom, attained the state of martyrdom though he had died in his bed, and the acts of worship and other good deeds he had performed after the death of his martyred brother had produced such an elevation in his ranks that the sacred Prophet sallallahu alayhi wasallam described the difference between their stations in the Hereafter to be even greater than that between the earth and the sky.

PROHIBITION OF INTEREST

**The Prohibition of interest, and its effects on the
Distribution of Wealth**

By

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One of the basic differences between the Islamic system and the Capitalist system with regard to the distribution of wealth is that Capitalism allows interest, while Islam forbids it. Now, it would be proper to have a cursory glance at another aspect of