

RESEARCH ON RIBA IN ISLAM AND THE TREND OF CHOICE

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Keywords

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Abstract

The purpose of this study is to discuss Riba in an economic system, especially a conventional economic system. The view of the general public who still considers that the conventional bank banking system and Islamic banking are the same and there is no difference, between interest and profit sharing are the same. The interest offered by conventional banking which is more definitely calculated attracts the interest of the Muslim community, rather than the profit sharing system that exists in the Syrian banking. Besides, the blessings of rizki and halalness are not the main measure in transactions in Islamic banking. Halal and haram are no longer the main goal in seeking sustenance. This view has always been the background. Socio-economics always tends to adopt various attitudes and actions of usury. Even though the community understands and understands the possible impact of usury loans, the fact is that moneylenders are still an option.

INTRODUCTION

After the golden age of Islam was lost, the Islamic economy seemed not ever existed and replaced with capitalist understanding and socialists (Rukmana, 2010). The capitalist system separates between interventions religion with various economic activities and policies. While in concept socialist, religion is a factor barrier for the creation of welfare and economic growth in society (Said Sa'ad Marthon, 2001).

The capitalist and socialist systems have succeeded in changing the mindset of most of the people to leave religion in the economy aside. society is vying to get wealth in any way, lawful and haram sometimes it goes unnoticed. The dark side of the capitalist and socialist system has never seemed to be seen. As if covered with the concepts of welfare, freedom and economic equality always exalted while on the other hand it turns out that economic inequality and economic problems keep appearing as a result.

Islam slowly experienced a process of marginalization from all areas of life, especially economic, social and political. This is because Muslims experience deep

confusion vision, the Islamic masses split into various ideological streams, and non-solid Islamic movements emerged (Tanjung, 2006).

The number of people Islam in the world should be a strong foundation Islamic economic system to deal with the world economy, one option is that Muslims in the world have the same view, namely the Islamic economic system. With unity Muslims then the glory of Islam in this world can be manifested again as had happened on the track history. Islam has again become a reference in economic and social terms and world politics.

The conventional economic system has built a structure of community life that is more aspect-oriented material. The freedom to manage resources to increase production is understood as a humane endeavor and is in every human being. The phenomenon of use production maximize profits and minimize losses considered as a rational business (Heri Sudarsono, 2002). Society has been accustomed to always benefit from the resources owned. There are many ways that are used with clad things interesting but in fact there is injustice in it. Conventional economics always stimulates society to continue develop way used in order the advantage earned continues to increase. This has resulted in the individualist-materialistic nature of society becoming increasingly widespread.

In its implementation, the conventional economy is less able to manage society well which causes it social inequality, unemployment, poverty and so on. Islamic economics is needed to direct society to a better life, but it turns out to be part of the community many are not interested in Islamic economics (Heri Sudarsono, 2002). Difficult to understand why people still survive to use conventional economy. Human nature is very happy if you get an advantage. Conventional economics always provides choices, promises and economic models stimulate human nature. It seems that this is what cause the conventional economy is still side by side and is used in the economy of everyday society by relying on the usury system in its application.

Riba is not only a problem of Islamic society but also various circles in outside of Islam too looked at serious problem this. By therefore the study of the usury problem can be traced going back more than two thousand years. The problem of usury has become a topic of discussion among Jews, Greeks and so also Roman, namely transactions containing usury are not allowed. Early Christians forbade the taking of usury, but from time to time (between the time of Christian scholars to the Christian reformers) the taking of usury gradually became allowed (Antonio, 2001).

Riba and the economic system are two things that are difficult to separate. Despite the many agreements that say usury is haram, but usury still has its own charm to attract people who are very profit-oriented only. The concept of the prohibition of usury in every religion seems to be overlooked. The prohibition of usury is actually intended to bring goodness itself to society and prevent society

from various evils prolonged period caused by the existence of the usury in later. The prohibition of usury is actually intended to bring goodness itself to society and prevent society from various evils prolonged period caused by the existence of the usury in later.

Profits that are fixed and measurable must be very convincing for people to keep choosing usury. Has been the habituation of society with a conventional economic system that leads people to always be profit-oriented and usury which provides certainty of profit resulting in people being very difficult to get out and stay away from usury, especially in conventional financial institutions usury-based.

RESEARCH METHOD

The study of this research uses a literature review where the literature is taken in accordance with the subject matter and analyzed in depth so that conclusions and findings can be drawn in the study. Literature taken from books, journal articles both nationally and internationally and other literature. (Phillippi & Lauderdale, 2018; Marshall et al., 2013; Bengtsson, 2016).

RESULT AND DISCUSSION

Riba in Islam

Riba literally means *al-ziyadah* which means In addition, in the linguistic sense, usury also means growing and get bigger. Riba is an unbalanced addition required to one of the two parties who do accounts payable or exchange of goods (Kara, 2005). In usury, there is one party who benefits while the other party loses because he is required to provide additional without getting something that is in proportion to what he puts out.

The basis for understanding usury in Islam is:

Holy Book

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. ٢٧٥

Those who eat usury cannot stand but like a person who is possessed by a demon because he is insane. That is because they say that buying and selling is the same as usury. Even though Allah has made buying and selling legal and riba forbids. Whoever gets a warning from his Lord, then he stops, then what he has got used to be his and his business (whatever) to Allah. Whoever repeats, then they are inhabitants of hell, eternal in it. al-Baqarah 275.

Hadis of Prophet Muhammad

عَنْ جَابِرٍ قَالَ: قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَكَلُ الرِّبَا وَ مُؤْكَلُهُ وَ كَاتِبُهُ وَ شَاهِدِيهِ وَ قَالَ هُمْ سَوَاءٌ.

Sending from Jabir, he said: "Rasulullah saw. Curse one who eats usury, the one who gives it, the author and his two witnesses, and he said: 'All of the same' (Musthofa, t.t.).

In Sura al-Baqarah verse 275 it is explained that Allah SWT. buying and selling legalize and forbid usury. Buying and selling usury has the same thing that there are advantages in between both of them but even so on both of them respectively have a different legal status. This is because the profit in buying and selling is a fair balance to do as a consequence of the contract between the two parties. Another case with usury, the profit took is an advantage no balance was carried out even at the start of formation contract based on second willingness both parties, so deep his journey one of the parties is disadvantaged in the contract and the party others simply benefit without having to bear any burden or risk.

Furthermore, the Prophet said. the source from Jabir explained that all parties involved in usury are the same, namely cursed. As is well known that the effect of usury is not only about individuals but very much the extent of the adverse effects on society in the future and the parties involved in usury will also feel the impact.

Riba has several categories. First, usury the '*nasi'ah*' means to postpone, suspend, or wait and refer to the time allotted for the borrower to pay return debt by giving additional (usury *nasi'ah* refers to an interest in debt). Second, usury fadl, namely usury which appears in all forms of dishonest exchange and unfair (unbalanced) in business transactions, anything that is accepted as an excess over the balance by the wrong one from both parties to the transaction (Chapra, 2000). Third, usury jahiliyyah that is, the debt paid is more than the principal due the borrower is unable to repay the loan set time (Karim, 2011). Bank transactions conventional systems of interest that apply very close to the three categories of usury.

According to a pragmatic view, the Qur'an forbids usury (riba) which was in effect during the pre-Islamic era, but not prohibits interest in the modern financial system. With thus transactions based on interest are considered legally, interest becomes legally prohibited if the amount is added to the loaned funds is extraordinarily high which aims for lenders to exploit loan recipient (Sutan Remy Sjahdeni, 2007).

In this view, the interest is acceptable if the amount is not too high. But there will be problems when on moments certain conditions the hard one (crisis, disaster nature, etc.) the borrower's obligations payout interest is still, though originally bank interest in condition usual is light then will be tough in those difficult times. Herein lies unequal profit taking occurs (one party benefited while

the other party struggled without giving convenience) while taking advantage without balance in ordinary conditions is also prohibited.

According to a conservative view, usury must be interpreted both as interest and usury. Any predetermined consideration for a loan as a reward (return) for pending payments on a loan is usury and therefore it is prohibited in Islam (Sutan Remy Sjahdeni, 2007). In this view anything that resembles usury even though there are differences in designation, naming, or presumption, status is still prohibited, because, in the end, it is as bad as usury.

According to the socio-economic view, interest has the tendency of accumulating wealth in the hands of the few. The supplier of the bank interest funds should not be dependent on the uncertainties faced by loan recipients. It is a violation of law to transfer risk from one party to another. Such agreements are unfair and can lead to feelings of selfishness course (selfishness) which is contrary to Islamic orders regarding brotherhood. According to good Islamic financial principles both the lender and the borrower must face *mukhatara* (risk) (Sutan Remy Sjahdeni, 2007).

In view this is between the two sides parties must be equal in position, when one party faced with the risks and rewards of the other party also faced with these things. With that between both sides have justice and get closer to the brotherhood.

Among the reasons for the prohibition of usury is Allah SWT. in his words and the words of the Prophet Muhammad. prohibit or riba forbids. Riba wants to take people's property with no balance. Riba caused the break good deeds to fellow human beings, in debts usury eliminates the benefit of debts so that riba is more tend to extort the poor rather than help people poor (Hendi Suhendi, 2005).

Riba can lead to lazy social behavior work hard because the owner of the capital will tend to seek profit through the practice of usury without the need to bother, this will cause a critical social danger (Pelangi, 2013).

Based on the consequences of this usury and also based on information in the source of Islamic law (al-Quran and al-Hadith), prohibition usury is make sense for the sake of keeping human life in order to avoid usury snares which leads to vices, therefore usury practices should be prohibited and avoided.

With the prohibition of usury it will have implications to the real sector, among others, optimizing investment flows channeled smoothly into the real sector. Prevent the accumulation of property on a group of people, when it is a potential exploit economy (exploitation of economic actors over other actors, exploitation of systems of economic actors). Prevent emergence disturbances in the real sector, such as inflation and decline macroeconomic productivity. Encourage the creation of activity a fair, stable, and sustainable economy through a mechanism for productive results (profit-loss sharing) (Ascarya, 2013).

Stunted development real sector because usury makes it difficult to develop the economy and resulting in increasingly decreasing community welfare. Riba prohibition growing economic development in the real sector, which means that it will absorb a lot of economic actors. With it is hoped that economic conditions will improve and economic problems (poverty, unemployment, health, dll) can be kept to a minimum.

Constraints on Islamic and Conventional Banks

Financial institutions are important instruments in almost all world economic systems. Alongside the existence of these financial institutions, interest has become an attraction separately for the economic community to be enjoyed and utilized in the process of managing financial and business activities. Banks as intermediary institutions are designed in such a way to cultivate an interest in order to stimulate investment, savings, and financing (Muhamad, 2000). Products issued by most banks use an attractive interest percentage in order to get as many customers as possible.

Many people think that profit-sharing it is no different from bank interest so they think that an Islamic bank with a conventional bank is the same differentiate between terms only (Rukmana, 2010). This perception grows and develops between society so most of the society over choose a bank conventional. Bank interest and profit-sharing interpreted the same namely profit. Based on these basic assumptions, of course, the community will tend to look for a bank that can more accessible as an option because both Islamic banks and conventional banks are considered the same. In reality, there are conventional banks for most of the public is the easiest to reach.

Islamic Bank as an emerging new financial institution later than conventional banks has faced some weaknesses and problems in its operation. *First*, the lack of assurance of good faith, honesty, and trust between managers banks, and customers. *Second*, the height of Income of the bank depends on the success of the customer's business. Third, the level of effectiveness of Muslim community involvement in Islamic banking depending on the attitudes and mindset of the Muslim community itself, while general symptoms indicate that the attitude and mindset of Muslim communities in developing countries still have a consumptive attitude and mindset. *Fourth*, the Islamic bank network has not fully entered the territory in rural and remote areas (Sumitro, 1996). Problems this is what makes Islamic banks quite difficult to growing rapidly because on the other hand the banks conventional is getting more entrenched as it first appeared and develop side by side with the community.

In applying the interest system to conventional banks also brings negative consequences, some of which are the exploitation of the poor through interest-bearing credit its use is not necessarily for the productive sector, there is

concentration economic power in hand elite group, bankers, and owners of capital, and increase the rate of inflation (Sumitro, 1996). On the one hand, there are parties who benefit from the interest system applied to conventional banks, while the other side is a trap usury as a way to get benefits which in fact resulted from inequality between people. Without realizing it, the results This negativity will be felt in the long run by society as a result of a sustainable bank interest system.

The Tendency Of Society To Usury

In the conventional economic view, money has used as a commodity that is traded not for the needs of the real sector, whereas in the Islamic economy concept money cannot be used as a commodity (Nawawi, 2011). Money as a commodity means that people can get enough benefits to utilize the money without bothering to work. In addition, the money used is mostly pivoting on institutions Finance conventional.

Furthermore, money can also be traded with advantages, both on the spot and firmly (Nurul Huda dan Mohamad Heykal, 2010). Selling money for money that aims to earn a profit is included in the prohibited *riba*. This will hamper the development of the economy in the real sector because the profits are based on the difference in the price of money transacted and non-real in nature.

The accumulation of money or property can encourage humans to tend to bad qualities such as greed, greed, and laziness to do good. These unkind traits also have an adverse effect good for economic sustainability (Nurul Huda dan Mohamad Heykal, 2010). Society will tend to be individualistic and materialistic individualistic overriding caring, whatever will be done regardless of others to achieve all of its goals are sometimes even detrimental other people also do this. Meanwhile, materialistic make view society that everything which is conducted it must be profitable. Social souls society will gradually erode little by little.

The tendency of society towards conventional systems is a common problem faced by Islamic economics in society due to several things.

First, the domination of conventional economic literature affects the public opinion that no economics is able to answer actual problems except conventional economics (Sudarsono, 2002). Most of the economics known to the public from the start is conventional economics. Kinds of literature that can with easy to find and deemed very sufficient to solve the economic problems that arise causing the trend society towards conventional economy is getting closer.

Second, the conventional economic practice was recognized earlier. Society is in direct contact with the economic system conventional in various fields (production, consumption, and so on) so that new understanding is difficult for the community to accept. So far, people feel that their behavior is containing usury does not directly harm them because usury is related to its economic interests (Sudarsono, 2002).

The conventional economic system is used every day by society and become something that is usually done. Regardless of whether the profit obtained contains usury or not, as long as it is based on an agreement then it is considered legitimate by the community. Worry will not benefit or concern will experience a loss result society tends to be difficult for accepting new understanding and choose old understanding who obeys society clearly makes a profit even though it is earned from the result of usury transactions. Third, knowledge of the history of economic thought Islam is still lacking even though the history of conventional thought is born of Islamic economic thought (Sudarsono, 2002).

People prefer to use the conventional economic system without having to know the history. In fact, if people can trace the history of the Islamic economic system, of course, they will know a lot about its advantages of the Islamic economic system in historical trajectories. Unfortunately, history seems buried deep and difficult to reach, on the other hand, people think that it is a system conventional economy that exists today is an economic system that has survived and continues to exist in historical trajectories.

Fourth, the conventional economy has already dominated the world economic system, in fact, many countries have the majority Islamic population tends to use the economic system conventional although in its application there are modifications (Muhamad, 2004).

The conventional economic system has developed in various countries following the needs and realities that occur. Although each country is different in its development, it has the same characteristics and features. The conventional economic system has taken root in every country, so to replace it is something that is considered very difficult. The longer the conventional economy dominates, the more it will be the more complex the risks that may be faced when a country will break away from this system. The choice will tend to use conventional economic systems existing and always follow its developments.

Fifth, economically and politically there is no Islamic state which is considered strong so it is difficult to prove that the Islamic economic system is superior to the economic system conventional (Muhamad, 2004)

Developed countries as well as strong in terms of economics and politics are mostly countries that use conventional economic systems whereas countries are still not using the Islamic economic system comparable to countries that use the economic system conventional. Other countries will certainly be motivated to imitate the system for the betterment of their country.

The stronger grip of conventional economies on countries in the world makes it difficult for the current Islamic economy to deal with it. This means that people will continue to tend to usury carried by the conventional economy. On the other hand, see the bad impact that usury has brought about by this conventional economic system gradually society will gradually shift to the system of Islamic

economics. As long as the Islamic economic system remains based on its basics, the opportunity to replace the conventional economic system is still wide open.

Problems that might create an Islamic financial system marginalized is not due to a lack of the number of products it is because of his inability to reflect fundamentals healthily, implementing the rationale behind him and being completely healthy, competitively profitable, and developing well (Chapra, 2001). Therefore The current Islamic economic system has begun to undergo cleansing of several economic systems conventional the little ones little by little starting to mix inside it.

Concluding Remarks

The capitalist and socialist systems have succeeded change the mindset of most of society to put religion aside from the economy. People have become accustomed to the economic system conventional which leads people to always be oriented towards seeking profit and usury that provides the certainty of profit results in society being so it is difficult to get out and stay away from usury, especially in institutions usury-based conventional finance. Riba is an addition without The balance required by one of the two parties who carry out debts or exchange goods. The prohibition of usury is to protect human life avoid the snares of usury that lead to badness. Many people presume that for the results it is no different from bank interest so they think that an Islamic bank with a conventional bank is the same differentiate only terms. In the conventional economic view, money has become a commodity traded not for the needs of the real sector, whereas in the Islamic economy concept money should not be used as a commodity. Stacking of money or possessions can encourage humans to tend to be individualistic and materialistic.

The stronger grip of conventional economics on countries in the world results in difficulties for Islamic economics at the moment to deal with it. This means that society will continue to tend to usury carried by the economy conventional. Therefore, the current Islamic economic system has begun to experience some cleansing the conventional economic system which is gradually starting mixed in it.

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