



Perspectives of Quraish Shihab and Yusuf Qaradhawi on Usury and Interest in the Context of Islamic Finance

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Abstract. This research explores the perspectives of Quraish Shihab and Yusuf Qaradhawi on the concepts of usury and interest in the context of Islamic finance. Through a literature review methodology, the study provides a descriptive analysis of their viewpoints as presented in various sources, such as books, scholarly works, and related literature. Quraish Shihab's perspective revolves around the intrinsic injustice associated with prohibited usury. He contends that usury involves elements of oppression, exploitation, and duplication, emphasizing the simultaneous taking of excess with debt. Quraish Shihab's view positions usury as a system that perpetuates injustice through its exploitative nature. In contrast, Yusuf Qaradhawi offers a different interpretation, characterizing bank interest as an additional value determined by the payer. Yusuf Qaradhawi introduces a pragmatic dimension by highlighting that, in the case of non-repayment, the debt's amount increases at the specified payment time. This perspective suggests a more flexible approach, where interest is seen as a consequence of delayed repayment rather than an inherently unjust practice. In analyzing the abstractions presented by both scholars, this research unravels the complexities within Islamic finance. It reveals the nuances between Quraish Shihab's emphasis on the inherent injustice of usury and Yusuf Qaradhawi's more practical approach, considering interest as a result of delayed repayment. Through this comparative study, the research contributes to a more comprehensive understanding of the diverse perspectives within the Islamic financial framework.

Keywords: Bank Interest, Comparison, Usury

INTRODUCTION

The selection of Quraish Shihab and Yusuf Qaradhawi as the subjects of study is based on several relevant considerations. First, both are recognized as influential and popular contemporary scholars in the Islamic world. Their writings, speeches, and religious views have had a significant impact on the Muslim community, making a study of their perspectives provide broader and more meaningful insights. Second, Quraish Shihab and Yusuf Qaradhawi possess rich experience and knowledge in the field of Islamic religion, particularly concerning

financial issues such as usury and interest. Both scholars have devoted much of their lives to study and teaching, making their perspectives highly valuable in exploring Islam's understanding of financial matters. Third, the selection of these two figures is also due to their relevance to contemporary challenges, especially regarding Islamic financial practices. Their views can offer guidance and answers to the financial issues faced by Muslims in the present era. Fourth, the selection of Quraish Shihab and Yusuf Qaradhawi is also done because they represent two different perspectives in understanding the issues of usury and interest in Islam. The research can obtain a broader viewpoint on these issues by choosing both. Lastly, both are chosen because of the abundance of materials and sources related to their views on usury and interest in the Islamic context. Considering these factors, the selection of Quraish Shihab and Yusuf Qaradhawi is expected to yield an in-depth and meaningful study of Islam's perspective on financial issues, specifically usury and interest.

This study explores the viewpoints of Quraish Shihab and Yusuf Qaradhawi on usury and interest within the context of Islamic finance. The current landscape suggests that some Muslims encounter challenges in avoiding usurious practices, perceiving usury as an integral part of Islamic teachings. Notably, the condemnation of usury is also evident in the Christian context over a millennium, viewed from theological, scholarly, and legal standpoints (Ivars Kronis, 2023). Within the Sharia legal framework, the Quran and hadith serve as primary guidelines (Maimunah, 2019). In the conventional interest system, there's an argument that the usury prohibited by Allah and His Messenger pertains only to consumptive interest imposed on daily needs (Wahyuni, 2021). Nonetheless, suppressing usurious practices proves challenging, prompting authorities to impose regulations on usury-based businesses. The protracted debate among Islamic jurists has spawned diverse perspectives on interest and usury, complicating the understanding of this issue.

Quraish Shihab regards usury as forbidden when it involves the element of injustice, where excess is taken simultaneously with debt, including elements of oppression, exploitation, and duplication (Dakhoir et al., 2022). Linguistically, usury in his perspective can be interpreted as excess. However, it is crucial to note that if we only consider the term '*excess*', the polytheistic view equates usury with a buying and selling transaction, an argument refuted by the Quran, which sanctions trade and prohibits usury. In this context, it is evident that determining what is lawful or prohibited is not absolute but depends on a distinction that leads to the prohibition of usury.

On the flip side, Yusuf Qaradhawi sees bank interest as an additional value determined by the payer (Adi et al., 2022). If the borrower cannot repay the debt within a specified period, the lender warns that the amount will increase. In his perspective, usury can be categorized into two major types: usury in debt and usury in buying and selling. Usury in debt can further be distinguished into qardh usury and jahiliyah usury. Qardh usury is a benefit or a specific excess level required for the debtor, while jahiliyah usury is an additional payment beyond the principal because the borrower cannot repay the debt at the agreed-upon time. Yusuf Qaradhawi emphasizes that only compound interest is prohibited, while reasonable and non-oppressive interest is allowed. This argument is based on the verse in *Surah Ali-Imran*, verse 130, *adh'āfan muddhā'afah*, which describes the objective condition and condemns those involved in usury by doubling it. Thus, the pattern of compounding is not the only criterion that can render usury prohibited; even without compounding, usury is still considered forbidden. It is essential to remember that Quraish Shihab and Yusuf Qaradhawi, as contemporary scholars, bring their scholarly approach to the study of usury in the Quran. With their high writing intensity and significant influence in society, their thoughts also shape the views and experiences of Muslims. Therefore, delving into the perspectives of these two figures is considered crucial to providing meaningful information for the Muslim community.

METHOD

This research employs a qualitative method with a literature study approach (John W. Creswell, 2016). This approach is selected because the study necessitates a thorough analysis of the perspectives of Quraish Shihab and Yusuf Qaradhawi on usury and interest within the context of Islamic finance. The qualitative method allows for nuanced interpretation and a profound understanding of the viewpoints of these two figures, while the literature study approach concentrates on analyzing relevant literature and sources. This research utilizes primary data from two main sources, namely *Tafsir Al-Mishbah* by Quraish Shihab (Shihab, 2005) and *Fiqh Zakat* by Yusuf Qaradhawi (Qardhawi, 2006). *Tafsir Al-Mishbah* is an exegesis of the Quran known for its contemporary approach, providing explanations and understanding of the sacred text of Islam while considering the context of the modern era. In this exegesis, Quraish Shihab may address the topics of usury (*ribā*) and interest within the framework of an understanding of Islam that is relevant to the present time. On the other hand, another primary data source comes from the book *Fiqh Zakat* written by Yusuf Qaradhawi. This book discusses issues related to zakat and the Islamic financial law, involving economic and financial aspects from

an Islamic perspective. While its primary focus may be on zakat, the book may also encompass discussions regarding usury and interest within the context of Islamic law.

The selection of a literature study as the primary research method was made due to its reliability in relying on books, scholarly works, and related literature. This approach enables researchers to gain a deep and contextual understanding of the perspectives of Quraish Shihab and Yusuf Qaradhawi on the issues of usury and interest. An in-depth analysis of these works is expected to provide rich insights related to Islamic financial perspectives. By delving into and scrutinizing their thoughts, this research aims to unearth a deeper understanding of the concepts of usury and interest in Islam. The choice of figures such as Quraish Shihab and Yusuf Qaradhawi enables the researcher to explore perspectives that are closely related yet rooted in different traditions. Both Quraish Shihab and Yusuf Qaradhawi address the issues of usury (*ribā*) and interest within the context of Islamic law and finance, each offering unique perspectives on these matters.

In his exegesis *Tafsir Al-Mishbah* Quraish Shihab is likely to approach the topics of usury and interest with a contemporary understanding of Islam. Quraish Shihab is known for his contextual interpretations of the Quran, emphasizing relevance to the modern era. His position on usury and interest may involve a consideration of the ethical and social implications within the framework of Islamic finance. Quraish Shihab may emphasize the importance of justice, fairness, and socio-economic welfare in financial transactions, providing insights into how Islamic principles guide economic activities.

Yusuf Qaradhawi, as seen through his book *Fiqh al-Zakat* is known for his contributions to Islamic finance and jurisprudence. While the primary focus of the book may be on zakat, it is expected to contain discussions on broader Islamic financial principles, potentially including views on usury and interest. Yusuf Qaradhawi is recognized for his strict stance against usury and may emphasize adherence to Islamic principles that prohibit exploitative financial practices. His position may involve a comprehensive exploration of the economic and ethical dimensions of interest-bearing transactions, offering guidance on how to align financial practices with Islamic teachings.

The decision to use a literature study as the primary research method underscores the reliance on the writings of both scholars, emphasizing the importance of their scholarly works, including *Tafsir Al-Mishbah* and *Fiqh al-Zakat*. This method allows for a thorough exploration of their thoughts and perspectives on usury and interest within the broader context of Islamic

finance. Through an in-depth analysis of these works, the research aims to provide nuanced insights into the scholars' positions, offering a comprehensive understanding of their views on these critical financial issues in Islam.

RESULTS

Quraish Shihab's Perspective on Usury

Quraish Shihab's insights into usury, as presented in the provided text, align with the Quranic guidance on the prohibition of usury (Shihab, 2005). The Quran, in Surah Al-Baqarah (2:278-279), warns the believers about the consequences of engaging in usury and emphasizes the importance of abstaining from it. The verse states: *"O you who have believed, fear Allah and give up what remains [due to you] of interest if you should be believers. And if you do not, then be informed of a war [against you] from Allah and His Messenger."* Shihab's exploration of the historical and social context surrounding the revelation of the prohibition of usury sheds light on the gravity of this warning. He traces the genesis of usury practices back to the pre-Islamic era, highlighting the involvement of the Quraish tribe in Mecca, a prominent trade hub. The introduction of usury practices by the Tsaqif tribe, coupled with the influence of the Jewish tribe in Thaif, contributed to the dissemination of usury in the region. The Quranic prohibition of usury was met with resistance from the polytheists in Mecca, who initially perceived it as a transaction akin to buying and selling, akin to the profits from trade.

Shihab's linguistic analysis of usury as excess aligns with the Quranic distinction between permissible trade and prohibited usury. The Quran, in *Surah Al-Baqarah*, provides clear guidance on the differences between these two financial transactions. Shihab's emphasis on understanding the last verses addressing usury, particularly the key terms within them, echoes the Quranic call for believers to fear Allah and give up usury before facing consequences. Furthermore, Quraish Shihab's engagement in a scholarly discourse, including refutations of opposing arguments and reliance on linguistic principles, resonates with the Quranic injunction to reflect deeply on the prohibition of usury. The repetition of vocabulary and the intertextual understanding of Quranic verses, as presented by Quraish Shihab, aligns with the Quranic method of reinforcing key principles through various contexts. In conclusion, Quraish Shihab's insights into usury, when connected with the Quranic warning in Surah Al-Baqarah, provide a comprehensive understanding of the historical, linguistic, and Quranic dimensions of the prohibition of usury in Islam. His arguments and analyses reinforce the Quranic call for

believers to fear Allah, abandon usury, and uphold the principles of justice and fairness in financial transactions.

Quraish Shihab's insights into usury encompass the historical and social backdrop during the revelation of the prohibition of usury (Amalia, 2023). He traces the genesis of usury practices back to the Tsaqif tribe, a settlement that served as a trade hub around 75 miles southeast of Mecca (Hamdani, 2022). This region, known for its fertility, was a trade hub among the Quraish tribes. The presence of the Jewish tribe in Thaif, already acquainted with usury practices, further reinforced and disseminated this practice. The Quraish tribe in Mecca, actively engaged in trade, was already familiar with usury practices, as elucidated in Surah al-Quraisy. The polytheists in Mecca were taken aback by the prohibition of usury, viewing it as a form of transaction akin to buying and selling. This viewpoint emerged because they perceived that the surplus gained from borrowed capital seemed similar to the profits from trade.

According to Quraish Shihab, linguistically, usury means excess. However, he emphasizes that the term '*excess*' cannot stand as a sole argument. The polytheists' view, equating usury with buying and selling, does not consider essential differences. The Quran distinguishes permissible trade and prohibited usury. In the context of pre-Islamic times and early Islam, if a debtor couldn't repay the debt on time, they would request a deferral with a promise to pay an additional amount, often repeated. Qatādah mentions that usury in pre-Islamic times involved selling someone to another with payment due at a specified time. If that time arrived without the ability to pay, the debt amount increased, and the payment period was deferred.

Quraish Shihab underscores the significance of comprehending the last verses addressing usury, especially the key terms within them (Tilawati, 2020). He stresses that while *adh'āfan mudhā'afah* is a condition, the essence of usury is determined by the verses in the third stage. He then rebuts Rasyid Ridho's arguments with three reasons proving that the term '*ribā*' in the al-Baqarah verse refers to usury in the form of *adh'āfan mudhā'afah* (Rofiq & Salsabilah, U., 2023). First, based on the linguistic principle repetition of vocabulary in the form of ma'rifah refers to the same meaning. Second, the understanding of unconditional verses is based on the same but conditional verses, where the meaning of *ribā* in Surah al-Baqarah 278 is seen from the conditional *adh'āfan mudhā'afah* in Surah Ali Imran 130. Third, the connection between the Quran's discourse on usury and the discourse on charity, with usury being mentioned as oppression or injustice.

Quraish Shihab also refers to the circumstances of the revelation of *Surah Ali Imran* 130 to strengthen his argument. He quotes the views of Al-Qaffal and Al-Biqā'i, linking this verse to the Battle of Uhud and the financing of the war with wealth derived from usury. This indicates that the verse was revealed to remind the Muslim community not to use usury for war expenses. Al-Biqā'i even states that the wealth taken in the Battle of Uhud is similar to usury because both involve something more than the adornments of the world. Thus, Quraish Shihab argues that prohibited usury is usury in the form of compounding or *adh'āfan mudhā'afah*. He emphasizes the repetition of vocabulary and the understanding of unconditional verses based on other verses.

Yusuf Qaradhawi's Stance on Usury

Yusuf Qaradhawi emphatically asserts that bank interest is tantamount to usury and is strictly forbidden in Islam (Rahayu et al., 2021). According to his viewpoint, the addition of money without productive effort is deemed impermissible. He contends that bank interest is provided to counterbalance the impact of inflation, which leads to a reduction in the value or purchasing power of money. This ties back to the notion that the present value of money exceeds that of the same amount in the future, justifying the provision of interest to offset the decline in the value or purchasing power of the currency.

In the introduction to his book, '*Fawa'id al-Bunuk fi Hiyal al-Riba al-Haram*,' Yusuf Qaradhawi explicitly claims that the issue of usury was settled a quarter of a century ago. This declaration was made during a seminar organized by the Islamic Economic Forum in Cairo, Egypt. From Yusuf Qaradhawi's perspective, Islam has decisively prohibited usury based on explicit (*qath'i*) laws found in the Quran and Sunnah, which are beyond interpretation or reinterpretation, even through *ijtihad* and legal renewal (*tajdid*). This is grounded in the notion that any matter with certainty, whose legal status has been determined by unequivocal evidence (*qath'i*) or a clear text, no longer necessitates *ijtihad*.

Yusuf Qaradhawi underscores that in matters of certainty, whether from the early (*salaf*) or later (*khalaf*) generations, there is no room for *ijtihad* (Adnan, 2021). This certainty encompasses the entire Muslim community. He asserts that *ijtihad* is only relevant in matters still lacking certainty. Concerning usury, Yusuf Qaradhawi vehemently condemns any economic practices contradicting Islamic teachings. He posits that all forms of wrongdoing, such as injustice and exploitation, are inherent in transactions laden with deception, fraud, and harm to others due to high interest rates. While he disagrees with various *fiqh* jurisprudence

that sanction usurious practices, he pays attention to specific cases that may be justified without interest if the transaction is conducted without the consent of both parties or with a genuine intention of engaging in trade rather than lending money with interest. In summary, Yusuf Qaradhawi categorically rejects the interest system outright, along with practices involving interest through various deceptions. He adheres to the viewpoint that every transaction inherently contains an element of interest. To support his stance, he references the Quran and Sunnah, presenting logical arguments indicating that every transaction can be considered to involve an element of interest. Despite some scholars and Islamic thinkers making distinctions between *nasi'ah* and *al-fadhl* usury and between usury in productive and consumptive interests, Yusuf Qaradhawi remains steadfast in his position, prohibiting all forms of usury and interest in any manifestation.

Analysis of Quraish Shihab and Yusuf Qaradhawi's Perspectives on Usury

Quraish Shihab and Yusuf Qaradhawi share similar viewpoints on usury, drawing inspiration from the same Quranic verses, specifically *Surah Ar-Rum* verse 39, *Surah Ali Imran* verse 130, and *Surah Al-Baqarah* verse 278 (Setiyawan, 2013). Both scholars agree that usury prevalent in a society resembles pre-Islamic usury (*ribā jāhiliyyah*), where the practice involves an increase in debt over a specified period. According to Yusuf Qaradhawi, the globally applied conventional interest represents a form of pre-Islamic usury, referring to the addition of a sum of money imposed on a loan after a specific period. This aligns with the notion that usury practices have been acknowledged as reprehensible additions, as stated in the Quran.

On the other hand, Quraish Shihab clarifies that the usury forbidden by Allah SWT is the one practiced during the pre-Islamic era (Rukman Abdul Rahman Said, Alimin, 2020). In this context, an individual indebted to another offers an addition as compensation for a deferred payment. According to Quraish Shihab, this practice corresponds to the depiction of usury in the pre-Islamic era that was prohibited. Both scholars also concur that usury practices have detrimental effects, impacting not only material aspects but also the spiritual dimension. They assert that usury practices can harm the soul and incur condemnation from Allah SWT, particularly emphasizing compound interest as a form of usury that is forbidden. This viewpoint reflects the consensus that Islam rejects usury containing elements of oppression and exploitation. Both Quraish Shihab and Yusuf Qaradhawi emphasize the importance of understanding and implementing usury laws to maintain justice and blessings in the Islamic financial system.

The differences in views between Quraish Shihab and Yusuf Qaradhawi regarding usury become evident in several aspects. Quraish Shihab argues that not every excess amount of debt can be considered usury (Abd Basir, Achmad Musyahid, Rina Rosia, 2023). For him, usury only occurs when this excess involves elements of oppression and exploitation, referred to as *zhulm*. This perspective places greater emphasis on the ethical and moral aspects of usury practices. In contrast, Yusuf Qaradhawi takes a firmer stance by stating that all forms of usury, including bank interest, are forbidden (Amrin, 2022). For him, the direct identification between interest and usury is clear, and he categorically prohibits all forms of usury without exception.

The perspectives of Quraish Shihab and Yusuf Qaradhawi on usury and inflation provide additional insights into the complexity of Islamic financial issues. Regarding the relationship between usury and inflation, both scholars offer perspectives that reflect different approaches. Quraish Shihab tends to focus on the aspects of injustice and exploitation in usury practices without explicitly evaluating the relationship between usury and inflation. For him, engaging with banks is seen more as a business partnership in challenging economic activities rather than as usury as a whole. In his view, the difficult economic situation necessitates involvement with banks, but not all bank functions are considered usury.

On the other hand, Yusuf Qaradhawi adopts a stricter approach to usury, explicitly linking it to any difference in interest rates, following the strict principles of Islamic law. However, there is no indication that Yusuf Qaradhawi directly associates usury with inflation in his perspective. In evaluating the role of banks, Quraish Shihab sees them as business partners in economic activities and does not categorize all bank functions as usury. Conversely, Yusuf Qaradhawi makes no exceptions for banks and considers any difference in interest rates as usury, in accordance with the strict principles of Islamic law. The disagreement in views on productive and consumptive usury also reflects differences in approach. Quraish Shihab does not clearly distinguish between the two, focusing more on the aspects of oppression and exploitation in usury practices without differentiating whether it is productive or consumptive. On the other hand, Yusuf Qaradhawi distinguishes between the two, stating that taking interest, whether for productive investment or consumptive needs, is still considered usury and is prohibited in the context of Islamic law.

Thus, these differences in perspectives reflect different understandings and emphases on specific aspects of the usury issue. While it is not explicitly evident how usury is related to

inflation in their perspectives, these differences indicate diversity in thought within Islamic finance.

Impact of Usury Practices According to Quraish Shihab and Yusuf Qaradhawi

Quraish Shihab, an Islamic scholar with a critical perspective on usury, views the impact of usury practices as a phenomenon that can harm both individuals and society at large. According to him, the practice of usury, involving the addition of excess or a specific increment to the debt over a certain period, contains elements of oppression and exploitation. For instance, when someone is in debt to a lender, and the lender postpones the debt repayment with a specified additional amount, Quraish Shihab believes this creates a situation where individuals, already in a vulnerable position, are forced to pay more than they should, leading to oppression and exploitation.

The impact of usury practices can also extend to the societal level. Societies entangled in a financial system dominated by usury practices may face significant economic inequality. For example, marginalized or less affluent communities may get caught in an inescapable debt spiral. Economic disparities between groups with easier access to capital and those without can deepen social and economic divisions within society. Moreover, Quraish Shihab sees that the impact of usury is not merely economic but also includes moral and spiritual aspects (Muthia Muthmainnah, Muh. Abdi Imam, 2023). Usury practices, according to him, create imbalance and a tendency to pursue profit solely, without considering communal well-being. This contradicts the values of justice and solidarity advocated in Islamic teachings. Thus, Quraish Shihab's perspective on the impact of usury practices encompasses economic, social, and moral dimensions, all linked to injustice and the potential harm to individuals and society.

Yusuf Qaradhawi, an Islamic scholar who views usury as a practice contrary to the principles of Islamic justice, holds firm views on the consequences of usury practices in the economic and social lives of Muslims. For him, usury practices are not just an economic threat but also damage society's social and moral fabric. Economically, Yusuf Qaradhawi highlights that usury practices, especially conventional bank interest, can create significant economic inequality. For instance, individuals or groups with substantial capital can exploit the interest system to increase their wealth without engaging in genuine productive efforts. Meanwhile, less fortunate or debt-vulnerable groups may fall into a cycle of debt that is difficult to overcome.

From a social perspective, Yusuf Qaradhawi believes that usury practices can disrupt societal order by creating disparities among economic groups (Saputra et al., 2022). This can result in the formation of an unhealthy social class structure, where groups with easy access to capital become more muscular while less privileged groups become increasingly marginalized. Additionally, from a moral standpoint, Yusuf Qaradhawi emphasizes that usury practices create a culture of greed and individualism that contradicts Islamic values. In an economic system dominated by usury, people prioritize personal gain without considering the collective welfare. He says this contradicts Islamic teachings that promote justice, solidarity, and attention to the community's needs. Thus, Yusuf Qaradhawi's views on the consequences of usury practices encompass economic, social, and moral impacts, all believed to harm the Muslim community.

Approaches to Banks and Financial Institutions

Quraish Shihab, in his perspective on usury and Islamic finance, does not explicitly make specific exceptions for banks (Jonwari et al., 2019). However, he observes that the existence of banks in the context of Islamic finance is unavoidable in reality. Quraish Shihab acknowledges that in the modern world, banks play a crucial role in financial intermediation and banking services to the public. Nevertheless, Quraish Shihab emphasizes that banks must operate by Sharia principles. He believes that in Islamic finance, banks should avoid usury practices in all forms, especially conventional bank interest. Instead, banks in the context of Islamic finance should implement Sharia-compliant economic concepts, such as profit and loss sharing and financing productive projects. Thus, banks can facilitate economic growth without violating Islamic financial principles. For example, contemporary Islamic banks attempt to conduct their operations by adhering to Sharia principles, such as *mudhārabah* (profit and loss sharing), *murābahah* (buying and selling with markup), and *ijārah* (leasing). Therefore, although Quraish Shihab does not explicitly make exceptions for banks, his viewpoint indicates that the role of banks in Islamic finance can be recognized with the condition that their operations comply with Sharia principles.

Yusuf Qaradhawi's perspective on the role of financial institutions and banks in the Islamic economic system can be explained as an approach reflecting Islamic economic principles derived from the teachings of the Quran and Hadith (Miftakhul Huda, 2019). According to Yusuf Qaradhawi, financial institutions, and banks in the context of Islamic economics should function as means to facilitate wealth distribution and promote economic justice. He emphasizes the importance of justice and favoring the less affluent layers of society while

opposing usury or interest practices deemed inconsistent with Sharia principles. For instance, Yusuf Qaradhawi might support the Islamic banking model based on profit and loss-sharing principles such as *mudhārabah* and *mushārahah*, where profits and risks are shared between the bank and customers. In this perspective, a bank is not merely a profit-seeking institution but also a partner in sustainable and inclusive economic development.

Moreover, Yusuf Qaradhawi might underscore the role of financial institutions in supporting the development of the actual economic sector, such as financing productive projects that can enhance community welfare (Nurhidayat, 2020). This approach aligns with the vision of Islamic economics that emphasizes the importance of strengthening the economic pillars through Islamic moral and ethical principles. Overall, Yusuf Qaradhawi's view on the role of financial institutions and banks in the Islamic economic system emphasizes the importance of justice, favoring the less affluent, and adherence to *Sharia* principles as the foundation for sustainable economic development.

Religious Foundations and Evidence Used

Quraish Shihab, a renowned Islamic scholar, roots his views on various issues, including economics, in the religious foundation of Islam. He tends to refer to the fundamental principles of the Quran and Hadith as the primary sources in shaping his perspective on various aspects of life, including economics (Aini, 2020). Quraish Shihab views the economy as an instrument that must be regulated according to Islamic values to achieve goals aligned with religious teachings (Anggia Yusuf, 2023). A concrete example of the spiritual foundation used by Quraish Shihab to support his viewpoint is the rejection of usury. The Quran explicitly prohibits usury in *Surah Al-Baqarah* verses 275-280. Quraish Shihab may refer to these verses to emphasize that the Islamic economic system should be free from usury to align with Sharia principles. As a practical example, Quraish Shihab might argue that Islamic financial institutions should use profit-sharing (*mudhārabah*) or partnership (*mushārahah*) principles to replace the conventional interest system, thus promoting fair and sustainable wealth distribution. Therefore, Quraish Shihab's economic perspective is based on the religious foundation of Islam, especially the Quran and Hadith, and is applied in practical contexts to shape a financial system in line with Islamic values, particularly in rejecting usury and emphasizing economic justice principles (Syukkur, 2023).

Yusuf Qaradhawi, an influential Islamic scholar (Dirga Ayu Lestari, Farid Ma'ruf, 2022), takes a robust approach to rejecting usury by referring to the Quran and Hadith as the primary

foundation of his arguments (Zakaria et al., 2023). In formulating his view on usury, Yusuf Qaradhawi highlights several Quranic verses that explicitly prohibit usury, one of which is found in *Surah Al-Baqarah* verses 275-280. These verses condemn usury as an act that violates the principle of justice and harms individuals and society. A concrete example of how Yusuf Qaradhawi reinforces his argument concerning usury is by detailing these verses, emphasizing specific words and phrases that indicate the prohibition. For instance, verse 275 emphasizes that Allah has permitted trade and prohibited usury, stating that work is permissible and usury is forbidden. Yusuf Qaradhawi would likely explain that these words provide a solid legal basis to reject usury as a practice contrary to the principles of Islamic economics. In addition to the Quran, Yusuf Qaradhawi also refers to Hadiths or the sayings and actions of Prophet Muhammad (PBUH) as additional arguments. Hadiths prohibiting usury, such as the one stating that accepting usury is equivalent to waging war against Allah and His Messenger, can be a strong foundation for Yusuf Qaradhawi's rejection of usury. In this way, Yusuf Qaradhawi builds his argument by presenting clear and authoritative religious foundations to demonstrate that usury contradicts Islamic values. Overall, Yusuf Qaradhawi strengthens his views on usury by elaborating on Quranic verses and Hadiths prohibiting and condemning this practice. Yusuf Qaradhawi constructs a firm legal basis for rejecting usury in the Islamic economic system through a profound examination of these texts.

The influence of the opinions of both figures on the practices of usury and interest in Islamic banking in Indonesia

The influence of the opinions of Quraish Shihab and Yusuf Qaradhawi on the practices of usury and interest in Islamic banking in Indonesia may involve several aspects. Although both are influential Islamic figures, their direct influence on the practices of Islamic banking in Indonesia may be limited, as Islamic banking is also influenced by fatwas from religious scholars and Sharia authorities in Indonesia. The perspectives of Quraish Shihab and Yusuf Qaradhawi on Sharia principles related to usury and interest can influence the understanding and implementation of these principles in Islamic banking, which explains that Islamic finance should not label itself as interest-free finance but rather *riba*-free finance (Suharto, 2018). A correct understanding of these concepts can form the basis to ensure that Islamic banking practices align with Islamic principles. Their views on usury and interest can provide direction or guidance for Islamic banks in designing and offering financial products under Sharia principles. This includes ensuring that profit and loss-sharing schemes, *mudarabah*, and *murabahah* adhere to Sharia principles.

While lacking direct legal authority, the views of Quraish Shihab and Yusuf Qaradhawi can be considered as guidance by Sharia authorities and fatwa institutions in Indonesia. These authorities may refer to their views in providing guidance or fatwas related to Islamic banking practices. Their opinions can also contribute to enhancing the understanding and awareness of Indonesian society regarding Sharia principles in banking. This can provide a strong foundation for the acceptance and participation of the community in Islamic banking. It is essential to note that the implementation and influence of these figures may fluctuate depending on individual interpretations and the legal framework in Indonesia. Additionally, fatwas and guidance from local Sharia authorities play a crucial role in shaping Islamic banking practices in Indonesia.

Table 1. Quraish Shihab vs. Yusuf Qaradhawi on Usury and Islamic Economics

No	Quraish Shihab's Perspective on Usury	Yusuf Qaradhawi's Stance on Usury
1	Insights into usury's historical and social backdrop, tracing its origins to the Tsaqif tribe and the Quraish tribes.	The firm assertion that bank interest is equivalent to usury and strictly forbidden in Islam.
2	Linguistic analysis of usury as "excess" emphasizes that excess alone is not a sufficient argument.	Condemns the addition of money without productive effort, especially to counterbalance inflation.
3	Significance of understanding the last verses addressing usury, especially key terms within them.	The belief that the issue of usury was settled a quarter of a century ago is based on explicit laws in the Quran and Sunnah.
4	Rejection of Rasyid Ridho's arguments regarding the term ' <i>ribā</i> ' in the al-Baqarah verse.	The assertion that <i>ijtihad</i> is irrelevant in matters of certainty, such as the prohibition of usury.
5	Reference to the circumstances of the revelation of Surah Ali Imran 130 to strengthen the argument.	Condemnation of all forms of usury without exceptions, grounded in clear religious evidence.
6	Emphasis on the ethical and moral aspects of usury practices, distinguishing between permissible trade and prohibited usury.	Categorically rejects the interest system outright, citing the direct identification between interest and usury.

7	Recognition of the role of banks in Islamic finance, but emphasis on Sharia compliance.	View of financial institutions as facilitators of wealth distribution and promoters of economic justice, primarily through profit and loss-sharing.
8	It does not explicitly make exceptions for banks but acknowledges their role in the modern world.	Focus on the importance of justice, favoring the less affluent, and adherence to Sharia principles.
9	Evaluation of banks considering the challenging situation that necessitates engagement with them.	Emphasis on the role of financial institutions in supporting actual economic development and community welfare.
10	Usury practices impact individuals and society, leading to economic inequality, moral imbalances, and exploitation.	The belief is that usury practices damage the social fabric, create economic disparities, and promote a culture of greed contrary to Islamic values.
11	Views on the impact encompass economic, social, and moral dimensions.	Perspective on consequences covers economic, social, and ethical aspects, reflecting harm to the Muslim community.
12	The impact of their opinions on usury and interest practices in Indonesian Islamic banking.	The opinions of Quraish Shihab and Yusuf Qaradhawi have limited direct influence on Islamic banking practices in Indonesia, as the industry is also shaped by fatwas from religious scholars and Sharia authorities.

CONCLUSION

In light of this conclusion, new insights emerge regarding the perspectives of Quraish Shihab and Yusuf Qaradhawi, two influential Islamic scholars who share similar viewpoints on usury and interest within Islamic finance. Both unequivocally reject the practices of usury and interest, grounding their arguments primarily in the Quran and Hadith. Quraish Shihab and Yusuf Qaradhawi advocate for a financial system based on Islamic economic principles that underscore justice, favoring the less privileged, and adherence to Sharia values. Quraish Shihab

stresses the necessity of regulating the economy by Islamic values to attain objectives aligned with religious teachings. For instance, he opposes usury by referencing the explicit prohibition in the Quran and asserts that the Islamic financial system should replace interest practices with profit-sharing and partnership principles.

Similarly, Yusuf Qaradhawi rejects usury and interest, citing explicit Quranic verses prohibiting these practices. He underscores the adverse societal impacts of usury and highlights the significance of fair Islamic economic principles. Yusuf Qaradhawi may argue that Islamic financial institutions should embrace profit-sharing models to ensure a more equitable wealth distribution. In conclusion, both Quraish Shihab and Yusuf Qaradhawi underscore the crucial need to eliminate usury and interest from the Islamic financial system, basing their arguments on religious texts. Their perspectives advocate for an Islamic economy aligned with Sharia principles, promoting economic justice and highlighting the positive role of financial institutions in advancing society comprehensively.

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