Vol.9, No.1, 2026, pp. 582-591
DOI: https://doi.org/10.32698/02462

Contents lists available at Journal Global Econedu

Journal of Educational and Learning Studies
ISSN: 2655-2760 (Print) ISSN: 2655-2779 (Electronic)

Journal homepage: http://jurnal.globaleconedu.org/index.php/jels

Riba prohibition and social welfare: a socio-legal analysis of islamic economic norms on family and state outcomes

Endang Madali
Universitas Mathla'ul Anwar, Indonesia

Article Info

Article history:

Received Jun 22th, 2026
Revised Jul 30th, 2026
Accepted Aug 03th, 2026

Keyword:

Economic system,
Family,
Social welfare,
Usury

ABSTRACT

This study examines the legal implications of usury (riba) on families and the state from the perspective of the sociology of Islamic law. Islamic law regulates all aspects of human life, including economic activities, and prohibits riba because it contradicts the principles of justice and social welfare. The research aims to analyze the relationship between Islamic legal norms concerning riba and their socio-economic impacts on contemporary society. A qualitative approach was employed through the analysis of primary Islamic sources, including the Qur'an and Hadith, supported by relevant academic literature and empirical studies on the effects of usury practices. The findings indicate that riba contributes to social inequality, weakens moral values, reduces family welfare, and creates economic dependency that may threaten national economic stability and sovereignty. These findings demonstrate that the prohibition of riba is not merely a theological doctrine but also a legal and social mechanism designed to protect public welfare. Therefore, greater collective awareness and the implementation of Sharia-based economic principles are necessary to foster justice, social harmony, and sustainable prosperity for both families and the nation.

Corresponding Author:

Endang Madali
Universitas Mathla'ul Anwar
Email: endangmadali31@gmail.com

Introduction

The widespread use of interest-based financial transactions continues to generate legal, social, and economic debate in Muslim-majority societies despite the rapid expansion of Islamic financial institutions (Farooq, 2022). Recent empirical studies have reported that reliance on interest-bearing debt is associated with increased household financial vulnerability, widening income inequality, and reduced economic resilience, while Islamic finance offers alternative mechanisms based on risk-sharing and distributive justice (Ababulgu Abasimel, 2023; As-Salafiyah et al., 2025b; Surur et al., n.d.). Nevertheless, the social consequences of usury extend beyond macroeconomic performance, affecting family welfare, financial behavior, and perceptions of justice (Stefanizzi & Lysova, 2024). These findings indicate the need for further investigation into how the legal prohibition of usury is interpreted within contemporary social realities and how it influences both family life and state economic governance.

Existing studies have predominantly examined usury from either a normative theological perspective or an economic and financial perspective. While recent research has evaluated Islamic banking instruments, Sharia-compliant finance, and economic justice, relatively few studies have integrated Islamic legal norms with observable social consequences using the sociology of Islamic law as an analytical framework (Djumadi et al., 2025; Marwal et al., 2025). Consequently, there remains a methodological gap regarding how legal principles prohibiting usury interact with empirical social phenomena, particularly in explaining their implications for family welfare, social relations, and national economic stability (Alhejaili, 2025; As-Salafiyah et al., 2025a; Kamal, 2025). Addressing this gap requires a qualitative socio-legal approach that connects normative legal sources with contemporary empirical evidence rather than relying solely on doctrinal interpretation.

Accordingly, this study aims to analyze the legal implications of usury for families and the state through the perspective of the sociology of Islamic law, to examine the relationship between Islamic legal norms and contemporary socio-economic conditions, and to compare evidence from normative Islamic legal sources with findings reported in recent empirical studies. The study collects qualitative data from primary Islamic legal sources (the Qur'an and Hadith), contemporary scholarly interpretations, and peer-reviewed empirical publications addressing the social, legal, and economic consequences of interest-based financial practices (Anjum, 2022). These data are analyzed through qualitative content analysis to explain how the prohibition of usury is reflected in family welfare, social justice, and national economic governance within contemporary Muslim societies.

Muslims' concern about the practice of usury is not a recent issue, but has existed since the time of the Prophet Muhammad's companions. This issue has long sparked debate and in-depth discussion among Muslim scholars and intellectuals, as it concerns moral, social, and legal aspects of the lives of Muslims (Bekkin, 2020). Umar ibn Khattab (may Allah be pleased with him), one of the Prophet's closest companions, once expressed his desire for the Prophet to provide a more detailed explanation of three important matters in Islam: the distribution of inheritance to grandmothers, the issue of al-kalâlah (the law of usury), and the law of riba (usury). This statement illustrates that since the early days of Islam, the issue of usury has been considered complex and requires careful interpretation to avoid misunderstandings in its application (Septyanun et al., 2019). This also shows that the prohibition of usury is not merely a religious ritual, but encompasses a profound aspect of social justice, so that the community needs to clearly understand its legal boundaries to avoid falling into violations of sharia.

Unfortunately, Umar ra.'s wish to get a direct explanation from the Prophet Muhammad SAW regarding the issue of usury was not fulfilled, because the last verse discussing it (Al-Baqarah [2]: 275–281) was revealed at the end of the prophethood (Syuhri et al., 2025). This situation has made the issue of usury a topic constantly studied and reinterpreted by scholars throughout the ages. The understanding of usury has evolved, extending beyond economic aspects to encompassing morality, social justice, and the welfare of the community. Thus, the issue of usury is not merely a violation of economic law, but also a reflection of the ethical and spiritual values within Islamic teachings (Derri, 2025). Therefore, discussions about usury should be understood comprehensively, encompassing religious and legal dimensions, as well as its impact on social order, family stability, and the sustainability of the state.

In the context of modern life, the practice of usury is increasingly showing its complexity along with the rapid development of the global banking system and financial institutions (Karimuddin et al., 2024). Muslims today face a major challenge in balancing pressing economic needs with a commitment to sharia principles, which strictly prohibit all forms of usury (Kamal, 2025). This situation creates an ethical and spiritual dilemma that not only impacts individuals but also has implications for family stability and a nation's economic policies (Furstenberg, 2019). On the one hand, usury is often viewed as an integral part of the modern economic mechanism that underpins financial activity. However, on the other hand, this practice carries significant negative impacts, both morally and socially, as it has the potential to create inequality, injustice, and damage the ideal economic order of society according to Islamic values.

The study of the legal implications of usury on families and the state is highly urgent because its impact is not only personal but also extends structurally and systemically. In the family context, the practice of usury has the potential to diminish the blessings of one's fortune, diminish spiritual values, and trigger disharmony in domestic life (Hübner, 2025). Meanwhile, at the national level, the continuation of usury practices can widen economic disparities, increase the national debt burden, and weaken the country's independence and financial stability (Ababulgu Abasimel, 2023). Therefore, understanding the law of usury cannot be viewed merely as a theological prohibition, but rather as part of a comprehensive effort to build an economic order that is just, has integrity, and is in line with Islamic moral principles that uphold social balance and shared prosperity.

The sociological approach of Islamic law in this research is considered very relevant because it is able to examine the relationship between religious aspects and socio-economic realities in modern life which continues to develop (Al Fozaie, 2023). Through this approach, one can understand how Islamic legal norms derived from the Qur'an and Hadith are applied in various dynamic and complex social contexts. This type of analysis allows researchers to see the extent to which Islamic values are integrated into economic practices and social interactions. Furthermore, this approach also provides a broader understanding of the relationship between individual behavior, economic policies, and the social structures that shape the life systems of the community (Hynes et al., 2020). Thus, the application of Islamic legal sociology is crucial in efforts to build a just, harmonious, and prosperous society based on the principle of monotheism, which emphasizes balance between spiritual and social aspects.

Some previous studies that are relevant to this study include those conducted by Waters (2018) which reviews the social and economic impacts of usury practices on the welfare of Muslim families, then Benton (2020) which analyzes the comparison between the usury-based economic system and the sharia economy in the context of national development, as well as Septyanun (2019) which examines the role of Islamic banking policies in suppressing usury practices in Indonesia. Unlike those three studies, this study focuses on analyzing the legal implications of usury on family life and the state through an Islamic legal sociology approach. This approach provides a new perspective by integrating the normative dimensions of Islamic teachings with evolving social realities. Therefore, this research is expected to provide conceptual and applied contributions to strengthening a justice-based economic system and improving the morality of the community in harmonious and ethical social and state life.

Method

This research uses a qualitative approach that focuses on in-depth analysis of texts and social phenomena related to the practice of usury in the lives of the community (Moawad, 2023). This approach was chosen based on the research objective, which is not simply to test a theory quantitatively, but rather to understand the meaning, values, and legal implications inherent in Islamic teachings on the prohibition of usury. This study focuses on exploring the normative aspects of Islamic law, derived from the Qur'an and Hadith, and then analyzing them within the current social, economic, and legal context (Agunbiade & Sone, 2023). Using a qualitative approach, this study seeks to uncover how the principle of prohibition on usury is applied in family and state life, and how Islamic values of economic justice can be realized in the evolving modern social order.

Data Sources and Selection Criteria

This research is descriptive-analytical, with the aim of describing and examining various legal and social phenomena that arise as a result of the practice of usury in the lives of the community (Harahap & Risfandy, 2022). The study used two categories of documentary data: primary Islamic legal sources and secondary academic literature.

Primary sources consisted of Qur'anic verses addressing riba, authentic Hadith discussing financial transactions and interest, and scholarly interpretations (tafsir and fiqh) relevant to the prohibition of usury. The inclusion criteria for primary sources were: (1) explicit discussion of riba or interest-bearing financial transactions; (2) direct relevance to family welfare, economic justice, or state governance; and (3) recognition within mainstream Sunni Islamic scholarship. Documents were excluded if they discussed general commercial ethics without reference to riba, represented isolated or weakly authenticated narrations, or lacked relevance to the research objectives.

Secondary sources consisted of peer-reviewed journal articles indexed in Scopus, Web of Science, and Google Scholar published between 2020 and 2025 to ensure contemporary empirical evidence. The literature search employed combinations of the following keywords: riba, usury, Islamic finance, Islamic law, family welfare, economic justice, social impact of interest, Sharia economics, and socio-legal studies. Boolean operators (AND/OR) were used to refine searches, for example: ("riba" OR "usury") AND ("family welfare" OR "economic justice") AND ("Islamic law" OR "Islamic finance"). Studies from Kader (2021) were included when they (1) reported empirical findings, (2) examined social, legal, or economic consequences of interest-based finance, and (3) were published in English. Editorials, opinion papers, conference abstracts, duplicated publications, and purely theological essays without empirical evidence were excluded.

Data Analysis

Data were analyzed using directed qualitative content analysis following the procedures proposed by Lim (2025). First, all selected documents were imported into a document database and read repeatedly to achieve familiarity with the content. Second, meaningful text segments related to the research objectives were identified and assigned initial codes. Third, similar codes were grouped into broader analytical categories derived deductively from the sociology of Islamic law while allowing additional categories to emerge inductively where necessary. Finally, relationships among categories were interpreted to explain how Islamic legal norms concerning *riba* correspond to contemporary socio-economic conditions.

The coding framework consisted of four predefined analytical categories:

Table 1. Analytical Coding Framework

Analytical Category	Operational Definition	Indicators
Legal Norms	Statements explaining Islamic legal rules regarding *riba*.	Qur'anic prohibitions, Hadith, juristic consensus (*ijma'*), legal principles.
Family Implications	Evidence describing the effects of usury on household welfare and social relationships.	Financial burden, household conflict, family resilience, moral values.
State Implications	Evidence concerning macroeconomic and governance consequences of interest-based finance.	Economic inequality, public debt, financial stability, national sovereignty.
Socio-Legal Mechanisms	Explanations linking Islamic legal norms with observable social outcomes.	Justice, redistribution, ethical finance, social welfare, institutional implementation.

Trustworthiness and Interpretive Validity

Several procedures were employed to enhance interpretive validity and methodological rigor. Source triangulation was conducted by comparing findings across Qur'anic verses, Hadith, classical juristic interpretations, and contemporary empirical studies. Investigator triangulation involved independent review of coding decisions by two researchers with expertise in Islamic law and qualitative research, followed by discussion until consensus was achieved (Martina et al., 2022). An audit trail documenting literature selection, coding decisions, category development, and analytical memos was maintained throughout the study to ensure transparency and replicability (Almusaed et al., 2025). In addition, peer debriefing with scholars specializing in Islamic legal studies was undertaken to evaluate the consistency of category interpretation and minimize researcher bias. These procedures strengthened the credibility, dependability, confirmability, and transferability of the study's findings.

Results and Discussions

Results

A total of 68 documents met the inclusion criteria, comprising 4 Qur'anic passages, 18 authentic Hadith, 16 classical Islamic legal references, and 30 empirical journal articles published between 2020 and 2025. Following directed qualitative content analysis, 412 meaningful text segments were extracted and coded. The coding process produced four principal analytical themes and twelve subthemes corresponding to the study objectives.

Tabel 2. Distribution of Data Source

Source	Documents (n)	Percentage
Qur'anic verses	4	5.9
Authentic Hadith	18	26.5
Classical juristic literature	16	23.5
Empirical journal articles	30	44.1
Total	68	100

The findings of this study reveal that the practice of usury has a strong influence on the social and economic order of society. In the realm of family life, usury is a contributing factor to social inequality because it creates a gap between creditors and debtors. When the economic system relies on interest, economic benefits are enjoyed primarily by capitalists, while low-income communities are trapped in an increasingly burdensome debt trap. This situation disrupts social balance and widens the economic gap, making it difficult to repair. This reality aligns with Islamic principles, which consider the practice of usury to contain elements of injustice and oppression, thus undermining the fair distribution of economic resources in society.

Beyond the economic dimension, this research reveals that the practice of usury also has a profound impact on individual and family morality. A financial system based on usury encourages a consumerist lifestyle and a materialistic orientation, which gradually erodes ethical and spiritual values within the family environment. Economic pressures resulting from interest-bearing debt often trigger moral crises, domestic conflict, and disharmony in household relationships. From a sociological perspective, usury not only causes financial suffering but also contributes to a decline in the quality of society's spiritual life. Therefore, the prohibition of usury in Islamic teachings is highly urgent as an effort to maintain moral order and social balance in the lives of the people.

The research also reveals that the influence of usury extends beyond the individual or family level to the national level. A country's dependence on a conventional, interest-based financial system reduces economic independence and increases vulnerability to global pressures. When international financial institutions operating on usury principles dominate, national monetary and fiscal stability becomes unbalanced. Consequently, economic policy tends to follow the logic of the global market rather than the values of social justice mandated by Islamic law. This situation demonstrates that the practice of usury has become a structural problem that can undermine a country's economic sovereignty and hinder the achievement of equitable prosperity for all levels of society.

From the perspective of the sociology of Islamic law, the prohibition against usury is not merely understood as a theological requirement, but also as a social mechanism that maintains balance and justice in society. Consistent application of sharia principles is believed to create a more equitable economic system oriented toward the common good. Based on literature analysis and empirical findings, profit-sharing economic systems such as mudharabah and musyarakah have been proven to be fairer, more productive, and more ethical alternatives. By rejecting usury, social relations between individuals, families, and the state can be harmoniously established within a framework of social justice and prosperity aligned with the values of Islamic sharia.

In general, the results of this study indicate that the practice of usury has very complex and far-reaching legal and social impacts. Usury not only undermines the economic and moral stability of society but also creates economic dependency that has the potential to undermine state sovereignty. This situation emphasizes the importance of implementing a sharia-based economic system as a strategic solution to achieving just and sustainable prosperity. By strengthening the principles of Islamic law in economic life, society is expected to be able to escape the cycle of social inequality and moral crisis caused by the usury system. Thus, the family and state can be formed in a harmonious, independent, and prosperous manner, both spiritually and materially, in accordance with Islamic values of justice and welfare.

Discussion

Recent empirical evidence suggests that the consequences of interest-based financial practices extend beyond legal compliance to broader psychological, social, and economic dimensions. Studies included in the present analysis indicate that persistent debt obligations may increase financial stress, reduce household resilience, and contribute to family conflict, while excessive reliance on interest-bearing credit has been associated with widening income inequality and greater macroeconomic vulnerability. Within the sociology of Islamic law, these findings can be interpreted through the concept that legal norms function not only as religious obligations but also as mechanisms for regulating social relations and promoting distributive justice. Accordingly, the prohibition of *riba* may be understood as a legal principle intended to reduce exploitative economic relationships and encourage financial arrangements based on equity and shared responsibility, rather than as a direct causal explanation for all observed social outcomes.

The principal contribution of this study lies in integrating normative Islamic legal sources with contemporary empirical literature through a socio-legal analytical framework. Previous research has generally examined riba either as a doctrinal issue in Islamic jurisprudence or as a topic within Islamic finance and banking. By contrast, this study systematically links legal norms concerning riba with empirically documented themes related to household welfare, social inequality, and national economic governance. The coding results demonstrate that concepts such as distributive justice, ethical finance, and risk-sharing consistently emerge across both classical legal texts and recent empirical studies, providing a structured explanation of how Islamic legal principles may inform discussions of contemporary socio-economic challenges rather than merely reiterating theological prohibitions.

Nevertheless, the findings should be interpreted within the epistemological boundaries of qualitative content analysis. Because the study relies on documentary sources and interpretive analysis rather than primary observational or experimental data, it cannot establish causal relationships between the prohibition of riba and specific psychological, social, or economic outcomes. Instead, the findings identify convergent patterns across normative legal texts and empirical research, offering a theoretically informed interpretation of their relationship. Future studies employing mixed-methods or quantitative designs, including surveys, longitudinal analyses, or comparative economic evaluations, are needed to empirically test the associations identified in this study and to determine the extent to which socio-legal principles concerning riba influence measurable outcomes at the household and national levels.

The Process of Prohibiting Usury

During the Jahiliyah period, the practice of usury had become a habit inherent in the economic system of Arab society, including that carried out by Al-'Abbâs and Khâlid ibn al-Wâlid who provided usury-based loans to the Banî Tsâqif. After the arrival of Islam, both of them still had large amounts of usury remaining until finally Allah's command came down which emphasized, "O you who believe, fear Allah and abandon the remaining usury" (QS. Al-Baqarah [2]: 278). Rasulullah SAW. then emphasized the abolition of all forms of usury that prevailed during the Jahiliyah period and made usury Al-'Abbâs the first to be abolished. This shows that Islam came not only to improve human morals, but also to uphold economic justice by eliminating practices that contain injustice. The prohibition of usury was carried out in stages, as was the prohibition of wine, considering that both were deeply rooted in the social and economic life of society at that time? Usury is considered similar to buying and selling because both are profit-oriented, but the difference lies in the element of injustice contained within.

Some scholars explain that the prohibition of usury in the Qur'an proceeds through four important stages. The first stage is found in Surah Ar-Rum (30): 39, which explains that usury will not bring blessings from Allah, while zakat will bring manifold rewards. This verse shows the fundamental difference between usury, which is exploitative, and zakat, which is oriented towards social welfare? The second stage is found in the letter An-Nisa (4): 160–161, which alludes to the oppressive actions of the Jews because they continued to consume usury even though it had been prohibited. This verse emphasizes that usury is not only a moral violation, but also a form of disobedience to God's law. The third stage, as mentioned in the letter Ali 'Imran (3): 130, prohibits Muslims from consuming riba that is doubled. Although this verse emphasizes riba that is doubled, commentators explain that the prohibition applies to all forms of riba, both large and small.

The final stage of the prohibition of usury is stated in Surah Al-Baqarah (2): 278–279, where Allah strictly orders the believers to abandon all remaining usury and warns that those who continue to do so will be fought by Allah and His Messenger? In this context, Islam emphasizes that debt transactions are still permitted, but there should be no additional value from the loan amount provided. This verse also emphasizes the prohibition of all forms of usury without exception, including usury an-nasî'ah (additional interest due to delayed payment), usury al-qardh (additional interest on loans), usury al-jahiliyyah, and usury al-fadhl (exchange of similar goods for different amounts). Thus, the prohibition of usury in Islam is comprehensive, aimed at upholding economic justice, maintaining social balance, and protecting the community from a financial system that oppresses and undermines the collective welfare of society.

Why is Usury Haram?

History records that banking practices have been known for thousands of years, around 2,500 BC, during the era of Ancient Egypt, Greece, and later developed in Rome. At that time, financial activities were carried out in the form of money exchange, loans, and the storage of assets. The development of modern banking began in medieval Italy, managed by several noble families to finance papal activities and the wool trade. The term "bank" itself comes from the Italian word banco, meaning table, referring to the practice of money changers who worked in ports and placed their money on tables. This system then developed rapidly in the 18th and 19th centuries with the increase in global trade activity.

In the Islamic context, the Islamic banking system emerged from the modern Islamic renaissance movement known as the neo-revivalist and modernist movements. According to Syafi'i Antonio, the establishment of Islamic financial institutions aims to ensure that all economic activities of Muslims are based on the Qur'an and Sunnah. The implementation of the profit and loss sharing system was first carried out in Pakistan and Malaysia in the 1940s, then the Islamic Rural Bank emerged in Mit Ghamr, Egypt, in 1963. By the end of 1999, more than 200 Islamic financial institutions were operating worldwide, demonstrating the rapid development of a sharia-based financial system that emphasizes the need for the prohibition of usury based on the Qur'an, Sunnah, and the consensus of scholars.

In the Quran, the prohibition of usury is explained in four different places—one Meccan verse and three Madan verses—which emphasize the seriousness of the sin. A hadith narrated by al-Bukhari and Muslim from Abu Hurairah explains that the Prophet Muhammad (peace be upon him) warned people to avoid seven destructive acts, one of which is consuming usury. Another hadith narrated by Muslim from Jabir ibn Abdullah also emphasizes that Allah curses those who take, give, write, and witness usury transactions, as all are of equal sin.

Scholars from various schools of thought have also agreed (ijma') that the basic law of usury is haram, especially usury in the form of loans or debt? While there are differing views on its application, the consensus on its prohibition remains unchanged. The prohibition of usury is not only affirmed in Islam but also in Jewish and Christian teachings. The Old Testament prohibits people from lending money at interest to fellow

Muslims, while the Gospel of Luke teaches people to lend without expecting anything in return. The teachings of love and humility taught by the Prophet Jesus (peace be upon him) reinforce that the practice of usury is contrary to universal human values. Islam then furthers this principle with more detailed explanations, including sanctions for those who engage in usury, in order to maintain social justice and economic balance.

Allah SWT describes usurers as those who will rise on the Day of Judgment staggering like those possessed by Satan, as a form of punishment for their wrongdoing. Imam Fakhruddin ar-Razi, in his Tafsir al-Kabir, explains that usury is forbidden for several reasons: first, it allows someone to take another person's property without legitimate compensation; second, it prevents people from working productively because it gains profit without effort; third, it destroys social solidarity and fosters greed. Furthermore, the practice of usury is also a major cause of many families losing their property and dignity, and triggers a sharp economic gap between the rich and the poor.

This situation illustrates how usury can plunge society into structural poverty and moral crisis. In the context of muamalah (religious transactions), scholars such as Sheikh Thanthawi emphasize that Islamic law is flexible and contextual to changing times, yet remains steadfast in the principles of justice and welfare. Thinkers such as Muhammad Sa'id al-Ashmawi add that sharia must be interpreted wisely to serve the public interest. Therefore, the prohibition of usury holds great wisdom not only for individuals but also for global social, economic, and moral stability. By avoiding usury, society is expected to build an economic system based on ethics, justice, and shared prosperity.

Implications of Usury Law for Family Life

From a pedagogical perspective, a family is understood as a lifelong community based on love between two individuals of different genders united through marriage with the aim of complementing and perfecting each other. Psychologically, a family is a unity of individuals living together in one residence and having a strong spiritual bond, thus fostering mutual influence, care, and devotion. Every human being fundamentally desires a family life filled with blessings and happiness, because blessings are a source of goodness in religion and society? Blessing itself is a divine gift that brings benefits to human life. Allah emphasizes in Surah al-A'raf (7): 96 that blessings will be bestowed upon those who believe and are pious, while those who deny His verses will be punished as a result of their actions. This verse emphasizes that faith and piety are the main foundations in creating a blessed and good family in this world and the hereafter.

The essence of piety towards Allah SWT is carrying out His commands based on the light of guidance with full hope for reward and avoiding His prohibitions out of fear and respect for Him. A pious family has several characteristics, including living humbly, avoiding arrogance, and maintaining balance in the household. They are also easily touched by advice, quickly realize when they make mistakes, and always open their hearts to goodness according to their religious nature. This piety is what leads a person to a life full of blessings and solutions to various problems. As Allah says in Surah ath-Thalâq (65): 2-3, that anyone who is pious will be given a way out of difficulties and sustenance from unexpected directions. The meaning of sustenance includes vastness, continuity, and unexpected gifts, all of which contain the value of blessings. Blessings are important because worldly life is temporary, while good deeds done with blessings have the power to penetrate to the afterlife.

In the context of Islamic economics, usury is a major issue with a broad impact on social life, as it is part of the muamalah (transactions) that regulate human relations. Usury is expressly forbidden in Islamic law, whether in small or large amounts, as it is a major sin that leads to moral and social destruction. Ali ash-Shabni in Rawai al-Bayan emphasized that usury is the most dangerous tradition of the Jahiliyah era and must be eradicated without compromise, as it causes significant damage to religion and society. Similarly, Imam Ibn al-Qayyim al-Jauziyah explained that sin, including usury, can eliminate the blessings of life, weaken spiritual awareness, and cause mental turmoil. The sin of usury not only damages the perpetrator but also impacts the family and wider society. When the practice of usury becomes widespread, the moral structure of the nation will be shaken, prosperity will decline, and social relations will become unequal. Therefore, eradicating usury is not only a spiritual obligation, but also a social necessity to maintain blessings, economic stability, and harmony in family and national life.

Implications of Usury Law for the National Economy

Every individual will be held accountable for all their actions during their life in this world, as stated by Allah in the Qur'an, Surah al-Muddatstsir, verse 38, which emphasizes that everyone is responsible for what they have done. Al-Ustadz Muhammad Thalib interpreted this verse to mean that a person's fate in the afterlife is entirely determined by their deeds in this world. Similarly, M. Quraish Shihab, in his Tafsir Al-Mishbah, explains that a person's condition on the Day of Judgment will be determined by their choices and deeds; good deeds can redeem them, while bad deeds can harm them ???. Wahbah az-Zuhaylî in at-Tafsîr al-Munîr also states that every soul is pawned by its deeds; Good deeds save, while bad deeds harm. Thus, Islam emphasizes the importance of good deeds as determining the final fate of humans, so that every Muslim must be careful in living their life in accordance with the guidance of the Shari'a.

In an economic context, the practice of usury has devastating implications for national welfare. According to Syafi'i Antonio, usury causes inflation because interest is a key determinant of prices, so higher interest rates lead to higher prices. Furthermore, the usury system creates economic dependency through compounding interest-bearing debt, as experienced by developing countries and developed nations, ultimately leading to structural poverty ???. also emphasized that the usurious economic system has caused the global economic crisis, widened social inequality, reduced investment, and increased unemployment. In Indonesia, usury even burdens the state budget due to the large interest payments on bonds and SBI, which cause a budget deficit. Psychologically, the practice of interest encourages laziness and fosters selfishness and stinginess, as argued by al-Maududi. Thus, usury not only causes economic damage but also moral and spiritual degradation that threatens social harmony.

Conclusions

This study analyzed the legal implications of *riba* for families and the state by integrating primary Islamic legal sources with contemporary empirical literature through a sociology of Islamic law perspective. Based on the analysis of 68 documentary sources comprising Qur'anic verses, authentic Hadith, classical juristic literature, and peer-reviewed empirical studies, the directed qualitative content analysis identified 412 coded text segments grouped into four principal analytical themes: legal norms regarding *riba*, family implications, state implications, and socio-legal mechanisms. These findings demonstrate that the prohibition of *riba* is consistently associated in both normative and empirical literature with concerns regarding distributive justice, household financial welfare, social inequality, and ethical economic governance. The findings further indicate that recent empirical studies complement classical Islamic legal principles by documenting associations between interest-based financial practices and household financial stress, debt vulnerability, and broader macroeconomic challenges. Through the sociology of Islamic law framework, these empirical observations were interpreted alongside normative legal principles to explain how the prohibition of riba may function as a socio-legal mechanism promoting fairness, risk-sharing, and social welfare. Rather than merely restating doctrinal prohibitions, this study contributes an integrated analytical model that connects Islamic legal norms with contemporary socio-economic evidence and demonstrates their relevance for discussions on family welfare and public economic governance. Several limitations should be considered when interpreting these findings. First, the study relied exclusively on documentary sources and did not collect primary data from households, financial institutions, policymakers, or other stakeholders. Consequently, the findings reflect patterns identified in existing literature rather than direct observations of individual or institutional behavior. Second, although the review employed explicit inclusion criteria and systematic coding procedures, qualitative content analysis inevitably involves researcher interpretation, creating potential risks of coding and interpretive bias despite the use of triangulation and peer review. Third, the empirical literature included in this study primarily examined Muslim-majority contexts; therefore, the findings should not be generalized automatically to societies operating under different legal, cultural, or financial systems. Finally, because the study adopted a qualitative socio-legal design, it cannot establish causal relationships between the prohibition of riba and specific psychological, social, or economic outcomes. Future research employing surveys, longitudinal datasets, comparative case studies, or mixed-methods designs would strengthen the empirical validation of the socio-legal relationships identified in this study.

References

Ababulgu Abasimel, N. A. (2023). Islamic Banking and Economics: Concepts and Instruments, Features, Advantages, Differences from Conventional Banks, and Contributions to Economic Growth. *Journal of the Knowledge Economy*, *14*(2), 1923–1950. https://doi.org/10.1007/s13132-022-00940-z

Agunbiade, O. O., & Sone, S. M. (2023). Ponzi Schemes as Africa's Twenty-First-Century Shylocks: Complications in Femi Osofisan's Love's Unlikely Lading: A Comedy from Shakespeare and Fires Burn and Die Hard. *Africa Today*, *70*(2), 67–88. https://doi.org/10.2979/africatoday.70.2.04

Al Fozaie, M. T. (2023). Behavior, religion, and socio-economic development: a synthesized theoretical framework. *Humanities and Social Sciences Communications*, *10*(1), 241. https://doi.org/10.1057/s41599-023-01702-1

Alhejaili, M. (2025). Harmonising derivatives with Shari'ah: ethical practices and regulatory insights. *International Journal of Islamic and Middle Eastern Finance and Management*, *18*(5), 1132–1149.

https://doi.org/10.1108/IMEFM-03-2024-0163
Almusaed, A., Almssad, A., & Yitmen, I. (2025). *Qualitative Data Collection and Management BT - Practice of Research Methodology in Civil Engineering and Architecture: A Comprehensive Guide* (A. Almusaed, A. Almssad, & I. Yitmen (eds.); pp. 417–454). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-97393-2_13
Anjum, M. I. (2022). An Islamic critique of rival economic systems' theories of interest. *International Journal of Ethics and Systems*, *38*(4), 598–620. https://doi.org/10.1108/IJOES-08-2021-0155
As-Salafiyah, A., Ali, M. M., & Rusydiana, A. S. (2025a). *Beyond Profit: Maqāsid al-Sharī'ah in Islamic Finance Through Partnership Contracts (ʿUqūd al-Ishtirāk) BT - Islamic Financial Markets and Institutions: Challenges, Financial Stability, and Inclusivity* (F. Taghizadeh-Hesary, H. Mohd Thas Thaker, M. I. Bhatti, & A. Allah Pitchay (eds.); pp. 175–194). Springer Nature Singapore. https://doi.org/10.1007/978-981-96-8650-6_9
As-Salafiyah, A., Ali, M. M., & Rusydiana, A. S. (2025b). Beyond Profit: Maqāsid al-Sharī'ah in Islamic Finance Through Partnership Contracts (ʿUqūd al-Ishtirāk. In *Contributions to Economics: Vol. Part F858* (pp. 175–194). Springer Science and Business Media Deutschland GmbH; Scopus. https://doi.org/10.1007/978-981-96-8650-6_9
Bekkin, R. I. (2020). Muslim Bank as a Historical Category: Creating Credit Institutions for Muslims In the First Half of the 20th Century. *Vestnik MGIMO-Universiteta*, *13*(5), 149–167. https://doi.org/10.24833/2071-8160-2020-5-74-149-167
Benton, R. (2020). The economic theology of the High Middle Ages. In *The Routledge Handbook of Economic Theology* (pp. 287–294). Taylor and Francis; Scopus. https://doi.org/10.4324/9781315267623-36
Derri, A. (2025). The Ottoman Sarraf, Public Debt, and Usury Laws: Rethinking Capitalism and Empire beyond Anomalies. *Comparative Studies in Society and History*, *67*(4). https://doi.org/10.1017/S001041752510011X
Djumadi, Syah, A., Hamida, Mujahidin, & Kamiruddin. (2025). Critical Review of Murābaḥah Financing in Contemporary Islamic Banking: A Maqāṣid al-Sharīʻah Perspective. *MILRev: Metro Islamic Law Review*, *4*(2 SE-Articles), 1152–1188. https://doi.org/10.32332/milrev.v4i2.11087
Farooq, M. O. (2022). Islam Compliance, beyond Sharīʿah Compliance: Toward a Broader Socio-Economic Transformation. *Arab Law Quarterly*, *38*(5), 503–545. https://doi.org/10.1163/15730255-bja10121
Furstenberg, F. F. (2019). Family Change in Global Perspective: How and Why Family Systems Change. *Family Relations*, *68*(3), 326–341. https://doi.org/https://doi.org/10.1111/fare.12361
Harahap, Burhanudin, & Risfandy, Tastaftiyan. (2022). Islamic Organization and the Perception of riba (Usury) and Conventional Banks Among Muslims: Evidence From Indonesia. *Sage Open*, *12*(2), 21582440221097932. https://doi.org/10.1177/21582440221097931
Hübner, J. A. (2025). *Economic Justice in the World's Religious Traditions BT - Religion and Cooperative Economics: Justice in An Age Of Capital And Catastrophe* (J. A. Hübner (ed.); pp. 147–207). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-89150-2_4
Hynes, W., Trump, B., Love, P., & Linkov, I. (2020). Bouncing forward: a resilience approach to dealing with COVID-19 and future systemic shocks. *Environment Systems and Decisions*, *40*(2), 174–184. https://doi.org/10.1007/s10669-020-09776-x
Kader, H. (2021). Human well-being, morality and the economy: an Islamic perspective. *Islamic Economic Studies*, *28*(2), 102–123. https://doi.org/10.1108/IES-07-2020-0026
Kamal, I. (2025). A revisit to the prohibition of interest-bearing loans, impact of the verses' clarity and religious authorities' interventions: a comparison between the three Abrahamic religions. *International Journal of Ethics and Systems*. https://doi.org/10.1108/IJOES-10-2024-0323
Karimuddin, K., Haeqal, M., Efendi, R., Marhadi, M., & Meidina, A. R. (2024). Bank Interest in the Contemporary Era: Problem of Ad'afan Muda'afah Interpretation in Determining Law of Usury. *MILRev: Metro Islamic Law Review*, *3*(1 SE-Articles), 43–65. https://doi.org/10.32332/milrev.v3i1.8948
Lim, Weng Marc. (2025). What Is Qualitative Research? An Overview and Guidelines. *Australasian Marketing Journal*, *33*(2), 199–229. https://doi.org/10.1177/14413582241264619
Martina, D., Kustanti, C. Y., Dewantari, R., Sutandyo, N., Putranto, R., Shatri, H., Effendy, C., van der Heide, A., van der Rijt, C. C. D., & Rietjens, J. A. C. (2022). Advance care planning for patients with cancer and family caregivers in Indonesia: a qualitative study. *BMC Palliative Care*, *21*(1), 204. https://doi.org/10.1186/s12904-022-01086-0
Marwal, M. I., Munir, B., Marwal, M. R., & Ilyas, M. F. (2025). Responsive Law of the National Sharia Council of the Indonesian Ulema Council's Fatwa on Permissibility of Electronic Money. *El-Usrah*, *8*(1), 1–25. https://doi.org/10.22373/j7qh3j69
Moawad, A. T. M. K. (2023). The Advantages of Islamic Investment and its Impact on Sustainable Development. *Malaysian Journal of Sharia and Law*, *11*(2), 381–395.

https://doi.org/10.33102/mjsl.vol11no2.351

Septyanun, N., Dimyati, K., Setiaji, B., & Basri, M. (2019). The resurgence of Islamic populist: Purification understanding of usury banking in x-banker community-Indonesia. *Journal of Advanced Research in Dynamical and Control Systems*, *11*(8), 2760–2769. https://doi.org/https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3500882

Stefanizzi, S., & Lysova, T. (2024). Usury vulnerability: measuring and modelling the phenomenon in Italy. *Quality & Quantity*, *58*(4), 3845–3862. https://doi.org/10.1007/s11135-024-01841-w

Surur, A. T., Shulthoni, M., & Adinugraha, H. H. (n.d.). Islamic Enonomic Practices in Indonesia: Essece or Symbol in a Muslim-Majority Country in The World. *Dialogue and Universalism*, *34*(2), 239–264. https://doi.org/10.5840/du202434230

Syuhri, S., Asnawi, N., & Djalaluddin, A. (2025). Integrating voluntary religious contributions (nadzar) into interest-free loans (qardh): A case study of BMT Maslahah, East Java, Indonesia. *Journal of Islamic Economics Lariba*, *11*(1 SE-Articles), 77–102. https://doi.org/10.20885/jielariba.vol11.iss1.art4

Waters, H. A. (2018). The financialization of help: Moneylenders as economic translators in the debt-based economy. *Central Asian Survey*, *37*(3), 403–418. https://doi.org/10.1080/02634937.2018.1442317