

## Prohibition of Usury in the Perspective of Hadith and its Implementation in the Monetary System in Indonesia

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**ABSTRACT.** The uncompromising emphasis of usury on socioeconomic justice and equitable distribution of income and wealth. From this it is very clear, that with the interest system, the distribution of money will not be evenly distributed, there is no justice, who can enjoy only those who have large capital, while those who are weak in terms of capital, will be downtrodden, out of business which in turn will increase the statistics of the poor. The Prophet in the hadith described above expressly prohibits eating usury, because it is included in the seven major sins that are cursed and destroyed by Allah SWT. Usury is Ziyadah or an addition to a loan that is already due. The practice of usury in the capitalist economic system is one of the sources of the economic crisis in this world. Indonesia recognizes the existence of dual banking systems in the monetary system, namely an interest-free Islamic banking system and a conventional banking system with an interest system.

**Keywords:** Prohibition of usury; monetary system;

### INTRODUCTION

Islam views interest as the most oppressive to humanity and has abolished it in all its forms. According to the Quran, taking interest is tantamount to waging war against Allah and His messenger, while according to the Prophet Muhammad, interest is worse and more evil than adultery. Islam built its economy free of usury and favors profit and cooperation as incentives for savings and investment.

Most scholars and economic thinkers often disagree about the legal status of bank interest, some stating that bank interest is not the same as usury, but some prohibit the interest system because it equates it with usury. Whereas the prohibition of usury in the Koran and hadith is very clear that usury is something that is forbidden. The prohibition of usury in the Qur'an is found in Q.S. Al-Baqarah/2: 275:

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

”Those who eat usury cannot stand but as one who is possessed with a demon through madness stands. That is because they say that buying and selling is the same as usury. But Allah has justified

buying and selling and forbidden usury. Whoever receives a warning from his Lord and stops, then what he had earned is his, and his affair is for Allah. And whoever repeats it, then they are the inhabitants of Hell; they will abide therein.” (QS. Al-Baqarah 2: Verse 275)

From some of the above opinions, it can be taken a determination that emphasizes that usury is the taking of additions, both in buying and selling transactions and borrowing unlawfully or contrary to the principles of muamalah in Islam. Rasulullah SAW. Also condemned, using very clear words, not only those who take usury but also those who give usury and the writers who record transactions or witnesses.

Interest is forbidden because it makes the needy miserable and acquires property by the wrong means. This motive can be found in all contracts that involve usury. In fiqh which explains usury due to the extension of time (an-nasi'ah) and usury in the exchange of similar goods (al-fadl). Bank interest is included in nasi'ah usury. Monetary policy formulated in an Islamic economy is to use the variable of money reserves and not interest rates. Banks and money have a very important relationship, and in its implementation must destroy injustice, dishonesty, and exploitation from one party to another.

Chapra, states that the economy in a monetary system that is based on interest rates will lead to misallocation of resources which in turn will lead to economic instability. Interest-based financial intermediation causes the allocation of financial resources to revolve only around large debtors. Only they can provide loans (collateral) and cash flow that can guarantee the return of principal and interest.

This can be seen from the 2022 debt interest payment allocation figure, which reaches Rp.405 trillion. The allocation of debt interest payments consists of domestic debt interest payments of Rp. 393.7 trillion and foreign debt payments of 12.2 trillion. This figure is almost equivalent to the social protection budget allocation for the poor of more than 160 million people. In other words, usury or bank interest is very influential for the monetary system in Indonesia, especially socioeconomic balance and equitable income and wealth.

With the interest system, according to him, monetary resources will only belong to the rich who can provide guarantees and good cash flow, as well as to the government which is assumed not to suffer losses. For this reason, interest-based monetary management would not be effective in achieving the desired economic goals.

At the macro level, in Indonesia, although it seems that the burden of interest is not detrimental to traders, producers, or entrepreneurs because costs can be shifted, as a result on a broader scale the shift in cost burden is one of the drivers of inflation (cost-push inflation). In the Islamic monetary system, bank interest is very influential on economic stability, while economic stability in a country is uncertain, it depends on the amount of money in circulation, the purchasing power of the people, the economic conditions at that time, the GDP (Gross Domestic Product) produced by a country so that it will result in deflation and inflation, all of which are still speculative.

The uncompromising emphasis of usury on socioeconomic justice and equitable distribution of income and wealth. From here it is very clear, that with the interest system, the distribution of money will not be evenly distributed, there is no justice, only those who have large capital, while those who are weak in terms of capital, will be down, out of business which in turn will increase the statistical number of poor people.

M. Umer Chapra also revealed three main objectives of monetary policy in the Islamic economic system. First, full employment and economic growth; second, socio-economic and equitable distribution of income and wealth; Third, the stability of the value of money. The focus of Islamic monetary policy is more on maintaining the circulation of economic resources, which is the core of the Islamic economy in all forms of policies and provisions permitted by Sharia.

## METHOD

This research is a library research (Library Research) with a leatherative approach that describes the phenomena that occur during the research process. This research data uses secondary data sourced from literature and Islamic bank financial reports. The data analysis technique used is the Miles and Huberman data analysis technique.

## RESULTS AND DISCUSSION

### Prophetic Hadith on the Prohibition of Usury

حَدَّثَنَا قُتَيْبَةُ حَدَّثَنَا أَبُو عَوَانَةَ عَنْ سِمَاكِ بْنِ حَرْبٍ عَنْ عَبْدِ الرَّحْمَنِ بْنِ عَبْدِ اللَّهِ بْنِ مَسْعُودٍ عَنْ ابْنِ مَسْعُودٍ قَالَ  
لَعَنَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَكِلَ الرَّبَا وَمُؤَكِّلَهُ وَشَاهِدِيهِ وَكَاتِبَهُ  
قَالَ وَفِي الْبَابِ عَنْ عُمَرَ وَعَلِيٍّ وَجَابِرٍ وَأَبِي جُحَيْفَةَ قَالَ أَبُو عِيسَى حَدِيثُ  
عَبْدِ اللَّهِ حَدِيثٌ حَسَنٌ صَحِيحٌ

H.R. TIRMIDHI - 1127): Qutaibah narrated to us Abu 'Awanah from Simak ibn Harb from Abdur-Rahman ibn Abdullah ibn Mas'ud who said: The Messenger of Allah (blessings and peace of Allah be upon him) cursed the usurer, the one who gives usury, the two witnesses and the writer. He said: There are similar hadeeths from 'Umar, 'Ali, Jabir and Abu Juhaifah. Abu Isa said: The hadeeth of Abdullah is a saheeh hasan hadeeth.

حَدَّثَنَا مُوسَى بْنُ إِسْمَاعِيلَ حَدَّثَنَا جَرِيرُ بْنُ حَارِثٍ حَدَّثَنَا أَبُو رَجَاءٍ عَنْ سَمُرَةَ  
بْنِ جُنْدُبٍ رَضِيَ اللَّهُ عَنْهُ قَالَ  
قَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ رَأَيْتُ اللَّيْلَةَ رَجُلَيْنِ أَتَيَانِي فَأَخْرَجَانِي إِلَى  
أَرْضٍ مُقَدَّسَةٍ فَأَنْطَلَقْنَا حَتَّى أَتَيْنَا عَلَى نَهْرٍ مِنْ دَمٍ فِيهِ رَجُلٌ قَائِمٌ وَعَلَى وَسْطِ  
النَّهْرِ رَجُلٌ بَيْنَ يَدَيْهِ حِجَارَةٌ فَأَقْبَلَ الرَّجُلُ الَّذِي فِي النَّهْرِ فَإِذَا أَرَادَ الرَّجُلُ أَنْ  
يَخْرُجَ رَمَى الرَّجُلُ بِحَجَرٍ فِيهِ فَرَدَّهُ حَيْثُ كَانَ فَجَعَلَ كُلُّمَا جَاءَ لِيَخْرُجَ  
رَمَى فِيهِ بِحَجَرٍ فَيَرْجِعُ كَمَا كَانَ فَقُلْتُ مَا هَذَا فَقَالَ الَّذِي رَأَيْتَهُ فِي النَّهْرِ  
أَكِلُ الرَّبَا

(H.R. BUKHARI - 1943): Musa ibn Isma'il narrated to us Jarir ibn Hazim narrated to us Abu Raja' from Samrah ibn Jundub (may Allah be pleased with him) who said: The Prophet (peace and blessings of Allah be upon him) said: "One night I dreamt that two men met me and took me out to the holy land. We traveled until we came to a river whose water was blood. A man was standing in the middle of the river and another man on the bank holding a stone, so the man in the middle of the river approached him and whenever he wanted to come out of the river, the man holding the stone would throw a stone at his mouth until he returned to his place in the middle of the river, and so it happened that whenever he wanted to come out of the river, he would throw a stone at him until he returned to his place. I asked: "What does this mean?" So the person I saw in my dream said: "The man you saw in the river is a usurer".

حَدَّثَنَا عَبْدُ الْعَزِيزِ بْنُ عَبْدِ اللَّهِ حَدَّثَنَا سُلَيْمَانُ عَنْ ثَوْرِ بْنِ زَيْدٍ عَنْ أَبِي  
الْغَيْثِ عَنْ أَبِي هُرَيْرَةَ

عَنْ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ اجْتَنِبُوا السَّبْعَ الْمُوبِقَاتِ قَالُوا يَا  
رَسُولَ اللَّهِ وَمَا هُنَّ قَالَ الشِّرْكُ بِاللَّهِ وَالسِّحْرُ وَقَتْلُ النَّفْسِ الَّتِي حَرَّمَ اللَّهُ  
إِلَّا بِالْحَقِّ وَأَكْلُ الرِّبَا وَأَكْلُ مَالِ الْيَتِيمِ وَالتَّوَلَّى يَوْمَ الزَّحْفِ وَقَذْفُ  
الْمُحْصَنَاتِ الْمُؤْمِنَاتِ الْغَافِلَاتِ

(H.R. BUKHARI - 6351): 'Abdul 'Aziz ibn 'Abdullah narrated to us Sulaiman reported 'Tsauro ibn Zayd reported Abul Ghait reported Abu Hurayrah reported that the Prophet (peace and blessings of Allaah be upon him) said: "Avoid the seven major sins that are destructive." The Companions asked: 'O Messenger of Allah, what are the seven deadly sins?' The Prophet replied; "associating partners with Allah, sorcery, killing a soul that Allah has forbidden without just cause, eating usury, eating the wealth of orphans, fleeing from the battlefield, and accusing a good believing woman of adultery."

حَدَّثَنَا أَحْمَدُ بْنُ سَعِيدٍ الْهَمْدَانِيُّ حَدَّثَنَا ابْنُ وَهْبٍ عَنْ سُلَيْمَانَ بْنِ بِلَالٍ عَنْ ثَوْرِ بْنِ زَيْدٍ  
عَنْ أَبِي الْغَيْثِ عَنْ أَبِي هُرَيْرَةَ

أَنَّ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ اجْتَنِبُوا السَّبْعَ الْمُوبِقَاتِ قِيلَ يَا رَسُولَ اللَّهِ وَمَا  
هُنَّ قَالَ الشِّرْكُ بِاللَّهِ وَالسِّحْرُ وَقَتْلُ النَّفْسِ الَّتِي حَرَّمَ اللَّهُ إِلَّا بِالْحَقِّ وَأَكْلُ الرِّبَا وَأَكْلُ  
مَالِ الْيَتِيمِ وَالتَّوَلَّى يَوْمَ الزَّحْفِ وَقَذْفُ الْمُحْصَنَاتِ الْغَافِلَاتِ

قَالَ أَبُو دَاوُدَ أَبُو الْغَيْثِ سَالِمُ مَوْلَى ابْنِ مُطِيعٍ حَدَّثَنَا إِبْرَاهِيمُ بْنُ يَعْقُوبَ الْجُوزْجَانِيُّ  
حَدَّثَنَا مُعَاذُ بْنُ هَانِيٍّ حَدَّثَنَا حَرْبُ بْنُ شَدَّادٍ حَدَّثَنَا يَحْيَى بْنُ أَبِي كَثِيرٍ عَنْ عَبْدِ الْحَمِيدِ

بْنِ سِنَانٍ عَنْ عُبَيْدِ بْنِ عُمَيْرٍ عَنْ أَبِيهِ أَنَّهُ حَدَّثَهُ وَكَانَتْ لَهُ صُحْبَةٌ أَنَّ رَجُلًا سَأَلَهُ فَقَالَ  
يَا رَسُولَ اللَّهِ مَا الْكَبَائِرُ فَقَالَ هُنَّ تِسْعٌ فَذَكَرَ مَعْنَاهُ زَادَ وَعُقُوقُ الْوَالِدَيْنِ الْمُسْلِمِينَ  
وَاسْتِحْلَالُ الْبَيْتِ الْحَرَامِ قِبَلَتِكُمْ أَحْيَاءً وَأَمْوَاتًا

(H.R ABUDAUD - 2490): Ahmad ibn Sa'id Al Hamdani narrated to us, Ibn Wahb narrated to us from Sulaiman ibn Bilal narrated Tsaur ibn Zaid narrated from Abu Al Ghaitis narrated from Abu Hurairah, that the Messenger of Allah (peace and blessings be upon him) said: "Avoid the seven things that destroy!" He was asked: O Messenger of Allah, what are these things? He said: "associating partners with Allah, sorcery, killing a soul that Allah has forbidden except with justice, consuming usury, consuming the property of orphans, fleeing from war, accusing a pure and good believing woman of adultery." Abu Daud said: Abu Al Ghaitis Salim was a former slave of Ibn Muthi'. Ibrahim ibn Ya'qub al Juzajani narrated that Mu'adz ibn Hani' narrated that Harb ibn Shaddad narrated that Yahya ibn Abu Katsir narrated that Abdul Hamid ibn Sinan narrated that 'Ubaid ibn 'Umair narrated that he was with the Messenger of Allah (blessings and peace of Allah be upon him). A man asked the Prophet (peace and blessings of Allah be upon him), saying: O Messenger of Allah, what are the major sins? Then he said: "There are nine major sins." Then he mentioned their meanings, and he added: and disobeying Muslim parents, and making lawful those things that are forbidden to be done in the Bayt al-Masjid your Qiblah (such as hunting, cutting trees), both living and dead.

### Monetary System in Indonesia

Monetary policy is an effort to control or direct the macroeconomy to a desired (better) condition by regulating the amount of money in circulation. What is meant by better conditions is the increase in equilibrium output and or the maintenance of price stability (controlled inflation). Through monetary policy, the government can maintain, increase, or reduce the amount of money in circulation to maintain the ability of the economy to grow, while controlling inflation.

Monetary policy is a policy that is carried out to control the supply and demand for money (money circulating in society), the existing money supply, the stability of the value of the currency, and the direction in which money will be allocated by using appropriate monetary tools or tools to achieve the objectives of monetary policy itself. To achieve or ensure the proper functioning of the monetary system, monetary authorities usually supervise the entire system.

The conventional interest-based financial system cannot help realize either or both of these objectives. The monetary policy of a central bank or monetary authority is intended to influence real economic activity and prices through the transmission mechanism.

The money supply will not be affected by erratic and unpredictable interest rates, nor by the need to stabilize them. Intractable problems such as stabilizing interest rates without controls on the money supply or regulating the money supply without controls on interest rates, will be overcome. In the absence of interest rates, the money supply can be regulated by the central bank according to the needs of the real sector of the economy and the goals of the Muslim community. Growth in M can be regulated to realize broad-based welfare goals and an optimal, but realistic growth rate in the context of price stability. This target in M can be achieved by generating the desired growth in high-powered money through a combination of fiscal deficits and mudharabah loans by the central bank to financial institutions. However, there could still be an expansion in the money supply above or below the desired level due to the impact of several variables that are difficult to control and forecast. Such excesses or deficiencies can be mitigated with the help of other monetary policy instruments, while the unavailability of discount rates and interest-bearing government securities will not pose any problem.

The inability to obtain interest-based financing will introduce discipline in government spending and project management. This will avoid the mounting debt burden that the government continues to accumulate due to easy access to interest-based financing. Some of the government's financial problems could be alleviated by transferring to it a certain proportion of commercial bank notes. This would demand a smaller amount of service money than the heavy interest burden, allowing the rich to get richer through interest receipts and the poor to get poorer through additional taxes levied on public debt.

### **Islamic Monetary System**

Before entering into the study of monetary policy in Islamic economics, it should be emphasized that Islam prohibits the practice of usury. The practice of usury has led to the separation of the monetary sector from the real sector, which in contemporary terms is called derivatives. This derivative business system has brought many countries to the brink of crisis.

The demand for money due to speculative motives is driven by fluctuations in interest rates in a capitalist economy. Since interest rates fluctuate frequently in a capitalist economy, there is a continuous change in the amount of money held by the public. In the conceptual Islamic monetary system, the currency system used is full-body money or currency whose material value is equal to its nominal value. The contemporary Islamic monetary system uses a fully backed money currency system that distinguishes it from the conventional monetary system whose currency system uses fiat money. In the Islamic economy, to maintain price level stability several things are prohibited, namely:

- a. Demand that is not real. Demand for money is only for transaction and precautionary purposes.
- b. Hoarding of currency.
- c. Tallaqi rukban transactions. That is, intercepting sellers from villages or peripheral areas outside the city to resell in the city center to benefit from price uncertainty.
- d. Kali bi kali transaction. Namely, non-cash transactions, and cash transactions are allowed but future transactions without goods are prohibited.
- e. All forms of usury.

This will be further reinforced by several factors including the following.

- a. Interest-bearing assets will not be available in an Islamic economy, so people who only hold liquid funds face the choice of either not engaging with risk and holding their money in cash without earning a profit, or sharing the risk and investing their money in profit-sharing assets and earning a profit.
- b. Short and long-term investment opportunities with varying degrees of risk will be available to investors regardless of whether they are high or low risk takers, to the extent that the foreseeable risk will be offset by the expected rate of return.
- c. It may be assumed that except in the event of a recession no fund holder would be irrational enough to keep the rest of his money after deducting transaction and precautionary requirements as long as he can use the idle balance to invest in profit-sharing assets to offset at least some of the erosive effects of zakat and inflation, to the extent possible in an Islamic economy.
- d. The rate of profit as distinct from the rate of interest will not be predetermined. The only thing that will be pre-determined is the profit-sharing ratio; this will not fluctuate as interest rates do because it is based on economic and social conventions, and any change in it will come about through the pressure of market forces after considerable negotiation.

The variable used in a monetary policy formulated in an Islamic economy is the stock of money rather than the interest rate. The aim is to ensure that monetary expansion is neither "insufficient" nor "excessive", but sufficient to fully exploit the economy's capacity to supply goods and services for welfare at large.

### **Indicators of Usury in the Monetary System**

Monetary policy has been established since the time of the Prophet Muhammad. The Arabs as a trade route between Rome-India-Persia, as well as Sam and Yemen, have made Dinar and Dirham the official medium of exchange. So the exchange of foreign exchange, the use of checks and promissory notes, import-export activities, and factoring or factoring, are well-known and widely used in trade. The monetary policy implemented by the Prophet included the prohibition of usury and the non-use of the interest system. So that economic stability is maintained and economic growth is pushed forward more quickly with the development of real sector infrastructure. The Prophet also prohibited cashless transactions to close the possibility of committing usury and ihtikar or hoarding.

Usury indicators that hurt the country's economy. Usury in the form of interest will continue to cause a crisis for the economy of a country. Here are some indicators of usury systems that trigger a negative impact on the country's economy:

- 1) Usury causes a trigger for injustice in society, it can be seen from the owners of capital who receive profits without getting risks.
- 2) The badness of usury is also caused because usury in the form of interest can increase production costs for entrepreneurs who use loan capital from banks or other lending institutions. High production costs result in companies selling their products at higher prices. The increase in the price level will result in inflation due to weak consumer purchasing power.
- 3) Usury is also the main cause of instability in the value of a country's currency. This is because money is constantly moving from countries that have low real interest rates to countries that have higher real interest rates. This is because speculators want to make big profits by keeping their money in places with relatively high-interest rates.

According to him, the idea of an Islamic financial system, one of which emphasizes the prohibition of usury, is not new in Islam. Similarly, the practices of modern Islamic financial institutions such as mudharabah and musyarakah also existed during the heyday of Islam and proved to be able to mobilize all financial resources at that time and have been used to overcome various financing problems in long-distance trade. The financing model was even practiced by Jews and Christians where these two religions also strictly prohibit the practice of usury. Umer Chapra also stated that to develop the Islamic economy, it is permissible to borrow models and methods from neoclassical economics.

### **Usury in the Monetary System**

Riba literally means increasing, developing, or growing. However, not every addition or growth is prohibited by Islam. In sharia, usury refers to the "premium" payment that must be paid by the borrower to the lender in addition to the return of the principal as a condition of the loan or extension of the maturity limit. In this sense, usury has the same meaning and importance as interest according to the consensus of the jurists without exception. However, in Sharia terms, usury has two categories: usury an-nasi'ah and usury al-fadhl.

In Chapra's view, many people have said that the prohibition of usury is due to the effects of injustice on poor people because they are set a certain interest rate on the loans they use to meet their needs, which in their opinion, this gives rise to exploitation of the poor. Therefore, they concluded that the ban on bank interest was irrelevant because in reality, banks in modern times do

not carry out any form of exploitation of borrowers. According to Chapra, this conclusion is not a reflection of historical reality. Since the time of the Prophet, debts were not given to the poor. Because at the end of the life of the Prophet, namely when the prohibition of usury was confirmed, the needs of the poor were met by those who were rich or by Baitul Mâl. So that poor people do not need to go into debt to meet their needs.

From here it is very clear, if someone wants a loan from a bank, whether for consumption or productivity, if they don't have capital and collateral then they won't get credit from the bank. This will mean that the poor who have business skills but do not have capital and collateral, will not progress in business. Meanwhile, the rich, because they have the ability in terms of capital and collateral, can easily get capital for their business. This is where there will be a deep gap between the rich and the poor. Thus, those who do not have capital will suffer because they are unable to compete with those who have high capital. So the implication is that bankruptcy occurs. Thus, the impact will be an increase in the number of unemployed and an increase in the number of poverty.

Chapra's thought that the economic crisis was caused by speculation and the risk of loans in banks was very high, could be said to be true. This, as stated by Fuad Amasyari, is that the fundamental cause of the economic crisis is the proliferation of evil economic practices carried out in the countries concerned, including the practice of usury and bank interest. All of these evil economic practices are mushrooming in the capitalist economic system and taking place on an international scale.

Because for capitalists, the biggest places of worship for worshipping money are markets and banks. To the extent that they judge human dignity according to the influence of money, they have. In the capitalist system, individuals are the axis of economic rotation. Individuals are the driving force and also the ultimate goal of economic activity.

When an economic crisis occurs, all necessities and fuel oil will increase. This is caused by bank interest. Because according to Sayyid Qutb, in all aspects the interest burden will ultimately be borne by society in general. Industrialists and business people will increase the prices of their goods and the burden of these price changes will be borne by consumers. Even government debt will become a burden on consumers because the government will collect taxes from them to pay loan interest to the party providing the loan. This loan will only give birth to colonialism, the result of which is unrest and war. This happened like the crisis that hit Indonesia. At a time when credit was flowing and the property market was soaring, this was due to the rise of the stock market and debt market, the development of credit disbursed by banks made the Indonesian business world experience very significant development. Here and there there are increasingly signs that this development has exceeded its true limits. If previously limited banking credit was an obstacle to developing their business, with the availability of stock and business markets, this obstacle is increasingly disappearing. So there was an economic bubble in Indonesia. Meanwhile, the addition and accumulation of wealth without expending effort and sweat give rise to hatred and hostility, corruption, and various other social crimes.

## CONCLUSION

1. The Prophet in the hadith explained above expressly forbids usury, because it is included in the seven major sins that are cursed and destroyed by Allah SWT.
2. Riba is ziyadah or addition to a loan that is due. The practice of usury in the capitalist economic system is one of the sources of the economic crisis in this world.
3. Indonesia recognizes the existence of a dual banking system in the monetary system, namely a sharia banking system which is interest-free, and a conventional banking system with an interest system.



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