

How Riba Destroys Social Norms in a Country Like Pakistan

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ABSTRACT

The aim of this paper is to examine the effects of riba on society and economic life of people. In this paper, we examined briefly the pros and cons of riba in social norms. We know riba is destroying the economy all over the world. But, we examined the society of Pakistan for our study. We find that riba is an antecedent of many social crimes; just like theft. In Islam, riba is strongly prohibited in favor of poor and needy people. A number of people have become a victim of it; and due to this, the people destroyed their financial life. The govt. and people should be protecting to these people. There are a number of Islamic modes of finance; but there is a need to boost it in society. We should provide awareness to our youngsters and business society regarding the drawbacks of riba.

Keywords: Riba; Islam; Social; Economy; Investment

INTRODUCTION

The riba is totally prohibited by Islam. So, it's important task for all Muslim country to uproot it from their economy [1]. On the other hand, investment and business project bear a loss due to this practice. In this situation, there are approximately 35 years ago Islamic finance concept arises in the market to cover the financial loss [2]. In today's world the role of media is very important; we do not ignore the role of media in reshaping the behavior, opinion, and perception of an individual [3]. Thereby, is an investment plan prevailing in the market; that is very fast growing in society, and they are totally based on riba. There is a need to provide awareness to the public regarding Islamic finance with the help of media sources [4,5]. There are the following the object of this study:

- To find why people of Pakistan dislike Riba.
- To find the impacts of Riba on society of Pakistan.
- To identify why people don't leave Riba.
- To find how to uproot Riba from Pakistan.

In the 20th century, when the United Kingdom harmed by the "Great Depression"; this is a big example of economic crises. There are five main reasons for the severity of this incident: First reason was, when the specification of gold prices has caused the high-interest rate by the United Kingdom bank at that time. The second reason was the United Kingdom's banks created a panic situation for customers; so they draw out all money from the bank [4]. The third reason was people proffer to put their money at home; rather

than deposit into the bank, and forth was neglected investment strategies and unfair distribution of wealth. If we put more attention, we get to know that these the entire economic dilemma caused by riba in the form of loans and on investment; thereby riba is not good; because it is destroying our social standards [6].

In 2008's incident also caused economic dilemma due to providing loans to risky customers with the frail monetary position; unemployed person, in the form of subprime mortgage [1]. Therefore, they believed that they will use personal assets like (house auction) of customers; if they will fail to pay their debts. But unfortunately, the price of a home has decreased excessively; because of repeatedly house auction this incident led to a bad effect on the economic situation [7].

Higher commission of financial crises has determined; that all the economic crises are caused by management negligence in America; before detached from European countries. There are several reasons: like higher interest rates in an unstable economy; negligence of corporate governance, and excessive providing loan affairs [8-30]. There by increase in international trade, interrelation of all countries, and international investment; now the financial crises are more complexes as compared to past years. At this stage, companies started to shut down their companies to prevent their business from further loss or minimizing cost. Therefore, this activity led to jobless and poverty [8].

The foundation of Pakistan is based on Islam. The heroes of the nation of Pakistan promised to the people; that they established

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Pakistan, in which they will be, produced the Islamic atmosphere [9]. So, it's compulsory for the present nation to set up the Islamic system here. But the problem is that; there a number of secular people in Pakistan want to see that this country should be free from any religious tradition [9]. Furthermore, these persons some have a high rank and importance in the legislation of this country. That's why, it's very difficult for the Govt. & peoples of Pakistan to establish proper Islamic rule here.

There are some verses of Quran regarding it: "O ye who believe! Fear Allah, and give up what remains of your demand for usury, if ye are indeed believers" and other side Allah says "If ye do it not, Take notice of war from Allah and His Messenger. But if ye turn back, ye shall have your capital sums: Deal not unjustly, and ye shall not be dealt with unjustly". It's not the only problem for poor and needy people, but also for investors and rich people (Abdullah, 2016). The poor & needy people want to fulfill their needs with the help of debt but riba created new problems for them; instead of fulfilling their needs [10]. The rich peoples & investors want to increase their money by investing in terms of riba; but output in the form of riba can't justify their input [11].

The economy of the world suffers a great loss; and riba also creates a number of social evils: just like theft, murder, suicide, etc. Riba has great unfavorable influenced, hereby have been experienced by the economy in the whole world [12]. Some countries are damaging; and determining as depression shrinkage is the major example of an economic dilemma. These are all the examples of the negligence of all the pecuniary; and financial institutions in performing their character in supplying money in the market this all caused a serious put down the securities and money markets [9]. Another negative impact of riba on society: is in the distribution of wealth; that leads to poverty, economic issues, and insolvency. This all may bring a gap in a community in the long run; which may commination the individual connection [13].

LITERATURE REVIEW

There is a number of ayahs, before Quran came into the world to give awareness to the rich people. That the wealth of their provided by God." All the source of the world comes for Allah almighty [14]. So the rich person wants to help poor and needy people to come closer to God. In Islam also have this concept; that the sources and wealth of people in custody of Allah. The people are not the real owner of their wealth and property [14]. The people only hold these things till the end of life; after it these things left there. There are no owners of these things except Allah. Therefore, people should try to help needy and poor people more and more to get the mercy of Allah [1]. In the holy Quran Allah says "Those who follow God's Revelation and are constant in their prayer and spend on others; secretly and openly, out of what weprovided for them as sustenance; it is they who may look forward to a bargain that many never fail" (35:29). The riba is prohibited in Islam in 5th year of holy prophet migration Allah says " And whatever you may give out in riba so; that it may increase through other people's wealth, does not increase with [9]; but whatever you may give by way of charity seeking God's pleasure; they will receive manifold increase".(30:39). Battle of Uhud, a number of martyrs of the holy prophet (PBUH) died due to this number of the widow, orphan increase in Muslim society in this situation holy prophet advice people to do charity and discourage riba. Some research suggests that religion should be different from the economy. There are no needs for an economist to follow the religious tradition in the economy [12]. But, Islam is

not only based on prayers; but it also bound its follower toward its economic, social, and cultural tradition [15]. So, all Muslims are bound to follow the Islamic tradition in their economy. As we see, that now a day number of non-Muslim societies also follow the tradition of Islam in their economy for saving themselves from bad factors of riba. There are many non-Muslim states officially forming law to following the Islamic system in their economy; they agreed to uproot the riba from their economy [16]. But even now, we see there are a large number of businessmen and traders in Muslim or non-Muslim states follow the Riba system in their transaction. They create a number of problems not only for them; but also for society [15].

"Riba" has two types in Islam "Riba a Nasiya", "[Riba Al-Fadl". "Riba An-Nasiya" is also known as "Riba Al-Jahiliya" because; it was practiced at a pre-Islamic time in Arab societies. It means an additional amount to be paid by the borrower to a lender; the literal meaning is to delay; it means when the transaction of the same goods happens on credit. It is basically on the amount of loan. In other words: it means the extra time period is given to the borrower for the repayment of the loan; he also has to pay an additional amount with the original amount of loan. Basically, the additional amount is to be rewarded to the lender for waiting to get his/her money back; in case the borrower is not in a condition to pay back the money on time. This condition is imposed by the lender to the borrower. This was practiced, before the arrival of our beloved "Prophet Muhammad (PBUH)". Quran has clearly disallowed this type of riba. In today's world; mostly banks are providing this delayed credit return facility to customers [17]. According to the "Imam Abu Hassas Razi" described "That kind of loan, where specified repayment period and an amount in excess of capital is not predetermined". As we know, the prohibition of this type is based on Ahadees. The additional amount is paid by the buyer to the seller; at the time of transacting the same type of goods. In this type, some commodities are already mentioned and those commodities should be homogenous; having the same weight and sale should be made on time credit sale are not allowed. "Abu Said al-khurdi" described that;"Prophet Muhammad (PBUH)" said:"Sell gold in exchange of equivalent gold; sell silver in exchange of equivalent silver; sell dates in exchange of equivalent dates; sell wheat in exchange of equivalent wheat; sell salt in exchange of equivalent salt; sell barley in exchange of equivalent barley; but if a person transacts in excess;; it will be usury [12]. However, sell gold for silver anyway you please on the condition it is hand-to-hand (spot); and sell barley for a date any way you please on the condition it is hand-to-hand".

Riba is based on stinginess, hate, ego, and taking advantage of the need of others, these all are weakening the relation of society members [2]. Riba is also creating vacuity between the upper and middle class this will leads to poverty problems in society [8]. According to Ali Abdul Karim, the main reason for the dilemma of financial institutions in foreign countries was due to riba on common loans [10]. Interest rates on loan are increasing year by year especially for that loan customer's personal assets have been pledged by this system; all the financial institutions are enjoying more profit and taking advantage of anyone's need [12]. This is the only reason in our society rich people are getting wealthier; poor people are getting poorer [12]. This system has divided our society in three major classes: like upper, middle and lower class; rich are taking advantage of being rich and poor people are going through depression trauma; thereby poor people have to pay an

extra amount on loan; which has been changing and increasing [18].

According to Islamic scholar Al- Maqrizi said; that in the year 1404 there was a failure and tragedy that smack Egypt; it was declared that the unusual deaths of humans and animals. The government of Egypt replaced GOLD and SILVER to paper money; this all was a curse from Allah on them [19].

If we talk about the historical background of interest & usury it comes from European law. The old roman and number of Christian religious sects base this system in Europe and develop the system of capitalism in their economy [12]. But, after some passage of time: the people will seem that this system is fruitful for only investors and capitalist culture; but not for all people. That's why, now we see a number of conferences held in the European market to uproot the evils of riba. Islam is only one religion; who strongly violates all type of interest in their economy. That's why, if we talk about the economy system free from riba; then we talk about Islamic finance. There are some similarities in other religions; just like Judaism, Christianity, Jewish they focus on fair wages, violate the speculation, social justice these all things meet with the Islamic economy. In some religions: we can say the similarity between Islam, Judaism, and Christianity is that; "the lender, by definition, possessed a store of capital; that exceeded his requirements; while the borrower lacked the resources to satisfy his immediate needs [10]. It would thus be unfair and even immoral for a needy borrower both to repay the capital; to increase the lender's wealth still further by paying him interest; especially since the additional amount must be taken from the fruit of the borrower's industry". All the religions that based on Ibrahim Ian, in which includes Christianity, Islam, Jewish are strictly violated the riba in their economy. However, the European culture based on their old tradition and the old tradition of European culture based on total dictatorship just like major dictators of Rom, German, Serbia, Hungary; and other states of Europe; they all are free from all pressure, which prevails now in any state [20]. They strongly controlled their economy and system of markets. Due to this, they old dictators violate all advice of religions and wise people lived in a society and they set those goals that meet with their own requirements. They dictators earn a lot of money through riba and usury. With the passage of time, when the system of states will change and the new Govt. system develops in their economy [2]. So, every new Govt. wants to earn like old dictators; because they want to enjoy all rights permanently; that's why, they violate some rights of economy and religions. Even now, there are a number of economists and capitalist people; who lived in Europe and out of the European economy; who never want to uproot riba from any economy due to enjoyment in the economy [21]. In this way, the present Govt. should set strict rules in the economy; just like Islamic countries and they set true and fair economic systems in society in order to protect poor and needy people [22].

In another way, we don't ignore the capitalist and landlord of our state. To earn revenue and handsome return from investment is the right of every investor and capitalist; but we can divide this system in this way; that we should give loans without any interest to the needy and poor people [22]. It means if an investor or landlord observes after an investigation; that the person is really needy; then they give loan to it without any interest; and even enhance the period of returning loan [23]. In another way, if a person wants to do its own business and for this purpose; they want a loan from rich and landlord person; then in this situation the lender should

set up the percentage of profit and loss with this person and then gives loan to it [24]. If an investor sets interest with it and gives a loan; then the other person is totally is at risk [2]. Because, the person starts a new business with their little sources and it has great chances to lose its investment; if a rich person sets interest along with principal amount; then the person is at great risk. The landlord and the rich person should co-operate with it.

In the history of Pakistan, the Govt. made many steps to uproot riba from Pakistan; but due to some barriers just like secular, non-Muslim peoples, and anti-Islamic activities the purpose could not be accomplished. In 1956 the Govt. made a basic constitution, in which declared that; all types of Law in Pakistan should be made in the light of Islam if any law directly or indirectly violates any type of Islamic rituals; the customer or tradition, then this law automatically become null and void [10]. In afterward the Govt. made some institute; who based on Islam just like an Islamic development bank, Muslim commercial bank. In 1962 the Govt. passed a law for all Pakistan, in which declared that the economic system of Pakistan should be run in the light of Islam. But, interest could not be strictly restricted in this law. The Govt. again made law in 1973, in which declared that all types of interest-based transactions must be eradicated in our country. The Govt. also made a commission and gave target to this commission; that made policy for the economy who are totally based on Islam .But this commission submitted their report after some years and declared that our economy could not be run without interest; because there are a number of international transaction in our country; that is totally based on interest. If we transact without interest; then a heavy loss bears in our economy[22]. That's why; we could not survive without interest. So, in this situation, the Govt. made an option of interest in our country; made a law for the Islamic economy [15]. This declared that; if any person files a case in court, that he/she could not return interest to a bank or any institution. Even, he acknowledges that he agrees on interest base transaction; thereby he was in need. But now, he was in another trouble due to heavy amount of interest; in this way the court bound to eradicate 50% interest of this person; because remaining 50% interest is a cost of debt; which is also born by the financial institution [25]. We should encourage people to use that loan; who are free from interest. The Govt. also made some account; that is free from interest and based on the profit and loss account system. In which: profit and loss saving account; profit and loss fixed account; and others. These types of accounts have a separate form in a bank, and it is totally based on Islamic law [26]. The Govt. also initiates the loan without interest scheme to protect the poor and needy people. But these efforts are not so much; we should form strict rules against riba. In fact, only morals persuasion and awareness does not enough. The profit lover and anti-Islamic minded people do not leave the interest-based thing in our country [27]. Now, we can see that the mini bank just like Easy paisa, Jazz Cash also start some interest base transaction; these channels have billions of transaction that's why, we should take revolutionary steps to eradicate all of these things in our country [28].

DISCUSSION

In our country have multiple economic & social problems and these all troubles mostly come from anti-Islamic activities [1]. Because of our society, the economy is not totally based on the Islamic system; that's why the people who have a high spirit of Islam; they are no bear anti-Islamic activities in our country [22]. There is sectarianism

in our country; the number of peoples made group; who belongs to some specific class [3]. The rich and capitalist people have different markets and living standards. On the other hand, poor needy people have different living standards these all things creating social unrest and dualism in economy [15]. If we study the history of Pakistan, then we come to know that the purpose to make this country was purely based on the Islamic system. The first person Liaquat Ali Khan who made basic constitutions was fully based on Islam (Global Terrorism Database, 2016). They were killed in the ground of Rawalpindi. General Ayub Khan made the constitution of 1962, whose major parts based on Islam; he forcefully retired from his authority due to national pressure. The Zulfikar Ali Bhutto made the constitution of 1973; that was totally based on Islam. They got hanged in jail of Rawalpindi. General Zia ul Haq a hero of Islam in Pakistan and they assassinated by the Plane crash. There are a number of scholars bear hardship in jail and society due to raising voice for Islam [25]. The thousands of people of Pakistan died due to involving in the Islamic activity. So, these all things say that the anti-Islamic activities have strong arms in a country; we should set-up strict rule for save Islamic culture in our country. Thereby, if we want to see our country in peace and prosperity; then we must be set up Islamic tradition here with strict rules [1]. The riba could not be uprooted with partially imposing Islamic culture here; but it needs pure Islamic law here. If our Govt. set pure Islamic law here; then social unrest also eradicated in our country, just like theft, looted, corruption, etc. Because, in Islamic system have strict rules regarding all social crimes. That's why, peace and prosperity possible in the shed of Islamic rules.

CONCLUSION

In our study, we conclude that the Riba and all types of interest-based transactions made an antecedent of social crimes and evils. Only Islamic law could become a reason for peace and prosperity for our country. Moreover, the foundation of Pakistan is based on Islam. That's why; it's a great challenge to establish Islamic law. The patriot of Pakistan has a strong spirit to establish Islamic laws here; but it is necessary to provide awareness to youngsters and business society regarding it. The Govt. should provide awareness and encourage business society to invest in the Islamic mode of finance. There is a need to take a step in the favor of those people, who have become a victim of riba. We should protect all people, who directly or indirectly destroyed their financial life due to riba; and want to get rid of it. The story of these people tells those people; who think that riba is the only solution for their problems. All types of interest-based investments must be banned in favor of people.

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