

Riba in Islamic Economics and Finance: A Review

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Islam, Judaism, and Christianity prohibit Riba from economic and finance. The firm refusal of the practice of riba is because it negatively affects society, spiritual morals, social life, and the economic sector. This study aims to find out the development map and trend of riba published in Islamic economics and finance. The data analyzed were more than 169 research publications indexed by Scopus. The export data is then processed and analyzed using R Biblioshiny software to determine the bibliometric map of the development of riba. The result shows that the number of publications on the development of riba in Islamic economics and finance research increases continuously. This study provides a comprehensive explanation of usury and finds that usury negatively impacts both spiritually, socially and economically. This study is a comprehensive study that discusses the theme of redefining riba in bibliometric analysis.

Keywords: Riba; Interest; Scientometric; R

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INTRODUCTION

Islamic finance is basically about religious identity. It is well known that the prohibition of *riba* distinguishes the contemporary Islamic finance industry from the non-Islamic or conventional finance industry. *Riba* does not have a proper translation in English. Some misinterpreting it equates it with excessive interest (Berg & Kim, 2014). Islamic financial institutions are theoretically distinct from conventional financial institutions since interest (*riba*) is banned in Islam, which means that banks are not permitted to give a set rate of return on deposits or charge interest on loans.

The term *riba* is mentioned in the Qur'an, Sunnah and pre-Islamic history that paved the way for this research. Many people in the past understood that *riba* led to deprivation and loss of welfare among humans, although some continued to practice *riba* on loans. The dispossession and unethical consequences of usury continue to grow, and its negative implications are increasingly felt in the economic and social sectors until finally *riba* is prohibited in four stages in the Qur'an. However, transactions based on *riba* financing had indeed been practised among pre-Islamic peoples, where lending by collecting *riba* was the culture among wealthy Arab merchants.

The Qur'an then allows trade to generate profits with good manners and should not be confused with elements of *riba*, *gharar* (speculation), and *maysir* (gambling) (Choudhury et al., 2018). The firmness of the Qur'an in prohibiting *riba* shows that it has a very negative impact. *Riba* in financial transactions is a variable that destroys the economic order for any society. This warning regarding the prohibition of *riba* should be taken into consideration seriously.

Islamic finance has been appearing to provide an alternative in helping Muslims to avoid *riba* in modern life. However, misunderstandings can lead to legalistic or mechanistic avoidance of *riba* without avoiding the damaging effects of unfair and unacceptable profits at a more comprehensive level (Farooq, 2019). The banking system was almost destroyed due to the high interest rates in the banking sector that no customer could afford. Under these conditions, there is a need for alternative financial institutions that can break through these obstacles. This is because the empirical facts of conventional banking are very volatile and easy to be affected by the problem of negative spreads, which solely rely on the *riba* system, which is self-destructive, resulting in economic instability.

History shows that the fundamental reason for the community's need for an alternative system of borrowing and depositing money at conventional banks based on *riba* is the prohibition of *riba* itself. Several previous studies have suggested the use of alternative benchmarks in Islamic

financial institutions as soon as possible because of the opinion that using interest rates as a benchmark for halal business activities is not allowed and the need to advance the basic philosophy of Islamic economics in Islamic financial institutions (Ahmed et al., 2018).

Islamic banks are prohibited from conducting transactions based on *riba*. They manage funds mainly based on *mudharabah* (profit sharing) contracts (Khan, 2010). So as an additional substitute in customer deposits, Islamic banks offer investment accounts with returns that depend on the return of assets in which the bank invested customer funds. In contrast to conventional deposits, these investment accounts generate variable periodic returns, which may be harmful (losses) so that only one party benefits (Archer et al., 1998; Kamla & Alsoufi, 2015).

In Judaism and Christianity, the prohibition of *riba* is as strict as it is in Islam. Both religions strongly advocate unconditional debt relief (or benefits) in financial activities and oppose *riba* and interest. However, the ban has been weakened over time through the views of experts. Islam is the only religion that still maintains the prohibition of *riba* despite the spread of the *riba*-based financial system, one of the most widely used sectors in the economy (Bayindir & Ustaoglu, 2018).

Islam is a religion that maintains the prohibition of *riba*. In Ancient India, laws based on the Vedas, the oldest scriptures of Hinduism, condemned *riba* as a grave sin and forbade *riba* operations. In Judaism, the Torah prohibits *riba* among the Jews. In Christianity, strict prohibitions or restrictions on *riba* were in effect for more than 1400 years. All this indicates that the withdrawal of any usury is prohibited. However, gradually only exorbitant interest was considered to contain elements of *riba*, and *riba* laws prohibiting such excessive interest are still in effect today in many Western countries (and some Muslim countries) (Latifa, 2001).

In the 1960s, when the post-independence countries of the Muslim world, the development of sharia-compliance economic activities became one of the main goals. Avoiding the involvement of *riba* activities is a priority as the Qur'an emphasizes the implications of engaging in such activities (Haniffa & Hudaib, 2010). *Riba*, in general, literally means addition, extra, expansion or growth. However, not every addition is prohibited by Islam. In the terminology of shariah, there are so many definitions put forward by scholars. However, in substance usury technically refers to the excess that is required by one of the two people who have the transaction (debt) that the borrower must pay to the lender as long as the principal amount is in the condition of the loan or extension of maturity (Meera & Larbani, 2009).

The debate about riba in the treasury of Islamic thought always raises differences of opinion among Muslim scholars, both in classical, medieval and modern times today. These differences of opinion arise, especially in modern times, because there is still no uniformity of thoughts and views from Muslim scholars regarding the law of bank interest. Does the bank interest include riba, as emphasized by Islamic banking theorists, which was initiated by Muslim scholars from traditionalist groups who have more conservative thoughts? Alternatively, is it not riba, as critically explained by other Muslim scholars of modernist groups (Wartoyo, 2010).

Some scholars from the Hanafi school said that riba is an additional requirement in business transactions that are contradicting to shari'ah. There are several other opinions in explaining riba. However, in general, there are similarities that state that riba is an additional decision in buying and selling or lending and borrowing that is vanity or contrary to the principle of muamalah in Islam. In this sense, some scholars state that riba has the same meaning as interest. However, the term riba is used in shari'ah in two more specific senses: riba al-nasi'ah and riba al-fadl (Ismail et al., 2012).

According to the explanation above, the authors discuss the term riba in Islamic economic and financial research that Scopus has indexed. Because, so far, there is still very little or even no research discussing the maps research and studies related to the riba. Therefore, this study aims to find out the development map and trend of riba published by well-known journals in Islamic economics and finance.

This research is structured as follows. The second part discusses, in general, the background theory on riba and several previous studies. The third part describes the methodology. The fourth section presents and reports the bibliometric analysis of riba in Islamic economics and finance. The fifth part is the paper's closing, which contains a summary of the main discussions and recommendations.

LITERATURE REVIEW

The term riba is used in Islamic literature as 'additional', which is categorically prohibited in the Qur'an (Kula, 2008). The direct object of the Quranic injunction involving riba is the people of the pre-Islamic Arabian Peninsula centered on the cities of Mecca and Medina, so it can be concluded that riba has been practised pre-Islamic times. Transactions involving usury differ from ordinary trade transactions in which the seller exchanges a commodity instead of another or a specific value representing the goods, such as money. The Quran forbids usury in its complete form (Meera & Larbani, 2009). There

is some alleged historical evidence of how pre-Islamic riba was practised (Mews & Abraham, 2007).

Riba means addition. It can be defined as an unfounded excess in transactions or an increase in the principal capital. The concept of the advantages of lending money is known as riba jahiliyyah in Islamic jurisprudence, which is prohibited in the Qur'an (Syed & Omar, 2017). Islamic scholars analyzed that the type of riba is essentially a period-based addition. Riba is classified into two categories, riba al-fadl and riba al-nasiah. Both types are analyzed regarding the hadith that describes the six ribawi items (Bayindir & Ustaoglu, 2018; Louhichi et al., 2019).

Etymologically, riba means additional (Asy-Syathiri, 1997) because, in practice, the party who lends something asks for additional from something that is lent (Ismail, 2012). However, not all additional forms of the principal capital transacted are prohibited in Islam. Profits earned in a business also can increase the principal value of the capital invested, but this profit is not prohibited in Islam (Dimyauddin, 2008).

In English, Abdullah Yusuf Ali and Muhammad Asad equate riba with usury (Sunarto, 2007). It is just that the term usury means limited to interest that is too high/excessive or in the Qur'anic term is *adhb'afam mudha'afah*. Thus, low interest, not doubled, does not fall into the category of riba or usury (Habib and Hassanuddin, 2004).

In fact, in addition to the term usury, to designate riba or interest, the term interest is also used in English. This term refers to the usual and natural meaning of interest, the opposite of usury. Some Muslim scholars view there is a difference between usury and interest. Usury is the interest paid on loans for consumption (not production) activities, as was the case in pre-Islamic times. This is what is known as usury.

In comparison, interest is excessively paid on loans used for production activities. According to them, interest is permissible and does not conflict with the Qur'an because the prohibition in the Qur'an refers to the prohibition of riba or usury. Even though the mention of usury and interest in the name of riba has the same meaning, the only difference is the level. It is called riba by the name of interest (Indonesian), interest, usury (English), rente (Dutch), or other designations will not change its nature because the essence is the same. Everything is forbidden in Islam. Interest on loans used for consumption or production is the same as riba because they both oppress the borrower (Kholis, 2006).

In the Qur'an, the word riba and its various forms of derivation are mentioned 20 (twenty) times, 8 (eight) of which are in the form of the word riba itself. This word in the Qur'an is used with various meanings, such as addition,

increase, fertilizing, expanding, becoming large and many. Even though all of them is different meanings, generally, *riba* means to increase, both qualitatively and quantitatively (Saeed, 1996).

In terminology meaning, *riba* means a unique addition that is owned (taken) by one of the two parties involved (debts or buying and selling of usury goods) without any particular reward (Al-Muslih, 2004) or a contract that occurs on the exchange of specific goods that it is not known the balance/similarity according to shari'ah law, whether it is done when the contract takes place or by ending the exchange of one object or both (Suhendi, 2008). Ahmad (2009) defines *riba* as an excess of property without the required compensation in a transaction (contract).

According to Kholis (2006), *riba* is taking an additional, both in trade transactions and loan in vanity or contrary to the principle of muamalah in Islam. Thus, there are three elements attached to *riba*, namely; (1) There is an addition or excess to the principal of the loan, (2) The determination of the addition or excess to the principal of the loan is related to the added time element, and (3) The excess or addition to the principal of the loan is agreed upon at the beginning of the contract or contract.

Riba is haram based on the arguments contained in the Qur'an, al-Hadith and supported by the consensus of the scholars. In the Qur'an, according to al-Maragi, the process of prohibiting usury is not all at once but gradually (Haroen, 2007). Thus, the process of prohibiting usury is similar to the process of prohibiting *khamr* (Kholis, 2006).

Riba can be the form of interest (and is thus prohibited in certain situations) (Farooq, 2012; Wilson, 1997). In the prohibition of *riba*, Islam seeks to build a society that is based on justice. According to Islam, all income must be commensurate with the work effort. Lending money with *riba* allows the lender to increase his capital without effort because money does not create surplus value by itself. Only through the collaboration of labour and capital can a surplus or deficit be generated. Thus, it is fairer for the provider of capital to share profits or losses with the borrower than to obtain a fixed return, regardless of the loan outcome (Presley & Sessions, 1994).

Theoretically, *riba* has a much wider field of application than loans. *Riba* can reverse any transaction involving the exchange of two or more values. Barter and exchange of money are some of the transactions that are vulnerable to *riba*. Practically, many people believe that the prohibition of *riba* is only the prohibition of paying and receiving interest on money loans (Saleh, 1991). Equating *riba* with overpayments and above the principal amount of the loan, even though the prohibition of *riba* is not only about interest (Siddique, 2020).

Although conceptually, the terms *riba* and interest share some similarities, ignoring the difference is intellectual negligence. This is especially so when the characterization of Islamic finance as interest-free finance has been used as a justification for distinguishing between Islamic finance and conventional finance. The problem is whether it is possible to do finances without involving usury at all, or as they say, without interest. Some studies argue that there is a difference between claiming interest-free and *riba*-free. Other research states that Islamic finance is more accurately called *riba*-free finance than interest-free finance.

Based on the Qur'an and Hadith, some scholars divide the types of *riba* into *riba al-nasi'ah* and *riba al-fadhl*. *Riba al-nasi'ah* is related to loans. They illustrate that *riba* associated with a loan only exists when three elements are present. The elements are loan contracts (*qardh*), additional fees (*ziyadah*) and provisions (*shart*). If one of these elements is missing, *riba* does not exist in the transaction (Suharto, 2018). The principles of the prohibition of *riba* must be explained further, not only from the perspective of shari'ah compliance but also from the context of the prohibition of exploitation to realize social justice for the benefit of society (Suzuki & Miah, 2021).

The history of the Prophet Muhammad (peace and blessings of Allah be upon him) shows that he took all necessary steps to eliminate *riba* from the economy at that time. His successors, the four Caliphs and their companions inherited the usury-free economy. Preventing the re-emergence of *riba* is their primary concern in the economy. Therefore, they focus on what needs to be avoided. The same thing happened when the foundations of *fiqh* were laid at the beginning of the 2nd century after the Hijra. The jurists pay great attention to defining *riba* and explaining the cases in which it can arise. This means that the opportunity to explore the issue of *riba* from another point of view is still wide open (Tahir, 2014).

Regarding the prohibition of *riba* in Islam, Algaoud and Mervyin (2001) said that taking *riba* means taking someone else's property without giving anything to him in exchange, where the lender receives something without being accompanied by any sacrifice. Dependence on *riba* eliminates the enthusiasm of people to work in making money. Allowing the taking of *riba* will also discourage people from doing good deeds. If *riba* is prohibited, people lend to each other with good intentions without expecting excess from those who borrow. The lender may be the rich and the borrower the poor. The poor will be exploited by the rich through the imposition of *riba* on loans.

METHOD

The following table lists the types of documents used in the research using the keyword *riba*. The number of documents analyzed was 169 documents which were divided into five types of documents, including journal

articles (125 documents), volumes/book chapters (32 documents), conference papers (5 documents), review (5 documents) and editorial (2 documents).

Table 1: Type of documents

No	Type of documents	No of Articles	Percentage
1	Journal Article	125	73.96%
2	Book Chapter	32	18.93%
3	Conference Paper	5	2.95%
4	Review	5	2.95%
5	Editorial	2	1.21%
Total		169	

Documents in the form of journal articles are the most frequently used document types as research subjects with the keyword "*riba*," accounting for 73.96 percent of all research subjects with the keyword "*riba*" and comprising as many as 125 documents. Editorials account for only 1.21

percent of all research subjects, with the keyword "*riba*" comprising as many as two documents. Based on the kind of document, it can be determined that the references utilized are reasonably valid because the vast majority of them are from scientific publications that Scopus index.

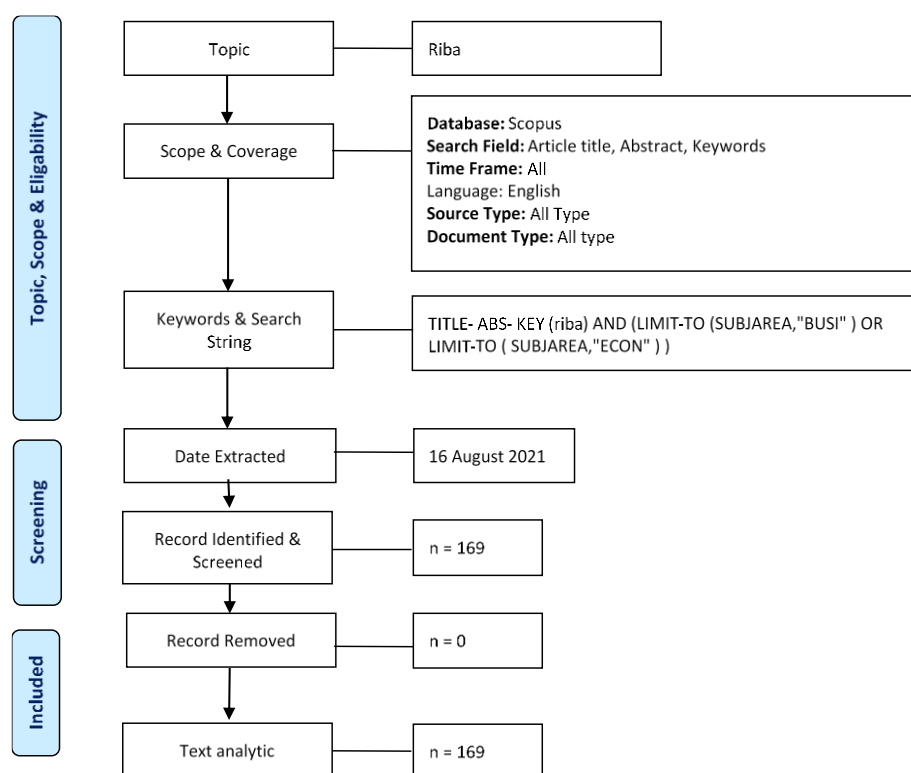


Figure 1: Flow diagram of the search strategy

Source: Zakaria et al. (2020), modified

The review process was carried out on August 16, 2021. Figure 1 illustrates the three steps in identifying research documents, namely eligibility, screening, and inclusion, involved in the systematic review process. The

keywords that will be used in this study that try to answer the research questions above. Some general statistics from the data set are presented to get an overview of research

related to good governance, and all articles that fulfil the search query are evaluated from text analysis.

Furthermore, the research documents were analyzed using the biblioshiny software, a free software supported by the R environment (CRAN, The Comprehensive R Archive Network, <https://cran.r-project.org/>), which provides a set of tools for quantitative research in bibliometrics and scientometrics (Aria & Cuccurullo, 2017). In the bibliometric literature, the most significant attention is on the construction of bibliometric maps. Research is concerned with the effect of differences on the similarity of measures (Ahlgren et al., 2003), and they are tested with different mapping techniques (Boyack et al., 2005). Then, a text analysis will be carried out on the results of bibliometric mapping related to "word". Researches using bibliometric on Islamic economics and finance for the example can be found at Ruhana (2021), Niswah (2020), As-Salafiyah & Rusydiana (2022), Riani (2021), Sari (2022), Uula (2022), Izza (2022), Gunawan & Herman (2022) and also Nuraini (2021).

Most Relevant Words

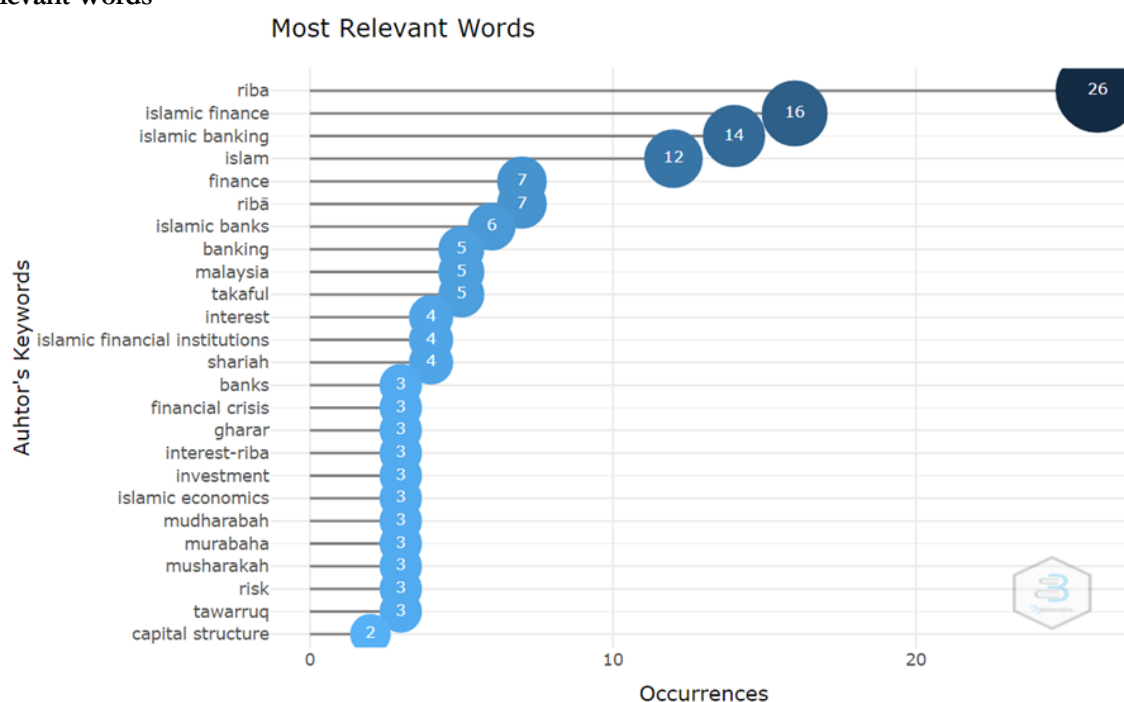


Figure 2: Most Relevant Words

Most relevant word analysis was performed on keywords from each text when there were numerous terms with occurrences ranging between zero and twenty-six times. The picture above depicts the 25 most relevant terms found in the study collection linked to the keyword "riba," as determined by the research team.

The word *riba* itself has the largest number of appearances and is the most related to the term *riba*, which is the most often occurring word, appearing 26 times in the

RESULTS AND DISCUSSION

Text Analysis

Text analysis was carried out using R-studio and biblioshiny software developed by Massimo Aria and Corrado Cuccurullo from the University of Naples and Luigi Vanvitelli from the University of Campania (Italy). Text analysis is carried out by analyzing more deeply in searches related to words that often appear in the theme of *Riba*. This is intended to add references that the government can make in tackling social problems based on existing research from worldwide.

To explore the meta-analysis results, in this section, a visual mapping chart of 169 documents related to *riba* will be presented. The results of the keyword mapping analysis become the basis for mapping together important or unique terms contained in certain documents. Mapping is a process that enables one to recognize elements of knowledge and their configuration, dynamics, interdependencies and interactions.

top 100. With 16 instances, Islamic finance is the second most-often occurring word associated with the topic of *riba*. Furthermore, the third and fourth most relevant terms are connected to Islamic banking and Islam themes, with the words appearing 14 and 12 times, respectively, in the top 100 most relevant words. The Islamic banking industry has dominated study on *riba*, which explains why the Islamic banking sector has dominated research on the subject thus far.

The problem of bank interest/riba in Islam was discussed in a study entitled Critical Muslim Intellectuals' Discourse on the Issue of 'Interest' (riba): Implications for Islamic Accounting and Banking (Kamla & Alsoufi, 2015). When it comes to Islamic accounting and banking, this article highlights the importance of incorporating critical discussion and CMI thinking into these professions if these fields contribute to promoting socio-economic justice and seeking alternatives to their conventional and neoliberal competitors.

Presley & Sessions (1994) found that the Qur'an bans the payment of usury, and investors must be rewarded in other ways in order to avoid being penalized. Mudarabah (profit-sharing contract) is the most common method of remuneration in Islamic financial institutions. Mudarabah is defined as a profit-sharing contract in which a lender receives a return corresponding to a predetermined ratio of the project's profit to loss returns in which they have invested.

Word Cloud

Furthermore, essential terms from research linked to the topic of *riba* will be presented in the document title in the form of a word cloud, which will be exhibited in the document's body. A word cloud is a visual representation of the words that often appear in a collection of data papers that have been studied using keywords from the title and the topic "*riba*." The globe cloud presents a picture of the words presented in varying sizes depending on the quantity of the number of words that appear on the screen in question. When it comes to placement, word clouds tend to be haphazard, but the words that dominate are put in the centre of the cloud so that they are more apparent due to their relative size being greater. The results of this study were derived from an examination of the document's title, which was used to generate the global cloud.



Figure 3: Word Cloud

Following the document abstract analysis findings depicted in figure 3, the most prevalent terms associated with *riba* were identified as Islamic, *Riba*, Financial, and Banking. *Riba* is primarily discussed in the context of "Islamic banking" in the majority of current research. Because the word "*riba*" is closely associated with society, this explanation is valid. Researchers have looked into *riba* in the context of How "Islamic" is Islamic banking? (Khan, F. 2010), Islamic Finance Ethics and Shari'ah Law in the Aftermath of the Crisis (Nienhaus, 2011), Islamic Finance: From Sacred Intention to secular goals? (Haniiffa & Hudaib, 2010), Islamic Law and Finance (Haniiffa & Hudaib, 2010), and Islamic Finance: From Sacred Intention to secular goals? (Ismail & Tohirin, 2010).

Research from [Berg & Kim \(2014\)](#) shows the relationship between usury and Islamic banking and Islamic economics. They said that not all riba is a source of fascination. In contrast, some transactions are pretty similar to interest payments in that they provide explicit recompense for the time value of money but are not deemed riba in the opinion of authoritative voices on Islamic law. In the inspired scriptures on which Islamic law is founded, the concept of the temporal worth of money is explicitly accepted, albeit it is not uniformly prohibited.

The prohibition of *riba* is one of the most critical religious principles that distinguishes the current Islamic finance sector from its non-Islamic or conventional financial services equivalent. Several researchers stress the fact that

there is no clear translation in English. They criticize people who mistake it merely as excessive or usurious payment of interest or who view it as driven by a general moral instruction to be friendly and avoid exploiting the vulnerable. On the other hand, many economists suggest that the ban of *riba* should be viewed as an institution that facilitates advances in economic efficiency and social fairness in immediately obvious ways to students of economic theory.

Examples include requiring contracts to specify fluctuating equity stakes (i.e., marking asset values to current market prices) without relying on conventional credit and interest-rate financing, which can help avoid counter-party risk and save contract enforcement costs in the event of bankruptcy. A similar interpretation is that the prohibition of

riba incentivizes myopic decision-makers to use mutually owned profit/loss sharing as a commitment device that helps them avoid temptation while producing more significant accumulations of capital, thus predating by centuries the literature in behavioural economics on dynamic inconsistency.

Word Tree Map

Next, relevant words in research related to the theme of *riba* in abstract documents will be displayed in the form of a word treemap. Word TreeMap displays words that often appear in squares similar to regions or regions on a map, where the more words that appear, the larger the square area.

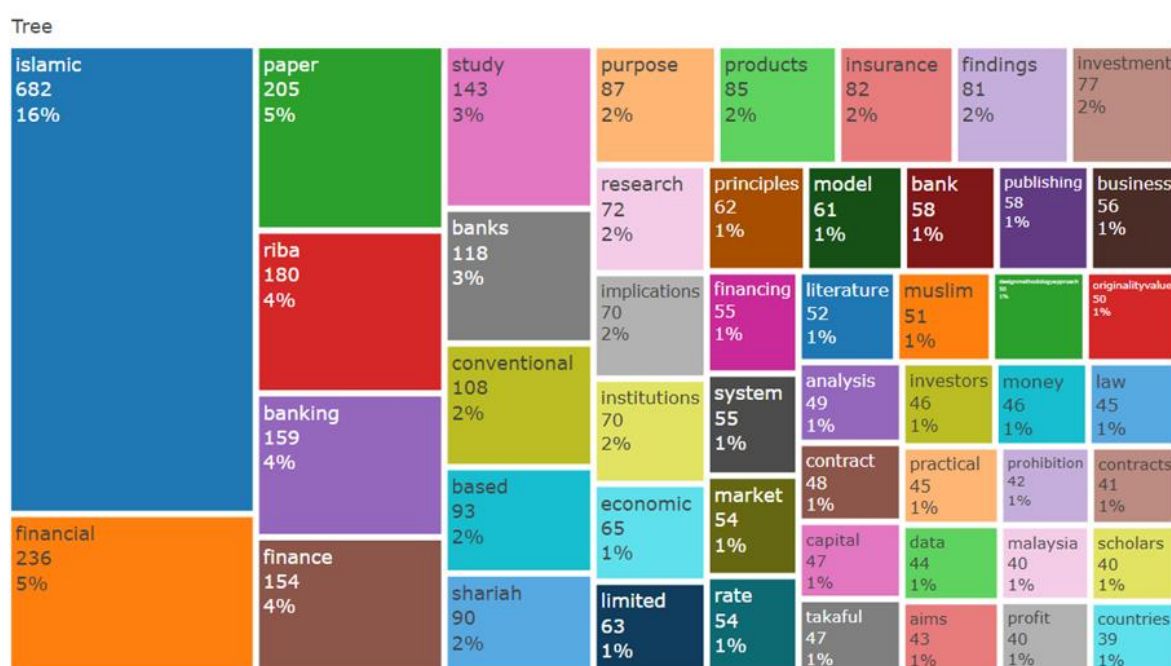


Figure 4: Word Tree Map

Based on figure 4 of the analysis of the document abstract, it was found that the most dominant words in the research with the theme of *riba* were Islamic, financial, *riba*, banking and finance. Most of the research related to the theme of *riba* currently discusses "Islamic banking". In people's daily lives, the word "*riba*" is relatively closely related to the problems of Islamic banking that are occurring in Indonesia.

Research conducted on *riba* is entitled Islamic Law and Finance (Ismail & Tohirin, 2010), which discussed the characteristics of shari'ah contracts implemented by Islamic banking and finance, primarily relying on profit-sharing mechanisms that carry the spirit of cooperatives, for instance, *mudharabah* (profit sharing) and *musyarakah* (partnership). The development of equity partnership

instruments in the financial system requires different arrangements and institutions to achieve Islamic goals through economic/financial activities.

Kula (2008), in his research, stated that unfortunately, a significant portion of the Islamic world has been unable to transition away from the restrictive notion of interest (*riba*) to a more flexible meaning to speed their economic development and alleviate their economic development poverty. The Islamists did not intend to suffocate or impede economic progress. However, their failure to discern between competitive interest rates in the modern world and the Medieval idea of usury, which applied to consumer loans at excessive rates that enslaved consumers, created difficulties.

Word Dynamic

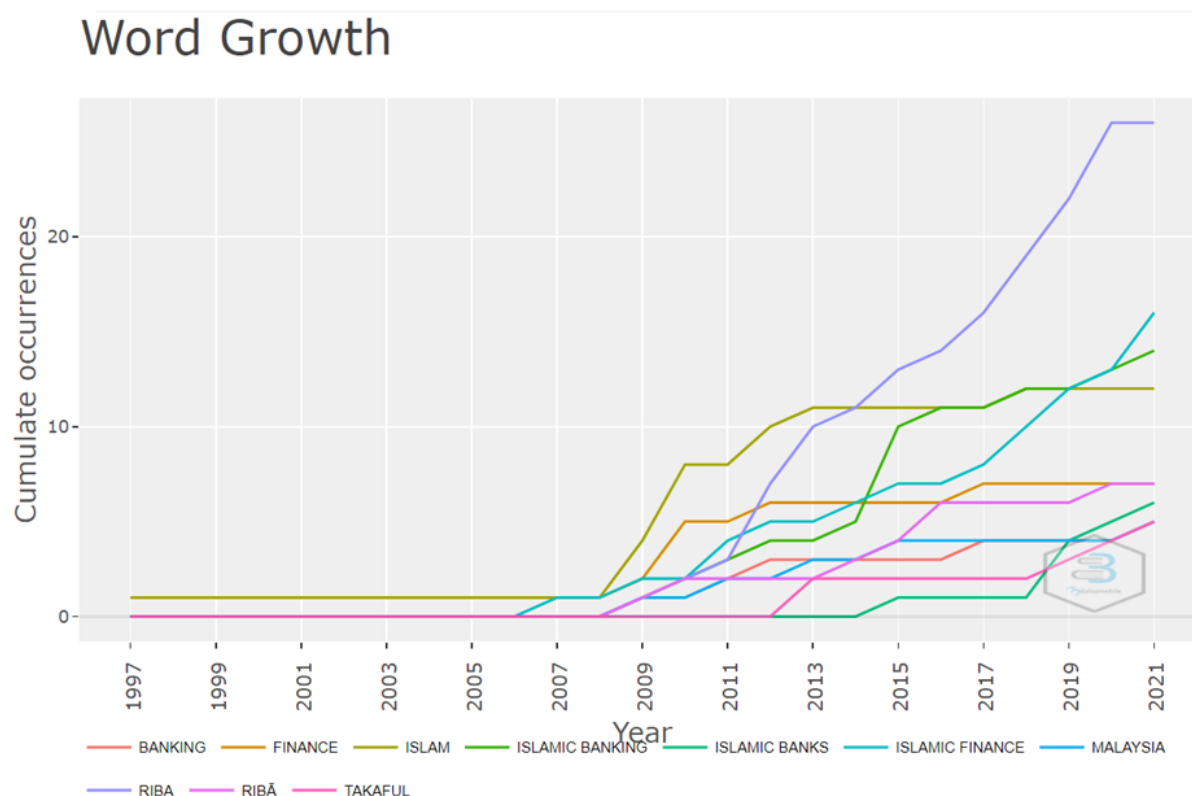


Figure 5: Word Dynamic

Following the figure of the analysis of keyword documents, in research on the topic of *riba*, words that often arise are also characterized in the form of a development curve each year with an annual occurrence value, as shown in the figure of the analysis of keyword documents. The average amount of these keywords occurring in the data collection investigated in the study with the topic of *riba* is shown in this result, which is shown every year in this research. Figure 5 indicates that the majority of words that occur often and have begun to develop since 2008 have continued to rise until 2021, with the majority of terms appearing more frequently since 2008. The research with the most significant rise in occurrence is keywords linked to *riba*, as shown in the figure above, and it has a high significant potential to develop continually, as shown in the table below. However, in 2008, keywords linked to Islam reached their peak importance before declining in 2013. In 2013, keywords related to Islam began to plateau.

Archer (1998) stated that because Islamic banks are forbidden from engaging in transactions involving the payment of *riba* (interest), they mobilize money primarily via the use of the *mudaraba* (profit-sharing) kind of contractual arrangement. As a result, Islamic banks provide investment accounts in place of interest-bearing client deposits, which is determined by the return on the pool of assets in which the bank invests the customers' funds. Therefore, in contrast to regular deposits, such investment accounts provide a variable monthly return, which may even be harmful in some instances (a loss). As a result, Islamic investment accounts are a type of equity investment with a restricted time horizon.

He also defined *riba* as technically translated as usury in the original Arabic, but current Islamic scholars understand it as synonymous with interest. It is also possible for Islamic banks to employ the *mudaraba* contract (as well as other kinds of contract) in their fund placements rather than investing in interest-bearing assets.

Trend Topic

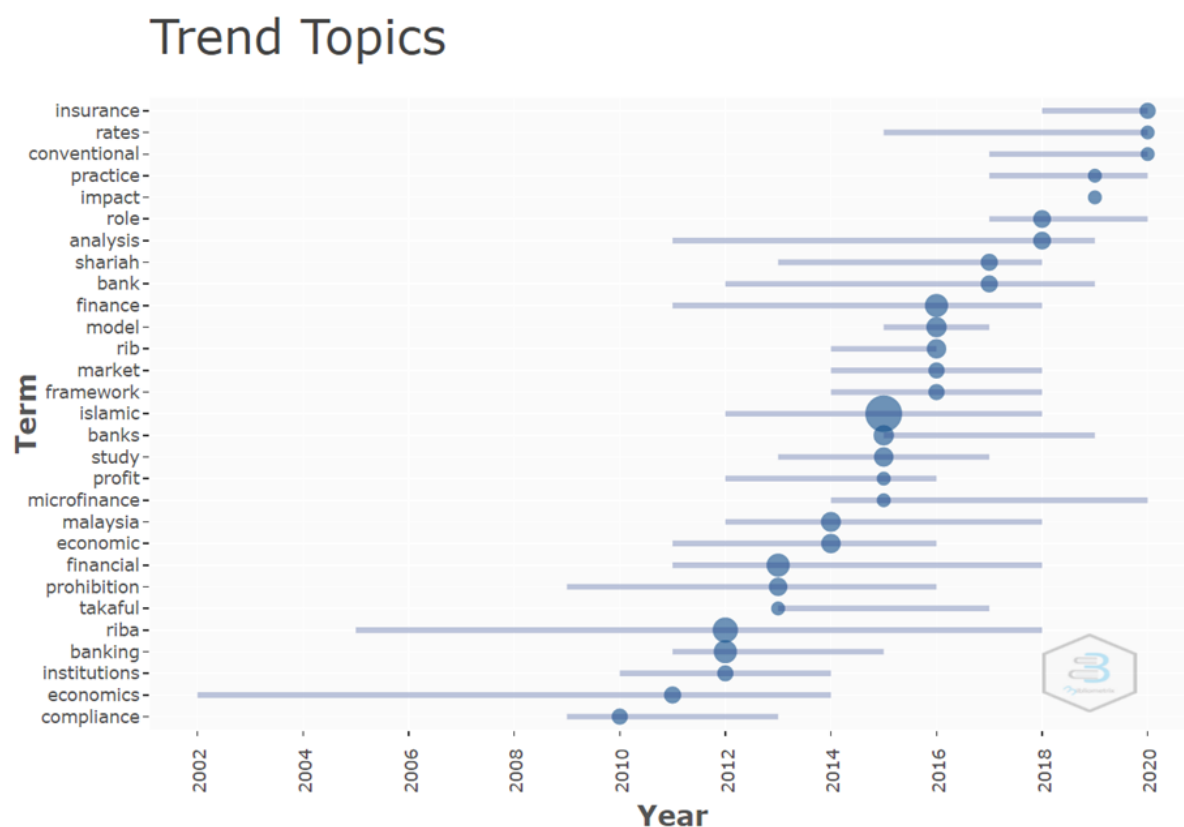


Figure 6: Trend Topic

Based on the figure related to the theme of riba, the trending topic is also an essential part of this research. The figure above shows an overview of the development of topics related to riba from time to time with the division per year, so it is known what topics have been used for a long time and what topics have been used recently. The trend of this topic also considers the frequency value of each word indicated by the log axis.

So, in addition to looking at annual trends, the emergence of topics is also adjusted to the frequency with which words appear in research themes related to riba. The higher indicates, the more the word is used, and the further to the right, the more recently the word has been used. The development of the theme of riba began to experience a significant increase since 2011.

Based on the description of the data above, the topic that has been used since 2002 in research with the theme of usury is the word economics, but only able to survive until

2014. Since 2011 several new words have started to appear, which can last until 2020 and grow every year. The word insurance appeared most recently in 2018 due to the current public health problems, which impact banking activities.

It is stated by [Kamla & Alsoufi \(2015\)](#) that the failure of traditionalist scholars to develop economic reasons related to the prohibition of usury has a significant impact on more severe and urgent efforts towards equality and social justice in Muslim societies, as well as the development of a just financial system. Certain scholars widely agree that, in the current context, it would be incorrect to assert that banks do not share risk with investment borrowers. It has been acknowledged in the disciplines of banking and finance that the costs of finance and risks to lenders exist. Interest rates are frequently intended to occupy the same position as prices and perform the critical function that any pricing mechanism performs in the financial markets.

Co-occurrence Network

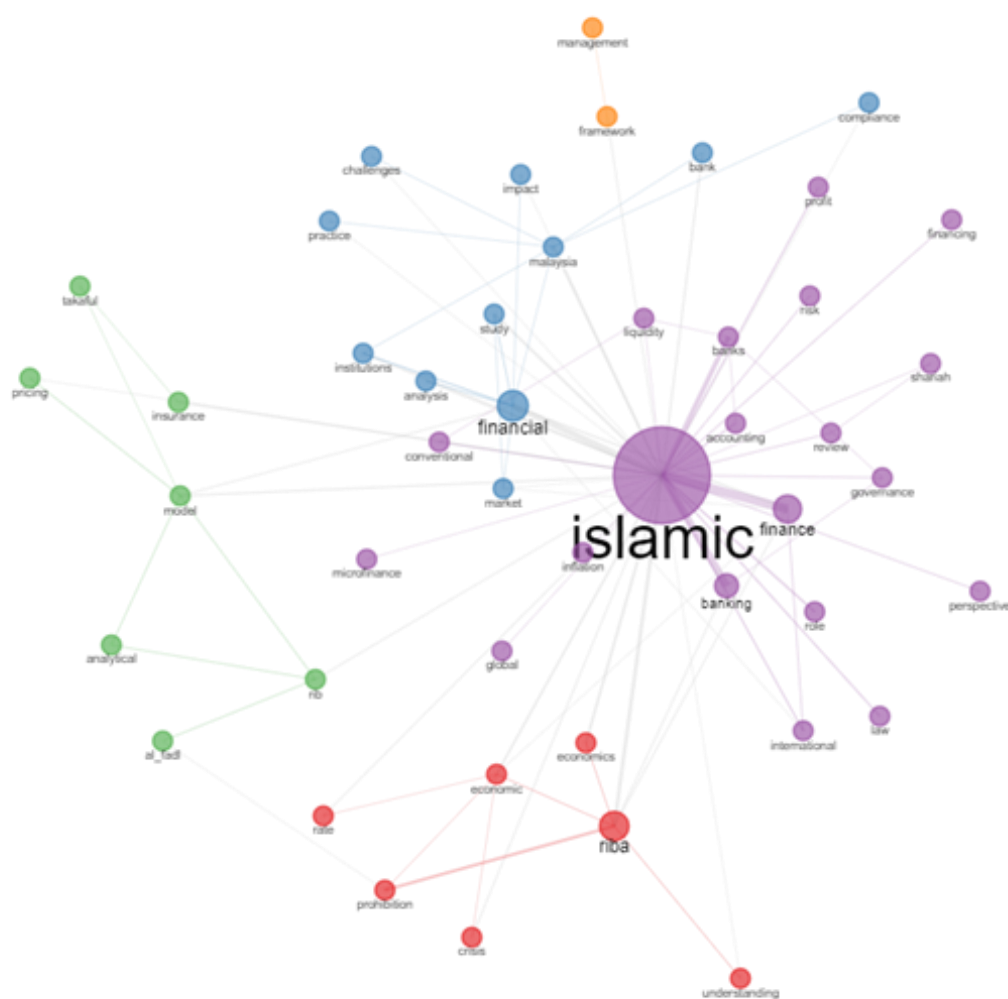


Figure 7: Co-occurrence Network

The co-occurrence network displays words related to the title of documents related to the theme of riba in the form of coloured clusters by considering the relationship between one word and another. Some keywords that often appear in research with the theme of riba are divided into 5 clusters, namely:

- Cluster 1, in red colour, consists of keywords: Riba, Economics, Economics, Understanding, Rate, Prohibition, and Crisis.
- Cluster 2, in green colour, consists of keywords: Insurance, Takaful, Pricing, Model, Analytical, Al-Fadl, and Rib.
- Cluster 3, purple colour, consists of keywords: Islamic, Finance, Banking, Conventional, Microfinance, Global, Inflation, Role, International, Law, Perspective, Governance, Profit, Financing, Risk, Shariah, Banks, Liquidity, Accounting, and Review.
- Cluster 4 orange colour, consists of keywords: Management and Framework.
- Cluster 5 blue colour consists of keywords: Financial, Market, Analysis, Study, Institutions, Impact, Challenges, Practice, Bank, and Compliance.

According to Ismail et al. (2018), the Qur'an includes a clear and unequivocal prohibition against riba (adultery). For example, some Islamic jurists have interpreted Riba as "usury," "usurious interest," or "usury," while others have interpreted the word as "interest at any rate." The term riba (which translates as "adding" in Arabic) refers to any amount added on top of the amount that has been lent, and it covers usury and interest at any rate. The Riba (interest) is translated as usury in the following passages from the Qur'an for the sake of clarity.

Riba can occur in both the exchange of products and the lending of money. With the advancement of social and economic growth, the issue of buying and selling and the practices of borrowing and lending have grown in

importance. Moreover, the issues of loans and exchanges are intertwined. Several loan deals are on the verge of becoming sales. As a result of the fact that there are several assumptions, the riba is believed to have granted permission

in some instances. However, according to Shari'ah regulations, the use of interest in a transaction is not permitted. In terms of how we conduct business, Riba is considered a component of the banned transaction.

Thematic Map

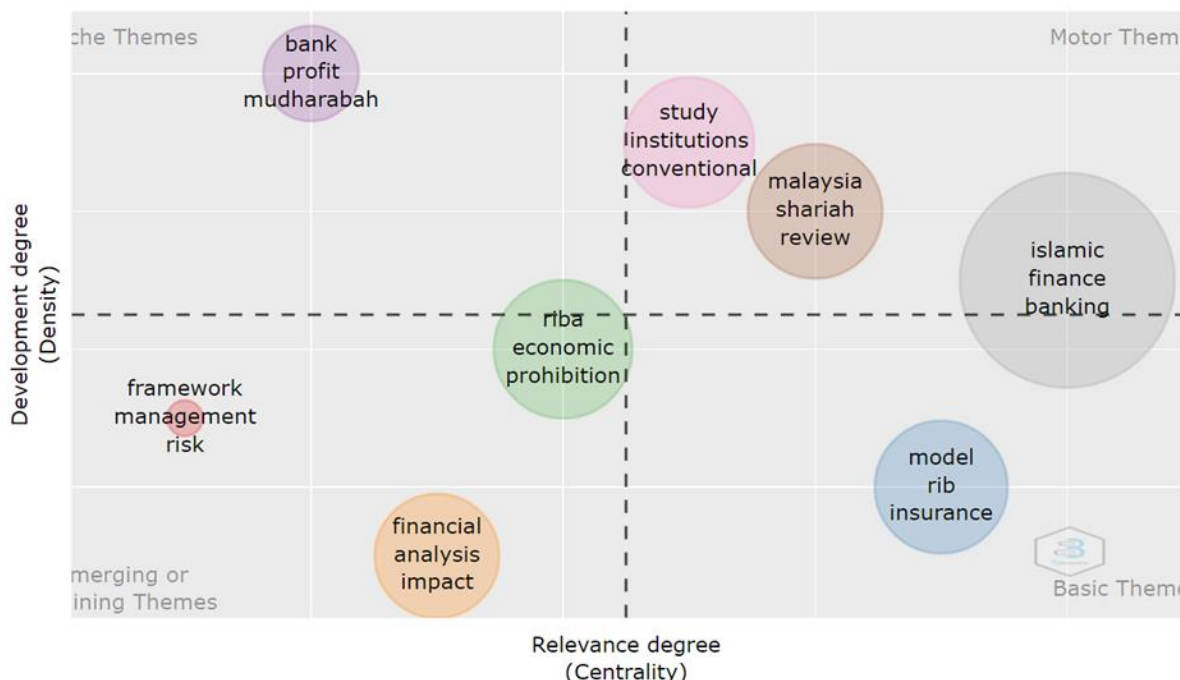


Figure 8: Thematic Map

This research will also analyze the thematic map based on density and centrality, which is analyzed based on the title of the document with the theme of riba, divided into four quadrants. This result is obtained from a semi-automatic algorithm by reviewing the titles of all references to the object of research.

The upper left quadrant is a highly developed and isolated theme. Quadrant shows specific themes and is rarely studied but have high development, which is indicated by high density but low centrality. The themes in this quadrant are the bank, profit and mudharabah. While the lower left quadrant represents emerging or declining themes, this quadrant shows themes that have been used for a long time but experience an increasing or decreasing trend with low density and centrality. The themes in this quadrant are riba, economic, prohibition, financial, analysis, impact, framework, management and risk. Seeing developments with the sub-theme of riba in recent years, the trend of words in this quadrant has increased.

While the upper right quadrant is a motor theme or a driving theme characterized by high density and centrality, it needs to be developed and is essential to be studied in further research. The themes in this quadrant are study, institutions, conventional, Malaysia, shariah, review, Islamic, finance, and banking. Finally, the lower right quadrant is the

primary and transverse theme characterized by high centrality but low density. These themes are essential to be included in the research because they are general topics that are commonly used. The themes that appear in this quadrant are models, ribs and insurance.

According to [Bayindir & Ustaoglu \(2018\)](#), the term riba refers to the concept of interest in Islamic literature, and it is explicitly forbidden in the Quran. Because the inhabitants of the pre-Islamic Arabian Peninsula, centred on the towns of Mecca and Medina, were the direct interlocutors of the Quranic injunctions regarding riba, it may be reasonably assumed that riba was a pre-Islamic practise across these locations. A riba transaction is distinct from a typical sale transaction, in which a seller trades a commodity in return for another or a value-representing object, such as money, in exchange for another commodity. Riba is categorically forbidden in the Quran in its final form, without any qualification or restriction. In this case, the only restriction or qualifier that can be recognized is that it was only the type of riba performed either in the Meccan or Medinan communities forbidden. There is some conjectural historical evidence concerning what the practice of riba was like before Islam's advent. Even though it is impossible to define riba fully, it is apparent that the interlocutors of the Quranic verses, including riba, were well aware of what it

signified. Because the notion of *riba* is sometimes regarded as being related to the concept of financial interest, any

thorough investigation should consider how pre-modern Muslim civilizations dealt with these two concepts.

Thematic Evolution

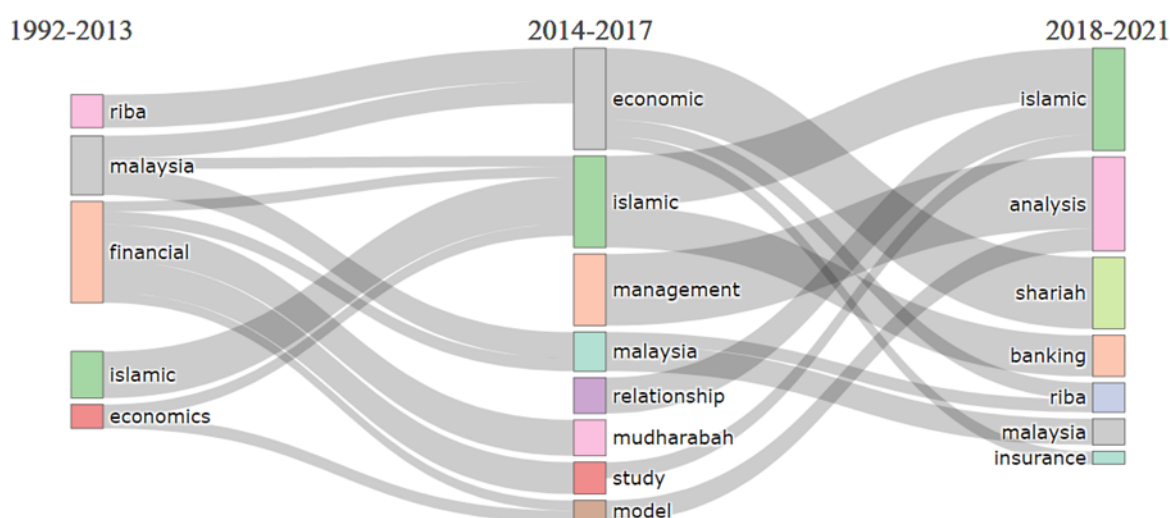


Figure 9: Thematic Evolution

The theme used in the paper that is the object of research continues to change, especially from papers that have been recently published when compared to papers that have been published for a long time. The figure above shows the evolution that is analyzed based on the document's title with the theme of research related to *riba*, which consists of the keyword document title described as a square with the more extended the size, the more widely used. Although the title of this document is related to *riba*, the data obtained shows that many titles are widely used.

The Thematic Evolution is divided into three sections. Where the left side shows some titles that are widely used from 1992 to 2013. There are five titles listed with different sizes depending on the quantity of use of the title. The title "financial" ranks first, followed by the keyword "Islamic".

The second or middle section shows the most frequently used titles in the period between 2014-2017. There are eight titles, of which two titles are an evolution of the themes that emerged in the previous period, namely "Islamic", "banking", and "Malaysia", which is an extension of some of the titles indicated by colourful plots.

The last or right section shows the most used titles from 2018-2021. There are seven titles, where there are two evolutionary keywords from the previous period, namely "Islamic" and "Malaysia", which are extensions of several keywords shown by colourful plots. Furthermore, two new titles are most often used in 2021, namely "riba" and "insurance".

According to Mews & Abraham (2007), from a Western viewpoint, the practice of forbidding *riba* may appear esoteric and illogical and based only on the authority of a religious book rather than as a notion that may be relevant to discussions of modern financial ethics and practices. Recent scholarly investigation into the precise meaning of *riba*, which has been shown by some research to be hotly contested among different schools of Islamic thought, has revealed that its prohibition is part of a broader ethical framework concerned with preserving justice and equity in financial relationships, which is strikingly similar to the contemporary concern with predatory lending. Because of the difficulties in satisfying personal and household debt obligations, the ethics of imposing compound interest on families with limited means of escaping debt bondage must be considered a problem.

DISCUSSION

One of the misconceptions about Islamic economics is that Islamic economics is a new paradigm. However, it should be noted that the concept of Islamic economics itself has existed since the Qur'an was revealed. This also stated that Islamic economics already exists and is older than the foundation theory and western economic paradigm (Presley & Sessions, 1994).

Presley & Sessions (1994) also stated that the most distinguishing concept between Islamic economics and western views is the prohibition of interest (*riba*). This was emphasized by the Prophet during the Hajj wada' or farewell pilgrimage, that he declared justice in the economy by

forbidding riba (Umar et al., 2008). His statement is also stated in Qur'an 2: 279 that with the prohibition of riba so that no one persecutes and is wronged (justice).

Along with the times, the term riba in the Qur'an has been defined and interpreted in various ways during medieval and modern times. In the pre-capitalist period in the Middle Ages, there were two old forms of capital, namely merchants and riba capital. Industrial capital such as machinery, tools, equipment and supplies did not exist in the Middle Ages. In addition, in the modern capitalist era, machines of production and the formation of capital to increase production also did not exist in the medieval period (Haque, 1994).

This age difference has resulted in differences in the law between riba, interest and usury. Technically, riba is a 'premium/excess' that must be paid to the lender by the borrower along with the principal of the debt following the agreement or due to a delay in repayment (Ibn Manzur, 1968). In this sense, riba has the same meaning as interest, according to the consensus of all jurists without exception. Chapra (2008), in his research entitled 'The Nature of Riba in Islam, also concludes that interest and usury are included in the category of riba, this is based on the Mu'tamar al-Fiqh al-Islami in 1951 in Paris and Cairo in 1965, then the meeting of the OIC committee in 1985 and the Rabitah fiqh committee in 1996.

In addition, the term riba in shari'ah consists of two types, namely riba al-nasiah and riba al-fadl. Riba al-nasi'ah, nasi'ah comes from the word nasa'a which means to delay, wait, or postpone which refers to the time of payment of debts and the excess that the borrower must pay. The term riba has been used in Surah Al Baqarah verse 275, "Allah has permitted buying and selling and forbids riba (interest)". Riba al-nasi'ah can also be called riba al-duyun (usury on debt), riba al-mubashir (direct riba), or riba al-jali (obvious riba) (Chapra, 2008).

While riba al-fadl is anything that is received unreasonably as an 'addition' by one of the two parties for a trade transaction, Riba al-Fadl can also be called riba al-buyu (riba in trade), riba ghayr al-mubashir (indirect usury), or riba al-khafi (hidden usury) (Chapra, 2008).

The assertiveness of Islam in the prohibition of usury is an extraordinary contribution to world economic activities. It not only reminds Muslim customers but also influences followers of other religions to return to their teachings regarding the prohibition of riba (Mews & Abraham, 2021). In their research, that there is a very close relationship between religion, finance and ethics. Thus, it is necessary to conduct a historical study of economic activity to achieve fair economic activity without any riba.

Bayindir & Ustaoglu (2018) also emphasized that the three Samawi religions have the same law prohibiting riba or interest. However, along with the development of secularism, Christianity and Judaism did not apply the prohibition of usury strictly as before. Like the Jews, only forbid interest among them and Christians with the thought of St. Aquinas still allows ethical interest. Only Islam still maintains the prohibition of usury both in theory and practice.

The impact of interest (riba) is very destructive. Acharya & Richardson (2010) stated that one of the leading causes of the financial crisis is interest (riba). It also happened while the global financial crisis was hit in 2008, where the customer was unable to pay the interest and lead the sub-prime mortgage crisis in the US was becoming a significant recession in the last 2007 (Rampell, 2009). In addition, Laeven & Valencia (2020) record that there has been 151 systemic bank crisis since 1970 to 2017.

Not only can it caused a crisis from an economic perspective, but riba also can affect social development that derives from injustice among humankind (Ahmad, 2019). As an evil act, Riba will create selfishness, money-worship, cruelty, hard-heartedness and kill the spirit of fellow feeling and cooperation that will ruin society spiritually, morally, and economically (Rufai, 2014). Philosophically, the prohibition of riba derived from the Qur'an and Sunnah is to establish a social justice where some people will not take advantage to create money without hard work and to lead the equality between the capital owners (Nurjiha, 2013 and Suhaib & Mahmood, 2021).

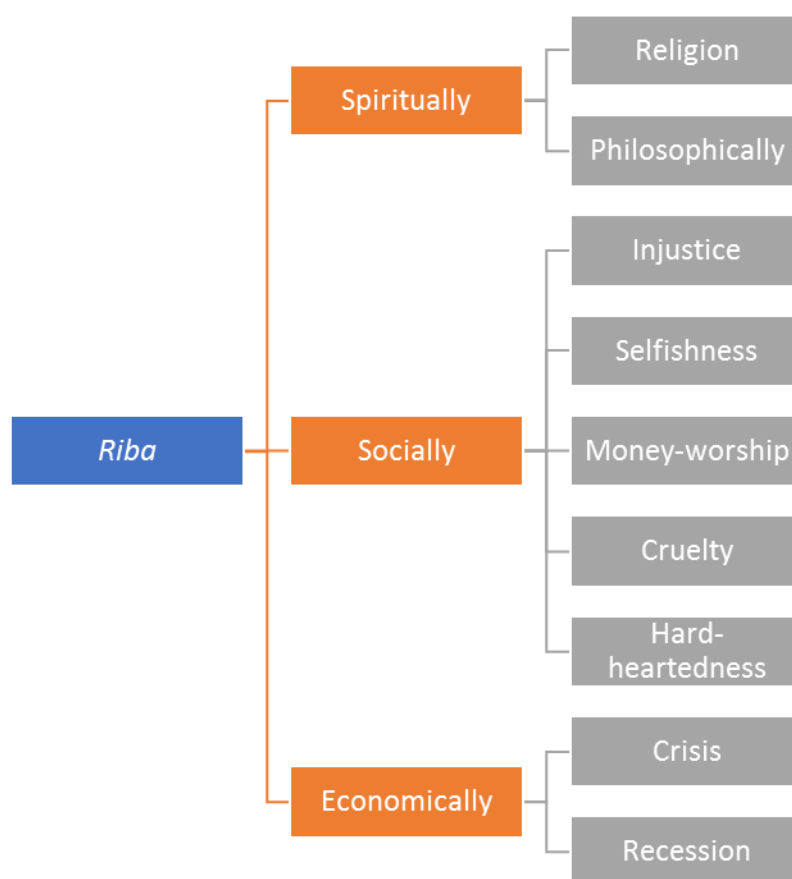


Figure 10: The Prohibition of Riba

However, although the law of riba is final and precise, in practice, riba can still occur in Islamic banks. This can happen when designing products, including when paying instalments in wadi'ah, musyarakah and mudharabah contracts, because it is caused by the banker's minimal knowledge of usury (Mihajat, 2016).

In addition, the state system that has not fully implemented the shari'ah also causes the existence of riba. As research conducted by Siddique (2020) entitled Modern money and Islamic banking in the light of Islamic law of riba concluded that modern money today is credit created by central banks or commercial banks in the process of reserves and loans, plus that the current monetary system is still conventional.

Eliminating riba in economic transactions will further highlight the role of Islamic banks. Selim (2021) stated that eliminating riba in currency exchange transactions can be done with the help of fintech IFFexBM. In addition, eliminating riba with fintech IFFexBM can reduce transaction costs, and as a result, the aggregate supply curve will shift to the right and have the potential to encourage the real economy to develop.

Lastly, Ugi Suharto (2018), in his research entitled Riba and interest in Islamic Finance: Semantic and Terminological Issue, suggests the use of the term riba free

of banking and finance rather than the term interest-free. This is a step to develop more trusted terms and avoid misunderstandings in communication about riba when speaking in English.

CONCLUSION

This study tries to evaluate the topic of riba using text analysis from 1992-2021. The conceptual structure of R 'biblioshiny' provides the network and the main research themes. We have identified two research networks in the riba literature using the co-occurrence network. This research network is "Islamic" and "riba", combining the two networks in this study will solve many environmental problems.

Furthermore, in conceptual structure, this research has spread thematic maps to place themes and subthemes on the graph and divided them into four clusters (dropping or emerging themes, basic themes, highly developed and isolated themes, motor themes). Models, ribs and insurance represent basic or transverse themes. Riba, economic, prohibition, financial, analysis, impact, framework, management and risk are themes that appear in the dropping or emerging themes cluster. Study, institutions, conventional, Malaysia, shariah, review, Islamic, finance, and

banking are the themes in the motor themes cluster. The theme of riba is highly developed, but isolated are topics related to Banks, profit and mudharabah.

This study also finds that riba is a specific term with a broader meaning than just interest in banking. It has its definition, which has several types and forms. The practice of riba today has occurred widely and has caused losses from various sides, including spiritual, social, and economic losses. The negative impact of usury which covers various fields makes it one of the instruments prohibited from being used in economics and finance by various religions, including Islam, Judaism and Christianity.

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