



Reassessing *ribā* through qur'anic legal ethics: the moral limits of islamic finance under global capitalism

Putri Naomi¹, Miftahul Jannah², Rismayani³, Azwirsyah⁴

^{1,2} Universitas Islam Negeri Syarif Hidayatullah Jakarta, Indonesia

^{3,4} Al Azhar University, Egypt

Corresponding E-mail: Putrinaomi75@gmail.com

Abstract

This article reassesses *ribā* through Qur'anic legal ethics to examine the moral limits of Islamic finance under global capitalism. Although Islamic finance has expanded into a global industry and developed various *Shari'ah*-compliant instruments, its growing reliance on debt-based structures raises a critical question concerning whether formal avoidance of interest is sufficient to realize the Qur'anic objectives behind the prohibition of *ribā*. This study employs a qualitative conceptual design with a normative-interpretive approach, combining thematic Qur'anic exegesis, document analysis, and qualitative content analysis. The primary textual data consist of Qur'anic passages on *ribā*, especially Q. al-Baqarah 2:275–280, supported by classical legal-exegetical sources, *maqāsid al-shari'ah* literature, institutional documents on Islamic finance, and critical political economy scholarship. The findings show that *ribā* is not merely a transactional prohibition against interest, but a Qur'anic legal-ethical category that critiques exploitation, unjust accumulation, debt dependency, and asymmetrical risk transfer. The study also finds that contemporary Islamic finance faces a persistent tension between formal *Shari'ah* compliance and substantive Qur'anic justice, particularly in relation to *murābahah*, *tawarruq*, and certain *sukūk* structures. The article contributes to Qur'anic legal studies and Islamic finance scholarship by proposing a substantive evaluative framework based on *anti-zulm*, risk-responsibility alignment, real economic linkage, debt compassion, and social distributive impact. It argues that Islamic finance can claim ethical distinctiveness only when it moves beyond interest avoidance toward the realization of Qur'anic justice in financial practice.

keywords: *ribā*, qur'anic legal ethics, islamic finance, *maqāsid al-shari'ah*, global capitalism

Abstrak

Artikel ini menilai ulang konsep *ribā* melalui perspektif etika hukum Al-Qur'an untuk mengkaji batas-batas moral keuangan Islam dalam kapitalisme global. Meskipun keuangan Islam telah berkembang menjadi industri global dan menghasilkan berbagai instrumen yang sesuai dengan prinsip *Shari'ah*, ketergantungannya yang semakin besar pada struktur pembiayaan berbasis utang menimbulkan pertanyaan kritis mengenai apakah penghindaran bunga secara formal sudah cukup untuk mewujudkan tujuan Qur'ani di balik larangan *ribā*. Penelitian ini menggunakan desain konseptual kualitatif dengan pendekatan normatif-interpretatif, yang memadukan tafsir tematik Al-Qur'an, analisis dokumen, dan analisis isi kualitatif. Data tekstual primer terdiri atas ayat-ayat Al-Qur'an tentang *ribā*, khususnya Q. al-Baqarah 2:275–280, yang didukung oleh sumber-sumber klasik hukum dan tafsir, literatur *maqāsid al-shari'ah*, dokumen kelembagaan tentang keuangan Islam, serta kajian ekonomi-politik kritis. Temuan penelitian menunjukkan bahwa *ribā* bukan sekadar larangan transaksional terhadap bunga, melainkan kategori etika-hukum Qur'ani yang mengkritik eksploitasi, akumulasi yang tidak adil, ketergantungan utang, dan transfer risiko yang tidak seimbang. Penelitian ini juga menemukan bahwa keuangan Islam kontemporer menghadapi ketegangan berkelanjutan antara kepatuhan *Shari'ah* secara formal dan keadilan Qur'ani secara substantif, khususnya dalam kaitannya dengan struktur *murābahah*, *tawarruq*, dan beberapa bentuk *sukūk*. Artikel ini berkontribusi pada kajian hukum Al-Qur'an dan studi keuangan Islam dengan menawarkan kerangka evaluatif substantif yang bertumpu pada prinsip *anti-zulm*, keselarasan antara risiko dan tanggung jawab, keterhubungan dengan ekonomi riil, kepedulian terhadap debitur, dan dampak distributif sosial. Artikel ini berargumen bahwa keuangan Islam hanya dapat mengklaim kekhasan etikanya apabila bergerak melampaui sekadar penghindaran bunga menuju realisasi keadilan Qur'ani dalam praktik keuangan.

Kata kunci: *ribā*, etika hukum al-qur'an, keuangan islam, *maqāsid al-shari'ah*, kapitalisme global



Introduction

The global expansion of Islamic finance has repositioned *ribā* from a primarily exegetical and juristic category into a pressing question in contemporary legal, ethical, and economic scholarship. Islamic finance is no longer limited to Muslim-majority societies or traditional commercial practices; it now operates across global banking, capital markets, *sukūk* issuance, insurance, asset management, and transnational regulatory systems. The Islamic Financial Services Board reported that the global Islamic financial services industry reached USD 3.38 trillion in assets in 2023, despite inflationary pressure, geopolitical instability, elevated sovereign and household debt, and persistent financial volatility.¹ This institutional growth demonstrates the global maturity of Islamic finance, yet it also intensifies a fundamental normative question: whether the industry's integration into global capitalist markets has strengthened the ethical substance of Qur'anic economic law or reduced it to formal compliance with contract-based prohibitions.

This question is particularly important because *ribā* in the Qur'an is not merely a technical rule against interest-bearing transactions. The Qur'anic discourse on *ribā* is embedded in a broader moral vocabulary of justice, anti-exploitation, debt relief, social responsibility, and protection of vulnerable economic actors. In Q. al-Baqarah 2:275–280, *ribā* is condemned not only as an invalid financial practice but as a morally destructive form of economic domination. The prohibition is followed by the command to abandon remaining *ribā* and by the instruction to grant respite to debtors in hardship, indicating that the legal ruling is inseparable from a wider ethical concern for human vulnerability and distributive fairness. Other passages, including Q. Āl 'Imrān 3:130, Q. al-Nisā' 4:161, and Q. al-Rūm 30:39, further associate *ribā* with unjust enrichment, moral corruption, and the failure to direct wealth toward social benefit. Contemporary studies similarly emphasize that *ribā* is rooted in Qur'anic ethics because it is viewed as exploitative, socially harmful, and contrary to economic equity.²

Classical Islamic jurists developed sophisticated discussions on *ribā*, particularly through the distinction between *ribā al-nasi'ah* and *ribā al-faḍl*. These discussions were indispensable for regulating loans, deferred sales, exchange transactions, and dealings involving *ribawī* commodities. Yet the contemporary problem of *ribā* cannot be resolved solely by restating classical legal classifications. Modern finance operates through institutions, intermediaries, capital markets, securitization, credit instruments, derivatives, and regulatory mechanisms that did not exist in the classical period. The central issue, therefore, is not whether *ribā* is prohibited, but how the Qur'anic prohibition of *ribā* should be ethically interpreted and normatively applied in a global capitalist economy shaped by debt expansion, profit maximization, commodification of liquidity, and unequal risk distribution. This is where the distinction between *ribā* and interest becomes analytically significant: while some scholars argue for a nuanced contextual differentiation between *ribā* and certain forms of interest, others maintain that the unequivocal prohibition of *ribā* remains a defining foundation of Islamic finance.³

¹ Islamic Financial Services Board, "Islamic Financial Services Industry Stability Report 2024" (Kuala Lumpur: Islamic Financial Services Board, 2024), <https://www.ifsb.org/wp-content/uploads/2024/09/IFSB-Stability-Report-2024-8.pdf>.

² R A Setiawan, "Avoidance of Riba-Based Loans and Enhancement of Quality of Life: An Indonesian Context Analysis," *Religions* 14, no. 11 (2023), <https://doi.org/10.3390/rel14111376>; B Sim, "Islamic Finance in the System of National Accounts and Balance of Payments: Recommendations and Policy Implications," *Statistical Journal of the LAOS* 42, no. 1 (2026): 91–100, <https://doi.org/10.1177/18747655261424332>; U Suharto, "Riba and Interest in Islamic Finance: Semantic and Terminological Issue," *International Journal of Islamic and Middle Eastern Finance and Management* 11, no. 1 (2018): 131–38, <https://doi.org/10.1108/IMEFM-08-2016-0109>.

³ M Omar Farooq, "Exploitation, Profit and the Riba-Interest Reductionism," *International Journal of Islamic and Middle Eastern Finance and Management* 5, no. 4 (2012): 292–320, <https://doi.org/10.1108/17538391211282818>; S Shaikh, "Friendships, Fidelities and Sufi Imaginaries: Theorizing Islamic Feminism," *Religions* 14, no. 9 (2023), <https://doi.org/10.3390/rel14091082>.

Previous scholarship on *ribā* and Islamic finance can be grouped into several major trends. The first focuses on the doctrinal and juristic prohibition of *ribā* by examining its textual foundation in the Qur'an and Sunnah, its elaboration in classical *fiqh*, and its implications for permissible and impermissible transactions. This approach remains essential because it preserves the normative authority of the Islamic legal tradition. However, it often privileges contractual validity over the wider moral purpose of the prohibition. The second trend examines Islamic finance as an institutional and regulatory alternative to conventional finance. Scholars such as Usmani, Ayub, and Iqbal and Mirakhor argue that Islamic finance offers a viable framework for modern financial activity through *Shari'ah*-compliant contracts, asset-backed structures, and risk-sharing principles.⁴ This body of scholarship has significantly shaped the theoretical and institutional development of Islamic banking and finance.

A third trend offers a more critical reading of contemporary Islamic finance. El-Gamal, Kuran, and Asutay argue that Islamic finance has often become overly dependent on legal formalism, product replication, and market competitiveness.⁵ From this perspective, Islamic financial products may avoid explicit interest while retaining the economic substance of debt-based finance. This critique is particularly visible in debates over *murābahah* financing, organised *tawarruq*, commodity *murābahah*, and asset-based *sukūk*, where the legal form may satisfy *Shari'ah* requirements while the economic effect resembles conventional credit instruments. Recent studies reinforce this concern by showing that the financialization of Islamic finance may contribute to convergence with conventional finance and weaken its ethical distinctiveness, especially when technical compliance is prioritized over substantive justice.⁶ This line of critique exposes a persistent tension between formal *Shari'ah* compliance and substantive Islamic moral economy.

A fourth body of literature approaches Islamic finance through *maqāsid al-shari'ah*. This scholarship argues that Islamic finance should not be evaluated only by contractual legality, but also by its contribution to justice, welfare, transparency, wealth circulation, risk sharing, and prevention of harm.⁷ The classical foundation of this approach can be traced to Abū Ishāq al-Shātibī's *al-Muwāfaqāt*, where the purpose of *Shari'ah* is understood as the realization of *maṣlahah* through the protection of religion, life, intellect, lineage, and wealth.⁸ Contemporary *maqāsid* scholarship, particularly Auda's systems approach, extends this framework by presenting Islamic law as multidimensional, purposive, open, and responsive to changing social realities.⁹ In relation to *ribā*, *maqāsid* reasoning is crucial

⁴ Muhammad Taqi Usmani, *An Introduction to Islamic Finance* (Karachi: Idaratul Ma'arif, 2002); Muhammad Ayub, *Understanding Islamic Finance* (Chichester: John Wiley & Sons, 2007); Abbas Mirakhor and Zamir Iqbal, *An Introduction to Islamic Finance: Theory and Practice* (Singapore: John Wiley & Sons, 2011).

⁵ Mahmoud A El-Gamal, *Islamic Finance: Law, Economics, and Practice* (Cambridge: Cambridge University Press, 2006); Timur Kuran, *Islam and Mammon: The Economic Predicaments of Islamism* (Princeton, NJ: Princeton University Press, 2004); Mehmet Asutay, "Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy versus the Realities of Islamic Finance," *Asian and African Area Studies* 11, no. 2 (2012): 93–113.

⁶ Y Soualhi, "Application of Shariah Contracts in Contemporary Islamic Finance: A Maqasid Perspective," *Intellectual Discourse* 23 (2015): 333–54, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-84952950186&partnerID=40&md5=6597250bfaf5c8b65088a0ee7c6fca97>.

⁷ A M Noor, A A Kamarudin, and M N Haron, "The Importance of Understanding the Maqasid of Shari'ah in the Development of Islamic Banking and the Financial System," *Al-Shajarah* 21, no. Specialissue (2016): 41–65, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85028669905&partnerID=40&md5=14de9ce3a005353156bc307709f36b4a>;

M Akram Laldin and H Furqani, "Developing Islamic Finance in the Framework of Maqasid Al-Shari'ah: Understanding the Ends (Maqasid) and the Means (Wasa'il)," *International Journal of Islamic and Middle Eastern Finance and Management* 6, no. 4 (2013): 278–89, <https://doi.org/10.1108/IMEFM-05-2013-0057>; Soualhi, "Application of Shariah Contracts in Contemporary Islamic Finance: A Maqasid Perspective"; Y Suzuki et al., "An Impact Assessment of Islamic Saving-Loan and Financing Cooperatives in Indonesia: Preliminary Findings from the Artificial Neural Networks Technique," in *Dilemmas and Challenges in Islamic Finance: Looking at Equity and Microfinance*, 2018, 127–44, <https://doi.org/10.1201/9781315105673>.

⁸ Abu Ishaq Ibrahim ibn Musa Al-Shatibi, *Al-Muwāfaqāt Fi Usul Al-Shari'ah*, ed. Abu Ubaydah Mashhur ibn Hasan Al Salman (Khorbar: Dar Ibn Affan, 1997).

⁹ Jasser Auda, *Maqasid Al-Shari'ah as Philosophy of Islamic Law* (London: IIT, 2008).

because it shifts the inquiry from whether a contract avoids interest to whether a financial practice realizes justice, prevents exploitation, and promotes social welfare.¹⁰

At the same time, the global expansion of Islamic finance has placed it within capitalist market structures that may compromise its ethical aspirations. Islamic finance is often presented as an alternative to conventional finance because it emphasizes risk-sharing, asset-backed transactions, social responsibility, and the prohibition of exploitative practices such as *ribā*, *gharar*, and *maysir*.¹¹ Nevertheless, its integration into global markets has generated new challenges, including partial alignment with capitalist accumulation, regulatory pressures, product standardization, and the dilution of its moral foundations.¹² The rapid development of *sukūk* and other market-based instruments illustrates this ambivalence: Islamic finance has become more visible within global financialization, but its expansion also raises questions about whether it remains aligned with *maqāṣid* principles or increasingly mirrors the logic of conventional capital markets.¹³

The ethical stakes of this debate become clearer when Islamic finance is examined in relation to substantive justice. In principle, Islamic finance seeks to prevent exploitation, promote equitable wealth distribution, and connect financial gain with real economic activity. Mechanisms such as *zakat*, *waqf*, and *qard hasan* are designed to enhance social welfare and reduce inequality, thereby aligning financial practice with the broader objectives of *Shari'ah*.¹⁴ More recent efforts to connect Islamic finance with sustainable development goals and green finance show that the field possesses significant potential to address global challenges, although operational, regulatory, and institutional limitations remain substantial.¹⁵ These developments suggest that Islamic finance cannot be evaluated merely by its avoidance of interest; it must also be assessed by its capacity to generate social benefit, reduce vulnerability, and resist exploitative financial structures.

Despite these important contributions, a significant research gap remains. Existing studies often examine *ribā* as a juristic prohibition, a regulatory concern in Islamic finance, or a *maqāṣid*-based ethical issue. However, fewer studies integrate *Qur'anic* legal ethics, *maqāṣid al-shari'ah*, and critical political economy into a single analytical framework for reassessing *ribā* under global capitalism. As a result, *ribā* is frequently reduced to interest prohibition, while its deeper *Qur'anic* function as a critique of exploitative debt relations, unjust accumulation, and asymmetrical risk transfer remains insufficiently developed. This conceptual limitation is consequential because Islamic finance may comply with the legal

¹⁰ M K Hassan, A Muneeza, and M Saraç, "Need to Redefine Islamic Finance in the Light of Maqasid Al-Shariah," in *Islamic Finance and Sustainable Development: A Sustainable Economic Framework for Muslim and Non-Muslim Countries*, 2021, 11–34, https://doi.org/10.1007/978-3-030-76016-8_2.

¹¹ E R Kismawadi, R Haron, and D Ruslan, "Islamic Finance and the Anthropology of Money: Exploring Ethical Alternatives to Interest-Based Systems," in *Examining Modern Economic Anthropology*, 2025, 109–41, <https://doi.org/10.4018/979-8-3373-1260-6.ch004>; M C Kara, "Arising Interest in Islamic Finance and Its Taxation in the World and Turkey," *Intertax* 50, no. 2 (2022): 168–76, <https://doi.org/10.54648/taxi2022015>; Sim, "Islamic Finance in the System of National Accounts and Balance of Payments: Recommendations and Policy Implications."

¹² A Hanieh, "New Geographies of Financial Power: Global Islamic Finance and the Gulf," *Third World Quarterly* 41, no. 3 (2020): 525–46, <https://doi.org/10.1080/01436597.2019.1675505>; N A Sandal, "The Politics of Regime Mainstreaming: Knowledge Production and the Institutionalization of Islamic Finance," *Politics and Religion* 12, no. 4 (2019): 606–28, <https://doi.org/10.1017/S1755048319000026>; E R Nugroho, "Implementation Of Sharia-Compliance In Islamic Bank Product Innovations," *Prophetic Law Review* 3, no. 2 (2021): 173–97, <https://doi.org/10.20885/PLR.vol3.iss2.art4>.

¹³ Hanieh, "New Geographies of Financial Power: Global Islamic Finance and the Gulf"; E Smolo and M M Raheem, *The Future of Islamic Finance: From Shari'ah Law to Fintech, The Future of Islamic Finance: From Shari'ah Law to Fintech*, 2024, <https://doi.org/10.1108/9781835499061>.

¹⁴ Kismawadi, Haron, and Ruslan, "Islamic Finance and the Anthropology of Money: Exploring Ethical Alternatives to Interest-Based Systems"; M A Akbar, A N M Ramlan, and E Smolo, "Financing Sustainability through Meezan Concept: An Islamic Economics Perspective," in *Islamic Green Finance: Towards Ethical and Environmentally Responsible Investing*, 2025, 58–76, <https://doi.org/10.4324/9781003540403-6>.

¹⁵ E Smolo et al., "Integrating Islamic Finance into the Sustainable Development Goals (SDGs)," in *The Future of Islamic Finance: From Shari'ah Law to Fintech*, 2024, 65–82, <https://doi.org/10.1108/978-1-83549-906-120241005>; Akbar, Ramlan, and Smolo, "Financing Sustainability through Meezan Concept: An Islamic Economics Perspective."

form of *Shari'ah* while still operating within capitalist structures that normalize debt dependency, commodification of money, concentration of wealth, and the transfer of risk to weaker economic actors.

This study addresses that gap by reassessing *ribā* through Qur'anic legal ethics. The first theoretical foundation is Fazlur Rahman's double movement theory, which argues that Qur'anic interpretation requires movement from the historical context of revelation to the general moral principles of the Qur'an, and then from those principles back to contemporary realities.¹⁶ Applied to *ribā*, this approach enables the study to move beyond literal and formal readings of interest prohibition toward the underlying Qur'anic principles of justice, anti-exploitation, debt relief, protection of the weak, and ethical circulation of wealth. *Ribā* is therefore treated not only as a legal category but also as a Qur'anic moral category that challenges economic relations grounded in domination and injustice.

The second theoretical foundation is *maqāsid al-shari'ah*, particularly as developed by al-Shāṭibī and expanded by Auda. Al-Shāṭibī's theory provides the classical basis for understanding Islamic law as a purposive system directed toward *maṣlahah* and the prevention of harm, while Auda's systems approach allows *maqāsid* to be applied to complex modern institutions, including banking, finance, and global markets.¹⁷ Through this framework, *ribā* is not assessed only at the level of contract structure but also at the level of purpose, consequence, and social effect. The key question becomes whether Islamic finance protects wealth ethically, distributes risk fairly, prevents exploitation, and contributes to socio-economic justice.

The third theoretical foundation is the critical political economy of global capitalism, especially the theory of financialization developed by Krippner and the critique of neoliberal capitalism advanced by Harvey. Krippner defines financialization as a pattern of accumulation in which profits are increasingly generated through financial channels rather than trade and commodity production.¹⁸ Harvey's critique of neoliberal capitalism shows how contemporary capitalism expands through privatization, market liberalization, debt, and accumulation by dispossession.¹⁹ These theories are relevant because Islamic finance does not operate outside capitalism; it functions within global markets shaped by financialization, credit expansion, competition, and profit-oriented accumulation. Any reassessment of *ribā* must therefore examine not only the formal legality of Islamic financial products, but also the capitalist structures within which those products circulate.

Based on this framework, this article asks three research questions. First, how does Qur'anic legal ethics frame *ribā* beyond its conventional understanding as interest prohibition? Second, to what extent does contemporary Islamic finance reflect or depart from the legal-ethical objectives of the Qur'anic prohibition of *ribā*? Third, how can *ribā* be reassessed as a Qur'anic moral critique of debt, exploitation, and asymmetrical risk distribution under global capitalism?

The objectives of this study are threefold. First, it aims to reinterpret *ribā* as a Qur'anic legal-ethical category grounded in justice, anti-exploitation, and social responsibility. Second, it examines the tension between formal *Shari'ah* compliance and substantive Qur'anic ethics in contemporary Islamic finance. Third, it proposes a critical theoretical framework for evaluating the moral limits of Islamic finance under global capitalism, particularly in relation to debt-based financing, risk transfer, profit maximization, and socio-economic justice.

¹⁶ Fazlur Rahman, *Islam and Modernity: Transformation of an Intellectual Tradition* (Chicago: University of Chicago Press, 1982).

¹⁷ Al-Shatibi, *Al-Muwafaqat Fi Usul Al-Shariah*; Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law*.

¹⁸ Greta R Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge, MA: Harvard University Press, 2011).

¹⁹ David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005).

The novelty of this study lies in its integrative theoretical approach. Unlike studies that examine *ribā* mainly through classical *fiqh*, institutional Islamic finance, or *maqāṣid* discourse alone, this article combines Rahman's double movement theory, al-Shāṭibī's *maqāṣid al-sharī'ah*, Auda's systems approach, Krippner's theory of financialization, and Harvey's critique of neoliberal capitalism. This combination allows *ribā* to be understood as both a Qur'anic legal concept and a critical ethical lens for evaluating modern finance. The article contributes to Qur'anic legal studies by demonstrating that *ribā* is not merely a prohibition of interest but a broader Qur'anic critique of exploitative economic structures. It also contributes to Islamic finance scholarship by arguing that the legitimacy of Islamic finance depends not only on formal compliance with *Shari'ah* contracts, but also on its ability to realize justice, transparency, equitable risk-sharing, protection of vulnerable actors, and substantive moral accountability under global capitalism.

Method

This study employs a qualitative conceptual research design with a normative-interpretive orientation. The method combines thematic Qur'anic exegesis, document analysis, and qualitative content analysis to reassess *ribā* as a Qur'anic legal-ethical category and to examine its relevance to contemporary Islamic finance under global capitalism. A qualitative design is appropriate because the study aims to interpret meaning, legal reasoning, and ethical concepts rather than measure statistical relationships.²⁰

The primary textual data consist of Qur'anic verses directly related to *ribā*, especially Q. al-Baqarah 2:275–280, Q. Āl 'Imrān 3:130, Q. al-Nisā' 4:161, and Q. al-Rūm 30:39. These verses are selected because they contain the central Qur'anic vocabulary of *ribā*, *bay'*, *ẓulm*, debt relief, and moral accountability. The study also uses primary documentary data from contemporary Islamic finance institutions, especially reports and standards issued by the Islamic Financial Services Board and the Accounting and Auditing Organization for Islamic Financial Institutions. Secondary sources include classical tafsīr, Islamic jurisprudence, *maqāṣid al-sharī'ah* literature, Islamic finance scholarship, and critical political economy.

Data were collected through purposive textual and documentary selection. The selected Qur'anic verses were grouped thematically, while institutional documents and scholarly works were reviewed based on their relevance to *ribā*, *Shari'ah* compliance, Islamic finance, debt-based contracts, and global capitalism. Document analysis was used because documents can serve as valid qualitative data when systematically selected, reviewed, coded, and interpreted.²¹ Qualitative content analysis was employed to identify and interpret recurring legal and ethical themes in the textual corpus, following the view that textual materials should be analyzed as communicative data embedded in social and interpretive contexts.²²

The analytical framework combines Qur'anic legal ethics, *maqāṣid al-sharī'ah*, and critical political economy. Qur'anic legal ethics is used to interpret *ribā* as a moral-legal category concerned with justice, anti-exploitation, debt relief, and social responsibility. *Maqāṣid al-sharī'ah* is used to examine the purposive objectives of *ribā* prohibition, especially the prevention of harm, realization of *maṣlaḥah*, protection of wealth, and distributive justice.²³ Critical political economy is used to contextualize Islamic finance within global

²⁰ John W Creswell and Cheryl N Poth, *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*, 4th ed. (Sage, 2018).

²¹ Glenn A Bowen, "Document Analysis as a Qualitative Research Method," *Qualitative Research Journal* 9, no. 2 (2009): 27–40.

²² Klaus Krippendorff, *Content Analysis: An Introduction to Its Methodology* (Sage Publications, 2018).

²³ Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law*, Mohammad Hashim Kamali, *Shariah Law: An Introduction* (Oneworld Publications, 2019).

capitalism, particularly in relation to financialization, debt expansion, and asymmetric risk distribution.

The data analysis proceeded in four stages. First, *ribā*-related Qur'anic verses were identified and examined according to their textual and ethical content. Second, the selected materials were coded thematically into categories such as *ribā*, *ẓulm*, *bay'*, debt relief, formal compliance, risk-sharing, and substantive justice. This step follows the logic of thematic analysis, which identifies and interprets patterns within qualitative data.²⁴ Third, the themes were interpreted through Qur'anic legal ethics and *maqāṣid* reasoning. Fourth, the findings were contextualized within contemporary debates on Islamic finance and global capitalism. This study modifies established qualitative methods by integrating textual exegesis, document analysis, content analysis, and normative legal reasoning. This modification is justified because the research problem lies at the intersection of Qur'anic interpretation, Islamic legal theory, Islamic finance, and global capitalism. The method ensures textual fidelity to the Qur'anic sources while allowing critical engagement with contemporary financial realities. The study does not involve human participants and does not claim to provide empirical measurement of Islamic financial institutions. Its contribution is conceptual and normative, offering a framework for evaluating Islamic finance beyond formal interest prohibition.

Results and Discussion

***Ribā* as a Qur'anic Legal-Ethical Category: From Transactional Prohibition to Moral Critique**

The principal finding of this study is that *ribā* functions in the Qur'an not merely as a transactional prohibition against financial increase, but as a legal-ethical category that critiques exploitative debt relations, asymmetrical economic power, and forms of accumulation that undermine social justice. This finding is significant because it shifts the analysis of *ribā* from a narrow question of contractual invalidity to a broader inquiry into the moral architecture of Qur'anic economic law. The Qur'anic treatment of *ribā* is not confined to the technical regulation of loans or sales; rather, it is embedded in a normative field that includes the distinction between lawful trade and exploitative gain, the prohibition of injustice, the command to abandon remaining *ribā*, and the ethical duty to relieve debtors in hardship.

The most decisive textual evidence appears in Q. al-Baqarah 2:275, where the Qur'an records the claim that "trade is like *ribā*" and then rejects it by declaring that God has permitted *bay'* and prohibited *ribā*. This verse is analytically important because it does more than draw a legal boundary between two types of transaction. It challenges an economic logic that equates all forms of gain, regardless of their ethical consequences. *Bay'* is permitted because it is grounded in exchange, risk, consent, and productive circulation, whereas *ribā* is prohibited because it generates gain through debt dependency and unequal bargaining power. The Qur'anic distinction therefore suggests that the morality of financial gain depends not only on contractual form but also on the relational structure through which gain is produced. This interpretation is consistent with studies that identify the prohibition of *ribā* as a cornerstone of Islamic finance and connect it with the rejection of exploitation, economic inequity, and interest-based lending.²⁵

The sequence of Q. al-Baqarah 2:275–280 further demonstrates that *ribā* is part of a wider Qur'anic argument about justice and vulnerability. Q. 2:276 contrasts *ribā* with

²⁴ Virginia Braun and Victoria Clarke, "Using Thematic Analysis in Psychology," *Qualitative Research in Psychology* 3, no. 2 (2006): 77–101.

²⁵ M Khalfi and F Saâdaoui, "Banking Efficiency: Basic Concepts, Forms, and Specificities of Islamic Finance," in *Islamic Accounting And Finance: A Handbook*, 2023, 431–60, https://doi.org/10.1142/9781800612426_0015; I Castellucci, "The Ancient Euro-Mediterranean Aversion for Usury," in *Mixed Legal Systems, East and West*, 2016, 255–66, <https://doi.org/10.4324/9781315595658-32>.

charity by stating that God eliminates *ribā* and causes charitable giving to grow, thereby opposing extractive accumulation to socially beneficial circulation. Q. 2:278 commands believers to abandon what remains of *ribā*, indicating that the prohibition is not merely prospective but also corrective. Q. 2:279 then provides the normative core of the passage: creditors may recover their principal, but they must neither wrong nor be wronged. Q. 2:280 completes the argument by instructing creditors to grant respite to debtors in hardship. Taken together, these verses show that the prohibition of *ribā* is inseparable from *anti-ẓulm*, debt relief, and the moral regulation of wealth. The Qur'anic concern is not simply that additional payment exists, but that the structure of debt can become a mechanism of domination when the stronger party secures gain from the vulnerability of the weaker party.

This textual pattern is reinforced by other Qur'anic references to *ribā*. Q. Āl 'Imrān 3:130 condemns the consumption of *ribā* "multiplied many times over," emphasizing the intensification of debt burdens through compounding increase. Q. al-Nisā' 4:161 associates the taking of *ribā* with moral disobedience and the wrongful consumption of wealth. Q. al-Rūm 30:39 contrasts *ribā*, which does not increase with God, with giving that seeks divine approval, thereby separating mere financial increase from morally meaningful growth. These passages indicate that *ribā* is not condemned only because it violates a rule of exchange, but because it corrupts the moral purpose of wealth. Wealth, in Qur'anic terms, is not an autonomous instrument of accumulation; it is subject to justice, responsibility, and social accountability.

Table 1. The following table summarizes the primary Qur'anic data that support this interpretation

Qur'anic textual evidence	Key legal-ethical concept	Analytical implication for <i>ribā</i>
Q. al-Baqarah 2:275	Distinction between <i>bay'</i> and <i>ribā</i>	Lawful gain is distinguished from exploitative increase; not all market profit is morally equivalent
Q. al-Baqarah 2:276	<i>Ribā</i> versus charity	Extractive accumulation is contrasted with socially beneficial circulation of wealth
Q. al-Baqarah 2:278	Abandoning remaining <i>ribā</i>	The prohibition requires corrective disengagement from <i>ribā</i> -based claims
Q. al-Baqarah 2:279	"Do not wrong and do not be wronged"	The core principle is <i>anti-ẓulm</i> and reciprocal justice
Q. al-Baqarah 2:280	Respite for debtors in hardship	Debt relations must be governed by compassion, fairness, and protection of vulnerability
Q. Āl 'Imrān 3:130	Multiplied increase	<i>Ribā</i> is linked to intensifying debt burdens and exploitative accumulation
Q. al-Nisā' 4:161	Wrongful taking of wealth	<i>Ribā</i> is associated with moral corruption and unlawful enrichment
Q. al-Rūm 30:39	Increase without divine approval	Financial growth is judged by ethical and spiritual criteria, not accumulation alone

This textual evidence supports classical exegetical and juristic treatments of *ribā* while also demanding a broader ethical reading. Al-Jaṣṣāṣ situates *ribā* within the prohibition of unlawful acquisition of wealth, linking the rule to the Qur'anic concern with unjust enrichment.²⁶ Al-Qurṭubī emphasizes the oppressive dimension of *ribā*, particularly where additional payment is imposed upon debtors unable to settle their obligations.²⁷ Ibn Ruṣhd shows that juristic debates over *ribā* involved not only the question of increase, but

²⁶ Abu Bakr Ahmad ibn Ali Al-Jassas, *Abkam Al-Qur'an* (Beirut: Dar al-Kutub al-'Ilmiyyah, 1994).

²⁷ Muhammad Al-Qurtubi, *Al-Jami' Li Abkam Al-Qur'an* (Dar al-Kutub al-'Ilmiyyah, 2006).

also the structure of exchange, delay, commodity type, and the possibility of unfair advantage in transactions.²⁸ These classical discussions demonstrate that the legal tradition did not treat *ribā* as a merely lexical or arithmetic problem; rather, it was understood through the moral risks embedded in exchange and indebtedness.

At the same time, a Qur'anic legal-ethical reading refines classical classifications by foregrounding the moral grammar of the text. The prohibition of *ribā* is not exhausted by identifying *ribawī* commodities or distinguishing *ribā al-nasī'ah* from *ribā al-faḍl*. Those classifications remain important for legal precision, but the Qur'anic argument itself is more expansive. It links *ribā* to *ẓulm*, the wrongful extraction of wealth, the vulnerability of debtors, and the contrast between selfish accumulation and socially beneficial circulation. This is why recent scholarship rightly emphasizes that avoiding *ribā*-based loans is not only a matter of technical compliance but also a means of promoting economic equity, social well-being, and moral coherence in financial life.²⁹

The concept of *ẓulm* is central to this interpretation. In Q. al-Baqarah 2:279, the prohibition of *ribā* culminates in the principle that neither creditor nor debtor should commit or suffer injustice. This formulation prevents two misreadings. First, it prevents the creditor from claiming unlimited financial entitlement over a debtor in distress. Second, it prevents an interpretation of debt relief that abolishes the creditor's legitimate right to the principal. The Qur'anic position is therefore not anti-commerce or anti-credit in an absolute sense; it is opposed to exploitative asymmetry. Abou-Bakr similarly argues that Qur'anic ethics integrate private virtue with collective justice through the rejection of *ẓulm* and the pursuit of fairness.³⁰ In this light, *ribā* becomes one concrete manifestation of a broader Qur'anic struggle against unjust social and economic relations.

This interpretation also clarifies the ethical significance of debt relief in the *ribā* discourse. Q. al-Baqarah 2:280 does not appear as a peripheral moral recommendation appended to a legal rule. It is part of the same argumentative sequence that defines the Qur'anic treatment of *ribā*. The instruction to grant respite to a debtor in hardship indicates that debt must be governed by compassion and proportionality rather than by maximal extraction. Moosa and Abou-Bakr both emphasize that Qur'anic ethics cannot be reduced to private piety because it includes public norms of fairness, mercy, and protection from injustice.³¹ When applied to *ribā*, this means that a financial system may formally avoid interest yet still fall short of Qur'anic ethics if it lacks mechanisms for hardship relief, equitable restructuring, or protection against predatory indebtedness.

The distinction between *bay'* and *ribā* also carries significant implications for Islamic finance. The Qur'an's permission of trade does not validate every contract that adopts the formal language of sale. Rather, it legitimates trade as an ethical form of exchange when gain is connected to real transfer, risk, consent, and fairness. Subhani argues that Islamic finance is built upon this Qur'anic distinction, encouraging trade- and risk-based transactions over interest-based lending.³² Yet Maksum notes that the lack of unified interpretation and standardization in Islamic financial practice has produced inconsistencies, especially when certain products appear to resemble the very transactions

²⁸ Ibn Rushd, *Bidayat Al-Mujtahid Wa Nihayat Al-Muqtasid* (Beirut: Dar al-Kutub al-'Ilmiyyah, 1994).

²⁹ Setiawan, "Avoidance of Riba-Based Loans and Enhancement of Quality of Life: An Indonesian Context Analysis."

³⁰ O M Abou-Bakr, "The Egalitarian Principle of 'Qist' as Lived Ethic: Towards a Liberational Tafsir," *Religions* 14, no. 9 (2023), <https://doi.org/10.3390/rel14091087>.

³¹ E Moosa, "Qur'anic Ethics," in *The Oxford Handbook of Qur'anic Studies*, 2020, 464–71, <https://doi.org/10.1093/oxfordhb/9780199698646.013.10>; Abou-Bakr, "The Egalitarian Principle of 'Qist' as Lived Ethic: Towards a Liberational Tafsir."

³² A Subhani, "Structural Compliance of Islamic Finance with Qur'anic Exegesis," in *Handbook on Islam and Economic Life*, 2014, 153–72, <https://doi.org/10.4337/9781783479825.00014>.

they are designed to avoid.³³ This confirms that the *bay'–ribā* distinction must be interpreted substantively, not merely procedurally.

The *maqāṣid* framework strengthens this finding. Kamali argues that Islamic law cannot be separated from its moral objectives,³⁴ while Auda develops *maqāṣid* as a systems approach capable of addressing modern institutional complexity.³⁵ Through this lens, *ribā* prohibition serves several interrelated purposes: protection of wealth from unjust appropriation, prevention of harm, preservation of social trust, and promotion of distributive justice. Omar Farooq similarly criticizes contemporary Islamic finance when it mirrors conventional systems without adequately addressing exploitation and injustice.³⁶ This critique is directly relevant to the present finding: if the essence of *ribā* prohibition is *anti-zulm*, then a transaction cannot be considered ethically adequate simply because it avoids the nominal use of interest while reproducing inequitable risk transfer or debt pressure.

This analysis challenges a common tendency in Islamic finance discourse to privilege the legal validity of contracts over their social and economic effects. Contractual form is indispensable in Islamic law, but it is not sufficient. A transaction may satisfy formal requirements while still contradicting the Qur'anic legal-ethical purpose of *ribā* prohibition if it imposes disproportionate burdens on vulnerable debtors, converts financial need into extractive profit, or separates gain from responsibility. The difficulty of defining and avoiding *ribā* in modern financial systems, as noted by Subhani and Maksum, should therefore not lead to a retreat into formalism. It should instead encourage a more rigorous ethical evaluation of financial structures, institutional incentives, and distributive consequences.³⁷

The principal implication is that *ribā* must be understood as a Qur'anic legal-ethical category that joins law, morality, and social critique. Its prohibition establishes a boundary against exploitative financial increase, but its deeper function is to discipline economic power through justice, compassion, and accountability. This finding contributes to Qur'anic legal studies by showing that *ribā* is not merely a rule of transactional law; it is a moral critique of financial relations that produce domination, vulnerability, and unjust accumulation.

The Tension between Formal *Shari'ah* Compliance and Substantive Qur'anic Justice in Islamic Finance

The central conceptual argument of this sub-section is that contemporary Islamic finance reveals a persistent tension between formal *Shari'ah* compliance, which validates contractual structure, and substantive Qur'anic justice, which evaluates the moral-economic consequences of financial practice. This tension does not invalidate Islamic finance as an ethical project, but it challenges the assumption that the avoidance of explicit interest is sufficient to realize the Qur'anic purpose behind the prohibition of *ribā*. The problem is therefore not merely technical or regulatory; it concerns the deeper relationship between legal form, economic substance, and Qur'anic moral accountability.

Contemporary data illustrate the scale of this issue. The Islamic Financial Services Board reported that global Islamic financial services assets reached USD 3.38 trillion in 2023, increasing from USD 3.25 trillion in 2022. Islamic banking accounted for USD 2.37

³³ M Maksum and N Hidayah, "The Mechanism of Avoiding Riba in Islamic Financial Institutions: Experiences of Indonesia and Malaysia," *Juris: Jurnal Ilmiah Syariah* 22, no. 2 (2023): 235–44, <https://doi.org/10.31958/juris.v22i2.6952>.

³⁴ Mohammad Hashim Kamali, *Shari'ah Law: An Introduction* (Oxford: Oneworld, 2008).

³⁵ Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law*.

³⁶ Omar Farooq, "Exploitation, Profit and the Riba-Interest Reductionism."

³⁷ Subhani, "Structural Compliance of Islamic Finance with Qur'anic Exegesis"; Maksum and Hidayah, "The Mechanism of Avoiding Riba in Islamic Financial Institutions: Experiences of Indonesia and Malaysia."

trillion, or 70.21% of total assets, followed by outstanding *sukūk* at USD 850 billion, Islamic funds at USD 132.29 billion, and Islamic insurance contributions at USD 24.05 billion.³⁸ This institutional expansion confirms the global maturity of Islamic finance, yet it also shows that the industry remains heavily concentrated in banking and capital-market instruments where debt-based structures are prominent. IFSB's observation that dominant Islamic banking contracts are often debt-based, with assets in some structures held only briefly, sharpens the conceptual problem: formal avoidance of *ribā* may coexist with financial mechanisms that approximate the economic logic of debt capitalism.³⁹

The clearest example is commodity *murābahah* or *tawarruq*. In principle, *tawarruq* is structured through sale contracts: a commodity is purchased and sold on deferred payment, then liquidated to generate cash. Formally, this differs from an interest-bearing loan. Substantively, however, its functional outcome may resemble conventional credit: liquidity is obtained today in exchange for a higher deferred payment. This is why *tawarruq* remains attractive to Islamic banks as a low-risk liquidity instrument, yet continues to face legal, operational, and *Shari'ah* scrutiny.⁴⁰ The same concern applies to *murābahah*, which is widely used because of its contractual clarity and predictable return, but is often criticized for resembling interest-based credit when reduced to a cost-plus financing device detached from genuine trade risk.⁴¹

This finding refines the theory of *Shari'ah* compliance. Usmani and Ayub correctly emphasize that Islamic finance requires valid contractual forms, clear ownership, lawful assets, and identifiable risk.⁴² Without such legal form, Islamic financial practice would lack juridical discipline. Yet *Qur'anic* legal ethics indicates that form is necessary but not sufficient. The *Qur'anic* rejection of the claim that *bay'* is equivalent to *ribā* in Q. al-Baqarah 2:275 implies that the legitimacy of exchange depends not only on its formal label but on whether it avoids exploitative gain. Thus, a transaction framed as sale must still be assessed according to whether it embodies the ethical substance of *bay'* or reproduces the economic function of *ribā*.

This argument supports and extends the critique of “form over substance” in Islamic finance. Abu Bakar and Mansoor identify organised *tawarruq*, asset-based *sukūk*, and asset-light *sukūk* as examples in which contractual form may be satisfied while *Shari'ah* objectives remain under-realized.⁴³ El-Gamal's concept of “*Shari'ah* arbitrage” is equally relevant: some products achieve Islamic legitimacy by restructuring conventional financial outcomes into formally acceptable contracts.⁴⁴ Asutay deepens this critique by distinguishing the ethical aspirations of Islamic moral economy from the market-driven realities of Islamic finance.⁴⁵ Recent scholarship similarly argues that the form-substance

³⁸ Board, “Islamic Financial Services Industry Stability Report 2024.”

³⁹ Board.

⁴⁰ N Ibrahim and S Mohd Sopian, “Does Tawarruq Still Remain the Top Option for Islamic Home Financing (IHF) Products in Malaysia?” *Qualitative Research in Financial Markets* 15, no. 1 (2023): 160–89, <https://doi.org/10.1108/QRFM-07-2021-0118>; A Muneeza et al., “House Financing: Contracts Used by Islamic Banks for Finished Properties in Malaysia,” *Journal of Islamic Accounting and Business Research* 11, no. 1 (2020): 168–78, <https://doi.org/10.1108/JIABR-04-2017-0057>.

⁴¹ B Khalidin, A Musa, and A Kiawan, “Murabaha Financing Of The Indonesian Islamic Banks Under An Islamic Economic Law And The Fatwa Dsn Mui,” *Petita: Jurnal Kajian Ilmu Hukum Dan Syariah* 8, no. 2 (2023): 203–18, <https://doi.org/10.22373/petita.v8i2.238>; C Ibrahim, *Women and Gender in the Qur'an, Women and Gender in the Qur'an*, 2021, <https://doi.org/10.1093/oso/9780190063818.001.0001>; V Nienhaus, “Islamic Finance Ethics and Shari'ah Law in the Aftermath of the Crisis: Concept and Practice of Shari'ah Compliant Finance,” *Ethical Perspectives* 18, no. 4 (2011): 591–623, <https://doi.org/10.2143/EP.18.4.2141849>.

⁴² Usmani, *An Introduction to Islamic Finance*; Ayub, *Understanding Islamic Finance*.

⁴³ Mohd Abu Bakar and Rubina Mansoor, *Form and Substance in Islamic Finance: From the Perspective of Islamic Law of Contract, Haḥara Islamicus*, vol. 9, 2018.

⁴⁴ El-Gamal, *Islamic Finance: Law, Economics, and Practice*.

⁴⁵ Asutay, “Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy versus the Realities of Islamic Finance.”

gap emerges when Islamic products replicate conventional finance while maintaining only superficial conformity to Islamic legal rules.⁴⁶

The tension is also visible in *ṣukūk*. *Ṣukūk* are central to the growth of Islamic capital markets and offer an alternative to conventional bonds, yet their ethical status depends on whether they are genuinely asset-backed, risk-sharing, and connected to real economic activity. Problems of low secondary-market liquidity, insufficient standardization, regulatory fragmentation, and limited cross-border compatibility may weaken their alignment with *maqāṣid al-sharī'ah*.⁴⁷ These concerns show that the issue is not confined to retail banking products; it extends to global Islamic capital markets, where the demand for tradability, ratings, and investor certainty can pressure *ṣukūk* structures toward bond-like economic effects.

The theoretical implication is the need to distinguish formal *Shari'ah* compliance from substantive Qur'anic compliance. Formal compliance asks whether the *rukun*, conditions, ownership transfers, and contractual sequence are valid. Substantive Qur'anic compliance asks whether the transaction prevents *zulm*, distributes risk fairly, protects vulnerable parties, links profit to real economic value, and advances *maṣlahah*. This second level is not external to *Shari'ah*; it is grounded in the Qur'anic moral logic of *ribā* prohibition and in *maqāṣid al-sharī'ah*. Hence, proposals to integrate *maqāṣid* more deeply into product design, reformulate *murābahah* and *tawarruq*, strengthen *Shari'ah* governance, standardize *ṣukūk* structures, and introduce ethical ratings represent not peripheral reforms but conceptual necessities.⁴⁸

This does not require abandoning Islamic finance's existing legal architecture. Rather, it requires expanding its evaluative criteria. More participatory instruments such as *mushārahah mutanāqisah* and *istijrār* financing have been proposed as alternatives that may reduce reliance on debt-based products and strengthen risk-sharing, partnership, and ethical accountability.⁴⁹ Their significance lies not in replacing every instrument, but in demonstrating that Islamic finance can move from contract mimicry toward moral differentiation. Thus, the core theoretical contribution of this finding is to show that Islamic finance must be assessed through a dual lens: juridical validity and Qur'anic justice. A product may be formally *Shari'ah*-compliant yet normatively deficient if it reproduces the exploitative economic logic that *ribā* prohibition seeks to overcome.

***Ribā*, Debt-Based Finance, and Global Capitalism: A Qur'anic Critique of Asymmetric Risk Distribution**

The central comparative argument of this sub-section is that the Qur'anic critique of *ribā* converges with, but also normatively deepens, contemporary political-economic

⁴⁶ Khalidin, Musa, and Kiawan, "Murabaha Financing Of The Indonesian Islamic Banks Under An Islamic Economic Law And The Fatwa Dsn Mui"; Nienhaus, "Islamic Finance Ethics and Shari'ah Law in the Aftermath of the Crisis: Concept and Practice of Shari'ah Compliant Finance"; Ibrahim, *Women and Gender in the Qur'an*.

⁴⁷ B S Yahuza, "A Book Review on *Ṣukūk: Principles and Practices* Beebee Salma Sairally & Marjan Abdullah International Shariah Research Academy for Islamic Finance (ISRA), 1st Edition, 2018," *Journal of King Abdulaziz University, Islamic Economics* 35, no. 2 (2022): 117–26, <https://doi.org/10.4197/Islec.35-2.7>; L Kuanova, G Kenzhegulova, and A Akhmetkyzy, "Research Trends In Sukuk Studies: A Bibliometric Analysis Of Global Academic Publications," *Investment Management and Financial Innovations* 22, no. 2 (2025): 338–53, [https://doi.org/10.21511/imfi.22\(2\).2025.27](https://doi.org/10.21511/imfi.22(2).2025.27); A J Baita, U H Umar, and D Masyita, "Sukuk, Banking Attributes and Islamic Financial Development," *International Journal of Social Economics*, 2025, 1–14, <https://doi.org/10.1108/IJSE-12-2024-0998>.

⁴⁸ R Sheikh and K Hussain, "Reimagining Islamic Banking in the Light of Maqasid Shariah," *Qualitative Research in Financial Markets* 17, no. 5 (2025): 1113–34, <https://doi.org/10.1108/QRFM-04-2024-0108>; Baita, Umar, and Masyita, "Sukuk, Banking Attributes and Islamic Financial Development"; Kuanova, Kenzhegulova, and Akhmetkyzy, "Research Trends In Sukuk Studies: A Bibliometric Analysis Of Global Academic Publications."

⁴⁹ E Smolo and M Kabir Hassan, "The Potentials of Mushārahah Mutanāqisah for Islamic Housing Finance," *International Journal of Islamic and Middle Eastern Finance and Management* 4, no. 3 (2011): 237–58, <https://doi.org/10.1108/17538391111166476>; M H Rahman and N.M.S.I. Chowdhury, "The Prospects of Istijrār Financing in Islamic Banking: An Exploratory Study in Bangladesh," *Qualitative Research in Financial Markets* 16, no. 1 (2024): 135–58, <https://doi.org/10.1108/QRFM-10-2022-0173>.

critiques of financialized capitalism by identifying asymmetric risk distribution as a moral problem rather than merely a structural market outcome. Previous scholarship on financialization has shown that modern capitalism increasingly privileges financial accumulation over productive activity. Krippner defines financialization as a pattern of accumulation in which profits are increasingly generated through financial channels rather than through trade and commodity production.⁵⁰ Similarly, Sawyer and Chesnais argue that financialization marks the dominance of financial accumulation over productive accumulation, allowing capital to function increasingly as property, claim, and rent rather than as a productive force.⁵¹ Rochon pushes this critique further by describing the transition from a Keynesian production economy to a predatory form of financial capitalism.⁵² The present study confirms this critique but reframes it through *Qur'anic* legal ethics: the problem is not only that finance has become detached from production, but that financial gain can become detached from moral responsibility, risk-bearing, and social accountability.

This *Qur'anic* reframing becomes especially clear in Q. al-Baqarah 2:279–280. The verse “you shall not wrong, nor shall you be wronged” establishes a principle of reciprocal justice in creditor–debtor relations, while the following verse instructs creditors to grant respite to debtors in hardship. These verses challenge the assumption that debt is a morally neutral contract between formally equal parties. They instead treat debt as a relation vulnerable to domination when one party controls liquidity and the other bears distress. In this sense, the study refines the political-economic literature on debt. Thorgeirsdottir and Guérin argue that debt operates as a mechanism of control that produces subordinate debtor subjects and perpetuates dependency.⁵³ The *Qur'anic* discourse on *ribā* confirms this insight, yet it adds a normative criterion absent from much secular political economy: financial obligation becomes unjust when it permits one party to secure gain from another’s vulnerability without proportional responsibility.

This finding also extends scholarship on *Islamic* moral economy. Chapra places justice and social welfare at the center of *Islamic* economics,⁵⁴ while Iqbal and Mirakhor identify risk sharing as a defining distinction between *Islamic* and conventional finance.⁵⁵ The present study supports these claims but complicates their institutional application. *Islamic* finance does not automatically realize risk-sharing simply by avoiding interest, especially when its dominant instruments remain debt-based. The IFSB notes that credit risk in *Islamic* banks arises when recipients of fixed-rate financing, such as *murabahah* or *ijarah*, fail to pay, and that the risk treatment in such cases may resemble conventional banking because dominant contracts are debt-based.⁵⁶ This evidence indicates that certain *Islamic* financial structures may redistribute risk in ways that protect institutional margins while transferring repayment pressure to clients. The problem is therefore not the legal existence of *murabahah*, *ijarah*, *salam*, or *istisnā'* as such, but their systemic use to produce secured returns without substantive risk participation.

⁵⁰ Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance*.

⁵¹ M Sawyer, “The Processes of Financialisation and Economic Performance,” *Economic and Political Studies* 5, no. 1 (2017): 5–20, <https://doi.org/10.1080/20954816.2016.1274523>; F Chesnais, “Financialization and the Impasse of Capitalism,” *Japanese Political Economy* 45, no. 1–2 (2019): 81–103, <https://doi.org/10.1080/2329194X.2019.1612255>.

⁵² L.-P. Rochon and S Rossi, “Has ‘It’ Happened Again?,” *International Journal of Political Economy* 39, no. 2 (2010): 5–9, <https://doi.org/10.2753/IJP0891-1916390201>.

⁵³ S Thorgeirsdottir, “Dependency and Emancipation in the Debt-Economy: Care-Ethical Critique of Contractarian Conceptions of the Debtor-Creditor Relation,” *Hypatia* 30, no. 3 (2015): 564–79, <https://doi.org/10.1111/hypa.12157>; I Guérin and G Venkatasubramanian, “The Socio-Economy of Debt. Revisiting Debt Bondage in Times of Financialization,” *Geoforum* 137 (2022): 174–84, <https://doi.org/10.1016/j.geoforum.2020.05.020>.

⁵⁴ M Umer Chapra, *Islam Dan Tantangan Ekonomi* (Jakarta: Gema Insani Press, 2000).

⁵⁵ Mirakhor and Iqbal, *An Introduction to Islamic Finance: Theory and Practice*.

⁵⁶ Board, “*Islamic* Financial Services Industry Stability Report 2024.”

The study further engages debates on global debt and financial instability. Öncü and Nesvetailova show that debt-driven capitalism is structurally unstable, with crises often emerging from neoliberal financial regimes.⁵⁷ Baroni and Claessens likewise demonstrate that financial markets transfer and commodify risk through instruments such as derivatives, which may hedge exposure but can also intensify systemic vulnerability, as seen in the 2008 crisis. From the perspective of Qur'anic legal ethics, this literature illuminates why *ribā* cannot be reduced to a narrow debate over interest rates.⁵⁸ *Ribā* names a deeper ethical danger: the transformation of financial claims into mechanisms that detach gain from liability and convert risk into a burden carried by weaker actors. The Qur'anic insistence on non-oppression therefore offers a normative critique of systems in which profit is privatized while risk is dispersed across households, workers, consumers, and states.

Recent studies on labor and corporate financialization sharpen this point. López-Gaitán argues that financialization has reshaped employment relations by prioritizing short-term financial returns over workers' rights, job security, and labor conditions.⁵⁹ Chappe adds that financialization intensifies inequality by concentrating profits among elites while dispersing risk to workers.⁶⁰ Peng similarly shows that non-financial firms increasingly allocate resources to financial assets, reflecting a shift from productive investment toward speculative or liquidity-oriented activity.⁶¹ These studies broaden the scope of the *ribā* discussion beyond banking. If *ribā* is interpreted as a Qur'anic critique of unjust financial increase, then its relevance extends to wider capitalist mechanisms through which capital extracts returns while displaced risk is borne by socially weaker groups.

The same logic appears in regional and gendered studies of debt. Rogers shows that predatory lending practices, including microfinance in Cambodia, may disproportionately affect women through asset seizures, land dispossession, and coerced labor or exploitation.⁶² Bonizzi argues that emerging capitalist economies occupy subordinate positions in global finance, limiting their policy agency while intensifying value extraction.⁶³ These findings are highly relevant to the Qur'anic treatment of *ribā* because they demonstrate that debt-based exploitation is rarely abstract; it is embodied in gendered, regional, and class-based vulnerability. The Qur'anic command to relieve debtors in hardship therefore should not be read as a private virtue alone, but as a legal-ethical principle capable of interrogating institutionalized debt dependency.

This sub-section also challenges product-centered approaches within Islamic finance scholarship. Asutay argues that contemporary Islamic finance often falls short of

⁵⁷ T S Öncü, "Debts That Cannot Be Paid Will Not Be," *Economic and Political Weekly* 52, no. 28 (2017): 10–11, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85024125170&partnerID=40&md5=773b4f54888ee28bdbad856874f6c7b1>; A Nesvetailova, "United in Debt: Towards a Global Crisis of Debt-Driven Finance?," *Science and Society* 69, no. 3 (2005): 396–419, <https://doi.org/10.1521/isis.69.3.396.66527>.

⁵⁸ M Baroni, "Financial Markets: A Tool for Transferring and Managing Risk?," in *Ethical Economy*, vol. 41, 2012, 153–64, https://doi.org/10.1007/978-94-007-2990-2_11.

⁵⁹ P López-Gaitán and G Gouzoulis, "Financialisation and Work: Disconnected Capitalism, New Corporate Governance, and the Future of Labour Militancy," in *Handbook on the Sociology of Work*, 2025, 2–16, <https://doi.org/10.4337/9781035302376.00007>.

⁶⁰ R Chappe, "Financialization, Earnings Volatility, and Firm Turbulence in the Risk Society," *International Review of Applied Economics* 39, no. 6 (2025): 904–18, <https://doi.org/10.1080/02692171.2024.2333328>.

⁶¹ Y Peng et al., "Short-Term Relief or Long-Term Risk? The Impact of Financial Asset Allocation on Corporate Risk in China's Construction and Manufacturing Firms," *Journal of Asian Architecture and Building Engineering*, 2025, <https://doi.org/10.1080/13467581.2025.2527978>.

⁶² S Rogers, "The Dark Side of Microfinance: Predatory Lending, Violence against Women, and Modern Slavery," in *Using Womens Economic Empowerment to Combat Intimate Partner Violence*, 2026, 172–84, <https://doi.org/10.4324/9781003659532-20>.

⁶³ B Bonizzi, A Kaltenbrunner, and J Powell, "Financialised Capitalism and the Subordination of Emerging Capitalist Economies," *Cambridge Journal of Economics* 46, no. 4 (2022): 651–78, <https://doi.org/10.1093/cje/beac023>; B Bonizzi, A Kaltenbrunner, and J Powell, "Uneven Development, Financialised Capitalism and Subordination," in *A Modern Guide to Uneven Economic Development*, 2023, 332–47, <https://doi.org/10.4337/9781788976541.00025>.

the aspirations of Islamic moral economy, tending instead toward market competitiveness and formal compliance.⁶⁴ The present study confirms Asutay's critique but extends it by grounding the argument in Qur'anic legal ethics. The issue is not only that Islamic finance has drifted from moral economy; it is that the Qur'anic prohibition of *ribā* provides a specific normative grammar for diagnosing that drift. Concepts such as *ẓulm*, debt relief, proportional entitlement, and risk responsibility allow scholars to evaluate whether a financial practice merely avoids interest or genuinely resists exploitative accumulation.

This study occupies a distinctive position between Islamic legal scholarship and critical political economy. It confirms the political-economic critique that financialization, debt dependency, and risk transfer are central features of global capitalism, but it refines that critique by interpreting them through the Qur'anic legal-ethical logic of *ribā*. In this framework, *ribā* is not simply a prohibited contractual excess; it is a moral category for judging economic systems that protect capital while exposing vulnerable actors to disproportionate risk.

Toward a Substantive Qur'anic-Ethical Framework for Evaluating Islamic Finance

The broader significance of this study lies in its proposal that Islamic finance should be evaluated not only through the juridical validity of contracts, but through a substantive Qur'anic-ethical framework capable of assessing justice, risk, accountability, and social consequence. This framework does not reject the importance of *akad*, *Shari'ah* standards, or institutional compliance; rather, it argues that formal compliance must be normatively completed by an inquiry into whether financial practices embody the ethical purposes of Qur'anic law. In this sense, the study contributes to Qur'anic legal studies by repositioning *ribā* as an interpretive gateway for examining how divine legal norms operate within modern economic institutions.

The proposed framework rests on three interrelated foundations. The first is the Qur'anic discourse on *ribā*, especially Q. al-Baqarah 2:275–280, which establishes the distinction between *bay'* and *ribā*, prohibits exploitative increase, commands the abandonment of remaining *ribā*, affirms the principle of *anti-ẓulm*, and requires compassion toward debtors in hardship. The second is the tradition of *uṣūl al-fiqh* and *maqāṣid al-shari'ah*, which understands law as an instrument for realizing *maṣlaḥah* and preventing *mafsadah*. The third is contemporary documentary evidence from Islamic finance institutions, particularly IFSB and AAOIFI, which shows the industry's effort to formalize *Shari'ah* governance while also revealing the need for deeper moral evaluation. AAOIFI's standards on contracts such as *murabahah*, *ijarah*, *musharakah*, *muḍārabah*, *tawarruq*, and *sukūk* provide institutional certainty, but certainty of procedure does not automatically secure justice of outcome.⁶⁵

This finding strengthens *maqāṣid*-based scholarship while also clarifying its methodological limits. Chapra argues that Islamic economics must be directed toward justice and welfare,⁶⁶ while Auda develops *maqāṣid* as a systems-oriented approach capable of addressing complex institutions.⁶⁷ Recent studies similarly link substantive justice in Islamic finance to the preservation of fundamental human interests, including life, intellect, wealth, and dignity.⁶⁸ However, this article adds that *maqāṣid* analysis must remain textually

⁶⁴ Asutay, "Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy versus the Realities of Islamic Finance."

⁶⁵ Accounting and Auditing Organization for Islamic Financial Institutions, "Shari'ah Standards, Standard No. 30 on Tawarruq" (Manama: AAOIFI, 2015).

⁶⁶ M U Chapra, *The Future of Economics: An Islamic Perspective* (Leicester: Islamic Foundation, 2000).

⁶⁷ Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law*.

⁶⁸ A As-Salafiyah, M M Ali, and A S Rusydiana, "Beyond Profit: Maqāṣid Al-Shari'ah in Islamic Finance Through Partnership Contracts ('Uqūd Al-Ishṭirāk)," in *Contributions to Economics*, vol. Part F858, 2025, 175–94, https://doi.org/10.1007/978-981-96-8650-6_9; M O Rafique and K M Raza, "Islamic Green Finance: A Marriage of

anchored in the Qur'anic moral structure of *ribā*. Without this anchoring, *maqāsid* risks becoming an abstract ethical vocabulary that is too general to critique specific financial products, risk structures, or institutional incentives.

The framework also has implications for risk-sharing theory in Islamic finance. The literature often presents risk-sharing as a central marker of Islamic finance, especially through participatory contracts such as *mushārah* and *muḍārah*.⁶⁹ Rizvi further argues that risk-sharing mechanisms can support productive economic activity, reduce excessive lending, enhance financial stability, and promote socio-economic justice.⁷⁰ The present study accepts this normative claim but argues that risk-sharing should not remain a slogan of Islamic finance theory. It must become an evaluative criterion: a product should be judged by whether profit is genuinely connected to risk-bearing, real economic activity, and shared responsibility. This criterion is crucial because the moral limit of Islamic finance begins precisely where risk is transferred to weaker parties while profit is secured by stronger institutions.

Ethical accountability is another major implication of the proposed framework. Islamic finance already contains formal mechanisms of accountability through *Shari'ah* governance, including *Shari'ah* Supervisory Boards, internal review, external audit, and contract standardization. These structures are intended to prevent prohibited practices such as *ribā*, *gharar*, and *maysir* while promoting transparency, fairness, and legal-moral discipline.⁷¹ Yet the findings of this study suggest that ethical accountability cannot be limited to ex ante approval of contracts. It must also include ex post evaluation of social impact, debtor protection, distributive effects, and the degree to which a product contributes to or mitigates economic vulnerability. In this respect, *Shari'ah* governance should evolve from compliance certification toward moral performance assessment.

The concept of moral limits is especially important for contemporary Islamic finance because not every formally permissible innovation is necessarily consistent with Qur'anic justice. *Shari'ah*-compliant finance restricts exploitative practices, excessive uncertainty, gambling, and imprudent speculation, while also emphasizing prudent risk management.⁷² The *maqāsid* framework reinforces these limits through *maṣlahah* and *sadd al-dharā'i*, ensuring that financial activity remains aligned with public interest and harm prevention.⁷³ This means that the moral legitimacy of Islamic finance must be assessed through a double test: whether the contract is formally valid and whether its social effects

Ethics and Environmental Responsibility in Light of Maqasid Al-Shari'ah," in *Islamic Green Finance: Towards Ethical and Environmentally Responsible Investing*, 2025, 3–19, <https://doi.org/10.4324/9781003540403-2>; M K Hassan and R N Kayed, "The Global Financial Crisis, Risk Management And Social Justice In Islamic Finance," *ISRA International Journal of Islamic Finance* 1, no. 1 (2009): 33–58, <https://doi.org/10.55188/ijif.v1i1.63>.

⁶⁹ As-Salafiyah, Ali, and Rusydiana, "Beyond Profit: Maqāsid Al-Shari'ah in Islamic Finance Through Partnership Contracts ('Uqūd Al-Ishtirāk);" Z Hasan, "Risk Sharing Versus Risk Transfer In Islamic Finance: A Critical Appraisal," *ISRA International Journal of Islamic Finance* 7, no. 1 (2015): 7–24, <https://doi.org/10.12816/0021394>; A Kaddour et al., "Profit-Loss Sharing Principle: The Strategic Answer of Solidarity in Islamic Finance," in *COVID-19 and Islamic Social Finance*, 2021, 225–37, <https://doi.org/10.4324/9781003121718-19>.

⁷⁰ S A R Rizvi and S Arshad, "Stabilising Economic Growth through Risk Sharing Macro Instruments," *World Economy* 41, no. 3 (2018): 781–800, <https://doi.org/10.1111/twec.12513>.

⁷¹ B Alatassi and R Pillai, "Corporate Governance and Risk Management: An Evaluation of Board Responsibilities in Western and Islamic Banks," *Economics and Business Review* 10, no. 1 (2024): 125–52, <https://doi.org/10.18559/eb.2024.1.1004>; S Hamid, "Drawing a Synergy between Theory and Practice – A Move towards a More Stakeholder-Oriented Regulatory Framework for Modern Islamic Finance Institutions: A Comparative Analysis," in *Asian Yearbook of Human Rights and Humanitarian Law*, vol. 2, 2018, 117–47, https://doi.org/10.1163/9789004346888_005.

⁷² As-Salafiyah, Ali, and Rusydiana, "Beyond Profit: Maqāsid Al-Shari'ah in Islamic Finance Through Partnership Contracts ('Uqūd Al-Ishtirāk);" O I Bacha, "Risk Management, Derivatives and Shariah Compliance," in *AIP Conference Proceedings*, vol. 1522, 2013, 17–28, <https://doi.org/10.1063/1.4801099>.

⁷³ Z M O Channak and Y J Amuda, "Legitimacy And Legitimation: A Comparative Analysis Of Islamic Law And European Standards Through The Lens Of Sdg 16," *Access to Justice in Eastern Europe* 9, no. 1 (2026): 263–91, <https://doi.org/10.33327/AJEE-18-9.1-a000180>; Sheikh and Hussain, "Reimagining Islamic Banking in the Light of Maqasid Shariah."

are consistent with the Qur'anic objectives of justice, protection, and ethical circulation of wealth.

This double test opens new possibilities for interdisciplinary scholarship. In Qur'anic studies, it encourages interpreters to examine economic verses not only through lexical and historical analysis, but also through their institutional implications in modern finance. In Islamic legal studies, it calls for a closer integration between *fiqh al-mu'āmalāt*, *maqāṣid* reasoning, and socio-economic critique. In Islamic finance research, it provides a framework for empirically evaluating whether products such as *murābahah*, *tawarruq*, *musharakah*, *ṣukūk*, and Islamic microfinance meet the standards of *anti-zulm*, risk-responsibility alignment, real economic linkage, debt compassion, and social distributive impact.

The framework is also relevant to wider debates on sustainability, governance, and social justice. Recent studies show that *maqāṣid al-sharī'ah* has been applied to environmental sustainability, social justice, governance, and the Sustainable Development Goals.⁷⁴ Islamic green finance, including *ṣukūk* for reforestation and renewable energy, illustrates how *maqāṣid* principles may address ecological and intergenerational equity.⁷⁵ Corporate governance research similarly shows that Islamic banks can integrate ethical accountability through *zakat*, charitable funds, and social responsibility mechanisms.⁷⁶ Even studies on restorative justice demonstrate that *maqāṣid* can orient legal systems toward rehabilitation and social reintegration rather than merely punitive outcomes.⁷⁷ These applications confirm that *maqāṣid* is not confined to financial law, but the present study insists that, in Islamic finance, *maqāṣid* must be operationalized through concrete evaluative indicators rather than invoked as a general moral aspiration.

Proposes five substantive indicators for evaluating Islamic finance: *anti-zulm*, risk-responsibility alignment, real economic linkage, debt compassion, and social distributive impact. These indicators do not replace classical *fiqh* requirements; they supplement them by asking whether legally valid contracts produce morally defensible outcomes. The broader intellectual contribution of this framework is that it bridges textual interpretation, Islamic legal theory, and contemporary finance without collapsing one field into another. It shows that *ribā* is not merely a doctrine of prohibition, but a Qur'anic principle for judging the moral boundaries of finance under modern capitalism.

Conclusion

This article has reassessed *ribā* through the lens of Qur'anic legal ethics to examine the moral limits of Islamic finance under global capitalism. The study answers its main objectives by demonstrating that *ribā* cannot be adequately understood as a merely technical prohibition of interest-bearing transactions. Rather, *ribā* functions as a Qur'anic legal-ethical category that criticizes exploitative debt relations, unjust accumulation, asymmetrical risk transfer, and financial practices that undermine social justice. The

⁷⁴ Rafique and Raza, "Islamic Green Finance: A Marriage of Ethics and Environmental Responsibility in Light of Maqasid Al-Shari'ah"; Channak and Amuda, "Legitimacy And Legitimation: A Comparative Analysis Of Islamic Law And European Standards Through The Lens Of Sdg 16."

⁷⁵ Rafique and Raza, "Islamic Green Finance: A Marriage of Ethics and Environmental Responsibility in Light of Maqasid Al-Shari'ah."

⁷⁶ A Soediro, M Kusumawardani, and M A Kasyfillah, "From Accounting to Trust: How Islamic Worldview Strengthens Financial Performance in Islamic Microfinance," *International Review of Management and Marketing* 16, no. 3 (2026): 233–43, <https://doi.org/10.32479/irmm.22701>; V Brescia, M Cane, and M Campra, "Corporate Social Responsibility and Diversity Management in Islamic Banking: A Bibliometric and Content Analysis With a Western Comparative Perspective," *Business Strategy and Development* 8, no. 4 (2025), <https://doi.org/10.1002/bsd2.70261>.

⁷⁷ A Mashdurohatun et al., "Contemporary Reassessment of Punishment in Islamic Sharia and Secular Law: A Comparative Study of Justice and Penal Philosophy," *MILRev: Metro Islamic Law Review* 5, no. 1 (2026): 80–100, <https://doi.org/10.32332/milrev.v5i1.11887>; I Waris et al., "Reframing Public Policy on Narcotic Case Dismissals: Integrating Maqasid Al-Shari'ah and Restorative Justice in the Contemporary Era," *MILRev: Metro Islamic Law Review* 4, no. 1 (2025): 566–96, <https://doi.org/10.32332/milrev.v4i1.10579>.

Qur'anic discourse on *ribā*, particularly in Q. al-Baqarah 2:275–280, shows that the prohibition is closely linked to *anti-zulm*, protection of debtors, ethical circulation of wealth, and the demand that financial gain remain accountable to justice.

The principal finding of this study is that contemporary Islamic finance faces a serious tension between formal *Shari'ah* compliance and substantive Qur'anic justice. Islamic finance has successfully developed contracts, standards, and institutional mechanisms that avoid explicit interest and establish *Shari'ah*-compliant financial products. However, the dominance of debt-based instruments, including *murabahah*, *tawarruq*, and certain *sukūk* structures, shows that formal avoidance of *ribā* does not automatically guarantee moral differentiation from conventional finance. A product may be legally valid in form but ethically insufficient if it reproduces the logic of debt dependency, secured returns, and unequal risk allocation.

The theoretical contribution of this article lies in its integrative framework. By combining Qur'anic legal ethics, *maqāsid al-shari'ah*, and critical political economy, the study shows that *ribā* should be treated not only as a rule of Islamic commercial law but also as a critical concept for evaluating modern financial systems. This approach expands Qur'anic legal studies by connecting textual interpretation with contemporary economic realities. It also contributes to Islamic finance scholarship by proposing that *Shari'ah* compliance should be assessed through two levels: juridical validity and substantive ethical impact.

The broader implication is that Islamic finance can only claim ethical distinctiveness if it moves beyond minimal interest avoidance toward justice-oriented financial practice. This requires stronger attention to anti-exploitation, risk-responsibility alignment, real economic linkage, debtor protection, transparency, and social distributive impact. Future research may develop this framework empirically by examining specific Islamic banking products, *sukūk* structures, *Shari'ah* governance practices, or Islamic social finance instruments such as *zakat*, *waqf*, and *qard hasan*. Such studies would help determine whether Islamic finance, in practice, realizes the Qur'anic moral objectives that underlie the prohibition of *ribā*.

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